

1	<p>TRACS Release 203A</p> <p>System Requirements Sessions</p> <p>2/15/2023</p> <p>▼</p> <p>The Housing Opportunity Through Modernization Act of 2016 (HOTMA) was enacted on July 29, 2016.</p>	
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TRACS Industry Working Group Sessions

2	<p>▼</p> <h2 style="text-align: center;">Agenda</h2> <ul style="list-style-type: none">▪ Panelists▪ Propose Bi-weekly Meetings▪ A High-Level Look at TRACS Changes Introduced Through HOTMA▪ Prioritize TRACS HOTMA System Requirements for TRACS Release 203A▪ HUD Form Change Status for OMB Collections 2502-0182 & 2502-0204▪ Create a Major Milestone Schedule to Implement TRACS Release 203A	
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Panelists

- Jed Graef - Housing and Development Software
- Mary Ross – Ross Business Development
- Lanier M. Hylton – Multifamily Housing Programs

Lanier M. Hylton

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Bi-weekly Meetings

- Wednesday, Feb 15, 2023, 1:00 PM – 3:00 PM EST
- Wednesday, Mar 1, 2023, 1:00 PM – 3:00 PM EST
- Wednesday, Mar 15, 2023, 1:00 PM – 3:00 PM EDT
- Wednesday, Mar 29, 2023, 1:00 PM – 3:00 PM EDT
- Wednesday, Apr 12, 2023, 1:00 PM – 3:00 PM EDT
- Wednesday, Apr 26, 2023, 1:00 PM – 3:00 PM EDT
- Wednesday, May 10, 2023, 1:00 PM - 3:00 PM EDT

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A High-Level Look at TRACS Changes Introduced Through HOTMA

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- HOTMA Final Rule Will Require An Update to the specifications and the TRACS MAT Guide @ <https://www.govinfo.gov/content/pkg/FR-2023-02-14/pdf/2023-01617.pdf>
- Site And Contract Administrator Software Must Be Updated
- HUD's Goal Is To Have Software Updated No Later Than October 2023
- HUD's Goal is to specify the requirements for how to deal with certifications effective 1/1/2024 or later but submitted early under TRACS 202D

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▶ A High-Level Look at TRACS Changes Introduced Through HOTMA

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- HUD will introduce a \$100,000 asset cap that will be adjusted each year for inflation (optional implementation rules)
- HUD will establish eligibility requirements related to a family's interest in a dwelling (home) suitable for occupancy that can be legally sold by the family; (optional implementation rules);
- New rules for foster children and foster adults;
- Applications/Pre-applications must be updated;

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▸ A High-Level Look at TRACS Changes Introduced Through HOTMA

- EIV Income Report Use requirements will change; Please note that there is no interface between site software and EIV. However, the requirement to review EIV Income reports at IR becomes optional. HUD will also have to change processes related to EIV Income Discrepancies since the \$200 threshold is no longer the standard once HOTMA is implemented/effective.

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▸ A High-Level Look at TRACS Changes Introduced Through HOTMA

- The 9887 will not have to be executed every year as long as the HOH, co-HOH, and spouse (regardless of age) and all adults have signed the forms;
- The leases will change;
- Income inclusions and exclusions will change – new codes will be added for income associated with means-tested verification sources.
- The Section 8 student rule income inclusions/exclusions will change, including adding the cost of books to the definition of tuition and other mandatory fees

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▸ A High-Level Look at TRACS Changes Introduced Through HOTMA

- Asset inclusions and exclusions will change – asset codes will be introduced controlling which assets are included when applying the asset limit/cap;
- Deductions will change; This is not new. The only things new here are the actual percentages and the timeframe those percentages may be used, which falls under Hardship Exemptions.
- HUD will introduce Hardship Exemptions for:
 - ❖ Medical Expense Deduction decreases – two different hardship exemption rules
 - ❖ Disability Assistance Expense Deduction decreases – two different hardship exemption rules (same rules as Medical Expense Deduction Hardship Exemptions)
 - ❖ Childcare – one hardship exemption rule reviewed every 90 days, much like the S8 rent hardship exemption.

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▸ A High-Level Look at TRACS Changes Introduced Through HOTMA

- Interim Recertification Rules will change related to % of change to adjusted income versus \$200 per month;
- New Interim Recertification Effective Date Rules related to timely reporting;
- A new rule allowing OAs to use income from the prior year when creating ARs;
- Introduction of de minimis errors - define a de minimis error as an error that results in a difference in the determination of a family's adjusted income of \$30 or less per month. (related to adjusted income).
- Tenant Selection Plans must be updated; Please note that the TSP is usually not generated by the site software.

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▀ A High-Level Look at TRACS Changes Introduced Through HOTMA

- EIV Policies must be updated; Please note that the EIV Policy is usually not generated by the site software.
- House Rules may need to be updated; Please note that the House Rules are not part of the TRACS spec and may not be generated by the site software.
- HUD continues to make the verification process easier by introducing new verification methods/sources – this will not be part of the TRACS Spec but may introduce site software edits if the OA wishes to use the LIHTC TIC to provide income information.
- Hardship Exemption Policies will have to be created or modified – HUD requires OA to develop a formal policy. Please note that the formal Exemption Policies are not part of the TRACS spec and may or may not be generated by site software.

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▀ Prioritize TRACS HOTMA System Requirements for TRACS Release 203A

- Sessions Will Focus On The 12-15 HOTMA Related System Requirements
- System Requirements That Do Make The Cut Off Date [Yet To Determined] Will Be Delayed For TRACS Release 203A

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Status of HUD Form Change

- OMB Collections 2502-0182 & 2502-0204
- OMB Collection 2502-0182 Submitted for Departmental Clearance
- OMB Collection 2502-0204 On-going Updates

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Questions

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