

CAOM/Performance Based Contract Administrator Conference Call
October 12, 2005
2:00 pm – 3:30 pm EST

Agenda

Program Guidance

Funding

FY 2005 - Current funding actions are focused on the October payments with the balance of any remaining budget authority. The Financial Operation Division (FOD) is aware of the contracts that have insufficient funds and are currently addressing those contracts on a case-by-case basis.

FY 2006 - 1st quarter payments are dependent upon the accounting systems, which are expected to be back on line by late October and receiving the allotment. FOD is working with the field office funding coordinators to move forward with the highest priority, highest priority transactions are considered to be any contracts with missed payments in October.

Commercial Announcements

1. An e:mail will be transmitted from Gail Williamson requesting suggestions for future RHIIP conference calls and training
2. TRACS Industry Meeting will be held Thursday and Friday October 27-28 at the GSA Auditorium. Pre-registration is required. Registration instructions can be found on the TRACs page. Tentative meeting agenda items include documentation of disaster impacted tenants, approved 50059 form, APPS, BPR, TASS, EIV

Handbook and other Updates

Special Claims Guide

HUD issued a posting for public comment in the federal register associated with the applicable forms. In the interim, the guide is moving through internal clearance. Upon completion of the internal clearance process, the guide will be posted on our website for public review and comment.

Section 8 Renewal Policy

Actively pursuing revision, working on the 1st cut for each chapter. Reviewers will be looking for policy consistency primarily due to the sheer number of authors involved with the revision effort. Once that phase has been completed, the guidance will be sent forward for clearance.

4350.3 REV-1, chg-2

Change 2 will be put in Departmental clearance within the next several weeks. Without the benefit of knowing what comments will need to be addressed as part of the clearance process, HUD anticipates publication by end of calendar year.

4350.1 Rev-1

Asset management still is planning to revise the handbook based on resource availability. Currently due to the publication of the new Management and Occupancy review (MOR), this specific chapter is currently being reviewed and updated to reflect guidance for conducting an MOR and is reflective of the new form and current procedures. Upon finalization of the chapter, it will be published rather than waiting to revise the entire Handbook.

Published OCAF/AAF FY2006

The OCAF information is going through clearance and then will be prepared for publication. While the clearance process is hard to predict, HUD anticipates releasing the figures in October 2005.

Performance Based Contract Administration

MOR

As alluded to in discussing the updating the 4350.1, REV-1, the revised MOR will be issued in the relatively near future. Currently we are looking at issues related to implementation including consideration of:

- PBCAs who use electronic formats and would need time to recode or make whatever adjustments are necessary
- Assessing what training tools are available to assist in the implementation
- Consideration of creating a Q & A website

A joint memo prepared and signed by Asset Management and the Office of Housing Assistance and Contract Administration will relay implementation plans once finalized.

Traditional CA Conversion Status

The first level of conversion will take place this year, which will primarily focus on moving the accounting systems from HUDCAPS to PAS/LOCCS for those contracts administered by traditional contract administrators. Upon completion of the accounting conversion, the Department will begin evaluating next steps to move forward with converting the eligible portfolio from the Traditional CAs to the PBCAs.

FY 2006 FMR

The FY 2006 FMRs have been published effective October 1, 2005.

Exhibit E

The request to include the newly published FY 2006 FMRs has been submitted to our IT office in order for us to issue the applicable exhibit Es for contract terms beginning October 1, 2005. This is applicable for contracts entering at least the third year of the PB-ACC contract.

REAC Public Scheduler –

Up until the REAC release of September 18, PBCAs were able to access and determine when inspections were scheduled. As many of you know the Public Scheduler is unavailable to everyone at this time. Additionally the EH&S reports accessed through pass are not currently available. Both of these system issues are being assessed however we don't have an estimate of when either will be fixed and operational.

In the interim, the PBCAs will have to use the event notification radio button, with the understanding that this will delay the tracking and monitoring capability, which is outside the control of the PBCA.

We are looking at some possible alternatives until such time as this problem is fixed in order to provide the information more expeditiously.

As an aside, in response to concerns from the industry and HUD staff relative to the below 60 policies and the Revised Guidance for Oversight of Multifamily Housing Physical Inspections dated May 24, 2001 REAC guidance, we have been working with asset management to publish program clarification.

Previous Participation Certification (2530) – APPS

Monitoring requirements set forth in the monitoring and evaluation policies and procedures guide, Section 6 requires on an annual basis the CA would be required to submit a Previous Participation Certification. This process provides HUD with the ability to verify that the board members originally approved to participate in the initiative remain in good standing with the Department. This certification would also include any new members not approved at the time of the last certification. HUD staff will continue to research any information provided in order to provide participant clearance.

Fidelity Bond

In anticipation of the upcoming contract assignment, we would like to remind everyone that the fidelity bond coverage needs to be reassessed to ensure sufficient coverage. Refer to FAQ 26 on the Section 8 contract administration website

“ Should the fidelity bond cover the net amount or gross amount of the HAP”?

The amount of the Fidelity Bond should be sufficient to cover the maximum possible monthly Housing Assistance Payments (HAPs) that can be received by the PBCA once the PBCA starts making HAPs to the owners. Debt service offsets are not received by the PBCA and therefore need not be covered by the Fidelity Bond. Payments for a given month may significantly exceed the normally vouchered amounts. This can be caused by factors such as special rent adjustments and retroactive vouchers for several months resulting from the owners' failure to submit past vouchers or delayed contract increases or renewals resulting from a lack of HUD funding or other processing delays. We urge the PBCA to increase the "normal" coverage of one months "net" payments by an amount that gives them comfort in discharging their fiduciary responsibilities.

Disaster Update

Please continue to emphasize all FEMA related questions should be directed to FEMA's hotline number. The Presidential goals of emptying emergency shelters by mid October has been very challenging, status is such that there are still evacuees in shelter living environments.

Guidance has been issued for Katrina Disaster Housing Assistance Program (K.D. HAP). In general terms this program will assist Katrina impacted families in finding temporary housing for up to 18 months. This program is for all displaced public housing residents, voucher participants, families from other HUD assisted programs and pre-disaster homeless individuals affected by Katrina. This is a FEMA funded program administered by HUD through PHAs. This is in addition to the existing disaster response from FEMA which assisted with amongst other things cash assistance toward housing costs to FEMA registered households who were homeowners or renters.

We are currently reviewing the clarification to the clarification for Notice 2004-22 and hope to issue the memo soon. Issues surrounding HAP vouchering have been drafted and sent to OGC for review. We have not received a response as of yet but hope to in the relatively near future.