TRACS 2.0.3.A

| HUD | Lanier Hylton |
| HDS | Jed Graef |
| Ross Business Development | Mary Ross |

Attendees

Department of Housing & Urban Development
HUD Contractor – Pyramid Group
Owner/agents
Contract Administrators
Software Vendors
Consultants/Trainers

Information Subject to Change. Refer to the Most Recent MAT Guide.
References

PPT Presentation

2.0.3.A Industry Specification Document

2.0.3.A MAT Guide

2.0.3.A Forms

Agenda

| Address Changes That Affect PBRA RAD | Address Changes That Affect All Programs |

Information Subject to Change. Refer to the Most Recent MAT Guide.
Changes That Affect PBRA RAD

Two S8RAD Components

<table>
<thead>
<tr>
<th>S8RAD C1</th>
<th>S8RAD C2</th>
</tr>
</thead>
<tbody>
<tr>
<td>PH to PBRA RAD</td>
<td>Mod Rehab to PBRA RAD</td>
</tr>
<tr>
<td>Some Mod Rehab to PBRA RAD</td>
<td>Rent Supp/RAP to PBRA RAD</td>
</tr>
<tr>
<td>(Old Notice)</td>
<td>PRAC to PBRA RAD</td>
</tr>
</tbody>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
Differences

Every Component has

At least one rule variance

That makes that Conversion

Different from all others.

S8 Subcategories - Proposal

Proposal to add a Section 8 Sub-Type field to Header Records (TENHR and VCHHR) or MAT90 Record or both, to make it easier to address the difference between the five types of RAD Contracts
### S8 Subcategories – Proposed Field Values

1 = RAD Mod Rehab Conversion under C1  
2 = RAD Mod Rehab Conversion under C2  
3 = RAD Public Housing Conversion (C1)  
4 = RAD Rent Supplement or RAP Conversion (C2)  
5 = RAD 202 PRAC Conversion (C2)

You will see why as we continue with this presentation.
Rules that Apply Only to S8RAD PH C1

Phase in of Tenant Rent Increases
Earned Income Disregard and Rent Phase-in
Jobs Plus
Resident Participation and Funding
Resident Procedural Rights
TTP may exceed Gross Rent
Rehab Assistance Payments

S8 RAD TTP & Gross Rent

<table>
<thead>
<tr>
<th>Component 1</th>
<th>Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>TTP may equal or exceed Gross Rent</td>
<td>TTP</td>
</tr>
<tr>
<td>Creating an AP of $0 or a negative amount</td>
<td>May not equal or exceed Gross Rent.</td>
</tr>
<tr>
<td></td>
<td>When AP is zero, resident pays contract rent</td>
</tr>
<tr>
<td></td>
<td><em>(assuming no LIHTC)</em></td>
</tr>
</tbody>
</table>
### S8 RAD C1 – TTP, Negative AP & Proration

<table>
<thead>
<tr>
<th>Component 1</th>
<th>NonCitizen Proration</th>
</tr>
</thead>
</table>
| TTP may equal or exceed Gross Rent  
Creating an AP of $0 or a negative amount | When AP is zero or negative,  
Do not apply noncitizen proration. |

### S8 RAD C1 – TTP & Tenant Voucher Status

| When a S8RAD C1 TTP Calculation results in TTP that is equal to or greater than Gross Rent, AP is zero or negative. | These tenants are still considered subsidized/assisted (similar to PRAC) and are subject to the AR and IR certification rules. |

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8 RAD C1 – Termination (Note)

S8 RAD C1 Tenants
Are subject to termination
(Based on standard S8 rules)
For non-compliance
And are subject to suspension for rehab

S8RAD and Right to Return

Existing Residents
in place at the time of conversion to RAD –
or those relocated for rehab immediately prior to
conversion to RAD –
have a right to return.
S8RAD and Right to Return

OAs are not required to offer the same unit upon return

HUD Occupancy Standards Apply

PRAC to RAD Income Limits

Component 2 PRAC to RAD

- Low (No)
- Very-low (Yes)
- Extremely-low (Yes)

All Other PBRA RAD

- Low (Yes)
- Very-low (Yes)
- Extremely-low (Yes)
S8RAD C2 – PRAC to RAD Right to Return

The PRAC Contract Does Not Apply Noncitizen Rule

Under S8RAD C2 PRAC to RAD
Do Not Apply NCR on the Conversion IC
OAs are required to determine noncitizen eligibility at
first AR/IR after conversion to RAD
for existing residents.

NCR – PRAC to RAD Conversion IC

Add New Member Citizenship Code of RD (New Code)
RAD Resident at Time of Conversion – Rule not applied for each member

Set the HH Citizenship Eligibility Code to R (New Code)
RAD Conversion Tenant - Full Assistance while verification of eligibility is pending

Information Subject to Change. Refer to the Most Recent MAT Guide.
TRACS Edit

<table>
<thead>
<tr>
<th>RD</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Code</td>
<td>HH Code</td>
</tr>
<tr>
<td>May not be used on AR or IR</td>
<td>May not be used on AR or IR</td>
</tr>
</tbody>
</table>

S8RAD & NonCitizen Proration

Noncitizen Rule applies to RAD and normal proration calculations are to be done, when applicable, for RAD households whose assistance is positive.

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD C1 & NonCitizen Proration

Noncitizen Rule proration does not apply to S8RAD C1 households with zero or negative AP

These households pay according to normal S8RAD C1 rent calculation without Noncitizen Rule proration.

S8RAD & LIHTC

As long as AP is $1 or more tenant pays according to Section 8 rent formula.

If AP is terminated, Tenant Rent may not exceed the maximum allowed LIHTC rent.

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8 RAD C1 & C2 Mod Rehab to RAD

When EID Ends
Recertification (AR or IR)
Is required
Regardless of the amount of increase
($200 rule is not considered)

Questions
S8RAD Rent Calculation

S8RAD C2 – Rent Calculation

<table>
<thead>
<tr>
<th>HUD Only</th>
<th>w/LIHTC</th>
</tr>
</thead>
<tbody>
<tr>
<td>TTP Capped at Gross Rent</td>
<td>TTP Capped at Gross Rent</td>
</tr>
<tr>
<td>When AP=$0</td>
<td>When AP=$0...</td>
</tr>
<tr>
<td>TR=Contract Rent</td>
<td></td>
</tr>
</tbody>
</table>
### S8RAD C2 with LIHTC – AP = $0

| When LIHTC Maximum Allowable Rent Is less than Contract Rent Resident Pays LIHTC Max Rent | When LIHTC Maximum Allowable Rent Is more than Contract Rent Resident May Pay LIHTC Max Rent |

---

### S8RAD C1 - Zero or Negative AP

Accepted in 2.0.3.A (No Longer FATAL)

- Conversion IC
- New Move-in
- Existing Residents (AR, IR, GR, UT)

---

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD C1 w LIHTC - Zero and Negative AP

Resident Pays Lesser of

Standard RAD C1 Calculated Rent (TTP – UA) or LIHTC Maximum Allowable Rent
(mind special calculation rules)

S8RAD C1 – Existing Residents

When Existing Residents Pay Zero or Negative AP

Certifications FATALLED in Previous Versions of TRACS

Within 30 Days of Converting to 2.0.3.A

Must send an IC with the most recent info establishing the tenant in TRACS

Information Subject to Change. Refer to the Most Recent MAT Guide.
## S8RAD C1 – Existing Residents

Follow similar rules as for the Conversion IC

- Do Not Check Eligibility = Y
- RAD Conversion Tenant = Y (if in place at conversion)
- TTP at RAD Conversion (if Phase-in is in progress)

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## S8RAD C1 – Negative Assistance Voucher

When Assistance Payment (AP) is negative

- Use New RADN Miscellaneous Accounting Request Code
- To Offset the Negative Request
Questions

S8RAD The Conversion IC

Information Subject to Change. Refer to the Most Recent MAT Guide.
Existing Residents

<table>
<thead>
<tr>
<th>PH and Mod Rehab to RAD</th>
<th>Rent Supp, RAP &amp; PRAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>An EOP record</td>
<td>A TM</td>
</tr>
<tr>
<td>Must be submitted</td>
<td>Must be submitted</td>
</tr>
<tr>
<td>To PIC</td>
<td>To TRACS</td>
</tr>
<tr>
<td>Before submitting any certs</td>
<td>Before submitting any certs</td>
</tr>
<tr>
<td>For the new RAD Contract</td>
<td>For the new RAD Contract</td>
</tr>
<tr>
<td>To TRACS</td>
<td>To TRACS</td>
</tr>
</tbody>
</table>

The Conversion IC

A Conversion IC Must Be Submitted
For Any Resident In Place
At the Time
Of Conversion to S8RAD
(including residents relocated for Rehab prior to conversion)

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD Conversion IC Effective Date

Conversion IC Effective Date

Is Equal to

PBRA RAD Contract Effective Date

RAD Conversion Tenant Indicator

A new MAT10, Section 2 field 19 (RAD Conversion Tenant) is set to Yes on the IC and on all subsequent full certifications.

This field is not printed on the 50059.
S8RAD Component 2 – 50059 Data

Use Data on Most Recent 50058/50059
For the Conversion IC
(when possible)

If AR/IR Effective on Same Date
as RAD Contract Effective Date
Use New Information when
Creating Conversion IC

Conversion IC Instructions
## General Rules – Conversion IC

No Re-Screening  
Do Not Check Eligibility Flag is Set to Y  
Do Not Count Conversion IC as Part of Income Targeting  
Earned Income Disregard (EID) Uses Net Number  
Occupancy Rules Apply (Over/Under Housed)  
Next Recert Date = Next Recert Date on most recent 50058/50059 submitted prior to conversion to RAD

### S8 RAD C1 Only - Change to TTP at Conversion

If S8RAD C1 Calculated TTP is more than TTP on most recent 50058  
Use Rent Override to Make TTP equal to TTP on the 50058
S8 RAD C1 Only - Change to TTP at Conversion

TTP Before Override Field
Is filled with the
Standard Section 8 TTP

TTP Before Override
is TTP as it would normally
be calculated
including any
Minimum Rent or
Noncitizen Rule Proration

S8 RAD C1 Only - Change to TTP at Conversion (Note)

DO NOT Use Rent Override
When TTP is equal to
Standard S8 TTP

This will generate an error.
S8 RAD C1 Only - Change to TTP at Conversion

If Conversion IC Calculated TTP Is more than TTP on most recent 50058

OA must determine If Rent Phase-in applies for this tenant 2.0.3.A Rules

S8RAD C1 Only – Rent Phase-in

With TRACS 2.0.3.A

Eligibility for Rent Phase-in applies when standard S8 Rent Calculation for Conversion IC

Results in TTP that is Higher than TTP on most recent 50058 submitted prior to RAD

By the greater of $25 or 10% of TTP at RAD
Phase-in Causes

Optional Deductions
Fixed Rent

Do Not Apply Rent Phase-in
If Change In TTP
Is Caused by End of EID
Occurring on
Conversion IC Effective Date

S8RAD C1 Only – TTP at RAD Conversion

When Phase-in Applies
TTP at RAD Conversion Field
Must be filled
With TTP on the
Most Recent 50058
Submitted Prior to RAD

Field May BeFilled
At Other Times (C1)
But it is not Required

Do Not Fill
For C2 Conversions

Information Subject to Change. Refer to the
Most Recent MAT Guide.
TTP At RAD Conversion

This Number Should Not Change Once Submitted Unless a Correction is Submitted

Will Generate A Discrepancy Error Action Code 3

S8RAD C1 Only – Two Phase-in Options

<table>
<thead>
<tr>
<th>Three-Year Phase-in 2.0.3.A</th>
<th>Five-Year Phase-in 2.0.3.A</th>
</tr>
</thead>
<tbody>
<tr>
<td>33% in year 1 and 50% in year 2</td>
<td>20% in year 1</td>
</tr>
<tr>
<td></td>
<td>25% in year 2</td>
</tr>
<tr>
<td></td>
<td>33% in year 3</td>
</tr>
<tr>
<td></td>
<td>50% in year 4</td>
</tr>
</tbody>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
Phase-in Percentages & Existing Residents

New percentages will be applied
To new 2.0.3.A Certifications
Even if Phase-in started using old percentages

202D certifications corrected under 2.0.3.A
use old percentages

Phase-in Percentages & Existing Residents

No need to correct Submitted certifications
New percentages are used starting with next full cert.

If a UT or GR comes before the next full cert, use percentage from prior full cert

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD C1 Only – Phase-in Certs

The Rent Phase-in Calculation
Is only completed when creating
Full Certification 50059
(This includes a previously transmitted
50059 corrected only due to GRC with UA change)

And Not when Creating
Partial Certifications
But follow new calculation rules for Partial Certifications

S8RAD C1 Only – Phase-in Calculation

Increase on any particular certification is calculated by applying proper percentage increase to difference between TTP on prior certification and TTP for current certification.

In the final year (the year-3 or year-5 annual), calculated TTP is used since phase-in is complete.
S8RAD C1 Only – Phase-in Calculation Ends

At the End of the Phase-in Period

At the End of EID

When TTP before Override is less than or equal to TTP on the most recent 50059

Example – P1

- IC moving the tenant to RAD.
- TTP calculated at Conversion IC is used to determine if phase-in applies.
- Tenant is subject to phase-in
- The relevant fields are filled as follows assuming that the
  - Tenant would normally pay a TTP of $150
  - Tenant’s current TTP at RAD conversion (on 50058) is $100.
- 3-year phase in

Information Subject to Change. Refer to the Most Recent MAT Guide.
Example – P2

Rent Override: Y  
Total Tenant Payment: 100  
TTP Before Override: 150  
TTP At RAD Conversion: 100

Example – P3

- First AR, tenant’s income has increased  
- **TTP Before Override** = $300.  
- We are still in year 1 of the three (3) year phase-in.  
- The fields are filled as follows:
  - Rent Override: Y  
  - Total Tenant Payment: 166 \((300-100=200*33%=66+100)\)  
  - TTP Before Override: 300  
  - TTP at RAD Conversion: 100

---

Information Subject to Change. Refer to the Most Recent MAT Guide.
Example – P4

- Second AR TTP has dropped and **TTP Before Override** is $150.
- Since the **TTP Before Override** is less than TTP from the prior cert ($166), this signals the early end of the phase-in.
- The fields are filled as follows:
  
  Rent Override: blank  
  Total Tenant Payment: 150  
  TTP Before Override: 150

  *TTP is equal to or less than TTP on most recent cert* ($166)  
  TTP at RAD Conversion: 100

---

Questions

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Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD C1 Only – Phase-in – Retroactive Certifications

In the event a retroactive certification is required any certifications effective after effective date of retro cert may need to be corrected and the phase-in TTP recalculated.

Questions
Addition to MAT 10 Record

Add four fields to the end of MAT10, Section 2 Basic record (not to the HUD Form 50059) to help with auditing RAD Phase-in Calculations.

New Phase-in Fields

1 = RAD Phase-in Schedule (3 or 5 years)

2 = Prior TTP

3 = Phase-in Rules (202D or 203A)

4 = Phase-in Year (1-5)
Questions

S8RAD C1 Only – 50059 Data When AR/IR is Due

Data Used for Conversion IC
Is same as data
Included on most recent 50058
Submitted Prior to Conversion

What if the AR or IR had already been submitted?
S8RAD C1 – AR/IR Effective DATE = RAD

When AR or IR is Effective
On the Same Date
As Conversion IC
Use Data on 50058
For the Conversion IC

Determine if
Rent Phase-in Applies

S8RAD C1 – AR/IR Effective DATE = RAD

Submit that Conversion IC To TRACS
& Check TRACS to Make Sure
Conversion IC
Was Recorded Correctly
S8RAD C1 – AR/IR Effective DATE = RAD

Then the OA
Must correct Conversion IC
Using new AR/IR data

Submit that Corrected IC
To TRACS &
Check TRACS to Make Sure
Corrected IC
Was Recorded Correctly

Questions
Residents Relocated for Unit Rehab

RAD Relocation for Rehab – Same Contract

When a RAD resident is relocated for rehab to a unit under the same contract
  The owner/agent will complete
  A unit transfer
Relocation for Rehab – Lease

Execute the leases based on UT timeframe.

Result is 3 leases

Or

Incorporate a

HUD approved
(approved before using)

Lease Addendum

RAD Relocation for Rehab – Not Same Contract

When a RAD resident is relocated for rehab to housing that is not covered under the RAD Contract, the household is suspended using the new Termination/Suspension Codes.

(Note: Not true if Pass Through Applies)
RAD Relocation for Rehab – Not Same Contract

<table>
<thead>
<tr>
<th>Before RAD Contract Effective Date</th>
<th>On or After RAD Contract Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New TM Code of RH = Relocated before RAD Contract Effective Date</td>
<td>TM code of RD = Section 8 RAD tenant transferred to other housing during rehab.</td>
</tr>
<tr>
<td>Note: Treated like NS/DS</td>
<td></td>
</tr>
</tbody>
</table>

RAD Relocation for Rehab – Not Same Contract Vouchering

These residents/units will receive a new classification

On the voucher of Rehab

We’ll talk about that later

(Not specific to RAD)
Questions

Welcome Home!

When Relocated Resident Returns

Information Subject to Change. Refer to the Most Recent MAT Guide.
When Resident Returns

OA must create an IC
To reinstate the tenant and
Do Not Check Eligibility
Flag
is set to Y

If tenant returns
To a different unit
The UT flag is set to Y
And Previous Unit Number
used on Conversion IC is
included on IC

Note to SW Vendors

Be sure to check
To make sure this won’t cause an issue
When another family has already been moved in to
the original unit.
New IC for Relocated Residents – Effective Date

The Effective Date for The Returning Resident’s IC Is the first day of occupancy In the S8RAD Unit.

Do Not Check Eligibility Is set to Yes

New IC for Relocated Residents – Next Recert Date has Not Passed – No New Info

If the Next Recert Date on the Conversion IC Has not passed OA uses the same Next Recert Date

Generally, OA will use information from Conversion IC (or most recent MAT 10)

OAs should make inquiries To determine if new information should be included (IR requirements)
Questions

New IC for Relocated Residents – Next Recert Date has Not Passed – New Info

If nothing has changed that would normally drive an IR
Use data from Conversion IC
(or most recent MAT 10 submitted before relocation)

If income or household composition has changed,
And an IR would be required
include new information treating the IC like an IR.

Information Subject to Change. Refer to the Most Recent MAT Guide.
New IC for Relocated Residents – Next Recert Date has Not Passed (Note)

Be careful when a Relocated resident Will return within 120 Days of their Next Recert Date.

Appropriate AR Notices are required

(more on AR Notices later)

Questions
New IC for Relocated Residents – Next Recert Date has Passed

Based on a Rule Change
OAs are not required to certify residents
During the time they are relocated for rehab
(unless Pass-through applies)

New IC for Relocated Residents – Next Recert Date has Passed

If the Next Recert Date on the Conversion IC has passed
(or most recent MAT 10 submitted before relocation)
The OA must gather new information for the resident
New IC for Relocated Residents – Next Recert Date has Passed

The IC is treated
Like an AR

All AR Tasks
(verification, forms distribution, etc.)
Are completed.

Do Not Check Eligibility Flag
is set to Y

New IC for Relocated Residents – Next Recert Date has Passed

The Next Recert Date
on the new IC
Coincides with
The Effective Date of new IC.

For Example
IC Effective Date
7/15/20
(date resident returned)

Next Recert Date is
7/1/2021

Information Subject to Change. Refer to the Most Recent MAT Guide.
Relocation & Noncitizen Eligibility

If Noncitizen Eligibility has not been determined or if it has changed
AND
when a resident has been suspended
using either the RD or RH code
And
When the resident returns
after the “Next AR Date” on the Conversion IC
(or last MAT 10 submitted before relocation)
OA completes necessary tasks to comply with NCR

Questions

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD C1 – Tenant Return & Phase-in

When Phase-in applies

The owner/agent will apply phase-in rules

Based on the length of time

The resident has been gone.

Example Assuming No Passthrough:

- Tenant is relocated before the RAD contract is effective.
- The tenant moves into a residence outside of the RAD Contract
- The Conversion IC is effective on RAD Contract Effective Date 3/1/2019
- Next Recert Date is 11/1/2019
S8RAD C1 – Tenant Return & Phase-in

A new MAT10, Section 2 field 19 (RAD Conversion Tenant) is set to **Yes** on the IC and thereafter on full certifications.

This field is not printed on the 50059.

TTP at RAD Conversion is $100 and calculated MFH TTP is $200

Rent Phase-in Applies because difference is more than greater of 10%/$25

Rent Phase-in will normally apply on the next MF full certification.

---

S8RAD C1 – Tenant Return & Phase-in

To prevent subsidy billing on the voucher, a TM is issued using the IC effective date using TM code of RH—no subsidy.

There will be no assistance billed for this household.
S8RAD C1 – Tenant Return & Phase-in

- The resident returns and the OA creates an Initial Certification on August 1, 2019.
- The OA 50058/Conversion IC data to complete the certification (Next AR date has not passed)
- The Eligibility Check Not Required flag is set to Yes

---

S8RAD C1 – Tenant Return & Phase-in

In this example, the Next Recert Date has not passed and no family or income information has changed.

Phase-In calculations are **NOT** performed.

Resident’s TTP is based on the TTP on the Conversion IC or most recent MAT 10 submitted before relocation.

Information Subject to Change. Refer to the Most Recent MAT Guide.
If the Next Recert Date had passed or If 50059 Data Changed....

S8RAD C1 – Tenant Return & Phase-in

Example Assuming No Passthrough:

- Tenant is relocated before the RAD contract is effective.
- The tenant moves into a residence outside of the RAD Contract
- The Conversion IC is effective on RAD Contract Effective Date 3/1/2019
- Next Recert Date is 5/1/2019
S8RAD C1 – Tenant Return & Phase-in

Tenant Returns on 8/1/2019

New Data is used on IC

Phase-In calculations are performed.

The phase-in percentage used is based on the Effective Date of the new IC in relation to the Effective Date of the Conversion IC.

March 1, 2019 to August 1, 2019 (still year 1)

S8RAD C1 – Tenant Return & Phase-in

If it has been less than one year since the Effective Date of the Conversion IC,

Use year 1 Phase-in percentage

If it has been more than one year, but less than two years, since the Effective Date of the conversion IC,

Use year 2 Phase-in percentage, etc.
Questions

Special Note – Pass Through

When Pass-through applies
Resident is not Terminated;
O/A still bills for subsidy

If the tenant is in a PIH unit which receives operating funds, it is not eligible for a pass-through.

This is not
A TRACS issue

Unit is included in the Subsidized Unit Count.

Information Subject to Change. Refer to the Most Recent MAT Guide.
Questions

Vouchering for RAD

Information Subject to Change. Refer to the Most Recent MAT Guide.
Vouchering for RAD - General

AE is responsible for ensuring property information is available in iREMS for TRACS

Must Begin Submitting Tenant Certifications Immediately
Must Begin Submitting Vouchers Within 90 Days

Vouchers must include FSS Escrow Account Information for all residents including those in place at the time of conversion to RAD

S8RAD Component 1 – Vouchering – YOC
Contract Administrators & RAD

| HUD AE Acts As The Contract Administrator | All Vouchers Must be Approved By the HUD AE Before Submission To TRACS Until the AE is “comfortable” with the submission process. |

Year of Conversion (YOC) Defined

Year of Conversion is

The time that starts with

The Effective Date of the RAD Contract

Through December 31

Of the Same Year
Example - YOC

S8RAD C1 Contract Effective Date
4/1/2020

Year of Conversion is
4/1/2020 through 12/31/2020

Year Two Begins 1/1/2021

YOC Funding

<table>
<thead>
<tr>
<th>S8RAD C1 YOC Funded by PIH</th>
<th>All Vouchers for YOC Must be Reduced to Zero</th>
</tr>
</thead>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
New MAR Code – RADZ

Use the new

Miscellaneous Accounting Request Code

RADZ

To Reduce the Voucher to Zero

After the voucher is otherwise complete

Questions
S8RAD Component 1 – Vouchering – Rehab Assistance

S8RAD C1 – Rehab Assistance

For units that are unavailable due to scheduled rehab

(month sometimes there are limits on the number of units per month)

Monthly Rate Is Noted
In Part II, Section 2
of the HAP Contract

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD C1 – Invoice for Rehab Assistance

Can bill for units that are not re-rented because rehab is scheduled soon.

Best to bill for the month prior to account for changing construction schedules.

S8RAD C1 – Invoice for Rehab Assistance

Can bill for multiple months on a single voucher using the new MAR Code RADR.

Must have a separate RADR line item in MAR for each month.

Information Subject to Change. Refer to the Most Recent MAT Guide.
MAR RADR Comment Field

The Comment field must contain the month/year of the Rehab Assistance request and number of units included in request for that month.

For example: “January 2020 Rehab Assistance Payment – 40 Units.”

The Rehab Assistance Payment Invoice

Rehab Assistance Payment Invoice is an Attachment to voucher *(supporting schedule)*

Both must be printed, signed and maintained

While OA can bill for multiple months on one voucher, Each RAP Invoice may only contain information for single month
See Sample in MAT Guide (Excel)

Questions

Information Subject to Change. Refer to the Most Recent MAT Guide.
PBRA RAD Repayment Agreements

S8RAD C2 – Repayment Agreements

<table>
<thead>
<tr>
<th>Mod Rehab to PBRA RAD</th>
<th>Rent Supp/RAP/PRAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Not Include</td>
<td>Include</td>
</tr>
<tr>
<td>Repayment Agreements</td>
<td>Repayment Agreements</td>
</tr>
<tr>
<td>for Existing Residents</td>
<td>for Existing Residents</td>
</tr>
<tr>
<td>(at time of RAD Conversion)</td>
<td>(at time of RAD Conversion)</td>
</tr>
<tr>
<td>On RAD Voucher</td>
<td>On RAD Voucher</td>
</tr>
<tr>
<td>(PIH Funds)</td>
<td>(MFH)</td>
</tr>
</tbody>
</table>
Rent Supp/RAP/PRAC

If previously reported
Show as existing RA Baseline

So there is no offsetting voucher adjustment

If not previously reported
Show as New RA

S8RAD C1 - Repayments

Do Not Include Repayment Agreements for Existing Residents
(at time of RAD Conversion)
On RAD Voucher
(PIH Funds)
Questions

S8RAD C1 – Adjustments That Affect YOC/Year 1

Information Subject to Change. Refer to the Most Recent MAT Guide.
## S8RAD C1 – Year Two Adjustment Rules

<table>
<thead>
<tr>
<th>Adjustments caused in Y2 or later</th>
<th>Use New MAR Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>That Affect YOC</td>
<td>RDRV</td>
</tr>
<tr>
<td>Must Be Reversed</td>
<td>to reverse the net of</td>
</tr>
<tr>
<td></td>
<td>YOC Adjustments</td>
</tr>
<tr>
<td></td>
<td>for Each Tenant</td>
</tr>
</tbody>
</table>

### Example

YOC is 5/1/2019 – 12/31/2019

On 4/1/2020, OA Creates Correction to Prior for AR effective 9/1/2019

Adjustment is...
Required Adjustment

9/1/2019 through 12/31/2019 is part of YOC

Increased Billing $25 per month

Reverse this Transaction

\[ \text{RDRV} = -$100 \]

See Sample

<table>
<thead>
<tr>
<th>Adjustments to Schedule of Tenant Assistance Payments Due</th>
<th>U.S. Department of Housing and Urban Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjust Payroll Due (if any)</td>
<td>4/1/2020</td>
</tr>
<tr>
<td>2. Project Name:</td>
<td>Magnolia Gardens</td>
</tr>
<tr>
<td>3. FHA/ EHO/Non-Insured Proj. No:</td>
<td>TX37RC168699</td>
</tr>
<tr>
<td>4. Section 8/PRAC/PRAC Contract No:</td>
<td></td>
</tr>
<tr>
<td>5. Type of Subsidy:</td>
<td>S8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson, Andy, A.</td>
<td>101A</td>
<td>09/1/2019</td>
<td>09/1/2019</td>
<td>09/1/2019</td>
</tr>
<tr>
<td>Anderson, Andy, A.</td>
<td>101A</td>
<td>09/1/2019</td>
<td>09/1/2019</td>
<td>09/1/2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
When Adjustments Require Repayment

S8RAD C1 Adjustments Affect YOC

Only include on the RAD Voucher Repayment Agreement Amounts That Affect AP Payments/Improper Payments Made After YOC

Questions
S8RAD 50059 After Conversion IC

Income Limits – All But PRAC to RAD

For Income Limit (IL) Purposes
All S8 RAD Residents
Except PRAC to RAD
Are Treated as Pre-Universe
Admitting
Low, Very-low and Extremely-Low Income Applicants
(These are still transmitted as Post Universe Contracts)
Income Limits – PRAC to RAD

PRAC to RAD
Are Treated as Post-Universe
Admitting Only
Very-low and Extremely-Low Income Applicants

S8RAD – IL Exception Codes

<table>
<thead>
<tr>
<th>Field 46, Income Exception Code = blank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exception codes do not apply to RAD (except for PRAC to RAD) even though it is Post Universe.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RAD (Except for PRAC to RAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAs may admit tenants up to the Low-Income Limit. (MI and IC)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRAC to RAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAs may admit tenants up to the Very-Low Income Limit. (MI and IC)</td>
</tr>
</tbody>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
S8RAD – AP

<table>
<thead>
<tr>
<th>S8RAD Component 1</th>
<th>S8RAD Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP may be</td>
<td>AP may not be</td>
</tr>
<tr>
<td>Zero or negative</td>
<td>Zero or negative</td>
</tr>
<tr>
<td>(including MI/IC - Exception to HH 4350.3 P-3-6)</td>
<td>Comply with HH 4350.3 P-3-6</td>
</tr>
</tbody>
</table>

Questions

Information Subject to Change. Refer to the Most Recent MAT Guide.
Break

Other Changes

Information Subject to Change. Refer to the Most Recent MAT Guide.
811 PRA Demo Eligibility

Households must be Extremely Low Income (ELI) and must have a member (Head, Spouse or Co-Head) with a disability who is 18 years of age or older and under the age of 62 to qualify for the program.
811 PRA Demo Eligibility - Timing

This eligibility check is done at the time of MI or IC.

As long as the household was eligible at MI/IC, rules are not applied when subsequent certifications are created.

811 PRA Demo Eligibility after TM

If a tenant is terminated (not suspended) for a reason such as failure to recertify or increased income (AP drops to $0) the tenant does need to requalify when reapplying for assistance.
811 PRA Demo Vacancy Claims

Under 811 PRA Demo program, state agency administering the program may allow vacancy claims or not.

If they do, state agency can set payment percentage other than the traditional 80%.

Site and CA software needs to support whatever value state agency uses, keeping in mind that the value may differ from state to state.

Payment percentage used is a whole number (For example: 72%) to be consistent with the standard percentages used (80% and 50%).

811 PRA Demo Rent Calculation

The rent calculations used are the same as for Section 8.

Minimum rent does not apply to the 811 PRA program.

Noncitizen rule proration is also not applicable.
Questions

The FAST Act - Fixed Income Families

Information Subject to Change. Refer to the Most Recent MAT Guide.
Fixed Income Family - Definition

A Fixed Income Family is defined as a family
That has Income (including income from assets)
and
90% or more of that income
Is from a fixed income source.

(e.g. Social Security, VA Disability, Pension, etc.)

The Rules (Similar to Streamlining)

<table>
<thead>
<tr>
<th>Annual Recertification</th>
<th>Review (verification)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is still required</td>
<td>Of annual income</td>
</tr>
<tr>
<td>Every year</td>
<td>Is conducted every 3 years</td>
</tr>
</tbody>
</table>

(This is a change to the originally proposed rule)
How it Works

COLA/Fixed %
applied to
Any fixed income source

Resident
Self-Certifies
Amount of Income
That is not Fixed Income
(employment, gifting, stipend, etc.)

Verification of COLA or Fixed %

New
Award/Benefit Letter
Is Not Required

Streamlined Verification of
Fixed Income
Just verification of
COLA
Or Fixed Percentage

Information Subject to Change. Refer to the Most Recent MAT Guide.
New Field on 50059

A new Field has been added to HUD Form 50059
To Flag all Fixed Income Families.

This field should not be filled for any certification effective prior to April 2018.

Questions

Information Subject to Change. Refer to the Most Recent MAT Guide.
Income Calculation Rounding
Imputed Income from Assets

Certification Data Entry

The 203ACertificationDataEntry.xls spreadsheet has been corrected to add a rounding to the penny step in calculation of imputed income from assets.

Either the old or new calculation is acceptable prior to an OA’s implementation of 2.0.3.A.
Questions

New Race & Ethnicity Form

Information Subject to Change. Refer to the Most Recent MAT Guide.
New Codes

Expanded Race and Ethnicity Categories for Members

Expanded Ethnicity and Race categories are being added to the MAT10, Section 3 Member record.

See New Form

MAT vs 50059

New Fields Are Included

In the MAT Record

But Not On

The 50059
New 27061H - DRAFT

Questions

Information Subject to Change. Refer to the Most Recent MAT Guide.
Changes to SSN Exceptions

Change to SSN for Minors at MI/IC
HSG Notice

See HSG Notice


2016 Exemptions for Minors

Streamlining Rule as related to Children Under the Age of 6 at MI/IC

Previously, M Exception Code was not allowed for any MI/IC.

As of April 7, 2016, children under the age of 6 who do not have an SSN (or adequate documentation to verify the SSN) and who joined the household within 6 months of the effective date of the MI or IC may be allowed to move in without a HUD waiver.
Data Entry

When this is the case

Section 3 Member Record for such children

must display the SSN as 999999999

and the SSN Exception Code must be set to M.

The Rule

Required to obtain SSN & appropriate documentation
within 90 days

May extend up to 180 days to obtain an SSN for these children

(an initial 90-day period that may optionally be extended to 180 days by the OA – certain rules apply).
## The Rule

| If SSN has not been obtained by end of the period, |
|-----------------|-----------------|
| **OA must** terminate tenancy. | **May continue to receive subsidy only if pursuing termination of tenancy.** |

## Previous Submissions – Work Around

If such a case was reported prior to implementation of Release 2.0.3.A and SSN “999990000” (or any other made-up SSN) was reported on last MAT 10, OA must transmit an IR (or AR if appropriate depending on timing) with verified Social Security Number or changing ID to 999999999 and using M Exception Code.
Questions

Foster Children & Adults

Information Subject to Change. Refer to the Most Recent MAT Guide.
Reporting SSN for Fosters

Per regulation, SSNs are required for Fosters (both foster children and foster adults).

Normally the foster agency will disclose the SSN to the foster family and it is to be reported in the MAT 10, Section 3 Member record.

Disclosing SSN & Foster Agencies

Some agencies will not disclose SSN to foster family but will disclose it to the OA.

When obtained, the SSN is transmitted to HUD in the MAT as usual.

Information Subject to Change. Refer to the Most Recent MAT Guide.
Disclosing SSN & Foster Agencies

There may be agencies that will not disclose a Foster SSN either to the foster family or to the OA.

When this happens, the OA should submit a waiver request to the AE along with documentation supporting the claim that the agency would not provide the SSN.

Forthcoming: HUD will provide sample language with future guidance that the OA may use when requesting the SSN from the agency.

Disclosing SSN & Foster Agencies

Once the waiver has been obtained, the SSN sent to TRACS will be all 9’s and the new SSN Exception code of F (Foster) is used.

In this situation (SSN for Foster not disclosed).
F – Foster SSN Exception Code

If the Foster has not been admitted, OA must apply for HUD waiver before the foster may be added

If the foster is already in the unit, waiver must be requested (not necessarily granted) prior to next certification.

In both cases, until the waiver is granted, SSN is reported as all 9’s and SSN Exception Code is F (Foster).

Printing SSN for Foster on 50059

Starting with TRACS 2.0.3.A, SSN for a Foster Child/Foster Adult will **NOT** be printed on the 50059.

Site and CA software MUST ensure that ID field on any printed or displayed 50059 is left blank for any member with a Relationship Code F in the Member Record.

The MAT10, Section 3 Member Record **WILL** contain the SSN.
Printing Birth Date for Foster on 50059

Birth Date field will **NOT** be printed on the 50059.

Site and CA software MUST ensure that the Birth Date field on any printed or displayed 50059 is shown as “**00/00/YYYY**” for any member with a Relationship Code F (Foster).

Birth Date will be transmitted in MAT 10 Member Record

Questions
# Termination to Termination/Suspension

**TRACS 2.0.2.D – Use in Disaster Situations**

<table>
<thead>
<tr>
<th>Two Move-Out codes</th>
<th>Two Termination Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 = <em>Uninhabitable unit – Abated</em> and</td>
<td></td>
</tr>
<tr>
<td>10 = <em>Substantial Rehab or Repair – Tenant Expected to Return</em></td>
<td></td>
</tr>
<tr>
<td>ND = <em>Natural Disaster or Uninhabitable Unit</em> and</td>
<td></td>
</tr>
<tr>
<td>RR = <em>Substantial Rehab or Repair – Tenant Expected to Return</em></td>
<td></td>
</tr>
</tbody>
</table>
### Removal of Two MO Codes

<table>
<thead>
<tr>
<th>HUD has Determined</th>
<th>MO Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>That a MO Should Never Be Used in this case</td>
<td>9 &amp; 10 Have Been Removed for TRACS v 2.0.3.A</td>
</tr>
</tbody>
</table>

### Introducing Suspension Codes

| HUD Has Also Determined That Using the Term “Termination” Could have negative connotations. | New Classification of “Suspension” For ND and RR |

Information Subject to Change. Refer to the Most Recent MAT Guide.
First New Suspension Code for RAD

New Suspension Code of

RD = PBRA RAD Tenant Transferred During Rehab

being added to indicate a suspension for rehab occurring on or after the RAD Contract Effective Date

Second New Suspension Code for RAD

New Suspension Code of

RH = PBRA RAD Tenant Transferred Prior to RAD Contract Effective Date for Rehab (acts like NS/DS) added to indicate suspension for rehab occurring before RAD Contract Effective Date

The Effective Date of Termination/Suspension (MAT 65) using RH Suspension Code is equal to Effective Date of Conversion IC/RAD Contract Effective Date.
Suspension Codes in General

All of the Suspension Codes (ND, RR, RD & RH) will be used to indicate that a unit is offline but expected to be occupied once rehab or repair is complete.

Affect on the Voucher 52670

To assist with voucher audits, New voucher field (Item 6.f) is being added to voucher MAT record to hold count of units offline for rehab.

Starting with 2.0.3.A, unit undergoing rehab will be counted in the new field and not as either a Vacant or a Market unit.
New Voucher Unit Count - Proposed

Unit count for voucher proposed changes as follows:

• 6a. Total Units in Contract
• 6b. Number of Units Receiving Subsidy Under this Contract
• 6c. Number of Units Abated Under this Contract
• 6d. Number of Units Vacant Under this Contract
• 6e. Number of Units Occupied by Market Tenants
• 6f. Number of Units Under Rehab or Suspended

Questions
New TM Code - Death of Sole Household Member

Death of Sole Household Member

TRACS v 202D
Only Legal Code is
MO Code 4 Death of Sole Household Member

Required to enter
Date of Death
To Monitor Compliance w/
14 Day Rule

Information Subject to Change. Refer to the
Most Recent MAT Guide.
### Common Non-Compliance (1)

<table>
<thead>
<tr>
<th>Termination</th>
<th>Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many OAs enter a TM/TI Termination Ineligible</td>
<td>No Way To Monitor Compliance with 14 Day Rule</td>
</tr>
</tbody>
</table>

### Common Non-Compliance (2)

<table>
<thead>
<tr>
<th>Fake MO</th>
<th>Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some OAs Enter A Fake MO Using Code 4</td>
<td>Unit is Reported As Vacant When Unit is Not Vacant <em>(Availability for Disaster Response)</em></td>
</tr>
</tbody>
</table>
## Solution

<table>
<thead>
<tr>
<th>New TM Code</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add New TM Code</td>
<td>OA will be required to</td>
</tr>
<tr>
<td>DE – Death of Sole Household Member</td>
<td>Enter the Date of Death</td>
</tr>
<tr>
<td></td>
<td>In order to monitor Compliance with 14 Day Rule</td>
</tr>
</tbody>
</table>

## Do Not Use

<table>
<thead>
<tr>
<th>Do Not Use the TM/DE Code</th>
<th>In this case</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the actual MO</td>
<td>Use the MO</td>
</tr>
<tr>
<td>Occurred within 14 days</td>
<td>Move-out Code 4</td>
</tr>
<tr>
<td>Of the date of death</td>
<td>Death of Sole Household Member</td>
</tr>
</tbody>
</table>
Questions

Changes to the Voucher

Information Subject to Change. Refer to the Most Recent MAT Guide.
Changes to Miscellaneous Accounting Requests (MAR)

Removal of SERV

The SERV (Service Coordinator) MAR code no longer valid and no longer accepted by TRACS

Have not been advised how these transactions are to be reported.

Information Subject to Change. Refer to the Most Recent MAT Guide.
New MAR Codes for RAD

RADZ – Used to Reduce the voucher to Zero during YOC

RADR – Used to bill for Rehab Assistance

RADN – Used to Reverse any Negative AP Request

RDRV – Used to reverse adjustments affecting YOC

New Fields for MAR Record

<table>
<thead>
<tr>
<th>Three new fields added to MAT30, Section 6, Miscellaneous Accounting Request record Required For RADN + RDRV Optional for other Request Types</th>
<th>HOH Last Name, HOH First Name and Unit Number.</th>
</tr>
</thead>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
Reason for New Fields

Mandatory for RADN and for RDRV.

Resident Identifiers may be used where applicable for other request types.

Fields should be filled when other Miscellaneous Accounting Request Types are for a single unit and tenant.

Questions
Billing for Each Unit

Line Item Billing –
Vacant/Market/Suspended/Abated/Rehab

To assist with compliance monitoring requirements
associated with RAD Rehab and Disaster Response,
Along with HUD rules for some new HAP Contracts

52670-A Part 1 will include
a line item for each unit within the Contract
New Voucher Unit Count

Unit count for voucher will be displayed as follows:

- 6a. Total Units in Contract
- 6b. Number of Units Receiving Subsidy Under this Contract
- 6c. Number of Units Abated Under this Contract
- 6d. Number of Units Vacant Under this Contract
- 6e. Number of Units Occupied by Market Tenants
- 6f. Number of Units Under Rehab or Suspended

Line Item for Each Unit

Starting with 2.0.3.A, each unit covered by a contract will be reported on MAT30, Section 3 Assistance Detail record.

Currently, only occupied assisted units are reported.

The display of occupied assisted units does not change.
Abated Units (Item 6c)

First and Last Names indicated on the voucher will be

Abated Abated

and AP will be zero.

Vacant Units (Item 6d)

Item 6.d will include only Vacant units not undergoing rehab

First and Last Names indicated on the voucher will be

Vacant Vacant

and AP will be zero.
Market Units on the Voucher (Item 6e)

When a unit is occupied, and resident is not assisted
Last Name indicated on the voucher will be:

Market

First Name will be:
Current Subsidy Type
(236, BMIR, S8, 811 PRA, PAC, 202 PRAC, 811 PRAC)

And AP will be $0

Market, 202 PRAC

Market Residents

Does Not Include

PRAC or

S8RAD Component 1 when AP is Zero or Negative
Market Residents

Does Not Include

PRAC or

S8RAD Component 1 when AP is Zero or Negative

Units Undergoing Rehab

Rehab units now have their own count on the voucher (Item 6.f).

A Rehab unit is considered as Rehab no matter how assistance ended for the unit with either a MO or TM or UT
Note to SW Vendors – Responsibility

While Suspension Codes ND, RR, RD and RH show units under rehab, there is no certification indicating when Rehab ends and unit becomes available making the unit “vacant” instead of “under rehab”.

Also, there is no special cert requirement for flagging a unit vacated via MO or UT as a unit under rehab.

Tie to line items on the detail page.

Units Undergoing Rehab

Rehab units now have their own count on the voucher (Item 6.f).

A Rehab unit is considered as Rehab no matter how assistance ended for the unit with either a MO or TM or UT.
Note to SW Vendors – Responsibility

While Suspension Codes ND, RR, RD and RH show units under rehab, there is no certification indicating when Rehab ends and unit becomes available making the unit “vacant” instead of “under rehab”.

Also, there is no special cert requirement for flagging a unit vacated via MO or UT as a unit under rehab.

Tie to line items on the detail page.

Rehab Units (Item 6f)

Item 6.f will include all units undergoing rehab
(Note: Unless Pass Through Applies)

Last Name indicated on the voucher will be: Rehab

First Name will be
- RAD if the unit has been vacated for RAD Rehab
- Disaster if the unit has been vacated due to a Presidential Declared Disaster (PDD)
- Repair if the unit is vacant to allow the owner/agent to make repairs (e.g. fire, flood, etc.)

and AP will be zero.
Line Item Detail for Unassisted Units

Line items for units that are not occupied/assisted will be indicated using the Last and First Name fields in the record

- Abated – Last = Abated, First = Abated
- Vacant – Last = Vacant, First = Vacant (or Available/Waitlist/Turnover)
- Market – Last = Market, First = Subsidy Type (BMIR, 236, S8, 811 PRA, PAC, 202 PRAC & 811 PRAC)
- Rehab – Name depends on the reason for rehab:
  - If this is initial RAD Rehab – Last = Rehab, First = RAD
  - If the rehab is caused by a PDD– Last = Rehab (or National?), First = Disaster
  - If the rehab is for repairs – Last = Rehab, First = Repair
Expanded HUD 52670 Part 6

Reason For Change

Since participation in FSS program will require a PHA/owner/agent to adjust the amount of the Housing Assistance Payment (HAP) Request,

HUD has decided to use the *HUD Form 52670 Part 6*

As the means to track FSS Escrow Account balances.

Information Subject to Change. Refer to the Most Recent MAT Guide.
Repayment Agreements

When resident or a POA receives too much housing assistance, overpayment must be returned to HUD

Guidance is provided in
HH 4350.3 and
HUD Notice 13-06

Common to see such assistance returned to HUD via Repayment Agreements.

2.0.3.A Changes to 52670 Part 6

*HUD Form 52670 Part 6*

was completely redesigned
for two reasons:
New Name 52670 Part 6

*HUD Form 52670 Part 6 will now be entitled Repayment Agreements and FSS Escrows for Schedule of Assistance Payments Due.*

Reason 2

| HUD has determined that information currently submitted for *Repayment Agreement* transactions is not sufficient. | HUD will incorporate the following changes to *HUD Form 52670 Part 6* to provide additional information. |

Information Subject to Change. Refer to the Most Recent MAT Guide.
### HOH ID Removed

**Originally HOH ID Code** was to be added to the end of the electronic record

The **HOH ID Code** is no longer included in the MAT record
Questions

Repayment and FSS Status Codes

Information Subject to Change. Refer to the Most Recent MAT Guide.
Status Codes

With 2.0.3.A, 
*Repayment Agreements* and
*FSS Escrow Accounts* must include 
a *Status Code*.

Repayment Agreement Status Codes

*Status Codes* determine whether a *Repayment Agreement* appears on the voucher:

Once,

Periodically based on *Repayment Agreement* activity, or

Every month – regardless of whether resident makes a payment.
Rules AV - Active

Resident Is on Target with Repayment Agreement/Escrow Account Requirements:

Appears on the voucher each month even if resident does not submit a payment.

After three consecutive missed payments, status must change to IA (Inactive) on the fourth voucher.

Rules – IA - Inactive

(Resident has missed 3 or more consecutive payments.

Set on month 4.

Appears on the voucher each month even if resident does not submit a payment.)
### Rules - RV - Reversed

*Repayment Agreement/FSS Agreement entered in error*

#### Rules - RV - Reversed - Example

| Use if Repayment Agreement was entered for Rose Garcia instead of Jose Garcia | Use if OA entered in to Repayment Agreement in error. |
|----------------------------------------------------------------------------|--|---|
| or                                                                          | |
Rules - RV - Reversed - Example

Once a repayment has been reversed, it is assumed there will be no future transactions for this Agreement ID.

Rules – CO - Completed

Resident successfully completed Repayment Agreement /FSS Agreement requirements.
Done

Resident fulfilled terms of Repayment Agreement and Balance Due is 0.00.

Resident fulfilled terms of FSS Agreement and FSS Escrow Funds have been Disbursed.

Rules – CO - Completed

Once a repayment has been completed, it is assumed there will be no future transactions for this Agreement ID.

However, transactions are not forbidden in order to allow for additional transactions such as those required if the final payment check bounces.
Rules – SU - Suspended

Resident unable to make payments due to reduced income

This code is used when household income is so low that it is not reasonable to expect payment

Appears on voucher each month.

Rules – MO - Moved-out Inactive

Former resident no longer making payments

Used when resident who is subject to repayment, moves out and no longer lives on the property.
Rules – MO - Moved-out Inactive

Once Repayment Agreement is set up with status code of MO, assumed there will be no future transactions for this Agreement ID.

If former resident begins making payments, status can be changed to MA.

Rules - MA – Moved Out Active

Former resident making payments

Used when a resident who is subject to repayment, moves out and no longer lives on the property

The resident is making payments

This Repayment Agreement will appear on the voucher each month
Rules – TE = Terminated

Unable to enforce agreement.
Court order.
This is used when a judge rules the Repayment Agreement void.
Does not usually create an adjustment to the voucher.
Assumed there will be no future transactions for this Agreement ID.

When Reduced Amount is Not 0 (TE)

When a Repayment Agreement is Terminated, the Repayment Agreement Amount is generally reduced to zero.

However, in some cases, the Repayment Agreement Amount may be reduced leaving a new Agreement Amount/Balance Due.
Protecting Owner/Agent (TE)

When the Repayment Agreement Amount is less than the Amount Received, there will be a positive adjustment to the voucher to ensure that the owner/agent remains “financially whole”.

What to Do? (TE)

Adjust the current Repayment Agreement

Information Subject to Change. Refer to the Most Recent MAT Guide.
Questions

Repayment Agreement Definition

Information Subject to Change. Refer to the Most Recent MAT Guide.
HUD Handbook 4350.3 Paragraph 8-21

Tenant must reimburse the owner for
The difference between the rent
That should have been paid
and the rent actually charged if:

---

HUD Handbook 4350.3 Paragraph 8-21

a) Tenant fails to provide OA interim changes in income or other factors
b) Submits incorrect information on any application, certification or recertification
c) Fails to report income received
d) And, as a result, is charged a rent less than the amount required by HUD’s rent formulas.
### Rules re: Repayment

<table>
<thead>
<tr>
<th>If tenant does not pay in full,</th>
<th>Tenant is not required to reimburse OA for undercharges caused solely by OA’s failure to follow HUD’s procedures for computing rent or AP</th>
</tr>
</thead>
<tbody>
<tr>
<td>OA should enter into a repayment agreement to collect these funds over a specific period of time.</td>
<td></td>
</tr>
</tbody>
</table>

---

### Rules re: Repayment

<table>
<thead>
<tr>
<th>Tenant must reimburse OA for total overpayment back to time overpayment of AP started, not to exceed the 5-year limitation.....</th>
<th>OAs must reimburse HUD for all other repayments where such overpayments were due to OA’s error or failure to follow HUD’s procedures.</th>
</tr>
</thead>
</table>

---

Information Subject to Change. Refer to the Most Recent MAT Guide.
This Means..

No way to know whether a corrected/inserted cert reflects tenant misreporting, other errors and changes or a combination of factors unless you have additional information.

Zero Month Repayment

If a resident opts to pay back subsidy, immediately and in full, There is NO Repayment Agreement
Lump Sum Repayment

If a resident opts to pay back subsidy,
Partially and up-front,
The agreement is for
*The Remaining Balance Only*

Adjustments and Repayment Agreements

Adjustments on the voucher
may reflect errors unrelated to tenant misreporting,
and since upfront lump-sum payments are not part of a
Repayment Agreement,
et net adjustments cannot be relied on to determine a
repayment agreement amount
Adjustments and Repayment Agreements

In addition,
even when adjustments are related only to tenant misreporting,
timing issues related to
when adjustments appear on the voucher
and when tenant started paying a higher rent
cause net adjustments & RA agreement amounts to be different.
The Baseline

The first voucher will include both the baseline record and the normal record for that Status Code.

Self-Managed Repayments

OAs are not allowed to self-manage MFH repayment agreements.
First 2.0.3.A Voucher

In your first transmission, required to submit a baseline of all your repayment agreements if:

- Resident still lives on property and still owes money
  or
- Resident no longer lives on property, but is continuing to make payments

Baseline - Note

The Baseline Record is also used

When an OA Converts from Rent Supp/RAP/PRAC to PBRA RAD
And is reporting RA in place at time of conversion
On the first voucher after conversion to RAD
Questions

Preparing for the Repayment Agreement Baseline Submission

Information Subject to Change. Refer to the Most Recent MAT Guide.
Preparing to Submit the Baseline

In order to accurately prepare the baseline, you will have to gather quite a bit of information.

First

First, OAs must identify all existing residents who received improper payments.
Second

Second, OAs must identify all former residents who received improper payments and who continue to make payments on a *Repayment Agreement*.

Finally

OAs must research the current status of those *Repayment Agreements* including any changes and the current *Balance Due*.
Contract Administrators

CAs work with OAs to ensure that all active Repayment Agreements have been submitted and recorded.

OA and CA balances match.
Beginning Agreement Amount
Ending Agreement Amount
Beginning Balance
Ending Balance

Get in Sync

If an OA has open Repayment Agreements, but the amounts do not match the CA amounts, then CA and OA will need to work together to correct appropriate certifications And/or adjust the Agreement Amounts so that they are correct.
Not Conditional

This exercise will also force analysis of repayment agreement submissions and may identify money owed to the property.

RA Not Reported – Submitting to CAs

If an OA never created Repayment Agreement voucher transaction (OARQ or Section 7 Record) for existing residents who received an improper payment, and if there is still a balance due, OA and CA will need to work together to determine what steps need to be taken in order to report this information to HUD.
RA Not Reported – Submitting to TRACS

If an OA is reporting directly to HUD/TRACS and
The OA never created Repayment Agreement
voucher transaction (OARQ or Section 7 Record)
for existing residents who received an improper payment,
The owner/agent should treat the existing RA
As a New Repayment Agreement
(not as a Baseline RA)
Questions

Family Self Sufficiency

Information Subject to Change. Refer to the Most Recent MAT Guide.
MF and Family Self Sufficiency

Any existing *Family Self-Sufficiency (FSS) Escrow Account* balances available at the time of the conversion are to be transferred to Section 8 PBRA RAD contract.

2.0.2.D and FSS Escrow Accounts

TRACS version 2.0.2.D does not allow for automated submission of the *FSS Escrow Account* balances.

These offsets are reported using the *OARQ—Miscellaneous Accounting Request*.
2.0.3.A & FSS Accounts

Voucher *(53670 Part 6)* has been modified to allow reporting of changes in TTP that are converted to FSS Escrow Account Deposits.

These will no longer be reported as *Miscellaneous Accounting Requests*.

To Do

If an OA has residents who are participating in FSS the following tasks will need to be completed before the first TRACS 2.0.3.A transmission.
New Special Status Code

In order to track these residents, HUD has added a new
Special Status Code.

F = FSS-Family Self Sufficiency Participant

HOH

The HOH must be a participant.

Other household members do not have to participate.
New 50059 Required?

<table>
<thead>
<tr>
<th>No requirement to immediately transmit a full cert to indicate which members are subject to contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next full cert transmitted under normal rules will use Special Status Code of F to indicate members who are participating</td>
</tr>
</tbody>
</table>

Questions

Information Subject to Change. Refer to the Most Recent MAT Guide.
2.0.2.D & FSS MARs

The FSS Notice indicates that all FSS OARQ adjustments must include, in the comments section:

- Voucher Month/Year for the escrow credit,
- Unit Number,
- HOH Last Name, and
- The words “FSS Participant”.

2.0.3.A FSS Transactions

52670 Part 6 will now be used to transmit information about FSS Escrow Account transactions as called for by the FSS Contract of Participation (CoP).
Transaction Types

The *Transaction Types* for FSS Escrows are:
- E = Execution of the Escrow Account/Signing the FSS Agreement,
- D = Deposit,
- W = Withdrawal/Disbursement to the Tenant and
- C = Cancellation—return of the escrow to HUD.

Timing

When the ITSP contract is signed, Repayment Agreement/FSS Escrow record must be transmitted to TRACS on the next voucher with a Transaction Type of E to indicate the execution of contract.
Taking Not Giving

FSS Escrow Account transactions are different than Repayment Agreement transactions in that there is no Agreement Amount. While Repayment Agreement payments are returning money to HUD, FSS Escrow transactions are receiving money from HUD.

Field Rules

Accordingly, the Beginning Agreement Amount, Agreement Change Amount and Ending Agreement Amount fields are not filled for FSS Escrow Transactions.
Comparison

| Resident payment for Repayment Agreement entered as a positive amount and results in a negative Requested Amount. | FSS Escrow Account transaction, Payment is entered as negative amount that results in a positive Requested Amount. |

Note

If the certification on which an escrow deposit amount has been based is subsequently corrected and the deposit amount changed, submit one reversing and one new FSS escrow transaction to communicate the change.
Multiple FSS Transactions

Multiple FSS transactions for the same FSS ID and voucher month are handled in the same way as Repayment Agreement transactions.

Disbursement v Return

There is a difference between how an OA records a “disbursement of funds” to the resident after successful completion of the ITSP Agreement and how an OA returns FSS Escrow Account funds to HUD in the event that the ITSP is terminated.
Requested Amount

For the disbursement, money is given to the resident nothing is sent to or received from HUD (Requested Amount is 0).

For the termination, Current Escrow Balance is returned to HUD (Requested Amount is negative).

Rules

FSS Escrow Accounts are required to include any accrued interest which is posted at least annually.

OA is required to meet with each resident annually to review the Agreement, the Account and the Current Balance including Interest Earned.

Information Subject to Change. Refer to the Most Recent MAT Guide.
Questions

Opportunities

The Housing Opportunity Through Modernization Act (HOTMA)
HOTMA Introduction

HOTMA calls for, among other things, changes to how deductions from income are calculated and allows for periodic COLA changes.

Implementation of HOTMA

Implementation of changes in the Act is conditional on HUD rulemaking and new requirements are to take effect on first of a calendar year following rulemaking.

HUD rulemaking is expected to be complete in time for a 1/1/2021 effective date.
# Included in the 2.0.3.A MAT Guide

| Known HOTMA requirements are being published in MAT Guide now. | Implementation is not required for software vendors as part of their 2.0.3.A release but is required prior to effective date required by HUD. |

# HOTMA – Dependent Deduction

| HOTMA leaves the Dependent Deduction at $480 but amount is subject to future COLA changes. | Proposed that Adjusted amount will be rounded to the next lowest multiple of $25. |

Information Subject to Change. Refer to the Most Recent MAT Guide.
HOTMA – Medical/Disability Assistance Deductions

Threshold for Disability Assistance & Medical Expense deductions is changed from 3% of Annual Income to 10% of Annual Income and is subject to COLAs.

HOTMA – Increase Exemption

A tenant may qualify for an exemption from the increase in Medical/Disability Expense Deductions Percentage (See new MAT10, Section 2, field 21: % of Income Exemption) and will pay based on some other % value (6.5% in a Proposed Final Rule).

Under HOTMA Proposed Final Rule, this Hardship exemption would expire at family’s next regular income reexamination or at such time that OA determines the family can pay their rent under the normal adjusted income calculation, whichever comes first.
HOTMA – Elderly/Disabled Family Deduction

The Elderly Family Deduction changes from $400 to $525 subject to COLAs.

This amount will be annually adjusted for inflation and rounded to the next lowest multiple of $25.

HOTMA – Child Care Deduction Hardship

Allows a hardship exemption for the child care expense deduction.

If a member is no longer going to school, working or looking for work, family may, under certain circumstances, be able to continue to include the deduction.
HOTMA – Child Care Deduction Hardship

Family would have to demonstrate why child care expense remains necessary when no family member is employed, seeking employment, or furthering his/her education.

As with disability assistance and medical expense hardship exemption, child care expense hardship exemption would be temporary and would end no later than the family’s next regular reexamination.

HOTMA – Permissive Deductions

When a PBRA S8 Project is owned by a PHA, PHA may also choose to adopt additional Permissive Deductions.
### HOTMA – Permissive Deductions

| PHAs would not be eligible to receive any program funding to cover increased cost to the impacted program. | Rule provides that PHA would have to identify amount of subsidy provided on behalf of the family that is attributable to the permissive deduction as required by HUD. |

### HOTMA – Imputed Income From Assets

| Threshold for imputed income from asset calculation changes from $5,000 to $50,000 subject to COLAs. | Current imputed amount of .06% is subject to COLA. |
HOTMA – Student Income Exclusion

HUD also proposes to adjust the current income exclusion for student/dependents (amounts over $480) based on an inflationary index.

HOTMA Income Exclusion - Fosters

| HOTMA Proposed Final Rule suggests that HUD will require exclusion of earned income of foster adults in order to prevent disincentives to housing such persons | Would codify existing policy that states kinship or guardianship care payments are excluded from income. |
### HOTMA – Veterans Benefits

| Proposed Final Rule provides an exclusion for payments related to VA Aid and Attendance | HUD has solicited suggestions/support of additional exclusions including exclusion of all VA benefits. |

### HOTMA – Optional Eligibility Exclusion Assets

| Optional eligibility rule when the sum of certain asset values exceeds $100,000. | The new **MAT10, Section 2, field 22: Do Not Check Asset Value** is used to indicate that OA is not implementing the rule. |
### HOTMA – Eligibility Exclusion Real Property

<table>
<thead>
<tr>
<th>Families not eligible if they own, have legal right to reside in, and legal authority to sell real property (home).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlike the $100,00.00 asset cap, rule is not an optional eligibility rule.</td>
</tr>
</tbody>
</table>

### HOTMA – Income Projection

**Alternative to Annual Income Projection**

To allow for

**Shorter Certification Period (less than one year)**

And more frequent certification requirement
HOTMA - De Minimis Errors

A de minimis error would be defined as any error where calculation of a family’s income or adjusted income varies from the correct income or adjusted income by no more than 5 percent.

Income determination would not be considered incorrect for purposes of HUD’s monitoring and compliance oversight responsibilities.

OA would still be required to take corrective action to repay a family if de minimis error resulted in rent overcharge.

HOTMA Recertification - Timing

<table>
<thead>
<tr>
<th>Annual Recertification</th>
<th>Interim Recertification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to requirement</td>
<td>Changes requirement to</td>
</tr>
<tr>
<td>To complete an AR</td>
<td>Create and IR</td>
</tr>
<tr>
<td>When Income Change Occurs</td>
<td>When an Income Reduction</td>
</tr>
<tr>
<td>Within 3 months of</td>
<td>Is less than 10%</td>
</tr>
<tr>
<td>AR Effective Date</td>
<td>Of previously reported income</td>
</tr>
</tbody>
</table>
Questions

Changes to Chapter 4

Information Subject to Change. Refer to the Most Recent MAT Guide.
Expanded Discussion of AR Scenarios

Perfect World
Resident Reports after Due Date but Before AR Date
Residents Reports on or after AR Date
Extenuating Circumstances

Note: AR Notices

In all scenarios
AR Notices should be Issued
Until AR is complete
This is not current practice for most software
Change to MO Correction Method

Instruction Provided in Previous Versions
Of the MAT Guide
Are no Longer True
Because of Change to Active/Inactive Tenant Logic

Other Changes to the MAT Guide

Information Subject to Change. Refer to the Most Recent MAT Guide.
### Appendix H – Calculations (Assets)

**Averaging for Checking Account Balance**

**Individual Monthly Balances Can be Negative**

**Do Not apply the**

**“Not less than zero” Rule**

**Until end of the Calculation**

<table>
<thead>
<tr>
<th>Ending Balance</th>
<th>Use</th>
<th>Do Not Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>25.00</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>-15.00</td>
<td>-15.00</td>
<td>0</td>
</tr>
<tr>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>-25.00</td>
<td>-25.00</td>
<td>0</td>
</tr>
<tr>
<td>80.00</td>
<td>80.00</td>
<td>80.00</td>
</tr>
</tbody>
</table>

**Total = 175.00/6 = 29.166666**

**Total = 215.00/6 = 36**
Changes to Forms

Changes to HUD Forms

Changed forms for the 2.0.3.A release include
- HUD 50059—Tenant Certification
- 50059-A—Partial Certification
- 52670—Voucher
- 52670 Part 4—Miscellaneous Accounting Requests
- 52670 Part 6—Repayments/Escrows and Special Claims Forms
- 52671-A, 52671-B, 52671-C
- HUD Form 91067 VAWA Lease Addendum
- HUD27061-H (Race and Ethnicity) form
Final Comments

Take a look at the MAT Guide

Provide comments and other suggestions

So document can be finalized

DEADLINE?

Development & Implementation
Required for Development to Begin

<table>
<thead>
<tr>
<th>HUD Forms Approval</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0.3. A</td>
</tr>
<tr>
<td></td>
<td>Specification Document</td>
</tr>
</tbody>
</table>

After Approval – Development & Implementation

<table>
<thead>
<tr>
<th>Six Month Development Window</th>
<th>Four Month Implementation Window</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Information Subject to Change. Refer to the Most Recent MAT Guide.
### TRACS 2.0.3.A

<table>
<thead>
<tr>
<th>Development Server</th>
<th>If you do not Have access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will be available</td>
<td>Contact Lanier/Princess</td>
</tr>
<tr>
<td>TBD</td>
<td></td>
</tr>
</tbody>
</table>

### Certification Rule Changes

Because of Several Rule Changes
- It is Best to Submit
- All Completed Certifications
- Before Converting to
  - 2.0.3.A
Regardless of whether or not
- The certification has appeared on any voucher.