RAD Section 18 Blends Conversion Funding

In the year of conversion (YOC), for what represents the balance of the calendar year, housing assistance payments will be funded by both converting public housing assistance and converting TPV assistance. This converting TPV assistance is determined prior to conversion and remains a maximum **fixed amount** in the year of conversion as stated in the HAP Contract, Part I, Section 1.3 as shown in Example I below.

Example I

1.3 Effective Date, Initial Term, and Funding For Initial Term of HAP Contract.

(a) **Effective Date and Initial Term.** The HAP Contract begins on August 1, 2026 and shall run for an initial term of twenty (20) years.

(b) **Funding for Initial Term.**

(1) Funding for the Year of Conversion. In the Year of Conversion (as defined in 1.1(c)) the HAP Contract shall be funded from public housing amounts obligated prior to the effective date of the HAP Contract, and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriations, for the remainder of the calendar year in which the HAP Contract becomes effective.

☒ [CHECK IF APPLICABLE] The contract resulted from a RAD/Section 18 Blend. In addition to the amounts in the prior paragraph, the CA will make housing assistance payments due to an owner in accordance with the HAP contract not to exceed $65,000.

In the above example, the HAP contact is effective August 1, 2026. Funding has been placed on the HAP contract in the PBRA account in the amount of $65,000. Unlike other RAD Component I conversions, RAD/Section 18 Blends will voucher monthly in the YOC starting on the effective date of the HAP contract, but only up to the converted funding balance, in this case, $65,000. Vouchering amounts include subsidy payments, rehab assistance payments (RAP), special claims and any other amounts that would be included on the voucher in Part III, Section f. Thereafter, for the remaining months in the year of conversion the owner will voucher $0 monthly on the HAP voucher.

RAD/Section 18 Blends Voucher Processing

Owners will convert HUD Form 50058s to HUD Form 50059s as they would with other RAD conversions with effective dates of the HAP contract.

In Example I above, once all 50059s are populated in TRACS, the owner will run the August 1, 2026, monthly HAP voucher HUD Form 52670. The owner will review the HAP voucher to find the exact amount of the voucher payment request for the month listed on Part III, Section f as shown below.

f.	Total Subsidy Authorized under instructions in Handbook 4350.3 Rev. 1		18,480

This amount is the beginning of the converted funding balance, and the voucher is ready to be transmitted to TRACS.

Please note, all RAD/Section 18 Blends will be manually flagged for review during the YOC to ensure the converted funding balance is not exceeded. This means the owner will need to access TRACS Voucher Query the day after transmitting the voucher and follow the instructions to email the signed copy of the voucher to voucherprocessing@hud.gov with a completed RAD/Section 18 Blends YOC Funds Tracking form and a copy of the HAP contract Part I showing the converted funding balance.

To complete this form, the owner will log each monthly voucher amount and subtract it from the prior months balance until all funds are vouchered without exceeding the initial funding amount, $65,000 in the above example. Again, each month the form will accompany the paper voucher to voucherprocessing@hud.gov.

Once funds become depleted, the owner will need to enter an OARQ on the voucher to either pay a partial amount, or zero out the voucher totally as demonstrated below.

Misc. Accounting Requests for Schedule of Tenant Assistance Payments Due

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

OMB Approval No. 2502-0182
(Exp. 06/30/2016)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guilde. See the statements on the form HUD-52670 for 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:	
11/2026					
6. Misc. Request Type	7. Comment			8a. Amount Requested	8b. Approved (HUD/CA use only)
OARQ	**YOC Funding Capped**			**-6497**	

Misc. Accounting Requests for Schedule of Tenant Assistance Payments Due

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

OMB Approval No. 2502-0182
(Exp. 06/30/2016)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guilde. See the statements on the form HUD-52670 for 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:	
12/2026					
6. Misc. Request Type	7. Comment			8a. Amount Requested	8b. Approved (HUD/CA use only)
OARQ	**YOC Funds Capped**			**-17980**	

Starting January, the owner will voucher the entire calculated amount except for any calculated adjustments retroactive prior to January. Those adjustments will require an OARQ to delete them off the voucher. This includes Interim Recertifications (IRs), Move-ins (MIs), etc. dated effective in December or prior.