

# TRACS 202D

By OHCS HUD Contract Administration

# TIMELINE

- August 1, 2014 = TRACS and Contract Administrators (CA) implement 202D
- August 1, 2014 – January 31, 2015 = Owners/Agents (O/A) implement 202D
- February 1, 2015= Full Implementation – No TRACS 202C files will be accepted on this date

# Implementation Period

- CA Software will accept and process both 202C and 202D files.
- Paper and electronic vouchers will be required during this period.
- CAs will have the authority to eliminate the paper requirement at any point during the implementation period if there are no issues.
- After the implementation period, only electronic records will be required.

# IMPORTANT TO REMEMBER

Changes and enforcement of 202D begins the earlier of:

- O/A changes software to 202D

# To Download TRACS 202D MAT Guide go to [TRACS Documents](#)

Once in TRACS Documents select 202D MAT Guide

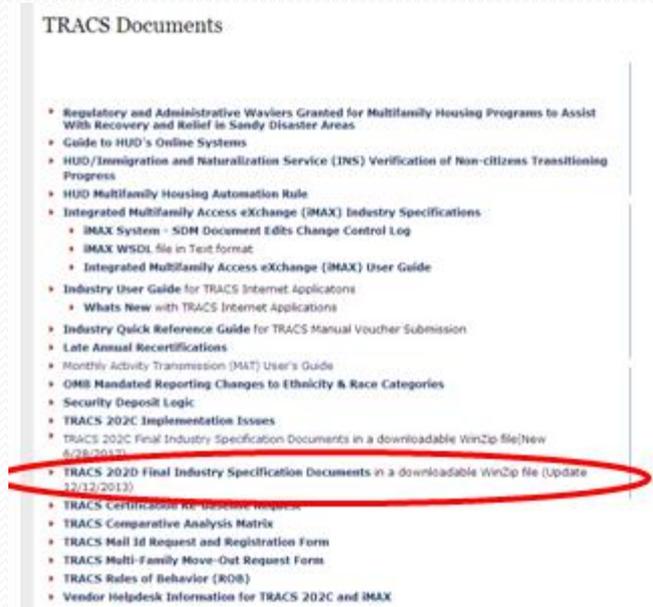
HUD > Program Offices > Housing > Multifamily > TRACS > Multifamily Housing - TRACS Documents

## TRACS Documents

- ▶ **Regulatory and Administrative Waviers Granted for Multifamily Housing Programs to Assist With Recovery and Relief in Sandy Disaster Areas**
- ▶ **Guide to HUD's Online Systems**
- ▶ **HUD/Immigration and Naturalization Service (INS) Verification of Non-citizens Transitioning Progress**
- ▶ **HUD Multifamily Housing Automation Rule**
- ▶ **Integrated Multifamily Access eXchange (iMAX) Industry Specifications**
  - ▶ **iMAX System - SDM Document Edits Change Control Log**
  - ▶ **iMAX WSDL file in Text format**
  - ▶ **Integrated Multifamily Access eXchange (iMAX) User Guide**
- ▶ **Industry User Guide for TRACS Internet Applications**
  - ▶ **Whats New with TRACS Internet Applications**
- ▶ **Industry Quick Reference Guide for TRACS Manual Voucher Submission**
- ▶ **Late Annual Recertifications**
- ▶ **Monthly Activity Transmission (MAT) User's Guide**
- ▶ **OMB Mandated Reporting Changes to Ethnicity & Race Categories**
- ▶ **Security Deposit Logic**
- ▶ **TRACS 202C Implementation Issues**
- ▶ **TRACS 202C Final Industry Specification Documents in a downloadable WinZip file (New 6/28/2012)**
- ▶ **TRACS 202D Final Industry Specification Documents in a downloadable WinZip file (Update 6/13/2014)**
- ▶ **202D Error MAT Chapters**
  - ▶ **202D MAT Guide**
  - ▶ **TRACS Certification Re-baseline Request**
  - ▶ **TRACS Comparative Analysis Matrix**
  - ▶ **TRACS Mail Id Request and Registration Form**
  - ▶ **TRACS Multi-Family Move-Out Request Form**
  - ▶ **TRACS Rules of Behavior (ROB)**
  - ▶ **Vendor Helpdesk Information for TRACS 202C and iMAX**

# To Download TRACS 202D Final Industry Specification Documents click on [HUD TRACS Documents](#)

Once in TRACS Documents select TRACS 202D Final Industry Specification Documents



\*\* All forms, spreadsheets, and MAT Guide references in this presentation can be found in the TRACS 202D Final Industry Specification Documents. \*\*

# Content

<a href="#">202D Monthly HAP Submissions</a> .....	10
Updated HAP request forms –	
• <a href="#">HUD-52670</a> .....	11
• <a href="#">HUD-52670-A part 3</a> .....	12
• <a href="#">HUD-52670-A part 6</a> .....	13
<a href="#">New Fields on HUD-52670-A part 6 Repayment Agreement</a> .....	15
• <a href="#">Examples of HUD-52670 A part 6 Repayment Agreement</a> .....	21
<a href="#">Revised Forms</a> .....	22
<a href="#">Updated and new spreadsheets</a> .....	23
<a href="#">New Appendices in TRACS User Guide</a> .....	27
<a href="#">New TRACS User Guide Chapter 7</a> .....	28
<a href="#">Changes on HUD-50059</a> .....	29
<a href="#">Changes on HUD-50059-A</a> .....	31
<a href="#">Acceptance of Certification Corrections</a> .....	32
<a href="#">New History Baseline Files</a> .....	33
<a href="#">Changes to MAT 15 Address Record</a> .....	34
<a href="#">Annual Certifications</a> .....	36
<a href="#">HAP Payments for Late Recertifications</a> .....	38
<a href="#">HAP Payments for Late Recertifications on Month 16</a> .....	39
<a href="#">New Miscellaneous Accounting Request Codes</a> .....	40
<a href="#">Repayment Agreements</a> .....	43
• <a href="#">Repayment Agreement Scenarios</a> .....	48
<a href="#">Recert Notices</a> .....	53

# Content (Continued)

## New or expanded fields and codes

• <a href="#">iMAX TRACS Mailbox ID</a> .....	54
• <a href="#">Owners DUNS Number</a> .....	54
• <a href="#">Parent Company DUNS Number</a> .....	55
• <a href="#">Owner Taxpayer Identification</a> .....	56
• <a href="#">Parent Company Taxpayer Identification</a> .....	56
• <a href="#">EIV Indicator</a> .....	57
• <a href="#">Previous Housing codes</a> .....	58
• <a href="#">Extenuating Circumstances Codes</a> .....	59
• <a href="#">Relationship codes</a> .....	62
• <a href="#">Eligibility Check Not Required</a> .....	64
• <a href="#">For Rehab</a> .....	66
• <a href="#">Special Status codes</a> .....	67
• <a href="#">Sex code values</a> .....	68
• <a href="#">SSN Exception to Disclosure Requirement</a> .....	69
• <a href="#">SSN Benefits Claim Number</a> .....	70
• <a href="#">Rent Override flag</a> .....	71
• <a href="#">TTP at RAD Conversion</a> .....	72
• <a href="#">TTP Before Override field</a> .....	73
• <a href="#">Secondary Subsidy Type Field</a> .....	74
• <a href="#">Correction Type for Move Outs</a> .....	74

# Content (Continued)

## New or expanded fields and codes (Continued)

• <a href="#">Move Out codes</a> .....	75
• <a href="#">Description Field for Move Outs</a> .....	76
• <a href="#">Termination codes</a> .....	77
• <a href="#">Description Field for Terminations</a> .....	78
• <a href="#">Correction Type for Terminations</a> .....	79
• <a href="#">Correction Type for Unit Transfers / Gross Rent changes</a> .....	79

## Clarifications

• <a href="#">Double Subsidy</a> .....	80
• <a href="#">Unit Transfers</a> .....	82
• <a href="#">Unit Transfer scenarios</a> .....	84
• <a href="#">Move Out Effective Dates</a> .....	89
• <a href="#">Move Out Effective Dates in cases of Death</a> .....	90
• <a href="#">Security Deposits</a> .....	91
• <a href="#">Tenants with One Name</a> .....	91
• <a href="#">Implementation of Gross Rent Changes</a> .....	92
• <a href="#">Signature Requirements for Gross Rent Changes – 50059A</a> .....	93
• <a href="#">Signatures on Full Certifications Corrected by a Gross Rent Change</a> .....	94
• <a href="#">SSN Corrections</a> .....	95
• <a href="#">T-Number Assignment</a> .....	96
• <a href="#">Abatements</a> .....	97
• <a href="#">Presidentially Declared Disasters</a> .....	98

<a href="#">Foster Guidance</a> .....	99
---------------------------------------	----

<a href="#">Messages Via iMAX</a> .....	100
---	-----

# 202D CHANGES

## **MONTHLY HAP SUBMISSIONS**

- Signed paper HAP requests will no longer be required.
  - Note: O/A will still continue to maintain a printed and signed voucher in their files.
- Electronic MAT 30 will still be required and must be submitted by the 10<sup>th</sup> day of each month.
  - Unit numbers on the voucher must match the unit numbers in TRACS.
- Tenant data will still be required. O/A can transmit tenant data at any time during the month.
- Final approved voucher will be transmitted via iMAX to O/A for use in reconciliation activities at the property.

# UPDATED FORM HUD-52670

## Summary page of HAP request

- Field 4 (Subsidy Type) has been changed to be a fillable field.

- Under Part III, Section 8 – e. Repayment Agreements was added.

Housing Owner's Certification and Application for Housing Assistance Payments		U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner		OMB Approval No. 2502-0182 (xx/xx/xxxx)
Part I - Contract Information				HUD/CA Use Only
1. Project Name:		2. FHA/EH/Non-Insured No.	3. Sec. 8/PAC/PRAC/Contract No.	Voucher Number:
4. Type of Subsidy:		5a. Management Agent's Name:		Date Received:
		5b. EIN:		Date Paid:
Part II - Occupancy & Income Eligibility Information				
6. General Occupancy Information (contract specific):			7. Exceptions to Limitations on Admission of Low-Income Families (only for Sec. 8 contracts effective on or after 10/1/81):	
a. Total Units in contract		a. Project-based exceptions in use		
b. Number of Units receiving subsidy under this contract		b. Project-based exceptions allocated		
c. Number of units abated under this contract		c. Tenant-based exceptions in use		
d. Number of Units vacant under this contract		d. Total exceptions (line b + line c)		
e. Number occupied by Market Rent Tenants		e. Date Field Office last changed allocations for project-based exceptions (mm/dd/yy)		
Note: 6a must equal 6b + 6c + 6d + 6e				
Part III - Breakdown of Assistance Payment Requested			HUD/CA Use Only	
8. Type of Assistance	9. Number of Units in Billing	10. Amount Requested	11. Amount Approved	
a. Regular Tenant Assistance Payments for (mo./yr.):				
b. Adjustments to Regular Tenant Assistance Payments				
c. i. Section 8 Special Claims for Unpaid Rent				
ii. Section 8 Special Claims for Tenant Damages				
iii. Section 8 Special Claims for Vacancies				
iv. Section 8 Special Claims for Debt Service				
d. Miscellaneous Accounting Requests				
e. Repayment Agreements				
f. Total Subsidy Authorized under instructions in Handbook 4350.3 Rev. 1				
			Part IV - Distribution of Subsidy Earned (HUD/CA Use Only)	





# **NEW HUD-52670-A part 6**

## **Repayment Agreements Page (Continued)**

Form is used for:

- Initial adjustment for Repayment Agreements by tenant or O/A.
- Multiple Repayment Agreements for the same tenant or O/A should be reported separately.
- Monthly tenant or O/A payments on Repayment Agreements.
  - Payments made on Repayment Agreements entered into prior to 202D will need to be entered on this new form in the required format. For guidance see MAT User Guide Chapter 4, Section 4.9.
  - When tenant makes more than one payment in a month for the same repayment agreement, the payments can be combined.
  - When tenant makes payments for multiple repayment agreements, payments need to be entered separately under appropriate assigned number.

# **NEW FIELDS HUD-52670-A part 6**

## **Repayment Agreements Page**

Include the following:

### **Field #6 - Head of Household last and first name**

- Completion of field is based on the current certification or the certification in effect at time of move out (MO).
- For repayments owed by O/A, field may be blank if the agreement applies to more than one unit.

### **Field #7 - Unit Number**

- Unit number will be the unit address the tenant is living in at the first of the month of the current HAP request or the unit number at the time the tenant moved out.
  - Example: Tenant living in unit #3 enters a repayment agreement with the O/A. Later the tenant transfers to unit #5. The repayment agreement will now be reported for unit #5.
  - For repayments owed by O/A, field may be blank if the agreement applies to more than one unit.

Note: Repayment obligation rests with the household not any particular member.

# NEW FIELDS HUD-52670-A part 6

## Repayment Agreements Page (Continued)

### Field #8 - Agreement ID

- Must be unique within the property/community.
- ID is set by either the O/A or the O/A's software.
- Maximum 12 characters in length.
- Agreement ID is required even if the record is for a reversing entry that is not associated with a repayment agreement.
- Agreement ID remains the same if the agreement is renegotiated and a new agreement is executed.
- If tenant is involved in another misreporting, a new agreement ID is created.
- New ID is assigned to each instance of misreporting, even if all instances are covered by one single repayment agreement.

**\*\* NOTE \*\*HUD CLARIFICATION – Repayment Agreement and associated Agreement ID are NOT transferrable to a new property if the tenant moves. Old property remains responsible for collection of the debt.**

# **NEW FIELDS HUD-52670-A part 6**

## **Repayment Agreements Page (Continued)**

### **Field #9 - Agreement Date**

- “Agreement date” is defined as the date of the agreement or in the absence of an agreement date, it is the tenant signature date.
- If an agreement is modified, the date stays the same as the original agreement.
- If there is no agreement, complete with the date the reversing transaction is created or the voucher date.
- If multiple instances are covered by one single repayment agreement the “Agreement date” is the date as to when the repayment agreement was revised for each instance.

### **Field #10 - Agreement Type**

- T = Tenant Repayment Agreement transaction
- O = Owner/Agent Repayment Agreement transaction
- N = None or No Agreement

# **NEW FIELDS HUD-52670-A part 6**

## **Repayment Agreements Page (Continued)**

### **Field #11 - Agreement Amount (original amount)**

- Original agreement amount – prior to any payments including lump sum payments.
- No signed repayment agreement, enter amount of the reversal.

### **Field #12 - Agreement Change Amount**

- Original reversing entry – the amount is equal to the Agreement Amount.
- When modifying agreement – the amount is the amount of the change.

# **NEW FIELDS HUD-52670-A part 6**

## **Repayment Agreements Page** (Continued)

### **Field #13 - Total Payment**

- When retro certifications are reported and adjustment is reversed:
  - Enter lump sum payment received from tenant or O/A; or
  - Enter zero if no payment is received.
  - Enter zero if repayment agreement is not signed.
- Enter monthly payments received from tenant or O/A.
  - Regular payments are reported as positive numbers.

### **Field #14 - Ending Balance**

- Balance remaining to be paid on the agreement.
- If there is no signed repayment agreement, the ending balance equals the Agreement Amount (Field #11).

# **NEW FIELDS HUD-52670-A part 6**

## **Repayment Agreements Page (Continued)**

### **Field #15 - Amount Retained**

- Amount retained by O/A to help defray costs of pursuing unreported income.
- Amount O/A can retain is the lessor of actual expenses or 20% of the amount collected from the tenant.
  - If zero cost retained, enter zero.
  - If cost retained, enter amount.
    - Reported as a positive number.

### **Field #16a. - Amount Requested**

- Amount of the repayment agreement transaction.
  - Positive amounts for reversals or negative amounts for payments.
- If there is no signed repayment agreement, the Amount Requested is the amount of the reversal.

# EXAMPLES OF HUD-52670-A part 6

## Repayment Agreements Page

### Repayment Agreements for Schedule of Tenant Assistance Payments Due

U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. XXXX-XXXX  
(XXXX/XXXX)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on the form HUD-52670 information on public burden.

1. Asst. Pymts Due For (mm/yyyy):	2. Project Name:			3. FHA / EH / Non-Insured Proj. No:			4. Section 8 / PAC / PRAC Contract No:			5. Type of Subsidy:	
3/2013	Shady Valley Apartments			000XX000			GA123456789			1: Section 8	
6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Change Amount	13. Total Payment	14. Ending Balance	15. Amount Retained	16a. Amount Requested	16b. Approved (HUD/CA use only)
Reversal	101	201301ABC	1/1/13	Tenant	1500	1500	0	1500	0	1500	
Reversal with Lump Sum	102	201212DEF	12/1/12	Tenant	1600	1600	200	1400	0	1400	
Reversal /w LS & Retention	103	201212GHI	12/1/12	Tenant	1700	1700	100	1600	20	1620	
Cancel an Agreement	104	ABC123	11/1/12	Tenant	0	-1000	0	0	0	-1000	
Adjust an Agreement Up	105	9876543210X	11/1/12	Tenant	4200	200	0	3892	0	200	
Adjust an Agreement Down	106	ZYXWVUTSRQ	11/1/12	Tenant	3800	-200	0	3700	0	-200	
Cancel /w Payments	107	1234567890	10/1/12	Tenant	0	-3000	-500	0	-100	-2600	
Payment with Retention	108	123	7/1/11	Tenant	3600	0	17	3260	3	-14	
Reclaiming NSF Payment	109	ZZZ	6/1/10	Tenant	4850	0	-8	4586	-1	7	
Payment for Owner Type	110	999	10/1/10	Owner	3800	0	100	800	0	-100	
Reversal for None Type	111	A0B1C2D3	1/1/13	None	2000	2000	0	2000	0	2000	

# REVISED FORMS

## **REVISED 50059 AND 50059-A**

- Revised to incorporate new, deleted, and re-named fields.

## **REVISED HUD 52670-A PART 2 SPECIAL CLAIM SCHEDULE**

- Revised to remove references to the tenant's SSN and date of birth in column 1.
  - Head of Household name is all that is required.

## **REVISED HUD 52671-A SPECIAL CLAIMS FOR UNPAID RENT/DAMAGES**

- Revised to include fields for security deposit required, security deposit collected and the maximum of the two.
- Reformatted to single columns.

# UPDATED AND NEW SPREADSHEETS

## **202D ADJUSTMENT CALCULATIONS**

- Reformatted.

## **202D CALCULATING TENANT RENT**

- Reformatted.
- NEW general rules for rent override calculations.

## **202D NON-CITIZEN RULE PRORATIONS**

- Reformatted.

## **202D SPECIAL CLAIMS ROUNDING**

- Reformatted.
- Shows the calculations for the revised Special Claim form.

## **202D Voucher Adjustment Examples (Supplement to MAT Guide, Appendix H)**

- New pdf containing samples of how adjustments for various scenarios should appear on the HAP voucher.

## **202D Cross Reference**

- New spreadsheet that cross reference 50059 and 50059-A fields with the MAT User fields.

# UPDATED AND NEW SPREADSHEETS

(Continued)

## **202D IMPUTED INCOME PRORATION ASSET INCOME**

- NEW spreadsheet detailing how to prorate the imputed income field on the 50059 if O/A chooses this option.
  - To be used for assets that are disposed of for less than fair market value.
- Option 1 - Imputed income can be prorated if the end of the two year requirement is reached before the next AR.
- Option 2 - An IR can be processed at the end of the two year requirement to remove the imputed income.

## **202D RELATIONSHIP RULES**

- Matrix that summarizes the rules associated with each relationship code.
- Indicates whether the member counts for income limit purposes, whether their income counts, etc.

# UPDATED AND NEW SPREADSHEETS

(Continued)

## **202D CALCULATIONS FOR REPAYMENTS**

- NEW spreadsheet contains two tabs:
  - First tab shows the proper calculations for payment and retention.
  - Second tab gives repayment agreement record examples to assist in the completion of Form HUD-52670-A part 6 when submitting MAT30, Section 7.

## **202D RAD Phase-In**

- NEW spreadsheet to help determine when a rent phase-in applies to a RAD tenant and how to calculate (if applicable) the TTP under the phase-in rules.
  - Applies only to tenants in residence at the time of the conversion to RAD.

**Note:** RAD Phase-in's are not for Project Based Section 8 contracts within the OHCS portfolio.

# UPDATED AND NEW SPREADSHEETS

(Continued)

## **202D Certification Data Entry**

- NEW spreadsheet incorporates and replaces the rules from Appendix 8 of HUD Handbook 4350.3 Rev. 1 releases prior to Change 4.
- Spreadsheet indicates:
  - General data entry and rounding rules when dealing with income, assets, and expenses.
  - General rounding rules when prorating tenant rent and subsidy.
- Additional information on data entry and calculation rules can be found in the MAT Guide Appendix H.

# NEW APPENDICES IN TRACS USER GUIDE

## **Appendix I**

- Contains descriptions and rules for the traditional baseline, the history baseline and the re-baseline procedure.

## **Appendix K**

- At this time, the document is a placeholder and will be updated as information is released.
- Will contain rules for new subsidy types and sub-types that HUD is implementing.

# NEW TRACS USER GUIDE

## CHAPTER 7

- This information was previously found in Chapter 9 in the HUD Handbook 4350.3 REV-1, Change 3 with the exception of the sections on special claims and excess income report.

**Note:** Chapter is effective immediately with the exception of the items that are unique to TRACS 202D.

# CHANGES ON HUD-50059

- Sex Code will be allowed to be blank.
- Replaced checkbox for unsigned certifications on cover page with Extenuating Circumstances code.
- Removed - FIPS County Code
- Removed – Unit Move-In Date
- Removed – Cert. Correction Date
- Added – EIV Indicator
- Added – SSN Exception
- Added – Eligibility Check Not Required
- Added – Extenuating Circumstances Code
- Added – TTP Before Override Field
- Added – TTP at RAD Conversion

\* Added fields will be explained later in this presentation. \*

# CHANGES ON HUD-50059

(Continued)

- Telecom Address – changed to Project IMAX ID
- Basic Rent – changed to 236 Basic/BMIR Rent
- Total Assets – changed to Total Cash Value of Assets
- Household Assistance Status – changed to Household Citizenship Eligibility
- Voucher Date – changed to Anticipated Voucher Date
- Mobility Impaired – changed to Mobility Disability
- Hearing Impaired – changed to Hearing Disability
- Visually Impaired – changed to Visual Disability
- Eligibility Code – changed to Citizenship Code

# CHANGES ON HUD-50059-A

- Header Section
  - Added – EIV Indicator
  - Added – Transaction Date Being Corrected
- Move Outs
  - Added – Description
- Gross Rent Changes and Unit Transfers
  - Added – Secondary Subsidy Type
  - Added – 236 Basic/BMIR Rent
  - Added – Market Rent
  - Added – TTP Before Override
  - Added – TTP at RAD Conversion
  - Added – Rent Override

\* Added fields will be explained later in this presentation. \*

# ACCEPTANCE OF CERTIFICATION CORRECTIONS

If CA and/or TRACS does not have the original certification they must still accept the submitted certification that is marked as a correction. This includes full and partial certifications.

Example:

- Property transmits a 01/01/2012 AR Correction, but OHCS system does not have the original 01/01/2012 AR. Instead of requesting the property to remove the correction code and re-transmit, OHCS will have the ability to accept the 01/01/2012 AR Correction in place of the original.

# NEW HISTORY BASELINE FILES

- History Baseline files are not intended to be sent to TRACS.
- Used among O/As and CA's.
- Includes all historical information of certifications and rent schedule history. However, there is no obligation for either the O/A or CA to create and transmit history they do not have.
- MAT92 is the new History Baseline Record for Unit Rents.
- Uses would include:
  - O/A sending a baseline to a new CA.
  - CA sending a baseline to an O/A who has lost data.
  - CA sending baseline to a new CA who has been awarded a contract for the state.
  - O/As using the baseline as an aid in moving to a new software.

# CHANGES TO MAT 15 ADDRESS RECORD

## **NEW TAX CREDIT BUILDING IDENTIFICATION NUMBER (BIN)**

- Required for all site created MAT15 records if the unit is part of a low income housing tax credit building (LIHTC).
- Must be valid BIN numbers.
- BIN Numbers must be in the following format: SSYYNNNNN
  - SS (State)
  - YY (last two digits of the allocation year)
  - NNNNN(5 digit number)

# CHANGES TO MAT 15 ADDRESS RECORD (Continued)

## **HISTORY BASELINE FILES**

- The following fields will need to be completed only on History Baselines.
  - Floor Plan Identifier – sometimes called unit type or unit class. Identifies units that are associated with a line on a HUD rent schedule (transmitted as a MAT91 record).
  - Actual Unit Number – the number on the exterior of the unit.
  - Site Building ID.
  - Unit Square Footage.

**Note:** Never transmit a History Baseline to TRACS.

# ANNUAL CERTIFICATIONS

If an annual certification (AR) was prepared on or before the effective date of the AR, and any household member 18 years of age or older fails to appear to sign the certification, the household's assistance must be terminated unless extenuating circumstances exist. Extenuating circumstance codes are discussed later in this presentation.

If the tenant reported for recertification any time prior to the recertification date, but the O/A was not able to complete the steps in HUD Handbook 4350.3 Figure 7-3 by the AR effective date:

- Submit an annual recertification. (Tenant should not be penalized for incomplete AR if O/A was unable to complete.)
- Do not change the AR effective date. (This is true regardless of whether or not the O/A is responsible for the late certification.)

# ANNUAL CERTIFICATIONS

(Continued)

Tenant reports on or after the recertification date:

- If there are no extenuating circumstances:
  - The tenant's assistance must be terminated effective the day before the recertification anniversary date.
  - An initial certification re-assigning subsidy should be effective on the first of the month following the date on which the tenant reports.
- If there are extenuating circumstances, including consideration of a reasonable accommodation:
  - Submit an annual certification. (The AR effective date is the original due date.)
- If a court orders restoration of subsidy back to the recertification date:
  - Submit an annual recertification. (The AR effective date is the original due date.)

# HAP PAYMENTS FOR LATE RECERTIFICATIONS

In accordance with HUD policy, as articulated in HUD Handbook 4350.3, paragraph 7-6, CAs must pay the old HAP until receipt of a new annual recertification or 15 months have passed or the assistance is terminated, whichever occurs first.

- Payments must be made based on the most recent certification in effect for months 13-15.
- O/As are responsible for following all handbook recertification guidance.

**For example and scenarios see MAT User Guide Chapter 4, Section 4.39.6**

# HAP PAYMENTS FOR LATE RECERTIFICATIONS ON MONTH 16

Procedure for billing on month 16 when the tenant is not recertified:

- O/A must terminate assistance effective the day prior to the AR due date.
  - Use termination code - TR “Did not re-certify on time. Tenant required to pay market rent”.
- The subsidy for months 13-15 will be returned to HUD on the HAP request.
- If the delay is a result of extenuating circumstances and/or O/A or third party issues, the completed AR is the effective date of the original AR and the appropriate adjustments are made on the voucher.

# NEW MISCELLANEOUS ACCOUNTING REQUEST CODES

**RGRC** = Adjustments for a Retroactive GR

- Used for a utility allowance (UA) decrease to reverse O/A loss due to 30-day notice of rent increase requirement.

**UUTL** = Unclaimed/Un-cashed Utility Checks

- HUD Handbook 4350.3 REV-1 Change 3, Chapter 9, paragraph 9-13, B. says “If the utility reimbursement is not disbursed to the tenant or utility provider (example: tenant never picks up the check, tenant never cashes the check or the tenant moves-outs), the funds must be returned to HUD.”
- To return funds to HUD the O/A must make a negative UUTL miscellaneous accounting request on the HAP voucher.

**RSPC** = Recouped Special Claims Funds

- Used when a previously paid Special Claim decision is adjusted or reversed.

# NEW MISCELLANEOUS ACCOUNTING REQUEST CODES

(Continued)

**CEAD** = Contract Expiration Adjustment

- An example would be when a property is opting out of the Section 8 Program.

**EIVP** = EIV 5% Penalty

- Used to reduce the voucher by 5% to penalize an O/A for every month of failure to comply with EIV requirements.
- Used to reimburse withheld amounts once O/A is in compliance with EIV requirements.
- Note: The EIV penalty is calculated based on the Total Subsidy Authorized amount before calculating the penalty, and before applying Residual Receipt offset if applicable.

# NEW MISCELLANEOUS ACCOUNTING REQUEST CODES

(Continued)

**RESR** = Residual Receipts

- Used to offset part of the voucher billing by the amount to be paid from residual receipts account.
- Only applies to specific HUD Section 8 contracts.
- This replaces the use of the FORQ code.
- See Notice H 2012-14 for instructions.

# REPAYMENT AGREEMENTS

There are two types of repayment agreements that will be reported on the New 52670-A, part 6 voucher form which will be submitted to TRACS in a new MAT30, Section 7 record:

- Money owed to HUD by a tenant as a result of misreporting income/assets/deductions.
- Money owed to HUD by an O/A as a result of an O/A error. (HUD Handbook 4350.3 REV-1 Change 4, Chapter 8, 8-21)

**Note:** For rules on calculations see 202D Calculation For Repayment spreadsheet.

# REPAYMENT AGREEMENTS

(Continued)

The proper way to address retroactive adjustments resulting from a repayment agreement is:

- Report the full amount of the adjustment(s) due to the retroactive action(s) to appear on the voucher.
- Reverse the amount of the adjustment(s) subject to the repayment agreement by submitting a repayment agreement record of type “T” for Tenant or “O” for Owner.
  - Send a copy of repayment agreement to your Voucher Specialist.

# REPAYMENT AGREEMENTS

(Continued)

- As the tenant makes payments (Tenant Repayment), enter the amount paid as a negative adjustment on the repayment agreement section of the voucher.
  - Owners may deduct the lesser of actual cost or 20% of the amount paid by the tenant.
- As the owner makes payments (Owner Repayment), enter the amount as a negative adjustment on the repayment agreement section of the voucher.
  - Owners may not deduct expenses incurred.

# REPAYMENT AGREEMENTS

(Continued)

When the tenant or O/A repays all the money due in the same voucher month that the retroactive adjustments are reported, the following is not required:

- Reversing entry.
- Payment entries.
- Repayment agreement.
- HUD form 52670-A, part 6 voucher form created or MAT30, Section 7 record submitted.

**NOTE:** The EIV flag will be set on all certifications added or corrected as a result of the use of EIV.

# REPAYMENT AGREEMENTS

(Continued)

## **REPAYMENT AGREEMENT RENEGOTIATED**

- If the Repayment Agreement is renegotiated:
  - Send a copy of the revised agreement to your Voucher Specialist.
  - Report the revised agreement under the same Agreement ID as used on the original.

**NOTE:** Not to be used to add subsequent misreporting of income. A new Repayment agreement must be created.

# REPAYMENT AGREEMENTS

## Scenarios

**1. Tenant refuses to cooperate in the investigation and moves out without signing certifications.**

- NO Repayment Agreement is processed.
- NO Retroactive Certifications are created or transmitted.

# REPAYMENT AGREEMENTS

## Scenarios

### **2. Tenant remains in unit; verifications are completed; tenant does not sign certifications.**

- NO Repayment Agreement is processed.
- NO Retroactive Certifications are created or transmitted.
- Refer to HUD Handbook 4350.3 Rev-1 Chapter 8 and HUD Model Lease for non-compliance with the certification process.

# REPAYMENT AGREEMENTS

## Scenarios

### **3. Tenant signs certifications but does not sign a repayment agreement.**

- Transmit certifications.
- Reverse total adjustments resulting from the certifications with a Section 7 Agreement Record Type N (None).
- Inform your Voucher Specialist as to the reason they will not receive a copy of the Repayment Agreement.
- Additional information can be found in HUD Handbook 4350.3 Rev-1, Paragraph 8-20.

# REPAYMENT AGREEMENTS

## Scenarios

### **4. Tenant signs certifications and repayment agreement.**

- Transmit certifications.
- Reverse total adjustments resulting from the certifications.
- Use the Repayment Agreement record to report the reversal.
  - The Agreement Type is T (Tenant).
- Send a copy of the Repayment Agreement to the Voucher Specialist.
- Additional information can be found in HUD Handbook 4350.3 Rev-1, Paragraph 8-20.

# REPAYMENT AGREEMENTS

## Scenarios

In cases where the investigation determines that a household was over income at MI:

- The household is allowed to remain in the unit.
- If recalculation of the MI certification results in \$0 subsidy, the subsidy should be terminated effective on the MI date, using the “NS” termination code (defined later in this presentation). The subsidy is automatically returned from the MI date.
- If the household later becomes eligible for assistance, assign subsidy on an Initial certification (IC).

# RECERT NOTICES

- Per a clarification from policy, recert notices must be printed and dated no later than 120, 90, and/or 60 days in advance of the recertification date. (HUD Handbook 4350.3 Rev-1 Change 4, Chapter 7, Figure 7-4)
- There is no requirement to date the notices exactly on the 120<sup>th</sup>, 90<sup>th</sup>, or 60<sup>th</sup> day or on the first of the month.
- There are cases where printing on the first of the month would violate the policy so it is important to base decisions about when to print the notices on the count of the number of days prior to the recert date.

# NEW OR EXPANDED FIELDS AND CODES

## **iMAX TRACS MAILBOX ID**

- TRACS MAILBOX ID, both project's and sender's will be required on all voucher and tenant submissions.
- Site software will automatically populate the site ID and the CA software will populate the sender ID.

## **OWNERS DUNS NUMBER**

- DUNS Number will be required on all voucher and tenant submissions. (Section 8, 202, 811 PRACs, Rent Supplement and RAP)
- Check with your software provider for the location of the field to enter the owner's DUNS number. Once entered it should automatically populate on your electronic files.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **PARENT COMPANY DUNS NUMBER**

- Will be required if there is a parent company on all voucher and tenant submissions. (Section 8, 202, 811 PRACs, Rent Supplement and RAP)
- If there is no parent company, leave blank.
- All software should have a place to enter in the Parent Company DUNS number.
- More information is in HUD Notice 2011-01.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **OWNER TAXPAYER IDENTIFICATION NUMBER (TIN)**

- TIN of the project owner will be required on all voucher and tenant submissions.

## **PARENT COMPANY TAXPAYER IDENTIFICATION NUMBER (TIN)**

- TIN of the parent company will be required on all voucher and tenant submissions if there is a parent company.

Note: These two fields are only required if the corresponding DUNS number field is completed.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW EIV INDICATOR**

- If a retro certification or correction to a previous certification is processed as a result of the EIV system, then enter “Y” in the EIV Indicator field.
- If the subsidy is terminated or the tenant is evicted as a result of the EIV system, then enter “Y” in the EIV Indicator field on the TM or MO.
- Leave field blank if reason for certification is not due to EIV system information.
- For IR certifications on which you are currently working (due to tenant reported changes), do not set EIV indicator. If an IR is created as a result of the EIV system, set the EIV indicator.
- MAT User Guide Chapter 5, 5.3, page 5-16 & 5-17 clarifies the use of the EIV Indicator.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## EXPANDED PREVIOUS HOUSING CODES

- **5 = Lacking a Fixed Nighttime Residence**
  - Defined as individuals or families who lack a fixed, regular, and adequate nighttime residence. This includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation, or who is exiting an institution where he or she temporarily resides.
- **6 = Fleeing/Attempting to Flee Violence**
  - Defined as individuals or families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW EXTENUATING CIRCUMSTANCES CODES**

- Must be completed when a tenant is unable to sign the certification. The codes are:

**1 = Medical**

**2 = Late annual certification due to accommodation or extenuating circumstances**

**3 = Late annual certification due to owner/agent delay**

**4 = Late annual certification due to third party delay**

**5 = Military Deployment**

**6 = Eviction In Progress - Must be a valid reason in HUD Handbook.**

**7 = Court order**

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW EXTENUATING CIRCUMSTANCES CODES (Continued)

- Must be completed when a tenant is unable to sign the certification. The codes are:

**8 = No signature Required.** For example, a retroactive GR implemented after a tenant has moved out; or a GR correction to a previously transmitted 50059, where the only change is to the contract rent (TTP, Tenant Rent, or Utility Allowance do not change).

**Note:** Code 8 is to be used whenever a full certification for a move-out tenant is corrected by a GR.

**\*\*Reminder \*\***

If TTP, Tenant Rent, or Utility Allowance do change use code 9.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW EXTENUATING CIRCUMSTANCES CODES (Continued)

- Must be completed when a tenant is unable to sign the certification. The codes are:
  - 9 = No signature required for 60 days.** An example is a retroactive GR triggering a correction to a previously transmitted 50059, where the TTP, Tenant Rent, or Utility Allowance changes. A signature is required, but the certification may be transmitted immediately and the signature obtained within 60 days.
  - 10 = Other**

**Note:** Submit a correction with the Tenant Signed Date populated and the Extenuating Circumstances field blank when the tenant is able to sign.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW/REVISED RELATIONSHIP CODES

- **F = is used for a foster child under the age of 18, the child of a foster child, or a foster adult.**
  - Expanded definition.
  - Employment income of a foster child is not counted, but other income is counted.
  - Household does not qualify for dependent allowance.
  - Child care expenses for foster children under the age of 13 are considered.
  - All income of a foster adult is counted.
  - Foster child/adult does count for income limit purposes.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW/REVISED RELATIONSHIP CODES (Continued)

- **L = Live-In Attendant.**
  - Revised definition.
  - Not considered members of the family.
  - Do not have rights under lease.
  - Income is not counted.
- **N = None of the above - Others living in the unit who are not members of the tenant family.**
  - New code.
  - Do not have rights under the lease.
  - Not considered members of the family.
  - Income is not counted.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW ELIGIBILITY CHECK NOT REQUIRED**

- Applies only to Move-in or Initial Certifications where eligibility is not required to be checked.
- **Examples (MAT User Guide Chapter 5, 5.3, page 5-45 & 5-46):**
  1. When a tenant transfers to a unit in a comparable project as a reasonable accommodation, process a MI certification.
  2. Contract Combinations – Generate a termination (TM code = CE) in the old contract and an IC in the new contract. (Form HUD-50059 Instructions)
  3. A tenant who fails to respond to a notice to provide information about changes in composition or income must be terminated (TM code = TR). If the tenant subsequently submits the information, process an IC. (HUD Handbook 4350.3 REV-1 Change 3, Chapter 7, paragraph 7-12.B.3.) Does not apply to AR process.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW ELIGIBILITY CHECK NOT REQUIRED (Continued)**

4. In properties that are 100% Section 8 subsidized, and subsidy is terminated due to an increase in income, O/A processes an IC if their income decreases at a later time.

5. PDD – Presidentially Declared Disaster

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW ELIGIBILITY CHECK NOT REQUIRED (Continued)**

### **\*\* NEW FOR REHAB \*\***

- If a unit is being rehabbed and the tenant moves off site for any length of time (i.e. into a hotel), terminate the subsidy (TM code = RR “Substantial Rehab or Repair – Tenant Expected to Return”). Upon the tenant’s return, process an IC with the Eligibility Check Not Required field marked with “Y”.
  - Original Annual recertification date will generally stay the same, however verify with your Voucher Specialist.
- If the unit is being rehabbed and the tenant moves off site to another property for any length of time, process a move out (MO code = 10 “Substantial Rehab or Repair – Tenant Expected to Return”). Upon the tenant’s return, process a MI with the Eligibility Check Not Required field marked with “Y”.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW AND UPDATED SPECIAL STATUS CODES

- **M** = New - family member who is a US Military Veteran.
- **P** = New - temporarily housed family pursuant to the guidance in HUD Handbook 4350.1, Chapter 38 for presidentially declared disasters.
- **JK** = Updated - Dependent whose custody is jointly shared by more than one family and who receives a dependent allowance along with a child care allowance.
- **C** = Updated - Dependent whose custody is jointly shared by more than one family but who does not receive a dependent allowance and who lives in the unit less than 50% of the time. Such a person's child care expenses count toward the child care allowance.
- **CK** = Updated - Dependent whose custody is jointly shared by more than one family and lives in the unit 50% or more of the time. Count for unit size and income limit purposes.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW HOUSEHOLD MEMBER SEX CODE VALUES**

The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity final rule limits inquiries on sexual orientation or gender identity. For Section 8 Programs, the sex codes are:

- **M = Male**
- **F = Female**
- **Blank = O/A did not ask or member did not indicate**

**Note:** Other funding programs such as USDA or tax credit currently require the Sex Code field on their forms be filled with M or F. When reporting to HUD on a HUD 50059, or in a MAT file the HUD rule must be followed even if another funding program requires something different.

# NEW OR EXPANDED

## FIELDS AND CODES (Continued)

### NEW SOCIAL SECURITY NUMBER (SSN) EXCEPTION TO DISCLOSURE REQUIREMENT

- If an individual without a valid SSN qualifies for one of the following:
  - **Blank** = no exception applies
  - **C** = Individual who does not contend eligible immigration status.
  - **E** = Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility in either a Multifamily or Public and Indian Housing program was begun prior to January 31, 2010 (a break in assistance does not void the exemption).
  - **M** = New household member under the age of 6 where disclosure of SSN is delayed for 90 – 180 days. This code may not be used on MI or IC transactions.

\*\* TRACS 202D will NOT allow a tenant without a social security number to Move-In to a property without an Exception code of **C** or **E**. \*\*

**IMPORTANT Note:** When a member does not have a SSN Identification Code, the SSN is populated with all 9's. (For more information see T-Number Assignment on page 87)

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW SSN BENEFITS CLAIM NUMBER**

- Used when the income is derived from social security benefits.
- Enter the social security claim number under which a family member receives income benefits **only if it is different from the member's own number.**
  - Enter in the alpha/numeric suffix attached to the end of the social security claim number.
  - Do not enter dashes.
  - Claim numbers are typically 9 digits followed by a letter and 0-2 additional letters and/or numbers.

**Note:** If member has income under more than one claim number, report one income per claim number. Do not combine them under one number.

# NEW OR EXPANDED

## FIELDS AND CODES (Continued)

### NEW RENT OVERRIDE FLAG

- If normal HUD rent calculations are overridden, the field is populated with a “Y”.
- The flag will be used to indicate a tenant rent phase-in situation under the Section 8 RAD Program.
  - A new TTP At RAD Conversion field will need to be used in conjunction with the override fields.
- See HUD Handbook 4350.3 REV-1 Change 3, Chapter 5, paragraph 5-30 for general requirements.
- For examples and details see MAT User Guide Chapter 4, Section 4.30.

\*\* The primary use of the override flag is to indicate that a PRAC tenant’s rent is raised to operating rent per HUD Handbook 4350.3 REV 1 Change 3, Chapter 7, paragraph 7-8, D. 3. b. \*\*

**Note:** Not for Project Based Section 8 contracts within the OHCS portfolio. 71

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW TTP at RAD CONVERSION**

- Used when phasing in rent for an in-place tenant as part of a RAD Conversion from PIH to Multifamily Section 8.
- Defined as the TTP for the tenant immediately prior to the conversion to RAD.
- Does not change from cert to cert when it is required.
- For examples and details see MAT User Guide Chapter 4, Section 4.30 and Appendix K.

**Note:** Not for Project Based Section 8 contracts within the OHCS portfolio.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **NEW TTP Before Override Field**

- Field was made to assist CA and TRACS software in auditing the correctness of certification calculations.
- The field is used to hold the TTP that is calculated before applying the override.
- Noncitizen rule proration of TTP or a Section 8 minimum TTP calculation are not considered an override for the purpose of this field.
- For examples and details see MAT User Guide Chapter 4, Section 4.30.

**Note:** Not for Project Based Section 8 contracts within the OHCS portfolio.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **SECONDARY SUBSIDY TYPE FIELD**

- Expanded to involve Section 8 properties that also have Section 236 and BMIR.
  - S = Section 236
  - B = BMIR
- If field is completed; both Basic and Market rent fields must be completed.

## **NEW CORRECTION TYPE FOR MOVE OUTS**

- **Blank** = not a correction.
- **R** = correction / re-transmittal.

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## **EXPANDED MOVE OUT CODES**

**5 = Unit Transfer between two projects**

6 = Reserved for TRACS use only (HQ move outs)

**7 = Abandoned Unit**

**8 = Failure to submit SSN**

**9 = Uninhabitable unit – Abated**

**10 = Substantial Rehab or Repair – Tenant Expected to Return**

**11 = RAD to Housing Choice Voucher – Choice Mobility Option Exercised**

- Use only for a RAD tenant accepting a housing choice voucher

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW DESCRIPTION FIELD FOR MOVE OUTS

- The description field is text that describes the move out code reason.
- Description field is required to be printed on the 50059-A.
- The following descriptions must be used:
  - **Owner initiated for nonpayment of rent**
  - **Owner initiated – other**
  - **Tenant initiated – other**
  - **Death of sole family member**
  - **Unit Transfer between two projects**
  - Reserved for TRACS use only (HQ move outs)
  - **Abandoned Unit**
  - **Failure to submit SSN**
  - **Uninhabitable unit – Abated**
  - **Substantial Rehab or Repair – Tenant Expected to Return**
  - **RAD to Housing Choice Voucher – Choice Mobility Option Exercised.**

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## EXPANDED TERMINATION CODES

- **ND = Natural Disaster, Uninhabitable, or Presidentially Declared Disaster**
- **AB = HUD abated unit**
- **RR = Substantial rehab or repair – Tenant expected to return**
- **NS = Resident did not qualify for subsidy at MI or IC for reason other than Double Subsidy**
  - **Example: MI or IC is corrected as a result of EIV or other investigation.**
  - **Per the HUD Handbook 4350.3 REV-1 change 3, there is a 5 year limitation when investigating misreporting.**
- **OT = Other - reason not covered by any of the other codes.**

# NEW OR EXPANDED

## FIELDS AND CODES (Continued)

### NEW DESCRIPTION FIELD FOR TERMINATIONS

- The description field is text that describes the termination code reason.
- Description field is required to be printed on the 50059-A.
- The following descriptions must be used:
  - **TTP Equals/Exceeds Gross Rent or moving to market rent**
  - **Did not supply citizenship/eligible alien documentation**
  - **Did not re-certify on time. Tenant required to pay market rent**
  - **Tenant refused to transfer as agreed or submitted false data**
  - **Subsidy contract expired-not renewed**
  - **Ineligible Student**
  - **Double subsidy at move in**
  - **Natural Disaster or Uninhabitable**
  - **HUD abated unit**
  - **Substantial rehab or repair – Tenant expected to return**
  - **Resident did not qualify for subsidy at MI or IC for reason other than Double Subsidy**
  - **Other. A reason not covered by any of the other codes**
  - Contract terminated for enforcement action. (Reserved for HUD use only)
  - TRACS generated termination for failure to recertify. (Reserved for HUD use only.)

# NEW OR EXPANDED FIELDS AND CODES (Continued)

## NEW CORRECTION TYPE FOR TERMINATIONS

- **Blank** = not a correction.
- **R** = correction / re-transmittal.

## NEW CORRECTION TYPE FOR UNIT TRANSFERS / GROSS RENT CHANGES

- **Blank** = not a correction.
- **R** = correction / re-transmittal.

# CLARIFICATIONS

## **DOUBLE SUBSIDY**

- There is no grace period for a household moving from one subsidized project to another.
- Subsidy ends in the old unit when the move-out occurs.
- Subsidy cannot begin in the new unit until the following day.
- There are three approved double subsidy situations:
  1. A dependent in a shared custody arrangement moves between subsidized households on a regular basis. (Dependent would be shown on both certifications at the same time.)
  2. Household splits (i.e. a single household becomes two households).
  3. Household swaps (i.e. two existing subsidized households exchange one or more members).

# CLARIFICATIONS (Continued)

## **DOUBLE SUBSIDY (Continued)**

- Extension to Policy: Subsidy cannot be paid on the new unit until the move out for the old unit has been received by the CA and TRACS.
- To avoid these situations, O/As are required to use the EIV Existing Tenant Report query, to determine if an applicant is living in another subsidized property.
  - If the tenant is moving in before the MO from the old property, there will be no subsidy and the tenant should pay market rent. Process an IC to assign assistance effective the day after the MO from the old property.
  - If double subsidy has occurred, the new property must process a TM with a code of “DS”. Then process an IC effective the day after the MO from the old property.
    - The O/A is expected to charge market rent from the original MI date through the MO date from the old property.

# CLARIFICATIONS (Continued)

## UNIT TRANSFERS

- Unit Transfers that occur **before** the household change, submit a Unit Transfer followed by an IR.
  - Refer to Handbook 4350.3 REV-1 Change 3 for IR guidance.
  - IR effective dates must be on the 1<sup>st</sup> of the month.
- Unit Transfers that occur on the **SAME** day of the household change include the new household information on the AR or IR combined with an UT. Do not submit a UT followed by an IR.
  - If the UT is combined with an AR, the effective date must be the 1<sup>st</sup> of the month.
  - If the UT is combined with an IR, the rent and change in assistance payment are effective on the day the tenant actually occupies the new unit. (HUD Handbook 4350.3 REV-1 Change 3, Chapter 7, paragraph 7-15, C.)
    - In this situation a Mid-month IR could be created.

# CLARIFICATIONS (Continued)

## **UNIT TRANSFERS (Continued)**

- If a future dated IR was transmitted and a UT takes place prior to the effective date of the IR, the UT is done as an IR/UT only if the changes that drove the IR happened on or prior to the UT.
  - The original IR is then corrected to change to the new unit number in order to correct TRACS.
- Unit Transfers / Gross Rents
  - GR or a corrected GR effective on the date of a unit transfer must be reported as a UT, not as a GR.
- HUD projects with TAX Credits must not use a MO/MI in unit transfer situations when a tenant moves from one building to another building within the same contract.
  - HUD rules prevail for HUD transactions and a unit transfer must always be implemented as a UT.

# CLARIFICATIONS (Continued)

## UNIT TRANSFERS – SCENARIOS

1. If the UT happens ahead of the change of household composition and/or household income, this rule does not apply. Submit a UT followed by an IR per handbook rules for Interim Certifications. For example:

- Tom (HOH) and Terry (dependent) live in unit 101.
- They transfer to unit 201 on April 10.
- Sylvia (new wife) moves in to the unit on April 21.
- Sylvia has income so the family's rent will increase.
- In this case, the UT is effective on April 10 and
- Assuming notice was sent on April 21, the IR is effective June 1.

# CLARIFICATIONS (Continued)

## UNIT TRANSFERS – SCENARIOS

2. If the change of household composition and/or household income happens on the UT date, include the new household composition and financial information on the AR or IR (full cert UT). Do not submit a UT followed by an IR. For example:

- Ray (HOH) and Rachel (spouse) live in unit 1-A.
- Rachel's 12 year old son is moving in with them.
- Unit 2-B becomes available.
- Ray and Rachel move into unit 2-B on June 14 and Ryan moves in the same day (decreasing rent).
- An IR adding Ryan is created with the UT flag set to "yes".
- The IR/UT is effective June 14 reflecting the decrease in rent.

# CLARIFICATIONS (Continued)

## UNIT TRANSFERS – SCENARIOS

3. If the change of household composition and/or household income occurs prior to the UT date there are three cases:

a) The change in the household income and/or household composition is reported on an AR effective the same day as the unit transfer.

- Submit AR with the UT flag set to “yes”.
- Any changes to the rent are effective the same date as the AR/UT.

# CLARIFICATIONS (Continued)

## UNIT TRANSFERS – SCENARIOS

3. If the change of household composition and/or household income occurs prior to the UT date there are three cases: (continued)

b) The change in household income and/or household composition occurred before the UT date. If traditional IR rules applied, the IR would be effective after the UT date. However, with this 202D change, if the UT occurs after the change but before the “traditional” IR effective date, a mid-month IR is created with the UT flag set to “yes”. Any changes to the rent are effective the same date as the UT. For example:

- Mary (HOH), Mark (co-HOH), and Marvin (dependent child) live in unit 100-A.
- Mary gets a new job on October 5 and her income increases by \$15,000 per year.
- Normally, an IR is done increasing the household rent effective December 1.
- However, Mary, Mark and Marvin transfer to unit 315-B on October 30.
- An IR is created with UT flag set to “yes”.
- The IR/UT is effective October 30 and includes the family’s income increase.

# CLARIFICATIONS (Continued)

## UNIT TRANSFERS – SCENARIOS

3. If the change of household composition and/or household income occurs prior to the UT date there are three cases: (continued)

c) The change in household income and/ or household composition occurred before the UT date. If traditional IR rules applied, the IR would be effective after the UT date and the IR has been sent. If the UT occurs after the change but before the “traditional” IR effective date, a mid-month IR is created with the UT flag set to “yes”. Any change to the rent is effective the same date as the UT. The original IR is corrected to reflect the new unit number. For example:

- Carey (HOH) and Carla (co-HOH) live in unit B-21.
- Carey starts receiving SSI on February 21 and his income increases by \$5,000 per year.
- An IR is done increasing the household rent effective April 1.
- Carey and Carla transfer to unit C-21 on March 15.
- An IR is created with the UT flag set to “yes”.
- The IR/UT is effective March 15 and includes the family’s income increase.
- A correction is made to the IR effective April 1 to correct the unit number.
- The IR/UT effective March 15 should be sent first in a separate TRACS transmission.
- The IR effective April 1 should be sent after the March 15 IR/UT has been successfully recorded.

# CLARIFICATIONS (Continued)

## **MOVE OUT EFFECTIVE DATES**

- The move-out date is always the actual move-out date or the date the owner takes possession of the unit in the case of a skip.
- The MO date may be before or after the end of the tenant's notice period.
- If a resident moves out without giving a thirty-day notice or before the move-out date indicated on the thirty-day notice, the O/A has no right to request subsidy through the end of the notice period.
  - O/A should refer to the HUD Model Lease and local tenant/landlord law when deciding whether to retain/forfeit the security deposit or whether the resident can be charged market rent after move out.

# CLARIFICATIONS (Continued)

## **MOVE OUT EFFECTIVE DATES (Continued)**

- **In cases of death**, it is proper to bill for subsidy until the unit is vacated. Do not process a termination after day 14.
  - A move-out transaction is entered and transmitted only after the O/A takes possession of the unit.
  - Use code 4 on the MO certification, and include the actual date of death.
  - The voucher will include adjustments up to 14 days after the date of death if the unit is not vacated within 14 days. It is not appropriate to terminate the assistance and then process the MO.

# CLARIFICATIONS (Continued)

## **SECURITY DEPOSITS**

- If a MI or IC (that originally established a security deposit) is corrected, the security deposit is to be recalculated.
- Not all ICs that assign subsidy for the first time to a household will establish the security deposit. (i.e. When a Section 236 household begins to receive Section 8 subsidy, a new security deposit is not established.) Only corrections to ICs that originally established a security deposit will update the deposit.
- Both the O/A and the tenant should initial the change on the lease.

## **TENANTS WITH ONE NAME**

- When tenants have a single name, the name must be entered as their Last Name. For the First Name enter “Unknown”. Doing this will ensure that EIV queries to the Social Security database will work properly.

# CLARIFICATIONS (Continued)

## **IMPLEMENTATION OF GROSS RENT CHANGES**

- GRs can be implemented on a HAP request if the effective date is greater than the first of the month prior to the HAP request and less than or equal to the HAP request date.
- Examples:
  - GR effective January 1 can be applied and reported on the January HAP request.
  - GR effective January 23 can be applied and reported on the February HAP request.
- O/As are encouraged to execute GRs only after the date on which they are effective.

**Note:** GR may be submitted as an AR, and not an AR correction, if the AR has not been processed and submitted.

# CLARIFICATIONS (Continued)

## **SIGNATURE REQUIREMENTS FOR GROSS RENT CHANGES – 50059-A**

- If there is no change to the tenant rent, the tenant is not required to sign the 50059-A; however, the O/A must sign the 50059-A.
- If there is a change to the tenant rent (increase or decrease), both O/A and all adult household members 18 years of age and older must sign the 50059-A.
  - All adult household members must sign the certification no later than 60 days after inclusion on the HAP request.
  - All certifications impacted by a gross rent change may be transmitted as a batch whether or not tenant signatures have been obtained.

# CLARIFICATIONS (Continued)

## **SIGNATURES ON FULL CERTIFICATIONS (AR, IR, MI, IC) CORRECTED BY A GROSS RENT CHANGE**

- If a certification that has been transmitted with a tenant signature is corrected by a gross rent change the following guidance applies:
  - No change to the tenant rent, the tenant does not have to sign the 50059, but the O/A must sign.
  - When tenant rent changes (increase or decrease), both the O/A and all adult household members 18 years of age and older must sign the 50059.
    - All adult household members must sign the certification no later than 60 days after inclusion on the HAP request.
    - Certifications impacted by a gross rent change can be sent as a batch whether or not tenant signatures have been obtained.
    - If a full certification that has never been signed is corrected, do not transmit without the tenant signatures.

# CLARIFICATIONS (Continued)

## **SSN CORRECTION**

- If you are currently processing a full certification (AR, IR), change the incorrect SSN on this certification only.
- If you are not currently processing a full certification, process a correction to the most recent full certification in the system.
  - Do not go beyond the most current certification in the system to correct the SSN.
- The certification correcting the SSN must have all Previous Head of Household fields completed.

# CLARIFICATIONS (Continued)

## **T-NUMBER ASSIGNMENT**

- After you submit a certification with a member record reflecting all 9's in the SSN field, indicating the absence of a SSN, TRACS will assign a T-Number to be used in future submissions.
  - When submitting the first certification with the T-Number of the head of household, do not complete the Previous Head of Household fields.
- There is no need or expectation that the most recent certification be corrected to reflect the new T-Number.
- The Previous Head of Household fields are only used when changing the head of household information in TRACS.
  - Example: When the SSN is obtained for the head of household the Previous Head of Household fields must be completed by using the assigned T-Number.

# CLARIFICATIONS (Continued)

## **ABATEMENTS**

- Abatement is a technical term that means subsidy may not be paid on a unit.
- Abatements are made for uninhabitable units related to a disaster or a unit with health and safety issues.
- Abatements can also be used for program violations against the O/A.
- Only HUD has the authority to abate a unit, not CAs.
- CAs may withhold a subsidy payment but they may not abate subsidy.
- It is acceptable to bill for subsidy and then reverse the subsidy billing with a OARQ miscellaneous accounting request.
  - It is preferred not to bill for subsidy.

# CLARIFICATIONS (Continued)

## Presidentially Declared Disasters

- In the case of a presidentially declared disaster or other situation where the unit becomes uninhabitable, and there are no other units in the project for the household, one of two situations may occur:
  1. The household moves to a subsidized unit in another property.
    - O/A would terminate assistance using the new “ND” Natural Disaster termination code.
    - When the household returns to the unit, O/A submits an IC with the eligibility check indicating “not required”.
    - The certification adding the household or member to the NEW property would indicate the temporary residency status by setting the new “P” special status code for each applicable member.
  2. The household moves to an unassisted unit in another property.
    - In this case the amount of the assistance is given to the tenant to help with the unassisted rent.
    - O/A would not terminate assistance and the tenant would continue to appear on the HAP request.

# FOSTER GUIDANCE

- The term “Foster” includes both foster children and foster adults.
- Fosters are included in the count of family members to determine income limits.
- Fosters are subject to the noncitizen rule, therefore code “XX” is not applicable.
- Fosters may never be considered dependents and will not qualify the household for dependent allowance.
- Medical or disability assistance expenses are considered for fosters if the household qualifies for such expenses and deductions.
- Child Care expenses are considered for foster children who are 12 years old or younger.
- Unearned income for a foster child is counted but earned income is not counted in determining the family’s annual income.
  - Money paid to the household for foster aid is excluded.
- All income of a foster adult is counted in determining the family’s annual income.
  - Employment income of a foster adult who is a full-time student is capped at \$480.

# MESSAGES VIA iMAX

**CAs are required to forward all TRACS Messages and CA software messages to the O/A TRACS Mailbox via iMAX.**

- Currently OHCS forwards all TRACS Messages to O/A.
- Starting with 202D OHCS will also send CA software generated messages.
- If O/As have any questions please contact their Voucher Specialist.