

2.0.3.A Update

TRACS Industry Meeting –
January 8, 2018

Presentation Participants

- o Lanier Hylton – HUD - TRACS
- o Jed Graef – HDS
- o Mary Ross - RBD

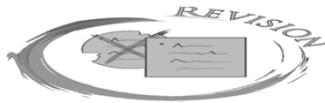


TRACS v 2.0.3.A

Review of Key Changes

MAT Guide New Changes

Continue to Obtain Clarification



No Changes to System Requirements

1.3 Schedule and Testing

- o Lanier will cover this topic tomorrow morning

Test Region

The TRACS test region is currently active and supports 2.0.3.A requirements up to and including those new in August 2017

The test region will remain open through the end of the transition period.



Questions ?



Basic Changes

New TM Field Name

Changed to
Termination/Suspension



Suspension Codes

Presidentially Declared Disasters

- **ND** = Natural Disaster or Uninhabitable Unit or Presidentially Declared Disaster.
- **RR** = Substantial rehab or repair – Tenant expected to return.

RAD Resident

RD = Section 8
RAD - Tenant
transferred to
other housing
during rehab.

2.11 Termination/Suspension

CAs must treat unit subject to a suspension as the equivalent of a vacant unit.

A tenant, other than the original suspended tenant, may move in or transfer into the unit.



Move Out

Removed

*Codes 9 =
Uninhabitable Unit –
Abated and*

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

Add

*Move-out Code - 11 =
RAD to Housing Choice
Voucher—Choice
Mobility Option
Exercised.*

New Form

In 2018,
HUD will release
a new version of
HUD Form 27061H.
(Included in the spec)



Family Self-Sufficiency



In 2016,
HUD authorized OAs
to establish
a Family Self Sufficiency program
(FSS)

New Special Status Code

- **F = FSS-Family Self Sufficiency Participant** (*such individuals have executed an ITSP-Individual Training and Services Plan.*)
- *ITSPs are attached to, and incorporated as part of, the CoP-Contract of Participation)*
- Not all household members participate (HOH must participate)

Requirements – Existing FSS

Special Status Code F

Submitted on Next Full Cert

Submitted after Release of 2.0.3.A

New SSN Exemption

- o *F = Foster child or adult whose SSN has not been disclosed by the foster agency and for whom HUD has issued a waiver.*
- o Used in this situation (*SSN for Foster not disclosed*)
 - o If Foster has not yet been admitted, PHA/OA must apply for HUD waiver before member may be added.
 - o If Foster is already in the unit, waiver must be requested prior to next certification.
 - o In both cases, until waiver is granted, SSN is reported as all 9's and the SSN Exception Code is F.

New SSN Exemption F

- o Starting with implementation of TRACS 2.0.3.A
 - o SSN for Foster will **NOT** be printed on the 50059.
 - o *Birth Date* will **NOT** be printed on 50059. Shown as "**00/00/YYYY**"

The MAT record sent to HUD
will include SSN and Birth Date

SSN Exemption Code M

- o SSN Exemption Code M valid at MI or IC
- o 999-99-0000 must be updated via IR
- o New Error After 180 Days

Valid SSN Submissions

- o Valid SSN
- o 999-99-9999 (with Exemption)
- o TRACS ID Number
- o No other SSN if Valid

Full Cert/UT Combination

- o MI – O and MI - I
- o AR – O and AR - I
- o IR – O and IR - I
- o IC – O and IC - I



Questions ?



2.18 Reminders – Unit Trades



- o Site and CA software must support unit trades. A Unit Trade may be defined as
 - o Two households trading units (Household 1 moves from unit 101 to unit 102 and Household 2 moves from unit 102 to 101 simultaneously) and
 - o More than two households moving simultaneously (Household 1 moves from 101 to 102; Household 2 moves from 102 to 103; Household 3 moves from 103 to 101).

2.18 Reminders – Unit Trades



- o There are other more complex scenarios as well.
- o HUD rules require these transactions to be implemented as UTs and not as MO/MI pair or as other transaction types.
- o The only requirements are that all UTs be effective on same day and that each unit begins and ends with a single household in residence

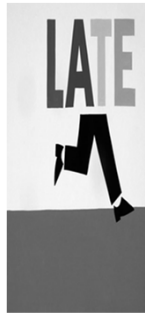
2.18 Reminders – UT & LIHTC

- LIHTC rules do not allow a UT between two buildings in a property unless they are formally part of a multiple building Tax Credit project.
- When not part of a multiple building LIHTC project, tax credit rules require qualification certification for the new unit and the set of transactions is commonly implemented as MO/MI pair of LIHTC certifications.
- However, HUD **requires that a UT be done in this case—not a MO/MI.**
- This means that OA software must be able to handle transfer both ways to satisfy rules for the two programs.

Questions ?



Reminders – TM – Late AR



- o Late ARs

- o New MAT Guide Chapter 4 Examples

Four Key Examples

- o Perfect World

- o After Deadline/Before Effective Date

- o On or After Effective Date

- o Extenuating Circumstances

Questions ?



Forms Changes

Availability

Forms are part
of the latest
2.0.3.A Zip file



Forms Changes

- o Changed forms
 - o 50059—Tenant Certification,
 - o 50059-A—Partial Certification,
 - o 52670—Voucher,
 - o 52670 Part 4—Miscellaneous Accounting Requests,
 - o 52670 Part 6—Repayments/Escrows and
 - o 52671-A, B, C - Special Claims
 - o 91067 VAWA Addendum
 - o Race & Ethnicity Form

Approval?



Current

Approval

Status???



E-Storage/E-Signature

- o Working Group
- o Co Chairs – Janel Ganim/Mary Ross
- o Draft of Specification
- o HUD Participation
- o Next Meeting Tuesday
- o January 16 - 2:00 to 3:00 (EST)
- o Mary.ross@rbdnow.com

Current Status

- o Comments re: Draft Spec
- o Comment re: Forms that Need to Be Considered
 - o OA
 - o Resident
- o Comments re: Sources
 - o iPhones/Tablets/Computers, etc.



Questions ?



Changes to HUD 52670 Part 6 (Section 7 Record)

52670 Part 6 – New Function

- o 52670 Part 6 – Currently Tracks Repayment Agreements
- o Modified
- o Will include facility to track FSS Escrow Deposits

52670 Part 6 – Enhanced RA

HUD has discovered that Repayment Agreement data transmitted to TRACS is not sufficient.

As a result, fields are being added and reordered

List of Fields

- | | |
|---|--|
| <ul style="list-style-type: none"> ○ Record Type ○ Head Last Name ○ Head First Name ○ Unit Number ○ Agreement ID ○ Agreement Date ○ Agreement End Date ○ Transaction Type (formerly Agreement Type) ○ Status | <ul style="list-style-type: none"> ○ Beginning Agreement Amount ○ Agreement Change Amount ○ Ending Agreement Amount
(formerly Agreement Amount) ○ Beginning Balance ○ Total Payment ○ Ending Balance ○ Amount Retained ○ Amount Requested ○ Head of Household ID Code |
|---|--|

Repayment Agreements & FSS Escrow (Owner Repayment)

Since Repayment Agreement type
☐ (Owner Repayment)
 does not involve tenant misreporting,
 EIV will not pull these transactions

In any event,
 the HOH ID Code
 is blank for a type
☐ (Owner Repayment)
 transaction.

Status Codes

- ☐ **AV Active** = Resident is on target with *Repayment Agreement/FSS Agreement* requirements:
- ☐ **IA Inactive** = (*Repayment Only*). Resident has missed 3 or more consecutive payments. Set on month 4.
- ☐ **RV Reversed** = Entered in error.
- ☐ **CO Completed** = Resident successfully completed *Repayment Agreement/FSS Agreement* requirements.

- ☐ **SU Suspended** = (*Repayment Only*). Resident unable to make payments due to reduced income.
- ☐ **MO Moved-out Inactive** = (*Repayment Only*). Former resident no longer making payments.
- ☐ **MA Moved-out Active** = (*Repayment Only*). Former resident making payments.
- ☐ **TE Terminated** = (*Repayment Only*). PHA/OA unable to enforce agreement. Court order.

Rules – TE = Terminated

- o OA unable to enforce RA
- o Usually Court order
- o Used when a judge rules the RA void
- o Should not create an adjustment to voucher.
- o Once RA has been terminated, assumed there will be no future transactions for this ID

TE May Reduce Repayment Amount

- o Since last Meeting
- o Discussed when TE would not reduce Repayment Agreement Amount to Zero
- o Just a lower balance

Example

- o Original Repayment Agreement Amount \$2500
- o Court Ordered Judgement reduces resident debt
- o Repayment reduces amount owed to \$1500

Repayment Agreements – Basic Rules

Timing



Certifications (corrected or added)
Created to Address Improper Payment

Do Not Have to Appear on Same Voucher

As the Initial RA Transaction

Repayment Agreements – Clarification – Repayment Amount v Voucher Adjustment



Note that
initial Repayment Agreement Transaction,
establishing amount of agreement
and reversing adjustments,
may have an Agreement Amount
that is less than
total of adjustments
reported on voucher.

Repayment Agreements – Clarification – Repayment Amount



This situation arises
due to timing issues
related to when the household
starts paying the new rent and
when the related certification
appears on the voucher
(See Chapter 4, paragraph 4.9 for an example).

Repayment Agreements – Clarification – Repayment Amount

CAs may not automatically
refuse to pay an initial
repayment agreement
transaction

where there is a mismatch
between amount of the
agreement and total of the
related adjustments.

Investigation must be done
to determine correct
agreement amount.



Month	Unit Rent	Amnt. Resident Paid	Amnt. on Voucher	Total	Correct Voucher Amnt.	Voucher Adjust	Total Received by OA	Total In Repayment
March	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
April	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
May	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
June	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
July	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Aug	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Sept	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Oct	\$600	\$520	\$575	\$1,095	\$80	\$495	\$600	\$0
Nov	\$600	\$520	\$80	\$600	\$80	\$0	\$600	\$0
Total	5400	1215	4680	5895		3960	1935	3465

Questions ?



Repayment Agreements – Determining Amounts & CA Role

Clarification Request

What is the
Repayment Agreement Amount
When both OA errors
& Tenant Misreporting
Cause improper payment?

CA Role in Reviewing Agreement Transactions

- o Waiting for guidance on CA role
- o CAs may not reject RA type N(one) as such transactions are proper under rule that OAs are held harmless for tenant misreporting
- o Per the 4350.3, P 8-21 OAs are not required to enter into an agreement when they choose to evict

Clarification Request – Repayment Agreement Amounts

Previous discussion has been whether the correct amount of an RA is determined based on

- 1) Net amount of any adjustments related to certification corrections OR
- 2) Corrections based on tenant misreporting that created an improper payment

Response from HUD – Repayment Agreement Amounts - Overpayment



Repayment Agreement Amount is
based on tenant misreporting
that created
an improper overpayment

Response from HUD – Repayment Agreement Amounts - Underpayment

Future guidance
will address
underpayments



Two Major Challenges

When other factors
(other than tenant misreporting
– such as retro GR)
create adjustments
and
net adjustments and
repayment agreement
amounts
do not match

When there is:

Tenant Misreporting

And

OA Error

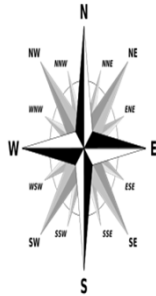
Resident Repayment Agreement Amount – HUD's Definition

HUD Overpayments
(Improper Payment)
made as a result
of
tenant misreporting

The
"net adjustment"
Model
does not apply



Rules for Determining Agreement Amounts



- o Need a method for determining overpayment amount that:
 - o Can be applied consistently
 - o Addresses complex situations
 - o Correctly determines overpayment amount
 - o Does not rely on total adjustments

Rules for Determining Agreement Amounts - OA AND Tenant Error

There is a method that works and that can be used for all situations

The idea is to analyze each month's billing as it changes over time



Example

Before outlining process, think about this one situation played out two different ways

- o Tenant underreports income on 1/1/2017 AR
 - o Undetected for 12 months
 - o AP is too high by \$20/per month
- o 2/1 GR
- o Total amount of overpayment = \$240
- o Tenant Misreporting Fixed on 1/1/2018 voucher

Example

If GR is reported timely and then corrected the same time AR is corrected, net adjustments = \$240, the amount of the agreement

If GR is reported retroactively when AR is corrected, net adjustments = \$20 even though the improper payment subject to RA is \$240

Case 1 – Tenant Misreporting Only Correction to AR

A. Certs Before Overbilling Discovered					
Voucher Date				1/1/2018	
Type	Effective	Assistance	Months	Total Billing	
1AR	1/1/2017	400	12	4800	
2				0	
3				0	
4				0	
				Original Billing	4800
B. After Discovery--includes changes unrelated to tenant overbilling					
Type	Effective	Assistance	Months	Total Billing	
1AR	1/1/2017	400	12	4800	
2				0	
3				0	
4				0	
				Intermediate Billing	4800
C. After Discovery--B + changes to correct tenant overbilling					
Type	Effective	Assistance	Months	Total Billing	
1AR*	1/1/2017	380	12	4560	
2				0	
3				0	
4				0	
				Final Billing	4560
				Repayment Amount = B - C	240

Case 2 – Tenant Misreporting Only Multiple Corrections

A. Certs Before Overbilling Discovered					
Voucher Date				1/1/2018	
	Type	Effective	Assistance	Months	Total Billing
1	MI	1/1/2015	300	12	3600
2	AR	1/1/2016	400	12	4800
3	AR	1/1/2017	500	12	6000
4					0
Original Billing					14400
B. After Discovery--includes changes unrelated to tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	MI	1/1/2015	300	12	3600
2	AR	1/1/2016	400	12	4800
3	AR	1/1/2017	500	12	6000
4					0
Intermediate Billing					14400
C. After Discovery--B + changes to correct tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	MI*	1/1/2015	250	12	3000
2	AR	1/1/2016	400	12	4800
3	AR*	1/1/2017	450	12	5400
4					0
Final Billing					13200
Repayment Amount = B - C					1200

Case 8 –Tenant Overbilling & Owner Underbilling – Correction to AR

A. Certs Before Overbilling Discovered					
Voucher Date	Type	Effective	Assistance	1/1/2018 Months	Total Billing
1AR		1/1/2017	400	12	4800
2					0
3					0
4					0
Original Billing					4800
B. After Discovery--includes changes unrelated to tenant overbilling					
Type	Effective	Assistance	Months	Total Billing	
1AR*	1/1/2017	410	12	4920	
Owner error					
2fixed				0	
3				0	
4				0	
Intermediate Billing					4920
C. After Discovery--B + changes to correct tenant overbilling					
Type	Effective	Assistance	Months	Total Billing	
1AR*	1/1/2017	400	12	4800	
Tenant error					
2fixed				0	
3				0	
4				0	
Final Billing					4800
Repayment Amount = B - C					120

Case 9--Tenant Overbilling & Owner Underbilling - Correction to AR & Retro GR

A. Certs Before Overbilling Discovered					
Voucher Date	Type	Effective	Assistance	1/1/2018 Months	Total Billing
1	AR	1/1/2017	400	12	4800
2					0
3					0
4					0
Original Billing					4800
B. After Discovery--includes changes unrelated to tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	AR*	1/1/2017	410	1	410
2	GR	2/1/2017	430	11	4730
	Owner error				
3	fixed				0
4					0
Intermediate Billing					5140
C. After Discovery--B + changes to correct tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	AR*	1/1/2017	400	1	400
2	GR	2/1/2017	420	11	4620
	Tenant error				
3	fixed				0
4					0
Final Billing					5020
Repayment Amount = B - C					120

Case 11– Tenant & Owner Overbilling & Retro IR & AR followed by Retro IR

	Type	Effective	Assistance	Months	Total Billing
1	AR	1/1/2017	400	12	4800
2					0
3					0
4					0
Original Billing					4800
B. After Discovery--includes changes unrelated to tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	AR	1/1/2017	400	12	4800
2					0
3					0
4					0
Intermediate Billing					4800
C. After Discovery--B + changes to correct tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	AR	1/1/2017	400	3	1200
2	IR	4/1/2017	200	9	1800
3	Tenant error fixed				0
4	Owner error is fixed on the final IR				0
Final Billing					3000
Repayment Amount = B - C					1800

Case 12 – Tenant Overbilling Only + Timing Issue Correction to AR-In Effect before voucher

A. Certs Before Overbilling Discovered					
	Type	Voucher Date Effective	Assistance	1/1/2018 Months	Total Billing
1	AR	1/1/2017	400	12	4800
2					0
3					0
4					0
Original Billing					4800
B. After Discovery--includes changes unrelated to tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	AR	1/1/2017	400	11	4400
2					0
3					0
4					0
Intermediate Billing					4400
C. After Discovery--B + changes to correct tenant overbilling					
	Type	Effective	Assistance	Months	Total Billing
1	AR*	1/1/2017	380	11	4180
	Error fixed on 11/15--Correct				
2	rent paid for 12/1				0
3					0
4					0
Final Billing					4180
Repayment Amount = B - C					220

Billing Analysis - Summary

- o Need to complete billing analysis, not adjustment analysis
- o Involves 3 steps
 1. List previous billing before any changes/corrections
 2. List intermediate billing amount
 - o Apply changes that are related to owner action
 3. List new billing amount
 - o Apply changes that are related to tenant misreporting

Rules for Determining Agreement Amounts

Repayment Agreement Amount
is difference
between the billing total
for Step 2
and the billing total
for Step 3

Previous Examples

Very Simple Examples of
Correction to Prior
When there is OA error
And
Tenant error



Making it More Complicated

If inserting a Retroactive TM
Appears only
In part 3 of
The analysis

Making it More Complicated

IRs can introduce complications:
If an IR was previously reported
And just needs to be corrected
The proposed process applies

Making it More Complicated

If an IR is reported retroactively
Report as part of Part 3
And
Only include tenant overpayment
errors

The Process Using OA Software

Only in simple cases
could you complete
the assistance
calculations
manually or
using the spreadsheets



Because of issues like
minimum rent,
changing deductions,
noncitizen rule
proration,
30% monthly adjusted
vs 10% of gross,
etc.

Assistance Payment Analysis

Use site software
to calculate the AP
so all factors are considered



Questions ?



Report ALL Repayments

PHA/OA Not allowed
to self-manage
repayment agreements.

Surprise!

Two Reasons

Keep the
Property
Financially Whole

Alert
HUD
To Residents Who
Fail to Fully and
Accurately Report

Full Repayment – No RA

If a resident opts
to pay back improper payment
without signing an RA,
the RA Type is N(None)
and the Agreement Amount
and the Payment Amount
will be the same.



Repayment Agreements and FSS Escrows for Schedule of Tenant Assistance Payments Due												U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner		OMB Approval No. 2502-0182 (Exp. 00/00/0000)	
Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on the form HUD-52670 information on public burden.															
1. Asst. Pymts Due For (mm/yyyy):		2. Project Name:			3. Project Number:			4. Contract Number:			5. Type of Subsidy:				
6/2016		The Arbor			123456789			GA123456789			1				
6. Head of Household Name (Last, First)	8. Record Type	10. Agreement Date	12. Trans. Type	13. Status	14. Beginning Agreement Amount	15. Agreement Change Amount	16. Ending Agreement Amount	17. Beginning Balance	18. Total Payment	19. Ending Balance	20. Amount Retained	21. Amount Requested	22. Approved (HUD/CA use only)		
7. Unit Number	9. Agreement ID	11. Agreement End Date													
Roberts, Rachel	RB	1/15/2016													
108A	987854		T	AV	1475	0	1475	975	0	975	0	0			
Roberts, Rachel	R	1/15/2016													
108A	987854		T	AV	1475	0	1475	975	25	950	5	-20			
Smith, Sam	RB	11/10/2015													
112A	987850		T	IA	2200	0	2200	2100	0	2100	0	0			
Smith, Sam	R	11/10/2015													
112A	987850		T	IA	2200	0	2200	2100	0	2100	0	0			
Thomas, Trevor	RB	7/20/2014													
201B	987550		T	SU	240	0	240	240	0	240	0	0			
Thomas, Trevor	R	7/20/2014													
201B	987550		T	SU	240	0	240	240	0	240	0	0			
Thomas, Trevor	RB	6/15/2015													
201B	987590		T	SU	412	0	412	412	0	412	0	0			
Thomas, Trevor	R	6/15/2015													
201B	987590		T	SU	412	0	412	412	0	412	0	0			
King, Karl (Adjusted)	RB	6/10/2017													
510D	674540		T	AV	3890	0	3890	3290	0	3290	0	0			
King, Karl (Adjusted)	R	6/10/2017													
630B	9876210		T	AV	3890	0	3890	3290	100	2890	20	3890			
Meyers, Mona (New)	R	6/25/2017													
630B	9876210		N	CO	0	850	850	0	850	0	170	170			
Forrester, Frank	RB	6/10/2017													
701A	9876211		T	AV	2500		2500	2200	0	2200	0	0			

Non-Compliance - How It May Have Started

In some cases, PHA/OAs created and submitted corrected/new certifications (*created in response to resident misreporting*) but did not submit the required *OARQ/RA Record*

Adjustments driven by corrections/new certifications were reflected on voucher, but amount of improper payment was never "reversed".

Reasons



- o PHA/OA want to self manage
- o PHA/OA did not understand rules
- o CA denied RA
 - o Amounts Incorrect
 - o PHA/OA did not pursue repayment
 - o Submission of None RA

Assumption

Assumed that PHA/OAs
have been tracking
repayment amounts received and
have not reported
any improper payment/repayment
information

Report ALL Repayments



If a resident failed to
fully and accurately report income
or other information and
if the resident
received more subsidy
as a result,
this must be reported to HUD.

True For

Tenant

Repayment

Agreements

None

Repayment

Agreements

Outstanding Question



If a PHA/OA did not Transmit RA

Can PHA/OA Go Back?

How Far?

Questions ?



Multiple RAs

Electronic RA - Rule

Must be reported
as separate instances
with separate
RA Agreement IDs

Paper RA – No Rules

May be separate
agreements

May be revised agreement

May be Addendum to
original agreement

Example

- In January 2017, PHA/OA reviews EIV Income Reports and discovers that a resident failed to report employment information for a new job with a start date of February 2016.
- The PHA/OA completed appropriate verification and created an Interim Certification.
- Site software automatically created a voucher adjustment.
- The PHA/OA then determined the amount of assistance-paid-in-error (not always the same as the voucher adjustment) and the resident entered in to a RA.
- The RA is entered in to site software and the RA ID is 11111111
- In January 2018, PHA/OA reviews EIV Income Reports and discovers that a resident failed to report an increase in income and that increase was effective March 2017.
- The PHA/OA completed appropriate verification and created an Interim Certification.
- Site software automatically created a voucher adjustment.
- The PHA/OA then determined the amount of assistance-paid-in-error (not always the same as the voucher adjustment)
- The paper RA is modified to include the new amount owed. *(Note: PHA/OA may modify or addend the current agreement based on corporate policy and local tenant/landlord rules)*
- The PHA/OA enters a second RA and the RA ID is 22222222. - Now there are two RAs

Repayment Agreement Baseline

Standards for Baseline

- o Status of all *RA* with non-zero balances must be reported to HUD
- o Limited to *RA* information for:
 - o Current residents when there is a balance due and
 - o Former residents who continue to make payments

Repayment/Escrow Baseline



First voucher

In addition to the baseline record,
report an additional
non-baseline record
if required by the status or
actual payment or deposit activity.

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1. Asst. Pymts Due For (mm/yyyy):		2. Project Name:				3. Project Number:				4. Contract Number:				5. Type of Subsidy:					
8/2017		The Arbor				123456789				GA123456789				1					
6. Head of Household Name (Last, First)	8. Record Type	10. Agreement Date	12. Trans. Type	13. Status	14. Beginning Agreement Amount	15. Agreement Change Amount	16. Ending Agreement Amount	17. Beginning Balance	18. Total Payment	19. Ending Balance	20. Amount Retained	21. Amount Requested	22. Approved (HUDCA use only)						
7. Unit Number	9. Agreement ID	11. Agreement End Date																	
Roberts, Rachel	RB	1/15/2016	T	AV	1475	0	1475	975	0	975		0							
108A	987654																		
Roberts, Rachel	R	1/15/2016	T	AV	1475	0	1475	975	25	950	5	-20							
108A	987654																		
Smith, Sam	RB	11/10/2015	T	IA	2200	0	2200	2100	0	2100	0	0							
112A	987650																		
Smith, Sam	R	11/10/2015	T	IA	2200	0	2200	2100	0	2100	0	0							
112A	987650																		
Thomas, Trevor	RB	7/20/2014	T	SU	240	0	240	240	0	240	0	0							
201B	987550																		
Thomas, Trevor	R	7/20/2014	T	SU	240	0	240	240	0	240	0	0							
201B	987550																		
Thomas, Trevor	RB	6/15/2015	T	SU	412	0	412	412	0	412	0	0							
201B	987590																		
Thomas, Trevor	R	6/15/2015	T	SU	412	0	412	412	0	412	0	0							
204B	987590																		
King, Karl (Adjusted)	RB	6/10/2017	T	AV	3890	0	3890	3290	0	3290	0	0							
510D	874540																		
King, Karl (Adjusted)	R	6/10/2017	T	AV	3890	-500	3390	3290	100	3190	20	-580							
510D	9874540																		
Meyers, Mona (New)	R	6/25/2017	T	AV	0	850	850	0	50	800	10	810							
630B	9876210																		

Previous editions are obsolete

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ref. Handbook 4350.3 Rev. 1



Re-Baseline

- o Note that a baseline record for a repayment or escrow, that is transmitted at some point after the initial full baseline (a re-baseline record), may violate one or both of the record consistency checks.
- o A re-baseline record might have a Beginning Agreement Amount and/or a Beginning Balance that does not match the Ending Agreement Amount or the Ending balance from the prior record.
- o This is not a fatal error condition.

Re-Baseline



Deciding whether or not
a re-baseline record is warranted
is not a simple matter
and will depend on
the facts of full transaction history
for the Agreement ID.

Re-Baseline

Most common situation where re-baseline transaction is called for is one where a CA has been paying correct amounts for an ID starting with the initial transaction but where OA is reporting incorrect amounts and balances



CA could request a re-baseline to get Agreement Amount and Balance corrected without voucher consequences

Re-Baseline



On the other hand, if the OA has been requesting and being paid amounts that are not correct, Agreement Amount and Balance are to be fixed using Agreement Change Amount and Total Payment fields as these do impact the voucher.



2.0.3.A Baseline for Repayment Agreements

Note: In some cases, a former (moved-out) household entered in to repayment before they moved out but was not included on the initial baseline because they are not making payments.

If that former household subsequently makes one or more payments, transmit record with status of MA on next voucher.

No Baseline

Example

- Claire Davis failed to fully and accurately report income
- OA discovers improper payment in June 2017
- OA creates/corrects appropriate certifications
- Improper Payment = -\$800
- OA enters new Repayment Agreement (\$800)
- OA receives \$15.00 per month from resident
- OA enters payment on each voucher
- Claire moves out September 30, 2017
- Total received \$60
- Claire stops making payments
- OA converts to 203A in March 2018
- Claire starts making payments again in June 2018
- In June (July voucher) OA creates a regular transaction showing \$15 as Amount Paid

2.0.3.A Baseline for Repayment Agreements



If a completely new RA
is being reported
on first 203A voucher,
Baseline Record is not needed
for that new Agreement ID.

Repayment Agreements and FSS Escrows for Schedule of Tenant Assistance Payments Due												U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner		OMB Approval No. 2502-0182 (Exp. 00/00/0000)	
1. Asst. Pymts Due For (mm/yyyy):		2. Project Name:		3. Project Number:				4. Contract Number:				5. Type of Subsidy:			
4/2018		The Arbor		123456789				GA123456789				1			
6. Head of Household Name (Last, First)	8. Record Type	10. Agreement Date	12. Trans. Type	13. Status	14. Beginning Agreement Amount	15. Agreement Change Amount	16. Ending Agreement Amount	17. Beginning Balance	18. Total Payment	19. Ending Balance	20. Amount Retained	21. Amount Requested	22. Approved (HUDCA use only)		
7. Unit Number	9. Agreement ID	11. Agreement End Date													
Roberts, Rachel	RB	1/15/2016	T	AV	1475	0	1475	975	0	975	0	0			
108A	987654	1/15/2016	T	AV	1475	0	1475	975	25	950	5	-20			
Roberts, Rachel	R	11/10/2015	T	IA	2200	0	2200	2100	0	2100	0	0			
108A	987654	11/10/2015	T	IA	2200	0	2200	2100	0	2100	0	0			
Smith, Sam	RB	7/20/2014	T	SU	240	0	240	240	0	240	0	0			
112A	987650	7/20/2014	T	SU	240	0	240	240	0	240	0	0			
Smith, Sam	R	6/15/2015	T	SU	412	0	412	412	0	412	0	0			
112A	987650	6/15/2015	T	SU	412	0	412	412	0	412	0	0			
Thomas, Trevor	RB	6/10/2017	T	AV	3890	0	3890	3290	0	3290	0	0			
201B	987550	6/10/2017	T	AV	3890	0	3890	3290	0	3290	0	0			
Thomas, Trevor	R	3/25/2018	T	AV	850	850	0	100	750	20	770				
201B	987590	3/25/2018	T	AV	850	850	0	100	750	20	770				
Thomas, Trevor	R	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
201B	987590	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
King, Karl (Adjusted)	RB	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
510D	874540	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
King, Karl (Adjusted)	R	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
Forrester, Frank	RB	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
701A	9876211	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
Forrester, Frank	R	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
701A	9876211	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
Alvarez, Analisa (New)	R	3/25/2018	T	AV	850	850	0	100	750	20	770				
630B	9876210	3/25/2018	T	AV	850	850	0	100	750	20	770				
Forrester, Frank	RB	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
701A	9876211	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
Forrester, Frank	R	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
701A	9876211	8/18/2017	T	TE	2500	-1000	1500	2200	0	1200	0	680			
23. Totals for this page															

Previous editions are obsolete

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ref. Handbook 4350.3 Rev. 1

2.0.3.A Baseline for Repayment Agreements



Note: If an RA should have been reported on an earlier voucher but was never reported, treat it as a New RA but enter the correct Agreement Date based on when it should have been reported.

2.0.3.A Baseline for Repayment Agreements



Note: If an RA was reported (OARQ reversing entry or New Repayment in 202D) but no payments or other activity were reported after first transaction, submit a transaction reporting cumulative payments in addition to baseline record.

Will create negative adjustment returning payment to HUD.

Special Calculation Rules

Amount Retained \leq 20% of the Total
Payment (except when Status = TE)

Repayment Agreements (Between Contract)

Transfers & Repayment Agreements

Do RAs float between contracts or should RA apply to contract where overpayment originated?

If RA floats, what is the mechanism for moving from one contract to another?

Repayment Agreements

- o What happens if a contract ends?
 - o Contract combination where you end up with an active contract
 - o RA can be moved ????? must be moved?????
 - o Contract expires or opt-out
 - o There will be no accounting of future payments
 - o How can a tenant clear RA in EIV?????

Repayment Agreements – PIH & MF

It does seem clear
that RAs do not move
from PIH to MF
or vice versa

PBRA RAD

2.7 RAD



2.0.2.D RAD certifications that should have shown 0 or negative assistance:

Because 2.0.2.D did not support 0/negative AP for RAD tenants, accepted workaround was to terminate household when assistance calculated as 0/negative but charge tenant rent that would have been charged if assistance were 0 or negative

2.7 RAD (continued)



Any tenant who was terminated under 2.0.2.D for this reason must have a 2.0.3.A IC submitted within one month of implementing 2.0.3.A software to reflect proper assistance calculation.

Effective date would be first of month following when IC is done and next recertification date (month) from last full recertification is retained.

If any subsequent certifications (AR or IR) were completed and not reported because assistance was still 0 or negative, information from most recent recertification must be reflected on the new 2.0.3.A IC.

2.7 RAD (continued)



If household was in residence
on RAD contract effective date,
new MAT10, Section 2 RAD
Conversion Tenant flag
must be set to Y(es).

2.7 RAD (continued)



If Rent Phase-in applies
(as determined under the 202D rules),
IC should pick up with Phase-in
at the appropriate place,
using TTP from prior certification
whether or not it was sent to TRACS.

2.7 RAD & Noncitizen Rule

HUD has determined that noncitizen rule calculations are NOT to be performed when RAD household's assistance is 0 or negative



Would have the effect of reducing tenant's rent

2.13 Misc. Accounting Request - RADN

RADN – Adjustment when RAD AP is Negative

Three new fields have been added to MAT30, Section 6 (Misc. Accounting Request) record to make RADN transactions clearer and simplify required comment
(52670 Part 4)

1. HOH Last Name;
2. HOH First Name;
3. Unit Number

2.13 RADN Comment Field

- The Comment field must be filled as follows.
 - Assistance/Adjustment (Position 1, left justified, length 6),
 - Cert Type (Position 8, left justified, length 5),
 - Cert Effective Date (Position 15, left justified, length 10),
 - Prior/New (Position 26, left justified, length 1),
 - Cert Assistance (Position 28, right justified, length 6).

2.13 RADN Comment Field

```

○ 123456789012345678901234567890123
○ ASSIST AR-I*   MM/DD/YYYY . nnnnnn
○ ADJUST AR-I*   MM/DD/YYYY P nnnnnn
○ ADJUST AR-I*   12/31/2017 N 999999
○ ADJUST IR      02/01/2017 N      99
○ ADJUST MI      12/31/2017 P      999

```

PBRA RAD – 0 AP but Assisted

Like PRAC

Even though AP is 0 or negative
Still counts as Assisted Household

Today – Termination for RAD

RAD tenants
may be terminated
for failure to comply
with program requirements.



Today – Termination for RAD



TI

*Termination Ineligible
TTP equals/exceeds
gross rent*

*may not be used for
RAD*

Other

Termination codes
may be used

Today – RAD Voucher - Terminated

Terminated RAD household is
counted as a “market” renter on the
voucher (assuming the tenant is still living in the unit)

Normal Section 8 rules

Today – RAD Voucher - Suspended

Suspended resident in RAD
is either part of
vacant unit count or
market unit count
depending on whether
resident continues to
reside in the unit.



Today – RAD Assisted Tenant

RAD Assisted Tenants
are tenants
who have an active MAT 10 in TRACS
and no MO/TM/Suspension
transaction.



2.13 Misc. Accounting Request - RADR

RADR (RAD Rehab Assistance) is used when billing for Rehab Assistance for a Component 1 PBRA conversion to RAD from PH.



Comment field must include the month and year for which the rehab assistance is being requested.

2.13 Misc. Accounting Request - RADR

RADR transactions are by voucher month.



So, if billing for a single month, there will be one RADR Miscellaneous Request per month billed.

Special Note for SW Developers



Supporting Information
Detailing Unit &
Amount Billed
Must be Provided
To MF HUD Office
When RADR
Appears on a voucher

Reiterating Phase In



For 2.0.2.D Use
previously
published
percentages



New Phase-in
percentages
provided in
HSG Notice 17-03
implemented with
2.0.3.A

Retroactive Transactions

Contract Terminations/Expirations

RAD Adjustments – Conversion Year – Component 1 PH to PBRA RAD

Situations/Issues

- Movement/transfers of tenants between PIH and Multifamily
 - RAD Conversions for example

- Movement/transfers of tenants between contracts/subsidy types w/in Multifamily
 - Active Contracts
 - Expired Contracts



Impact?



- o What is the impact on
 - o Adjustments?
 - o Repayment Agreements?
 - o FSS Escrows?

Current Status



Have some answers
but need to wait for HUD
clarification
for some of questions

PBRA Adjustments

Adjustments MF – MF – Both Active

If prior contract is still active, retroactive transactions can impact both the former and current contract

These are valid transactions and will bill correctly on each contract

VALID

Adjustments MF – MF – One Contract Not Active

- o How to handle retroactive transactions if prior MF contract is no longer active
 - o No billing can occur for that contract
 - o Is retroactivity to be ignored or accounted for manually on the current active contract?



Seeking Clarification

Adjustments PH to PBRA

- o Resident Converted PIH to PBRA RAD
- o Conversion IC is complete
- o First Year is complete
- o Error discovered affecting previously submitted 50058
- o Improper Payment Y? N?



Seeking Clarification

Adjustments PH to PBRA RAD – Yr. 1

- o How to handle retroactive transactions if a post Year-1 adjustment affects Year 1 AP calculations
- o Affects Conversion IC and/or other Year 1 certs
 - o These vouchers were originally zeroed out
 - o First year subsidy funding provided by PIH
 - o Does the full adjustment appear on the current PBRA voucher (paid by MF)?



Seeking Clarification

PBRA RAD – Resident Not in Residence during Rehab

Requirement to Certify

- o Resident's Assistance is Suspended
- o Not Counted as an Assisted Resident
- o Previously assumed Certification Reporting was a Requirement
- o Not the Case

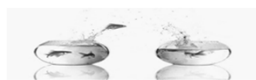
After Suspension

- o When Resident is Displaced to allow for Rehab
- o Suspend (RD) or TM (NS)
- o Not required to Continue to Certify
- o Complete IC upon return
- o Phase-in???????

FSS Escrow Accounts

FSS Escrow Deposits

- o These cases have been defined and documented in the spec
- o Escrows move
 - o Between PIH and MF and
 - o Between subsidy contracts within MF



FSS Escrows

Unclear

whether retroactive transactions
related to an expired/inactive contract
can or should impact an Escrow Deposit



FSS Escrows

○ What happens if AP is terminated as a result of income increase?

○ What happens if tenant moves from S8 to 236 or BMIR as a result of income increase?

Does the FSS Escrow get Completed (CO) early

and are funds distributed to the tenant(s)?

The FAST Act

2.9 FAST Act



2.0.3 A

HUD Did Not Introduce

Requirement to Certify Once Every
Three Years When 90% of Household
Income is Fixed

Certification Requirements Simplified

Still Required to Certify Every Year

Verification method for Fixed Income Households has Changed

FAST Act

New Field
MAT10, Section 2, field 20
Fixed Income Household
has been added to identify
Fixed Income Households
when 90% of income is fixed

Extenuating Circumstances

Code 11

Fixed Income FAST Act

No Signature???

Clarification????

The Housing Opportunities Through Modernization Act

2.21 - HOTMA

Changes to how deductions are calculated

Allows for periodic COLA change

Implementation conditional on HUD
rulemaking

New requirements take effect on first of a
calendar year

Could be 1/1/2019 effective date

2.21 - HOTMA

Implementation is not required for
software vendors as part of their
2.0.3.A release but is required prior to
the effective date required by HUD.



HOTMA – Dependent Deduction

HOTMA leaves the Dependent Deduction at \$480 but the amount is subject to future COLA changes.



HOTMA – Disability Assistance & Medical Expense Deduction

The threshold for Disability and Medical deductions is changed from 3% of Annual Income to 10% and is subject to COLAs.



A tenant may qualify for an exemption from the increase

(See the new **MAT10, Section 2, field 21: % of Income Exemption**)

and will pay based on some other % value.

HOTMA – Elderly/Disabled Family Deduction

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



HOTMA – Imputed Income From Assets

Under HOTMA
the threshold for the
imputed asset income
calculation
changes from
\$5,000 to \$50,000
subject to COLAs.



HOTMA – Asset Eligibility

In addition, there is an optional eligibility rule when certain asset values exceed \$100,000.



The new **MAT10, Section 2, field 22: Do Not Check Asset Value** is used to indicate that the owner/agent is not implementing the rule.

Minimum Rent and UA

Proposals before Congress
to change the value of
the Minimum Rent
applicable to Section 8
and to eliminate the Utility Reimbursement.

Software developers are asked
to allow for future changes
to minimum rent and
to the rules for calculating the Utility Reimbursement
(one proposal is to eliminate the reimbursement)

*Not the allowance

Earned Income Disregard

No longer
Valid
With the Implementation
Of HOTMA



Future MAT Guide Changes

New HUD Guidance

How do you want to handle?



Clarifications



How do you want to handle?
Additional clarifications

Provided in
2.0.3.A MAT Guide?

Will be addressed in 2.0.3.B?

Action Items

