Instructions **Conversion IC** **for RAD** PH/Mod Rehab 50058 to 50059 & Rent Supp/RAP/PRAC 50059 to 50059

**TRACS v 203A**

# HUD Resources

The following resources have been used to create this document and expand on the instruction provided here. These instructions are current as of the revision date, but subsequent release of new guidance may change the guidance provided in this document.

TRACS web site: <http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum>

TRACS Documents : <http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxdocs>

TRACS 2.0.3.A Final Industry Specification Documents Monthly Activity Transmission - MAT User Guide (includes TRACS errors and recommended solutions)

HUDClips: TRACS 2.0.3.A versions of the HUD-50059 and HUD-50059A, along with the instructions for these forms, are located at [www.hud.gov/program\_offices/administration/hudclips/forms/](https://www.hud.gov/program_offices/administration/hudclips/forms/)

HUD Handbook 4350.3 - Occupancy Requirements of Subsidized Multifamily Housing Programs

[www.hud.gov/program\_offices/administration/hudclips/handbooks/hsgh/4350.3](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgh/4350.3)

The current version of the Handbook, (Change 4), no longer provides current information in regards to:

* Imputed Income. [*See HSG Notice 16-01Passbook Savings Rate Effective February 1, 2016*](https://www.hud.gov/sites/documents/16-01hsgn.pdf)
* The Definition of Extremely-low Income. [*See HSG Notice 16-09 Streamlining Administrative Regulations for Multifamily Housing Programs*](https://www.hud.gov/sites/documents/16-09hsgn.pdf)
* Section 8 Student Rule Eligibility. *[See Federal Register Volume 81 Number 183 Eligibility of Independent Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937;](https://www.gpo.gov/fdsys/pkg/FR-2016-09-21/pdf/2016-22727.pdf)*
  + *[Additional Supplementary Guidance](https://www.gpo.gov/fdsys/pkg/FR-2016-09-21/pdf/2016-22727.pdf)*
* The Definition of Tuition. [*See HSG Notice 16-09 Streamlining Administrative Regulations for Multifamily Housing Programs*](https://www.hud.gov/sites/documents/16-09hsgn.pdf)
* Waiting List Administration [*See HSG Notice 14-06 Waiting List Administration*](https://www.hud.gov/sites/documents/14-16HSGN.PDF)
* Exceptions to Disclosure of the Social Security Number. [*See HSG Notice 16-09 Streamlining Administrative Regulations for Multifamily Housing Programs*](https://www.hud.gov/sites/documents/16-09hsgn.pdf)
* Verification of Fixed Income. [*See HSG Notice 16-09 Streamlining Administrative Regulations for Multifamily Housing Programs*](https://www.hud.gov/sites/documents/16-09hsgn.pdf)
* The Equal Access Rule. [See HSG Notice 15-06 Program *Eligibility in Multifamily Assisted and Insured Housing Programs in Accordance with HUD’s Equal Access Rule*](https://www.hud.gov/sites/documents/15-06HSGN.PDF)
* The Violence Against Women Act. [*See HSG Notice 17-05 Violence Against Women Act (VAWA) Reauthorization Act of 2013 – Additional Guidance for Multifamily Owners and Management Agents*](https://www.hud.gov/sites/documents/17-05hsgn.pdf)
* Certification Requirements for Fixed Income Households (Effective March 16, 2018) – [*See HUD’s Interim Final Rule Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America’s Surface Transportation (FAST) Act*](https://www.gpo.gov/fdsys/pkg/FR-2017-12-12/pdf/2017-26697.pdf)
* Verification of Assets and Income from Assets (Effective March 16, 2018). [*See HUD’s Interim Final Rule Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America’s Surface Transportation (FAST) Act*](https://www.gpo.gov/fdsys/pkg/FR-2017-12-12/pdf/2017-26697.pdf)

PHA/OAs must keep abreast of changes announced via Final Rule and posted HUD Housing Notices. PIH Notices may or may not apply to Multifamily Housing Programs. To review previously published Housing Notices, visit HUD’s web site at <https://www.hud.gov/program_offices/administration/hudclips/notices/hsg>

# The Conversion Initial Certification (Conversion IC)

These instructions provide instructions specific to creation of the Conversion Initial Certification (Conversion IC) used to establish households under the new PBRA RAD Contract. This **Conversion IC** created using [Form HUD-50059](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5) is referred to as a MAT10 record for TRACS reporting purposes.

# AR or IR Effective Date Same as Conversion IC Effective Date

Occasionally, the effective date of the RAD contract will correspond to the date of an AR or IR for a household.

In this case, for **Component 2- Rent Supp/RAP/Mod Rehab/PRAC to PBRA RAD**, the Conversion IC will use the verified household and financial data collected for the new AR/IR when creating the conversion IC.

For **Component 1 – PH to PBRA RAD** the AR/IR cannot be skipped. However, under the rules, the TTP for the Conversion IC must be the same as the TTP from the last Public Housing certification (50058).

To both follow this rule and to complete the required AR or IR, the following steps must be followed:

1. Execute the Conversion IC using the facts and TTP from the prior Form 50058.
2. Based on those facts, determine whether a *Rent Phase-in* will apply.
3. Obtain resident signatures
4. Sign and transmit the Conversion IC to TRACS.
5. Correct the Conversion IC using any new household and financial information that would appear on an AR or IR for that date following the Multifamily Housing rules—use the fully verified information for that date.
6. If *Rent Phase-in* applies, complete the *Rent Phase-in* calculations using as the TTP from the prior cert the TTP on the first IC from Step 1 above. *Note that it is possible for these calculations to result in the end of Rent Phase-in* *if the newly calculated TTP is less than or equal to the conversion TTP.*
7. Check the TRACS Certification Query to ensure that the original Conversion IC has been properly recorded in TRACS before transmitting the IC correction with the updated information.
8. After confirming that the Conversion IC has been recorded, transmit the IC correction to TRACS. That way TRACS has the correct history for the household.
9. Check the TRACS Certification Query again to make sure the correction is recorded correctly.

When referencing the instructions below, please note that the 50059 field numbers do not correspond to MAT field numbers referenced in the HUD MAT Guide Chapter 5.

Please refer to the 2.0.3.A MAT Guide Chapter 5 for additional information.

Section B. Summary Information:

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| --- | --- |
| Item 1 Project Name | Enter the project name that appears on the new regulatory agreement or subsidy contract. This will be the current project name in HUD’s Contracts database. |
| Item 2 Subsidy Type | Enter the code for the subsidy the tenant will receive during the period covered by this (re)certification. Use 1- Section 8 |
| Item 3 Secondary Subsidy Type | Leave blank since Section 236 or BMIR contracts do not apply to PBRA RAD. |
| Item 4 Property ID | Assigned by **iREMS** (integrated Real Estate Management System). Leave this Item blank until activated by TRACS. |
| Item 5 Project Number | Enter the 8-digit FHA, Elderly Housing, or State Agency noninsured project number. It is also required for those Section 8 contracts for which an FHA project number applies. Leave this field blank unless the PBRA RAD contract has a project number. |
| Item 6 Contract Number | This number is mandatory. Enter the 11-digit Contract Number. Do not enter dashes in this Item. (e.g., AK29RD00001) |
| Item 7 Project iMAX ID | The project’s telecommunications identifier, also known as the **iMAX** ID. The first five positions of this number must be “TRACM”, and HUD assigns the last five positions. For example, TRACM98765. If you do not have an iMAX ID, you must request one using HUD’s form. <https://www.hud.gov/sites/documents/DOC_25275.PDF> |
| Item 8 Plan of Action Code | Leave blank. Does not apply to new contracts. |
| Item 9 HUD-Owned Project | Leave blank. You would only Enter a “Y” if the project is owned by HUD to enable (re)certifications to be submitted to TRACS. |
| Item 10 Previous Housing Code | Because this is a Conversion IC and not a MI certification, leave this field blank. |
| Item 11 Displacement  Status Code | Because this is a Conversion IC and not a MI certification, leave this field blank. |
| Item 12 Effective Date | For the Conversion IC, enter the RAD Contract Effective Date.  ***Component 1 PH to PBRA RAD****: The HAP Contract becomes effective on the first day of either of the two months following closing, at the Project Owner’s discretion.*  ***Component 2 Mod Rehab/Rent Supp/RAP/PRAC to PBRA RAD****: The PBRA HAP Contract will be effective on the first day of the month following the closing on the construction financing.* |
| Item 13 Anticipated Voucher Date | This is system generated and should not be changed. Refer to MAT Guide Chapter 4. Since all Conversion ICs are now effective on the first of a month, the ICs will appear on the fist voucher if they are complete. *For example, if the Contract Effective Date is 10/1/2020, the Conversion IC Effective Date is 10/1/2020. The Anticipated Voucher Date is 10/2020 and the IC will appear on the October voucher if the certification is complete when the October voucher is created.* |
| Item 14 Next Recertification Date | For **Rent Supp/RAP/PRAC to PBRA RAD**: Use the Next Recertification Date from the most recent 50059 submitted prior to conversion to RAD.  *Special Note S8 RAD C2 only: If the resident is required to complete an AR or IR with the same effective date as the RAD Contract Effective Date, create the conversion IC with the new information and use the standard Next Recertification Date.*  For **PH/Mod Rehab to PBRA RAD**: When the resident's income is reviewed annually, use the "Projected Effective Date of Next Reexamination" on the most recent 50058 submitted prior to conversion to PBRA RAD.  ***Special Note Component 1 only:*** *If the Conversion IC is effective on the same day as an AR or IR, special rules apply. See the instructions at the end of this document.*  ***Note:*** *If you plan to use the same date for annual recertification for all residents, this must be approved by HUD.* |
| Item 15 Fixed Income Household | Fill with Y when 90% of the Household Income is from a fixed income source. (e.g. Social Security, Retirement, Disability) otherwise leave blank. |
| Item 16 Project Move-In Date | Enter the date the tenant moved into the project. Enter as MMDDYYYY.  *This date may be before the PBRA RAD Contract Date/Effective Date of Conversion IC.* |
| Item 17 Certification Type | This is the Conversion IC - Initial Certification Code **IC** |
| Item 18 Action Processed | Leave blank. The Conversion IC (sending the first time) should not be a correction. |
| Item 19 Correction Type | Leave blank. The Conversion IC (sending the first time) should not be a correction |
| Item 20 EIV Indicator | Leave blank. The Conversion IC (sending the first time) should not be a correction and is not being generated as a result of discovery in EIV |
| Item 21 Previous Subsidy Type | If the subsidy type has changed from the previous (re)certification or the tenant has changed from receiving assistance to Market Rent or from Market Rent to receiving assistance, enter the code, choosing from the codes listed in Item 2, associated with the Previous Subsidy Type. Valid codes *for the Conversion IC* are.  Space = No previous history in this project – use for PH to RAD or Mod Rehab to RAD.  **0** = Market Rent Tenants  **2** = Rent Supplement  **3** = RAP |
| Item 22 Unit Number | Enter the unit number in which the household is residing on the Effective Date of this HUD-50059.  ***Note:*** *Under PBRA rules, Unit Numbers must be unique within the project.*  ***Note:*** *It is recommended that unit numbers are not changed after they have been established. This can create difficulties when submitting to TRACS. If you are going to change unit numbers, it is best to do so before submitting the first 50059 certification to TRACS.* |
| Item 23 No. of Bedrooms | Enter the number of bedrooms for the unit number listed in Item 21.  ***Note:*** *0 = Studio.* |
| Item 24 Building ID | Leave this Item blank |
| Item 25 Unit Transfer Code | Leave this Item blank. |
| Item 26 Previous Unit No. | Leave this Item blank. |
| Item 27 Security Deposit | The amount entered should be the previously paid security deposit amount shown on the lease and paid by the resident. *If in-place residents (at time of conversion) have not previously been required to provide a security deposit, the PHA/OA cannot require a security deposit upon conversion to RAD.* |
| Item 28 236 Basic/BMIR Rent | This does not apply to RAD. Leave blank. |
| Item 29 Market Rent | This does not apply to RAD. Leave blank. |
| Item 30 Contract Rent | Enter the Contract Rent HUD has approved for this unit type.  ***Note:*** *This amount cannot be zero***.** |
| Item 31 Utility Allowance | If all of the utilities are included as part of Contract Rent, enter zero. If not, enter the Utility Allowance amount HUD has approved for this unit type. |
| Item 32 Gross Rent | Enter the amount HUD has approved for this unit type**.** This equals the Contract Rent + Utility Allowance. |
| Item 33 TTP at RAD Conversion | ***Component 1 PH to PBRA RAD Only:*** If Rent Phase in applies and is in process, fill with the TTP tenant is paying at the time of conversion to PBRA RAD.  When Rent Phase in does not apply and is not in process, OAs have the option of filling the TTP at RAD Conversion with zeros or with the TTP calculated on the most recent 50058 submitted prior to conversion to PBRA RAD, but this is not required.  ***Note:*** *this is not Tenant Rent. Tenant Rent = TTP less any Utility Allowance.*  ***Component 2 Mod Rehab/Rent Supp/RAP/PRAC to PBRA RAD*** fill with 0s |

# Section C. Household Information:

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| Item 34 Member Number | Enter each member’s name beside a number. The Head of Household (HOH) must have the number “01”. Each person in the household must have their own Family Member number because it will be used to associate income and assets to specific family members. |
| Item 35, 36 & 37 Names of Household Members | Enter the names (Last, First, Middle Initial) of each member who will be residing in this unit. The first member listed must be the Head of Household. The list of members should be in the following order:   1. Head-of-household (HOH) (only one - required) 2. Spouse (only one) not required or Co-Head-of-household *(only one)* not required *(may include a Spouse or a Co-Head, but not both)* 3. Dependents 4. Other adult family members 5. Foster children under age 18 6. Foster adults 7. Live-in Attendants and 8. Others living in the unit who are not members of the tenant family.   ***Note:*** *It is not required to have a Spouse or a Co-Head. Even if there are multiple adults living in the unit, it is valid to list a Head and an Other Adult if the Other Adult is not the Spouse or Co-Head.* |
| Item 39 Relationship Code | Enter the Relationship to the HOH. This information should match the most recent 50058 or 50059 submitted prior to conversion to RAD. Valid entries are:  **H** - Head *(only one)*  **S** - Spouse *(only one)* not required  **K** - Co-head *(only one)* not required  **D** - Dependent *(if converting from 50058 - includes Y - Other Youth under 18 and E Full-time Student 18+)*  **O** - Other Adult *(if converting from 50058 - same as A-Other Adult)*  **F** - Foster Child/Adult  **L** - Live-in Aide  **N** - None of the Above *(please note - under MF rules, income does not count for this member)* |
| Item 39 Sex | For each person, enter “F” for Female, “M” for Male or leave blank if either the O/A did not ask for the information or the tenant did not voluntarily report. |

Items 39 and 40 are filled in based on whether or not household members have completed the Race & Ethnic Data form HUD-27061-H. Parents or guardians are to complete the form for children under the age of 18. *There is no penalty for persons who do not complete the form.*

It is not appropriate for an owner/agent to complete the Race & Ethnic Data Form on behalf of a resident/applicant unless the owner/agent is making a reasonable accommodation. If a resident/applicant does not wish to complete the form, place a note in the tenant file stating the applicant/tenant declined to complete the form.

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| Item 40 Race | Based on the Race & Ethnic Data form completed by each household member, please enter the appropriate letter listed below. Enter one of these valid codes for each household member.  **X** = Declined to report  **I** = American Indian or Alaskan Native  **A** = Asian  **B** = Black or African-American  **H** = Native Hawaiian or Other Pacific Islander  **W** = White  **O** = Other |
| Item 41 Ethnicity | Enter one of these valid codes for each household member.  **0** = Tenant Declined to Report  **1** = Hispanic  **2** = Non-Hispanic |
| Item 42 Birth Date | Enter the Birth Date for each member of the household  Note: if a member turned 13, 18 or 62 since the last certification, deductions may change the TTP calculation. An IR may be indicated. In these cases, include changes on the Conversion IC based on the rules for the Component Type discussed above. |
| Item 43 Special Status Code | **It is mandatory to provide this information.**  For each member, enter all of the codes that apply (e.g., an “E” Elderly tenant may also be “H” Disabled).  **E** = Elderly Head, Co-Head, or Spouse (At least 62 years of age as of the  effective date of this (re)certification)  **S** = Full-time Student 18 or older who is not the Head, Co-Head or Spouse as of the effective date of this (re)certification. Must have a “D” Dependent indicated in Item 37 -Relationship Code, except if the Full-time Student is a Foster Adult, whose Relationship Code is “F”.  **H** = Family member who is Disabled  **M** = Family Member who is a US military veteran.  **P** = Presidentially Declared Disasters Person being housed temporarily pursuant to the guidance in the HUD Handbook 4350.1, Chapter 38.  **F** = Member who is Participating in the FSS program  **Joint Custody Codes:**  **JK** =Dependent (D) whose custody is jointly shared by more than one family and who receives a dependent allowance along with a child care allowance where applicable.  **C** = Dependent (D) 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** = Dependent (D) 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.  **Note:** A dependent without either the J or C codes is assumed to be a full-time resident of the unit (no joint custody applies).  **Note:** Do not use K without either the J or C code |
| Item 44 Student Status | Enter “Y” if student (either full or part-time) enrolled in an Institution of Higher Education is eligible for assistance under the Section 8 rules. |
| Item 45 ID Code (SSN) | ID Code - SSN or TRACS-generated ID. Do not use the Individual Tax Identification Number (ITIN).  If household member is exempt, enter 999999999 and the appropriate exemption code. TRACS will assign a TRACS ID which must be used on all subsequent submissions. The TRACS ID can be found on the EIV Failed Pre-Screening Report.  Special rules apply to exempt minors (under the age of 6). These minors are exempt for 90 days with a possible extension of an additional 90 days. **Penalty for failure to provide SSN for a minor is termination of tenancy.**  **Note: If converting from Mod Rehab or PH** - check field 3n on most recent 50058. If member is exempt from disclosing SSN, do not use the Alternate ID created in the PIC Alternate ID Generator.  For TRACS, you must enter 999999999 and TRACS will generate a TRACS ID. For TRACS, you must use the TRACS generated ID on all subsequent certifications until an SSN is assigned. Once the Conversion IC has been accepted by TRACS, the TRACS ID may be obtained from the Failed Prescreening Report in EIV or from the HUD Help Desk. |
| Item 46 SSN Exception | Leave blank if no SSN Exception applies.  Choose the appropriate code if an individual without a valid SSN qualifies for an SSN Disclosure exception.  **C** = Individual who does not contend eligible immigration status  **E** = Individual age 62 or older as of January 31, 2010, whose initial  determination of eligibility in either a Multifamily or PIH 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 was not valid for use on the IC in TRACS v 2.0.2.D. If you used 999990000 as the SSN for an exempt minor under the age of six added to the household within the last 90 days (or 180 in certain circumstances) then leave this field blank.  **F**=Foster child or adult when the foster agency refuses to provide the SSN or adequate documentation to verify the SSN and when HUD has provided written approval. |
| Item 47 Citizen Code | Enter one of the following codes for each household member.  **EC** = Citizen or national  **EN** = Noncitizen with eligible immigration status  **IC** = Ineligible noncitizen child of a family head or spouse  **IN** = Ineligible Non-Citizen.  **IP** = Ineligible Parent of a Head of Household or Spouse  **ND** = No documentation submitted. For use when the family is receiving prorated assistance at admission. Member is treated as ineligible for proration purposes.  **PV** = Eligibility status is pending verification—documents have been submitted. For use when the family is receiving prorated assistance at admission. Member is treated as eligible for proration purposes.  **XX** = Individuals who are not counted as members of the family (Live-in aides or None of the above).  At least one household member must be eligible.  **For properties converting from Rent Supp or RAP**, information should match the most recent 50059 submitted prior to conversion to RAD.  For properties converting from 202 PRAC, residents must be asked to provide required citizenship eligibility information. Each family must provide a Family Summary or a Family/Owner Summary. Each member must complete the Citizenship Declaration. A Declaration of eligibility is required for U.S. Citizens. Owner/agents may, but are not required to, require proof of citizenship. For eligible noncitizens 62 years of age and older, a Declaration of eligibility and proof of age is required. For eligible noncitizens who are not yet 62 years of age, a Declaration of eligibility is required and the resident must provide required documents. The owner/agent must verify eligibility through SAVE. If a family member completes the Declaration and does not contend eligible immigration status (ineligible) assistance must be prorated. At least one family member must be eligible. If no family member is eligible, the family is not qualified for subsidy or for housing. No IC is submitted.  If **converting from PH or Mod Rehab** replace 50058 Codes as appropriate. |
| Item 48 Alien Registration Number | If the family member has been assigned an Alien Registration Number by DHS, enter this number. Do not use dashes when entering this number. |
| Item 49 Age | Enter the age for each member as of the effective date of this (re)certification. This field is not transmitted to HUD in the TRACS file.  ***Note:*** *if a member turned 13, 18 or 62 since the last certification, deductions may change the TTP calculation. An IR may be indicated. In these cases, include changes on the Conversion IC based on the rules for the Component Type discussed above.* |
| Item 50 Work Codes | This Item only needs to be filled in if Child Care and/or Disability Assistance is required to enable an adult family member to work. (See HH 4350.3 R1, Paragraph 5-10 for additional information about these deductions)  The following codes are valid for this Item:  **C** = Family member who is able to work because Child Care is available  **H** = Family member who is able to work because Disability Assistance is available  **CH** = If both apply |
| Item 51 Family Mobility Disability? | If a family member has a mobility disability, enter a “Y” in this Item. Otherwise, leave blank. |
| Item 52 Family Hearing Disability? | If a family member has a hearing disability, enter a “Y” in this Item. Otherwise, leave blank. |
| Item 53 Family Visual Disability? | If a family member has a visual disability, enter a “Y” in this Item. Otherwise, leave blank. |
| Item 54 Number of Family Members | Enter the number of household members with the Relationship Code (Item 37) of H, S, K, D, O or F. Do not include any members with the Relationship Code of L or N |
| Item 55 Number of Non-Family Members | Enter the number of household members with the Relationship Code (Item 37) of L or N. These non-family members are not counted in Item 53. |
| Item 56 Number of  Dependents | Enter the number of household members with the Relationship Code (Item 37) of “D”.  The following constitutes a dependent:   * Under 18 years of age * A person with disabilities * Full time student of any age   **Note:** A family member who is the Head, Spouse, Co-Head, Foster Child, Foster Adult or Live-in Attendant cannot be counted as a dependent.  **Note:** When there are children who receive subsidy in two units (Joint Custody), do not include dependents under the age of 18 who have a Special Status Code (Item 42) of C. |
| Item 57 Number of Eligible Members | List the number of family members who are eligible to receive housing assistance based on citizen/non-citizen eligibility. If there are eligible and ineligible family members, the Assistance Payment will be pro-rated. *See Item 46 for an explanation of Member Citizenship Codes.* |
| Item 58 Expected Family Addition Adoption | Number of additions due to adoption expected in next 12 months |
| Item 59 Expected Family Addition Pregnancy | Number of additions due to childbirth expected in next 12 months |
| Item 60 Expected Family Addition Foster Children | Number of additions due to fostering expected in next 12 months |

This full (re)certification (MAT 10) is not changing the Head of Household ID, the (re)certification Effective Date, OR one or more of the additional identifiers (Last Name, First Name, Middle Initial, and Birth Date) for a previously submitted full (re)certification (MAT10).

Leave Items 61 through 66 blank.

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| Item 61 Previous Head Last Name | Leave blank for this Conversion IC |
| Item 62 Previous Head First Name | Leave blank for this Conversion IC |
| Item 63 Previous Head Middle Initial | Leave blank for this Conversion IC |
| Item 64 Active Full Cert. Effective Date | Leave blank for this Conversion IC |
| Item 65 Previous Head ID | Leave blank for this Conversion IC |
| Item 66 Previous Head Birth Date | Leave blank for this Conversion IC |

For Items 67 through 75, the following general references in the HUD Handbook 4350.3 REV-1 are applicable:

* Chapter 5, Paragraphs 5-1 through 5-6; Section 3 of Chapter 5 Figure 5-2
* Exhibits 4-1 & 5-1 Please note there have been changes to income inclusions and exclusions since the publication of Change 4 to this Handbook.
* Appendix H of the TRACS 2.0.3.A MAT Guide

# Section D. Income Information:

Include income that was reported on the most recent 50058 or 50059 submitted before conversion to PBRA RAD.

Special rules apply if an AR or IR Effective Date is the same as the Conversion IC Effective Date. Please see the note at the beginning of these instructions.

For Conversions from Public Housing or Mod Rehab, the PIH rules regarding Income Inclusions and Exclusions are different then the rules set for HUD’s Multifamily Housing program. For example, the Earned Income Disregard does not apply to residents living in MF properties. For those PH or Mod Rehab residents who qualify for EID at the time of conversion only, enter the net income amount after application of the EID calculation.

PHA/OAs must become familiar with the Multifamily Housing rules. Reference HH 4350.3 R1, C4, Paragraph 5-6 and 5-7 and Exhibit 5-1 and Exhibit 5-2.

For your convenience, we have provided an updated list of Inclusions and Exclusions as part of this guide.

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| Item 67 Member Number | This Item should only be filled in for family members who report income, and should match the number assigned to each family member in Item 33, starting with the Head of Household “01”. A separate line should be completed for each income source for each family member. This means the Head, “01”, may be listed twice with two different income sources. This Item cannot be “00”. |
| Item 68 Income Type Code | Corresponding with the member number in Item 66, fill in each source of income separately for each family member with income. Each income source should have its own income code. Use the following codes:  **B** = Business (including distributed profits and net income from business)  **CS** = Child Support  **F** = Federal Wages  **G** = General Assistance/Welfare  **I** = Indian Trust  **M** = Military Pay  **N** = Other Non-Wage source  **PE** = Pensions (this includes veteran pensions, military retirement, and income from all other pensions and annuities)  **SI** = Supplemental Security Income (this covers both personal benefit and State Supplements administered by the SS Administration)  **SS** = Social Security (both personal, Survivor’s Benefits and Dual Entitlements)  **T** = TANF (Temporary Aid to Needy Families), formerly AFDC  **U** = Unemployment  **W** = Non-Federal Wage *(includes salaries, tips, commissions, bonuses, and other income from employment)*  **Note:** If a family member has no income, do not submit an Income Record for that individual. |
| Item 69 Amount | Corresponding with the Member Number in Item 66, and the Income Type Code, Item 67, fill in each source of income separately for each family member with income.  **Component 1:** Enter the anticipated amount shown on the most recent 50058 submitted before conversion to PBRA RAD.  **Component 2 only:** Enter the anticipated amount shown on the most recent 50058 or 50059 submitted before conversion to PBRA RAD. This is true unless an AR or IR effective date is the same as this Conversion IC Effective Date. If an AR or IR is effective on the same date of the Conversion IC for Component 2, enter the new information treating the Conversion IC the same as an AR or IR.  ***Note:*** *If a portion of the income is excluded due to participation in the EID program, enter the net amount after the exclusion.* |
| Item 70 SSN Benefits Claim No. | If a member is receiving SSA benefits via their own SSN, leave blank.  If this income is derived from Social Security benefits, code the Claim Number used to collect those benefits. Space fill if not applicable.  Note that what used to be called the SSN Benefits Claim Number is now referred to as the Beneficiary Notice Code (BNC) and has a different format than the old Claim Number. In particular, the new code does not contain a member’s SSN and is one character longer.  Enter Benefit Notice Code (BNC) under which a family member receives income benefits.  The code consists of 13 letters and numbers.    Note: If the member has income under more than one Claim Number, simply report one income per Claim Number. |
| Item 71 Total Employment Income | Provide the income totals from Item 68 associated with the following codes.  **B** = Business  **F** = Federal Wages  **M** = Military Pay  **W** = Non-Federal Wage |
| Item 72 Total Pension Income | Provide the income totals from Item 68 associated with the following codes.  **PE** = Pensions  **SI** = Supplemental Security Income  **SS** = Social Security |
| Item 73 Total Public Assistance Income | Provide the income totals from Item 68 associated with the following codes.  **G** = General Assistance/Welfare  **T** = TANF |
| Item 74 Total Other Income | Provide the income totals from Item 68 associated with the following codes.  **CS** = Child Support  **I** = Indian Trust  **N** = Other Non-Wage source  **U** = Unemployment |
| Item 75 Total Non-Asset Income | Add income amounts from Items 70 through 73. |

For Items 76 through 87, the following general references in the

HUD Handbook 4350.3 REV-1 are applicable:

* Chapter 5, Paragraph 5-7 & Section 3 of Chapter 5
* Exhibits 4-1 & 5-2
* Appendix H of the TRACS 2.0.3.A MAT Guide

Note: When comparing actual income to imputed income, do not reference HH 4350.3 R1, C4. Imputed income percentage for the MFH program was modified via HSG Notice 14-15 [Passbook Savings Rate Effective February 1, 2015 and Establishing Future Passbook Savings Rates](https://www.hud.gov/sites/documents/14-15hsgn.pdf). Effective February 1, 2015, the passbook savings rate to be used for all move-in, initial, annual, and interim recertifications when a family has net assets over $5,000 is .06%. This .06% rate must be used until Multifamily Housing publishes and makes effective a new passbook savings rate.

# Section E. Asset Information:

Only include assets and asset income that was reported on the most recent 50058 or 50059 submitted before conversion to PBRA RAD. Special rules apply if an AR or IR Effective Date is the same as the Conversion IC Effective Date. Please see the note at the beginning of these instructions.

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| Item 76 Member Number | Enter all assets that were included on the most recent 50058 or 50059 submitted prior to conversion to RAD. This Item should be filled for family members who have assets. The Member Number must match the number assigned to each family member in Item 33 starting with the Head of Household “01”. Use a separate line item for each asset. |
| Item 77 Description | List each asset separately |
| Item 78 Status | There are only two codes allowed for this Item. Enter the appropriate code.  **C** = Current (if the family owned this asset when completing the most recent 50058 or 50059 submitted prior to conversion to RAD)  **I** = Imputed if this asset was included on the most recent 50058 or 50059 submitted prior to conversion to RAD but was divested within two years of that certs effective date. (if the asset was divested 2 years or more before the RAD Contract Effective Date, you cannot include the divested asset on the 50059. OAs should note the file explaining why the divested asset is not included) |
| Item 79 Cash Value | The cash value of an asset is the market value of the asset minus any expenses that could occur to sell the asset or convert the asset into cash. The lowest value is zero ($0)  **Note:** TRACS will not accept a negative value. |
| Item 80 Actual Yearly Income | Enter income amounts that were included on the most recent 50058 or 50059 submitted prior to conversion to RAD.  **Note:** TRACS will not accept a negative value.  **Note:** TRACS will accept a zero-value asset earning income (e.g. house with an “upside down” mortgage paying rental income) |
| Item 81 Date Divested | If the status of an asset in Item 77 is “I’, enter the date the asset was disposed of for less than fair market value. May not be more than two years prior to the IC effective date. (if the asset was divested 2 years or more before the RAD Contract Effective Date, you cannot include the divested asset on the 50059. OAs should note the file explaining why the divested asset is not included) |
| Item 82 Opt out of Asset Value Limit Eligibility Please note – there is a request to change this field name to “Do Not Check Asset Values” to match Chapter 5 of the MAT Guide | Leave blank until HOTMA rules are in effect.  When HOTMA is implemented, PHAs and OAs will have to option to disqualify residents when the cash value of certain assets exceed $100,000.00 (Note: not all assets are included when establishing this “cap”. Please become familiar with the rules.)  If the PHA/O/A chooses not to implement the rule limiting certain assets to a total of $100,000, fill with “Y”. Otherwise leave blank. |
| Item 83 Total Cash Value of Assets | Total the cash value of each asset listed in Item 78. |
| Item 84 Actual Income from Assets | Total the actual yearly income amount from assets listed in Item 79. |
| Item 85 HUD Passbook Rate | The HUD Passbook Rate for Multifamily is .06% (0.0006) until further notice. Enter .06 if Total Cash Value of Assets (Item 81) is greater than $5000. If Item 81 is less than or equal to $5000, enter zero or leave blank.  **Note:** Do not attempt to change the Passbook Rate or the 50059 will be rejected by TRACS. |
| Item 86 Imputed Income from Assets | Enter Zero if the Total Cash Value of Assets (Item 81) is less than or equal to $5000.  If the Total Cash Value of Assets is more than $5000, multiply the amount entered in Item 81 Total Cash Value of Assets by the HUD Passbook Rate (Item 83) and enter the amount. |
| Item 87 Asset Income | Enter the greater of Item 82 or Item 84.  **Note:** For PH to PBRA RAD or Mod Rehab to PBRA RAD: Because the imputed percentage in MF may differ from the imputed percentage in the PIH program, this number may be different than the number on the most recent 50058 submitted prior to conversion to RAD. If this is the case, the PHA/O/A may have to use the Rent Override option in order to change the calculated TTP on the 50059 to the TTP on the most recent 50058 submitted prior to conversion to RAD. Do not attempt to change the Passbook Rate or the 50059 will be rejected by TRACS. |

# Section F. Allowances & Rent Calculations:

The PHA/O/A must become familiar with the rules governing deductions by reviewing HUD guidance provided in HUD Handbook 4350.3 Revision 1, Change 4, Paragraph 5-10. Information about children who are in joint custody situations and children who do not reside in the unit at least 50% of the time can be found in Paragraph 3-6, 5-6, 3-23 and in HUD’s MAT Guide Chapters 4 and 5.

*Note for PH to PBRA RAD or Mod Rehab to PBRA RAD: The order of the Allowance calculations is different on the HUD 50059 than on the 50058. This difference may result in a calculated TTP that is different than on the 50058. When this is the case, you will need to use the Rent Override Option.*

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| Item 88 Total Annual Income | The sum of Item 74 plus Item 85. |
| Item 89 Low Income Limit | For all subsidy types, except BMIR, the Low-Income Limit is based on 80% of the median income for the area. |
| Item 90 Very Low-Income Limit | VLI is based on 50% of the area median income, as determined by HUD. |
| Item 91 Extremely Low-Income Limit | ELI is the greater of 30% of median income or the area poverty level. ELI cannot exceed VLI |
| Item 92 Current Income Status | Section 8 only. Compare the Total Annual Income (Item 86) to the Income Limits entered in Items 87, 88, and 89.  If Item 86 is less than or equal to Item 89, enter “3”-Extremely-Low Income (not to be used for Income Targeting for Conversion IC)  If Item 86 is greater than Item 89, but less than or equal to Item 88, enter ‘2”-Very-Low Income.  If Item 86 is greater than Item 88, enter “1”-Low Income. |
| Item 93 Eligibility Universe Code | This contract is effective on or after 10/1/81(Post 1981). However, Properties converting under RAD are to be treated as Pre-1981 Contracts meaning owners may admit families up to the low-income limit (80 percent of median income) The rule is to Enter 2 *(Post Universe)* and allow for MI/IC for Low income families. However, some programs will not allow this transaction. Check with your software vendors for compliance rules (and workarounds if necessary) |
| Item 94 Sec. 8 Assist. 1984 Indicator | Leave blank |
| Item 95 Income Exception Code | Exception codes do not apply to RAD. |
| Item 96 Police Security Tenant? | If the owner has received permission from HUD to admit over-income police or security personnel, enter “Y”. Otherwise, leave blank. Income limits do not apply for this tenant, and the Total Tenant Payment must be at least what the tenant would pay if subsidized.  **Note:** The owner is not entitled to vacancy claim payments for the period following occupancy by police officer or security personnel. |
| Item 75 Survivor of Qualifier? | If the current HOH, co-HOH or spouse does not meet the eligibility requirements to qualify for the unit, but does qualify as the survivor of the person who originally met the special requirements and qualified for the unit, enter “Y”.  For PRAC to RAD: Y only applies if the HOH, co-HOH or spouse qualifies as the remaining family member because the qualifying member no longer lives in the unit.  Otherwise, leave blank. (See HH 4350.3 R1, C4, Paragraph 3-16) |
| Item 98 Household Citizenship Eligibility | Enter one of the following codes for residents with a Project MI date on or after 6/19/95, and for all in-place tenants no later than 6/19/96.  The valid codes for this Conversion IC are:  **E** = All members of the family are eligible under the Non-Citizen Rule. The family receives full assistance. No members have a PV status  **P** = Prorated Assistance. The family qualifies for and receives Prorated Assistance under the Non-Citizen Rule because only some of the family members are eligible for assistance. Note: A member with an eligibility code of PV will be counted as eligible. A member with a code of ND will be counted as ineligible.  **F** = Full Assistance while the verification of eligibility is pending. A family is in this status if all members are eligible for assistance or have submitted documentation but the verification process is not yet complete (Citizenship Eligibility Code = PV).  If any member is ineligible or has an ND eligibility code, use the Prorated Assistance Code (P) |
| Item 99 Deduction for Dependents | Multiply the Number of Dependents (Item 55) by $480.  **Note:** Dependents are members who are not the HOH, co-HOH or spouse and who are either 1) under the age of 18, 2) adult full-time students or 3) disabled adults. Foster children/adults are never Dependents. A minor with a Special Status Code (Item 42) of C is not counted. |
| Item 100 Child Care Expense (work) | Amount of childcare expense incurred that enables a family member to work. Only expenses incurred for the care of children who are under the age of 13, can be included. However, the allowable expense cannot exceed the amount earned as the result of the child care provided.  **Note:** If an amount greater than zero is entered in this Item, a “C” should be entered in Item 49 Work Codes  **Note:** Because employment income for a full-time student (dependent) is limited to $480, the associated child care allowance is restricted to the lesser of the actual amount or $480. |
| Item 101 Child Care Expense (school) | Amount of childcare expense incurred that enables a family member to look for work or attend school. Only expenses incurred for the care of children, including Foster children, under the age of 13, can be included. |

The Medical Deduction and the Disability Expense Deduction are currently limited to out-of-pocket expenses that exceed 3% *(currently)* of annual income. See HH 4350.3 R1, C4, Paragraph 5-10 for additional information.

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| Item 102 Expenses Exempt from Income % Limit? | Leave this field blank until HOTMA is implemented |
| Item 103 \_\_\_\_\_ of Income | Until HOTMA is implemented, this will always be 3%. Multiply the Total Annual Income (Item 86) by 0.03 (3.0%) *Note: Currently, the percentage is 3% but this may change to 6.5% or 10% when HOTMA is implemented.* |
| Item 104 Disability Expense | Families are entitled to a deduction for unreimbursed, anticipated costs for attendant care and “auxiliary apparatus” for each family member who is a person with disabilities, to the extent these expenses are reasonable and necessary to enable any family member 18 years of age or older who may or may not be the member who is a person with disabilities to be employed. If the family will not incur any Disability Assistance Expenses over the next 12-month period, enter zero.  **Note:** If an amount has been entered in this Item, enter “H” in Work Codes (Item 49).  **Note:** If an amount has been entered in this Item, at least one family member must have a Disabled “H” in Special Status Code (Item 42). |
| Item 105 Disability  Deduction | If Disability Expense (Item 101) is less than 3% of Income (Item 100), enter zero.  If Disability Expense (Item 101) is greater than or equal to 3% of Income (Item 100), enter the **LESSER** of   * Disability Expense (Item 101) less 3% of Income (Item 100) OR * Employment income of the person able to work because attendant care or auxiliary apparatus is provided. |
| Item 106 Medical Expense | Medical expenses are permitted for elderly and disabled families. A family is determined to be elderly or disabled if the Head (H), Spouse (S) or Co-Head (K) is:   * 62 years or older on the effective date of (re)certification or * Is a person with disabilities |
| Item 107 Medical  Deduction | If Medical Expense (Item 103) is less than 3% of Income (Item 100), enter zero.  If Disability Expense (Item 101) is zero, subtract 3% of Income (Item 100) from Medical Expense (Item 103) and enter the amount.  If an elderly or disabled family has both **unreimbursed** medical expenses and eligible disability assistance expenses, a special calculation is required  See 4350.3 REV-1: Paragraph 5-10.D.5 |
| Item 108 Elderly Family Deduction | If the Head, Co-Head, or Spouse has a Special Status (Item 42) of “E” -Elderly (62 or older), or “H” - Handicap/Disabled, the household is entitled to a $400 Elderly Household Allowance. |
| Item 109 Total Deductions | Add the following Items and enter the amount.  Items 97 + 98 + 99 + 102 + 104 + 105 = Item 106, Total Deductions |
| Item 110 Adjusted Annual Income | Subtract Total Deductions (Item 106) from Total Annual Income (Item 86). Enter the result.  If Item 106 is greater than or equal to Item 86, enter zero. |
| Item 111 Total Tenant Payment | Total Tenant Payment (TTP) is the amount a tenant is expected to contribute for rent and utilities. For PBRA RAD the calculated TTP is the greater of:   * 30% monthly adjusted income; * 10% monthly gross income; * Welfare rent (welfare recipients in as-paid localities only)   The minimum TTP is $25 unless the owner/agent can document a hardship exemption.  **Note:** **For Component 1 PH to PBRA RAD only:** TTP on this 50059 must be equal to or less than TTP on the 50058 submitted prior to conversion to RAD.  **Note:** **For Component 1 PH to PBRA RAD only:** TTP can exceed Gross Rent. (AP will be zero or negative)  **Note:** If the Household Citizenship Eligibility (Item 96) is “P”, the Total Tenant Payment (TTP) will be pro-rated. Pro-ration procedures are listed after the instructions for Item 118. Citizenship proration does not apply to Component 1 PBRA RAD when the AP is zero or negative. |
| Item 112 TTP Before Override | **For Component 1 PH to PBRA RAD only:** Use the TTP Before Override option only if RAD calculated TTP is more than TTP shown on the most recent 50058 submitted prior to conversion to RAD. If rent override applies, fill with the TTP that would normally be calculated without the override. Otherwise, leave blank. Filling this field when the standard rent calculation is used will generate a TRACS error.  **Note:** **For Component 1 RAD Conversion IC**, the TTP must equal the TTP on the most recent 50058 submitted prior to conversion to RAD. If this is not the case when using the standard calculation, you must use the Rent Override Option. |
| Item 113 Tenant Rent | Tenant Rent (TR) is the portion of the TTP the tenant pays each month.  When utilities are paid by the property, TR will equal TTP.  If utilities are paid by the tenant, TR and TTP will not be the same. TR will equal TTP minus Utility Allowance (UA).  If calculated TTP is less than the UA, enter zero in this Item and enter an amount in Utility Reimbursement (Item 111).  **Note:** If the Household Citizenship Eligibility (Item 96) is “P”, the Total Tenant Payment (TTP) will be pro-rated. Pro-ration procedures are listed after the instructions for Item 118.  **Note: For Component 1 PH to PBRA RAD Only:** If TTP may be greater than Gross Rent (AP is zero or negative). |
| Item 114 Utility Reimbursement | If calculated TTP is less than the UA, subtract the TTP from UA and enter the difference.  UA – TTP = UR  **Note:** If the Household Citizenship Eligibility (Item 96) is “P”, the Total Tenant Payment (TTP) will be pro-rated. Pro-ration procedures are listed after the instructions for Item 118. |
| Item 115 Assistance Payment | To determine this amount, subtract the TTP from the Gross Rent.  GR - TTP = AP.  Enter the AP amount.    **Note:** If the Household Citizenship Eligibility (Item 96) is “P”, and AP is positive, the Total Tenant Payment (TTP) will be pro-rated. Pro-ration procedures are listed after the instructions for Item 118. |
| Item 116 Welfare Rent | If not applicable, enter zero.  In states or localities that have “As-Paid” Public Benefit programs, the Welfare Rent is based on the actual amount a family pays for shelter and utilities. The Welfare Rent is the maximum amount permitted under the Welfare Rule for rent and utilities. |
| Item 117 Rent Override | **For Component 1 PH to PBRA RAD:** TTP must equal the TTP on the most recent 50058 submitted before conversion to RAD. If the standard Section 8 rent calculation is the same, leave this field blank. When creating the Conversion IC, PHA/OAs must enter “Y” if the normal rent calculations have been overridden for this Conversion IC or any future 50059.  **For Component 2 Mod Rehab/Rent Supp/RAP/PRAC to PBRA RAD**, the standard calculation should be used and this filed should be blank  ***Note: For Component 2 PRAC to PBRA RAD only:*** *Because the PRAC program has no minimum rent, a resident whose TTP under PRAC was less than $25 will pay a higher rent under RAD. The resident must be provided with a 30-Day Notice of Rent Increase.*  *Because the PRAC program has no cap on TTP, a resident whose TTP under PRAC was more than operating rent will pay a lower rent under RAD. Under Component 2, a resident’s TTP cannot exceed Gross Rent.* |
| Item 118 Hardship  Exemption | **Applies only to Section 8 when TTP is less than $25.00 and PHA/OA wants to allow TTP to be less than Minimum Rent $25.00**  This is an exemption from the $25 Minimum Rent (TTP) requirement for a tenant that is unable to pay the Section 8 Minimum Rent due to a long-term or short-term financial hardship or as a result of Rent Phase-in.  **Note:** If the hardship is determined to be long term, the Owner/Agent must interview the tenant every 90 days to verify that circumstances have not changed.  The following are valid codes for this Item:   1. The family has lost Federal, State, or Local government assistance, or is waiting for an eligibility determination. 2. The family would be evicted if the Minimum Rent requirement was imposed. 3. The family income has decreased due to a change in circumstances, 4. including but not limited to loss of employment. 5. A death in the family has occurred. 6. Other applicable situations as determined by HUD, have occurred. |
| Item 119 Waiver Type Code | For this Conversion IC, leave blank – this is not applicable. |
| Item 120 Eligibility Check Not Required | **Applies only to Move-in or Initial Certifications**.  Because RAD residents are not required to re-establish eligibility, you will **always set this flag to Yes** on the Conversion IC. The Eligibility Check Not Required is not flagged on subsequent certifications. |
| Item 121 Extenuating  Circumstances Code | While all adult household members sign the 50059, HUD expects the PHA/OA to use the signature date for the HOH.  Leave this field blank if a tenant signature date is entered.  If no adult has signed this certification, this Item must be filled with one of the following codes. (There is a total of 10 codes, but these are the only valid codes for the Conversion IC)  1 = Medical  5 = Military Deployment  6 = Eviction in Progress. Must be for a valid HUD Handbook reason.  7 = Court order  10 = Other  11 – RAD Resident not required to or not able to sign  The tenant file must be documented explaining why the certification was sent without tenant signature and specifying when and if the resident is expected to return and sign.  **Note:** If the HOH (or any other adult) is not able to sign for a valid reason, the resident file must be documented. (Refusal to sign a certification is grounds for termination of assistance). If the HOH is unable to sign for a valid reason, but another adult signs the certification, use the other adult’s signature date. The PHA is required to obtain the missing signatures when/if the resident returns/signs the certification. |

# Signatures

The PHA/OA must sign the Conversion IC before transmitting to TRACS.

All adult household members noted on the 50059 should sign the Conversion IC before the PHA/OA transmits the certification to TRACS. The exception is if there are Extenuating Circumstances as described above. If Extenuating Circumstances Codes are used to finalize the 50059, the tenant file must include documentation explaining why the signature is not included and when or if the signature will be provided.

Signature dates match the date the resident signed the certifications. While the preference is to obtain signature dates before or on the effective date, certifications may be signed before, on or after the Effective Date of the Conversion IC.