

Office of Housing Assistance Contract Administration Oversight
Rental Housing Integrity Improvement Project (RHIIP)
Error Tracking Log Initiative

Rent and Income Determination Quality Control Monitoring Guide

ETL & TRACS Industry Group Meeting
March 2008

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Overview

- Purpose and Use
- Intended Audience
- Summary of Changes

Purpose and Use

- Provide guidance to Contract Administrators (CAs) in conducting on-site occupancy monitoring reviews of HUD's assisted Multifamily Housing.
- Provide technical assistance to the CA to ensure that quality control monitoring of income and rent determination during management and occupancy reviews is adequate and effective.

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Purpose and Use

- Provide technical guidance and tools designed to provide the reviewer with a structured and systematic approach to monitoring income and rent determinations and ensuring that errors are corrected.

- The primary objectives of the reviews described in this *Guide* are:
 - To detect and reduce errors in income and rent determinations
 - To reduce rent underpayments and/or overpayments by residents
 - To maximize HUD's housing resources, thereby assuring maximum participation in HUD's housing programs by as many eligible families as possible

Purpose and Use

- Provide a structured approach to allow HUD to assess the errors on a national basis and track the reduction in errors to ensure that HUD's goal to significantly reduce errors is accomplished.
- The *Guide* should be used in conjunction with the Leasing and Occupancy section of Form HUD-9834, Management Review for Multifamily Housing Projects.

Intended Audience

- CAs overseeing Multifamily Housing Programs
- A CA may be HUD staff, a Performance-Based Contract Administrator (PBCA), or a Traditional Contract Administrator (TCA).

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Summary of Changes

This Guide includes:

- Part I – Introduction
- Part II – Quality Control Monitoring of Rent and Income Determinations
- Part III – Tracking
- Attachments

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Summary of Proposed Updates to the Quality Control Guide

Last publication of the QCG was August 2003; Updates in work with the new version include:

- The updated Form HUD-9834 Management Review for Multifamily Housing Projects (April 2007)
- Introduction of Enterprise Income Verification (EIV) System

Rent & Income Determination QC Monitoring Guide
March 12, 2008

Summary of Proposed Updates to the Quality Control Guide

- OPIIS Integrated Risk Assessment (IRA) Scoring
- Applicable portions of the Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, CHG-2, effective June 29, 2007
- Upcoming release of integrated Real Estate Management System (iREMS)

Summary of Proposed Updates to the Quality Control Guide

- Addition of TRACS sample queries/reports
- Several links to forms, reference materials and tools on HUD's Web sites were added; existing links were corrected
- Part III – “To-Be” Model Error Tracking

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

Several updates were made to procedural steps to fill the gap from last publication of the Guide to reflect current information and to include references to the new “To-Be” Model Error Tracking. Attachments updated include:

- Attachment 1 – Fact Sheet – replaced with six Fact Sheets – one for each program type
- Attachment 5 – Required Tenant File Documentation – changes made to bring Guide current
- Attachment 10 – Quality Control Tracking Log – replaced

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

- Revisions to HUD-9834 Addendum A required QCG instruction updates related to: status codes, acceptable forms for income verification, written payment plan for monies due to the project, move-in/move-out file review changes.

- QCG changes also include:
 - Attachment 6 – Instructions to Complete the Tenant File Review Worksheet – modified to provide instructions for the current Addendum A of HUD-9834

 - Attachment 7 – Addendum A – Tenant File Review Worksheet – replaced with the entire HUD-9834

 - Attachment 9 – Instructions for Completing the Quality Control Tracking Log – replaced with HUD-50059

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

EIV System

- EIV provides a single source of income-related data for program administrator use in verifying the employment and income reported at time of re-certification by tenants participating in one of the various assisted housing programs. There are a number of reports available in EIV (reference [EIV System User Manual](#) for Multifamily Housing Program Users).
- Provides OAs with wage, unemployment compensation benefits, (W-4) new hires, Social Security (SS) benefits, Supplemental Security Income (SSI) benefits and Dual Entitlement benefits data.

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

EIV System (continued)

EIV reports can be used to prepare for the income and rent quality control review. Reviewers should examine EIV reports for the project and contract(s) being reviewed to identify specific income discrepancy related issues. Where discrepancies are noted, specific tenant families may be identified as candidates for the on-site tenant file sample review.

The reports will be used to:

- Identify discrepancies in income reported by tenants.
- Verify the employment and income reported by the tenant.

Part II – Quality Control Monitoring of Rent and Income Determinations

EIV System (continued)

Users may access income records for tenants participating in Multifamily assistance programs through EIV by:

- Subsidy Contract,
- Project Number, or
- Head of Household

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

OPIIS

- Available only to HUD staff, providing online access to loan, property-specific, and portfolio level information for HUD's Multifamily insured and assisted inventories.
- Integrates annual financial statement data submitted through the Multifamily Financial Assessment Subsystem (FASS-MF), physical inspection data collected through the Physical Assessment Subsystem (PASS), and selected contract, loan and profile data from the iREMS for use in improving property performance.

Rent & Income Determination QC Monitoring Guide

March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

OPIIS (continued)

- HUD staff may use the OPIIS Integrated Risk Assessment (IRA) score to assist in identifying at-risk properties and to prioritize their workloads and review schedules. The IRA score for a project or contract is updated each time a component of the score is updated.
- Risk Score Summary and Detail reports can be displayed for each property. These reports display the total possible points for each of the ten risk components used and the points actually assigned to a property as of a given date.

Part II – Quality Control Monitoring of Rent and Income Determinations

OPIIS (continued)

- Users can see the data on which each component score is based, and the date of the source document.
- Other Risk Assessment Reports show Multifamily properties ranked by Hub, Field Office, or Project Manager.

Rent & Income Determination QC Monitoring Guide
March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

- Change 2 to Handbook 4350.3 *Occupancy Requirements of Subsidized Multifamily Housing Programs*, REV-1, was published June 2007. Changes impacted Attachment 4 – Sample Eligibility, Income, and Deduction Checklist
- References to REMS replaced with iREMS
- TRACS Queries/Reports

Rent & Income Determination QC Monitoring Guide
March 12, 2008

Part II – Quality Control Monitoring of Rent and Income Determinations

- Attachment 3 – TRACS Query Reports replaced in its entirety. The following reports were added:
 - Contract/Project Based Voucher Summary
 - Voucher Tenant Compliance
 - Assistance Payment Query
 - Certifications with Discrepancies
 - Late Recertification

Part III – “To-Be” Model Error Tracking

This section is provided to explain what is required for the “To-Be” ETL, and how to meet the requirements. Subsections include:

- General Tracking Information
- Types of Reviews Reported on the ETL – identifies the three discovery points at which errors will be identified
- Roles & Responsibilities (includes instructions on filling out the ETL)