Memorandum

To: (property manager)
From: (management company)
Date:
Re: Guidance on Government Shutdown and Possible Resident Issues

As you are probably aware, the U.S. Government entered a partial shutdown at midnight on Saturday, Dec. 22. The shutdown is now in its second week and almost 800,000 people are either furloughed or working without pay. Though apartment owners and operators cannot allow impacted residents to live rent-free, this situation is unique and the apartment industry is committed to working with residents to bridge this difficult period.

As the shutdown continues it is important to be prepared to assist any residents who are government employees and may have difficulty in meeting their financial obligations. The federal Office of Personnel Management has provided draft communications for federal employees to use with creditors, mortgage companies and landlords requesting a reduction in their monthly payments.

A few things to bear in mind when working with federal employees who are residents and impacted by the partial federal shutdown:

*The length of the partial federal government shutdown is completely unknown and dependent on political factors outside the control of impacted federal employees. Whatever arrangement you make with impacted residents should acknowledge this unknown.

*Traditionally, federal employees impacted by a shutdown receive lost back pay at some point once the government reopens.

*There are numerous options for owner/operators to use in working with impacted residents. Waiving late fees and accepting partial payments during the period of the shutdown can be helpful to residents in the short-term with full payment expected once the federal government reopens and workers have received their back pay.

*It is important to document all agreements or arrangements with impacted residents in writing. NAA has prepared the following letter to assist in drafting a written record of agreements.

If you have any questions or need further assistance, please contact (Mgmt Co. Name).