2.0.3.A Update

TRACS Industry Meeting - January 8, 2018

Presentation Participants

- Lanier Hylton - HUD - TRACS
- Jed Graef - HDS
- Mary Ross - RBD
TRACS v 2.0.3.A
Review of Key Changes

MATGuide New Changes

Continue to Obtain Clarification

No Changes to System Requirements
1.3 Schedule and Testing

- 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

Information is subject to change. Refer to Latest MAT Guide.
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**

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

- F = Foster child or adult whose SSN has not been disclosed by the foster agency and for whom HUD has issued a waiver.

- Used in this situation (SSN for Foster not disclosed)
  - If Foster has not yet been admitted, PHA/OA must apply for HUD waiver before member may be added.
  - If Foster is already in the unit, waiver must be requested prior to next certification.
  - 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

- Starting with implementation of TRACS 2.0.3.A
  - SSN for Foster will NOT be printed on the 50059.
  - 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

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

Valid SSN Submissions

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

Information is subject to change. Refer to Latest MAT Guide.
### Full Cert/UT Combination

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

### Questions?

Information is subject to change. Refer to Latest MAT Guide.
## 2.18 Reminders - Unit Trades

- Site and CA software must support unit trades. A Unit Trade may be defined as:
  - Two households trading units (Household 1 moves from unit 101 to unit 102 and Household 2 moves from unit 102 to 101 simultaneously) and
  - 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).

- There are other more complex scenarios as well.

- HUD rules require these transactions to be implemented as UTs and not as MO/MI pair or as other transaction types.

- 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

- Late ARs
- New MAT Guide Chapter 4 Examples

Four Key Examples

- Perfect World
- After Deadline/Before Effective Date
- On or After Effective Date
- Extenuating Circumstances

Information is subject to change. Refer to Latest MAT Guide.
Questions?

Forms Changes

Information is subject to change. Refer to Latest MAT Guide.
Availability

Forms are part of the latest 2.0.3.A Zip file

Forms Changes

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

Current Approval Status???

E-Storage/ E-Signature

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

Information is subject to change. Refer to Latest MAT Guide.
Current Status

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

Questions?

Information is subject to change. Refer to Latest MAT Guide.
Changes to HUD 52670 Part 6 (Section 7 Record)

52670 Part 6 - New Function

- 52670 Part 6 - Currently Tracks Repayment Agreements

- Modified

- 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

- Record Type
- Head Last Name
- Head First Name
- Unit Number
- Agreement ID
- Agreement Date
- Agreement End Date
- Transaction Type (formerly Agreement Type)
- Status
- 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

Information is subject to change. Refer to Latest MAT Guide.
**Repayment Agreements & FSS Escrow (Owner Repayment)**

Since Repayment Agreement type O (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 O (Owner Repayment) transaction.

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**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**

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

**TE May Reduce Repayment Amount**

- Since last Meeting

  - Discussed when TE would not reduce Repayment Agreement Amount to Zero

  - Just a lower balance
Example

- Original Repayment Agreement Amount $2500
- Court Ordered Judgement reduces resident debt
- 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 vs 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.

Information is subject to change. Refer to Latest MAT Guide.
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.
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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

- Waiting for guidance on CA role
- CAs may not reject RA type N(one) as such transactions are proper under rule that OAs are held harmless for tenant misreporting
- 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

- Need a method for determining overpayment amount that:
  - Can be applied consistently
  - Addresses complex situations
  - Correctly determines overpayment amount
  - 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

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

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**Original Billing:** 4800

### B. After Discovery—includes changes unrelated to tenant overbilling

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**Intermediate Billing:** 4800

### C. After Discovery—B + changes to correct tenant overbilling

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**Final Billing:** 4560

**Repayment Amount = B - C** 240

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Information is subject to change. Refer to Latest MAT Guide.
## Case 2 - Tenant Misreporting Only Multiple Corrections

### A. Certs Before Overbilling Discovered

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**Original Billing** 14400

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**Intermediate Billing** 14400

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**Final Billing** 13200

**Repayment Amount = B - C** 12000

Information is subject to change. Refer to Latest MAT Guide.
## Case 8 - Tenant Overbilling & Owner Underbilling - Correction to AR

### A. Certs Before Overbilling Discovered

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**Original Billing**: 4800

### B. After Discovery—includes changes unrelated to tenant overbilling

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### C. After Discovery—B + changes to correct tenant overbilling

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**Final Billing**: 4800

**Repayment Amount = B - C**: 120
# Case 9--Tenant Overbilling & Owner Underbilling - Correction to AR & Retro GR

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</tr>
<tr>
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<tr>
<td>4</td>
<td></td>
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</tr>
</tbody>
</table>

Original Billing: 4800

## B. After Discovery--includes changes unrelated to tenant overbilling

<table>
<thead>
<tr>
<th>Type</th>
<th>Effective</th>
<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1AR*</td>
<td>1/1/2017</td>
<td>410</td>
<td>1</td>
<td>410</td>
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<tr>
<td>2GR</td>
<td>2/1/2017</td>
<td>430</td>
<td>11</td>
<td>4730</td>
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<td>Owner error fixed</td>
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<td>4</td>
<td></td>
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Intermediate Billing: 5140

## C. After Discovery--B + changes to correct tenant overbilling

<table>
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</table>

Final Billing: 5020

Repayment Amount = B - C = 120

Information is subject to change. Refer to Latest MAT Guide.
Case 11- Tenant & Owner Overbilling & Retro IR & AR followed by Retro IR

<table>
<thead>
<tr>
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<th>Effective</th>
<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
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<tbody>
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<td>1/1/2017</td>
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<td>12</td>
<td>4800</td>
</tr>
<tr>
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</table>

Original Billing: 4800

B. After Discovery--includes changes unrelated to tenant overbilling

<table>
<thead>
<tr>
<th>Type</th>
<th>Effective</th>
<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1AR</td>
<td>1/1/2017</td>
<td>400</td>
<td>12</td>
<td>4800</td>
</tr>
<tr>
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Intermediate Billing: 4800

C. After Discovery--B + changes to correct tenant overbilling

<table>
<thead>
<tr>
<th>Type</th>
<th>Effective</th>
<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
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<td>1/1/2017</td>
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<td>2R</td>
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<td>Tenant error fixed</td>
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<td>0</td>
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<tr>
<td>Owner error is fixed on the final IR</td>
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</table>

Final Billing: 3000

Repayment Amount = B - C 1800

Information is subject to change. Refer to Latest MAT Guide.
Case 12 - Tenant Overbilling Only + Timing Issue Correction to AR-In Effect before voucher

<table>
<thead>
<tr>
<th>A. Certs Before Overbilling Discovered</th>
<th>Voucher Date</th>
<th>1/1/2018</th>
<th>Type</th>
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<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
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<tbody>
<tr>
<td></td>
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<td>1AR</td>
<td>1/1/2017</td>
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<td>0</td>
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<td>0</td>
</tr>
<tr>
<td></td>
<td>Original Billing</td>
<td>4800</td>
<td></td>
<td>0</td>
<td>0</td>
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<table>
<thead>
<tr>
<th>B. After Discovery—includes changes unrelated to tenant overbilling</th>
<th>Type</th>
<th>Effective</th>
<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
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</thead>
<tbody>
<tr>
<td>1AR 1/1/2017 400 11 4400</td>
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<tr>
<td>4</td>
<td>0</td>
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</tr>
<tr>
<td>Intermediate Billing 4400</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>C. After Discovery—B + changes to correct tenant overbilling</th>
<th>Type</th>
<th>Effective</th>
<th>Assistance</th>
<th>Months</th>
<th>Total Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1AR* 1/1/2017 380 11 4180</td>
<td>2</td>
<td>Error fixed on 11/15—Correct rent paid for 12/1</td>
<td>0</td>
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</tr>
<tr>
<td>Final Billing 4180</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Repayment Amount = B - C | 220 |
Billing Analysis - Summary

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

Information is subject to change. Refer to Latest MAT Guide.
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.
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”.

Information is subject to change. Refer to Latest MAT Guide.
Reasons

- PHA/OA want to self manage
- PHA/OA did not understand rules
- CA denied RA
  - Amounts Incorrect
  - PHA/OA did not pursue repayment
  - 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

<table>
<thead>
<tr>
<th>Tenant</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment Agreements</td>
<td>Repayment Agreements</td>
</tr>
</tbody>
</table>
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 into a RA.
- The RA is entered into 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 addendum 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 Baselining

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

- 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.

- 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.

- 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 into 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.
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

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

<table>
<thead>
<tr>
<th>123456789012345678901234567890123</th>
<th>ASSIST AR-I* MM/DD/YYYY . nnnnnn</th>
</tr>
</thead>
<tbody>
<tr>
<td>123456789012345678901234567890123</td>
<td>ADJUST AR-I* MM/DD/YYYY P nnnnnn</td>
</tr>
<tr>
<td>123456789012345678901234567890123</td>
<td>ADJUST AR-I* 12/31/2017 N 999999</td>
</tr>
<tr>
<td>123456789012345678901234567890123</td>
<td>ADJUST IR 02/01/2017 N 99</td>
</tr>
<tr>
<td>123456789012345678901234567890123</td>
<td>ADJUST MI 12/31/2017 P 999</td>
</tr>
</tbody>
</table>
**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
  - TIP 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

---

Information is subject to change. Refer to Latest MAT Guide.
### 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.

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
- Active Contracts
- Expired Contracts

Movement/transfers of tenants between contracts/subsidy types w/in Multifamily
Impact?

- What is the impact on
  - Adjustments?
  - Repayment Agreements?
  - 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
Adjustments MF - MF - One Contract Not Active

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

Seeking Clarification

Adjustments PH to PBRA

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

Seeking Clarification
Adjustments PH to PBRA RAD – Yr. 1

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

PBRA RAD - Resident Not in Residence during Rehab

Seeking Clarification
Requirement to Certify

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

After Suspension

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

Information is subject to change. Refer to Latest MAT Guide.
FSS Escrow Accounts

FSS Escrow Deposits

- These cases have been defined and documented in the spec
- Escrows move
  - Between PIH and MF and
  - 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)?

Information is subject to change. Refer to Latest MAT Guide.
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

FASTAct

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

Information is subject to change. Refer to Latest MAT Guide.
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

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.

Information is subject to change. Refer to Latest MAT Guide.
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 MATGuide?

Will be addressed in 2.0.3.B?
Additional Examples

Examples have been added based on industry requests.

Additional requests for examples will be addressed:
- 2.0.3.A?
- 2.0.3.B?

Next Conference Call?

- Friday, ???
- 1:00 – 3:30
- If you registered for this call, you are registered for 0/0/2018 call
- You will receive reminders
- Use same “Join” option
Information is subject to change. Refer to Latest MAT Guide.