



Department of Housing and Urban Development  
Public and

Indian Housing

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Special Attention:  
Section 8 Public Housing  
Agencies  
and Indian Housing Authorities;  
Public Housing Office  
Directors;  
Administrators, Offices  
of Native American Programs

**Notice PIH 96-20  
(HA)**

Issued: April 18, 1996  
Expires: April 30, 1997

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**Cross References:**

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**Subject:** Reduction of Section 8 Administrative Fee for  
HA Failure to Electronically Submit Form HUD-50058 and  
Form HUD-50058-FSS for Section 8 Participants

- 1. Applicability.** This notice applies to the Section 8 rental certificate, rental voucher, and moderate rehabilitation programs.
- 2. Purpose.** This notice reminds all Section 8 public housing agencies and Indian housing authorities (HAs) of the requirement to electronically submit the Form HUD-50058, Family Report, and Form HUD-50058-FSS, Family Self-Sufficiency Addendum, as required by 24 CFR 908. The Form HUD-50058 and Form HUD-50058-FSS data are vital to the Department of Housing and Urban Development (HUD) to assess the effectiveness of HUD programs; to supply information for reports to the Congress; to develop HUD's annual budget and seek appropriations for the Section 8 programs; to implement HUD's computer matching program to detect excess housing assistance; to ensure program integrity; and to evaluate HA performance. This notice also announces that HUD intends to reduce on-going Section 8 administrative fees for the applicable program (rental certificate, rental voucher or moderate rehabilitation) if an HA fails to submit the Form HUD-50058 and Form HUD-50058-FSS data monthly or quarterly as required.
- 3. Background.** *July 1993 Advance Notice.* In July 1993, the Department informed all HA executive directors of HUD's plans to require submission of a revised Form HUD-50058 starting in October 1993, and supplied advance information about the new data collection and submission requirements.

*October 1993 Notice to Begin Reporting.* PIH Notice 93-53, issued October 14, 1993, instructed HAs to begin submitting paper Forms HUD-50058 and HUD-50058-FSS on **November 10, 1993**, and to begin submitting Form HUD-50058 data by tape, diskette or network

on February 14, 1994. PIH Notice 94-8 later extended the date to begin submitting Form HUD-50058 and Form HUD-50058-FSS data by

**tape, diskette or network to April 14, 1994.** HAS administering fewer than 100 units were required to commence quarterly paper reporting by January 10, 1994, and to commence quarterly reporting by diskette or modem by April 14, 1994.

**4. June 1995 Notice to Transmit Data via Modem.** PIH Notice 95-38 (HA), issued June 12, 1995, informed HAS of a HUD final regulation, 24 CFR 908, which requires electronic transmission of Form HUD-50058 and Form HUD-50058-FSS data via telephone modem. HAS submitting family data by tape or diskette were required to convert to telephonic transmission by **August 15, 1995.** HAS that were submitting paper forms were required to convert to telephonic transmission by **March 2, 1996.** With justification, the HUD State or Area Office or the Area Office of Native American Programs may approve an HA's written request for an extension of these deadlines. **The MTCS Processing Center no longer accepts paper submissions.**

**5. July 1995 Information Packet.** In July 1995, a revised version of the Form HUD-50058 and HUD-50058-FSS Information Packet was mailed to all HA executive directors. The July 1995 Information Packet contains updated instructions, revised edits and revised technical specifications for electronic submission. The Information Packet transmittal letter informed HAS that HUD software is available, free of charge, to enable HAS to electronically collect and transmit family data. HAS may request the Family Reporting Software and accompanying user manual by calling the MTCS Processing Center at 1-800-366-6827.

**6. Reduced Administrative Fees for Failure to Report.** Although the Form HUD-50058 reporting requirements have been in place for two years, HAS still do not submit all required records and currently only 59 percent of Section 8 family records are in MTCS. To improve the rate of reporting, starting in July 1996, HUD plans to reduce payment of Section 8 administrative fees by 10 percent monthly where an HA has failed to meet its obligation under the Annual Contributions Contract to furnish required reports, except where HUD has allowed an extension. HUD will make the adjustment for the 10 percent monthly reduction in the administrative fee at the time of year-end settlement.

**A. HAS Administering More than 100 Total Section 8 Units.** Starting in July 1996, any HA that budgeted more than 100 total Section 8 units (rental certificate, rental voucher and moderate rehabilitation units combined) during its last completed fiscal year (i.e., FYs ending 10/31/95, 12/31/95, 3/31/96, and 6/30/96) and that has submitted family reports for a program for less than 75 percent of the total units

budgeted for that program, shall have its administrative fee for the program reduced by 10 percent per month until the HA has submitted family reports for more than 75 percent of the total number of units budgeted during the last HA FY for that program. Penalties will not be imposed where HUD has granted an extension that extends beyond June 1996. (See Attachment A.)

Although HUD will stop imposing administrative fee penalties under this Notice when an HA reaches a reporting rate of 75 percent, by April 1997, all HAs that administer more than 100 total Section 8 units (except those for which HUD has allowed an extension) will be expected to have submitted family reports for 100 percent of Section 8 participants. Failure to meet this requirement may result in additional and potentially more severe administrative fee penalties.

- B. HAs Administering Less than 100 Total Section 8 Units. Administrative fee penalties will be imposed on HAs that administer fewer than 100 total Section 8 units only where the HA has not submitted any reports by October 1996. If there is no reporting by October 1996, the HA shall have its administrative fee reduced by 10 percent per month until the HA has submitted family reports for more than 50 percent of the total units budgeted during the last HA FY for each program. Penalties will not be imposed where HUD has granted the HA an extension that extends beyond October 1996. (See Attachment B.)

Although HUD will no longer impose administrative fee penalties under this Notice when an HA reaches a reporting rate of 50 percent for each program, the HUD Office will continue to monitor HAs to ensure that progress continues toward 100 percent reporting.

- C. Office Director Discretion. Although the system described in A. and B. above is generally the appropriate penalty for failure to adequately report, the Director of the Office of Public Housing or the Administrator of the Office of Native American Programs has discretion in determining whether these penalties should be imposed when an HA is clearly making a significant effort to comply, and in determining the amount of the fee that will be withheld. For example, if the HA has demonstrated significant effort and is making notable progress toward at least 75 percent reporting, the Office Director or Administrator may decide not to impose sanctions. Or, if the amount of the fee reduction as calculated according to the attachments would significantly jeopardize HA program operations, the Office Director or Administrator may reduce the fee by a lesser amount.

**7. Planned Section 8 Management Assessment Program (SEMAP).**

Many HAs are aware that HUD is developing a SEMAP to provide an objective system to evaluate HA performance in key program areas. HA submission of Form HUD-50058 family data is currently planned to be one of 11 SEMAP performance indicators. HUD will use the Form HUD-50058 and Form HUD-50058-FSS data to rate HAs on most of the SEMAP indicators. SEMAP will enable HUD to improve program integrity and accountability by remotely identifying HA management capabilities. A proposed rule on SEMAP will be published shortly.

**8. Required Action.** HAs that are not reporting or that are underreporting Form HUD-50058 and Form HUD-50058-FSS data must electronically submit the required data as soon as possible. HUD Offices must impose administrative fee reductions for inadequate reporting as indicated in this Notice and the attachments.

/s/

Kevin Emanuel Marchman  
Deputy Assistant Secretary for  
Distressed and Troubled Housing  
Recovery

**HAS ADMINISTERING MORE THAN 100 TOTAL SECTION 8 UNITS  
REDUCTION OF HA ADMINISTRATIVE FEES FOR INADEQUATE  
REPORTING**

(To be completed starting with July 1996 MTCSupport screen)

HA Name: \_\_\_\_\_  
\_\_\_\_\_

HA FYE: \_\_\_\_

HA Number: \_\_\_\_\_

	CERTS	VOUCHE RS	MOD REHAB
1. Number of units budgeted last HA FY (FYE 9/30/95, 12/31/95, 3/31/96, or 6/30/96): Enter number from line 4 of the HUD-52672.			
2. Number of Households Reported July 1996: Enter number from MTCSupport July 1996 Resident Characteristics screen			
3. July 1996 reporting rate-- Percent of households reported: Divide line 2. by line 1.			

If the percent of families reported on line 3. is less than 75 percent for any program, this HA's average monthly administrative fee for the program should be reduced by 10 percent for July 1996 and for each subsequent month that the HA does not achieve a 75 percent reporting rate. (See page 2 of this Attachment A.) The HUD Office must monitor monthly any HA whose administrative fee is reduced to determine the HA's reporting rate. Once a reporting rate of 75 percent is achieved, the 10 percent reduction in the average monthly administrative fee will cease.

**To Monitor Monthly Family Reporting Rates:**

	CERTS	VOUCHE RS	MOD REHAB

<p>August 1996:</p> <p>Number of Households Reported from August 1996 MTC Support screen:</p> <p>CERTS - _____</p> <p>_____</p> <p>VOUCHERS - _____</p> <p>_____ MOD REHAB</p> <p>- _____</p> <p>Each divided by line 1. above for program.</p>			
<p>September 1996:</p> <p>Number of Households Reported from September 1996 MTC Support screen:</p> <p>CERTS - _____</p> <p>_____</p> <p>VOUCHERS - _____</p> <p>_____ MOD REHAB</p> <p>- _____</p> <p>Each divided by line 1. above for program.</p>			

Continue this monthly monitoring procedure as necessary, until a 75 percent reporting rate is achieved.

Attachment A - Page 2

**HAS ADMINISTERING MORE THAN 100 TOTAL SECTION 8 UNITS YEAR-END ADJUSTMENT OF ADMINISTRATIVE FEE FOR INADEQUATE REPORTING**

(For FYEs 9/30/96, 12/31/96, 3/31/97, 6/30/97, 9/30/97, 12/31/97)

HA Name: \_\_\_\_\_

HA FYE: \_\_\_\_

HA Number: \_\_\_\_\_

	CERTS	VOUCHE RS	MOD REHAB
<p>1. On-going Administrative Fees Earned: Enter number from line 19 of HUD-52681</p>			

2. Average monthly on-going administrative fee: Divide line 1. by 12			
3. 10 percent of average monthly administrative fee: Multiply line 2. by .10			
4. Number of months during HA FY that HA failed to meet 75 percent reporting rate: (count months from page 1 line 3.--July 1996-- and subsequent monthly monitoring)			
5. Amount of administrative fee to be withheld: Multiply line 3. by line 4.			

HAs ADMINISTERING MORE THAN 100 TOTAL SECTION 8 UNITS  
SAMPLE LETTER DISALLOWING HA ADMINISTRATIVE FEE FOR  
INADEQUATE REPORTING

Addressee: [A separate letter should be sent to the Chairman of  
the Board of Commissioners and to the Executive  
Director of the HA]

Dear \_\_\_\_\_:

This office has been reviewing the adequacy of required reporting by your agency of family data on the Forms HUD-50058 and HUD-50058-FSS. Based on our review, your agency has been found to have a reporting rate of less than 75 percent for the [rental certificate, rental voucher, and/or moderate rehabilitation program].

Pursuant to Notice PIH \_\_\_\_\_, at the year-end settlement your earned administrative fee will be adjusted to deduct 10 percent of the average monthly on-going administrative fee for each month after June 1996 that your agency's reporting rate did not reach at least 75 percent. This 10 percent monthly deduction will continue until a reporting rate of at least 75 percent is achieved.

We are taking this action to ensure an improvement in your agency's reporting. We will conduct another major assessment of HA reporting in April 1997. If your agency's reporting has not substantially improved, HUD may impose additional and potentially more severe administrative fee penalties.

Please contact \_\_\_\_\_ for any assistance that you may need concerning this matter.

Director, Office of Public Housing

cc: Finance and Budget (HUD Office)  
Financial Division, Office of Rental Assistance (HQ)



**HAs ADMINISTERING LESS THAN 100 TOTAL SECTION 8 UNIT  
ZERO REPORTING AS OF OCTOBER 1996**  
(To be completed starting with October 1996 MTCSupport screen)

HA Name: \_\_\_\_\_  
\_\_\_\_\_

HA FYE: \_\_\_\_

HA Number: \_\_\_\_\_

If there are no households reported for this HA on the MTCSupport October 1996 resident characteristics screen, this HA's average monthly administrative fee should be reduced by 10 percent for October 1996 and for each subsequent month until the HA achieves at least a 50 percent reporting rate. (See page 2 of this Attachment B.)

The HUD Office must monitor monthly any HA whose administrative fee is reduced to determine the HA's reporting rate. Once a reporting rate of 50 percent is achieved, the 10 percent reduction in the average monthly administrative fee will cease.

Monthly Reporting Rates:

	CERTS	VOUCHE RS	MOD REHAB
October 1996	0	0	0
November 1996: A. Number of units budgeted last HA FY (FYE 12/31/95, 3/31/96, 6/30/96 or 9/30/96): Enter number from line 4 of the HUD-52672: CERTS - _____ _____ VOUCHERS - _____ _____ MOD REHAB - _____ _____ B. Number of Households Reported from November 1996 MTCSupport Resident Characteristics screen: CERTS - _____ _____ VOUCHERS - _____ _____ MOD REHAB - _____ _____ C. November 1996 reporting rate--Percent of families reported: Divide line B. by line A. for each program.			

December 1996: Number of Households Reported from December 1996 MTCSupport screen: CERTS - _____  _____ VOUCHERS - _____ _____ MOD REHAB - ____  Divide each by line A. above for program.			
January 1997: Number of Households Reported from January 1997 MTCSupport screen: CERTS - _____  _____ VOUCHERS - _____ _____ MOD REHAB - ____  Divide each by line A. above for program.			

Continue this monthly monitoring procedure as necessary, until a 50 percent reporting rate is achieved.

Attachment B - Page 2

HAS ADMINISTERING LESS THAN 100 TOTAL SECTION 8 UNITS  
 YEAR-END ADJUSTMENT OF ADMINISTRATIVE FEE FOR INADEQUATE  
 REPORTING

RENTAL CERTIFICATE PROGRAM

(For FYEs 12/31/96, 3/31/97, 6/30/97, 9/30/97, 12/31/97)

HA Name: \_\_\_\_\_  
 \_\_\_\_\_

HA FYE: \_\_\_\_

HA Number: \_\_\_\_\_

	CERTS	VOUCHE RS	MOD REHAB
1. On-going Administrative Fees Earned: Enter number from line 19 of HUD-52681			
2. Average monthly on-going administrative fee: Divide line 1. by 12			
3. 10 percent of average monthly administrative fee: Multiply line 2. by .10			

4. Number of months during HA FY that HA failed to meet 50 percent reporting rate: (count months from Attachment B page 1)			
5. Amount of administrative fee to be withheld: Multiply line 3. by line 4.			

SAMPLE LETTER DISALLOWING HA ADMINISTRATIVE FEE FOR  
INADEQUATE REPORTING  
HAS ADMINISTERING LESS THAN 100 UNITS

Addressee: [A separate letter should be sent to the Chairman of  
the Board of Commissioners and to the Executive  
Director of the HA]

Dear \_\_\_\_\_:

This office has been reviewing the adequacy of required reporting by your agency of family data on the Forms HUD-50058 and HUD-50058-FSS. Based on our review, your agency is failing to report any data for the [rental certificate, rental voucher, and/or moderate rehabilitation program].

Pursuant to Notice PIH \_\_\_\_\_, at the year-end settlement your earned administrative fee will be adjusted to deduct 10 percent of the average monthly on-going administrative fee for each month after September 1996 that your agency's reporting rate did not reach at least 50 percent. This 10 percent monthly deduction will continue until a reporting rate of at least 50 percent is achieved.

We are taking this action to ensure an improvement in your agency's reporting. We will continue to monitor your agency's reporting. If it does not substantially improve, HUD may impose additional and potentially more severe administrative fee penalties.

Please contact \_\_\_\_\_ for any assistance that you may need concerning this matter.

Director, Office of Public Housing

cc: Finance and Budget (HUD Office)  
Finance Division, Office of Rental Assistance (HQ)