Working with TRACS - Overriding an HQ Termination When the AR is Completed/Submitted

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Ross Business Development, Inc.
Missing Annual Certs - Cause

- Resident Non-Compliance
- Delayed Submission
- Owner/Agent Non-Compliance
HQ Termination

HUD will terminate about 96 days from the annual due date

<table>
<thead>
<tr>
<th>Contract Number: AZ</th>
<th>Total Number of Late Recertifications: 8</th>
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</thead>
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**U.S. Department of Housing and Urban Development**

**TRACS Late Recertification Report**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Unit</th>
<th>Tenant Name</th>
<th>Tenant SSN</th>
<th>Effective Date</th>
<th>Next Recert Date</th>
<th>Number of Days Late</th>
<th>Termination Date</th>
<th>Termination Reason</th>
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<td>178</td>
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<td>4/30/05</td>
<td>HQ</td>
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</table>
Two Different Models

Currently Uses Correct Effective Date

Used to Use Effective Date 90+ Days After AR was due
To Override HQ Termination – Common “Fix”

- Submit Termination
- Then submit Initial effective the day after the HQ termination
  - Risk Factors/Increased Errors
    - Risk Eligibility for Assistance
    - Risk Change in AP
    - Risk Missing Annual Review
      - Users forget to change next AR date
  - Information at site no longer matches what actually happened with the household
To Override HQ Termination – Handbook Compliant

After 15 Months (HQ TM)

- Submit AR with original effective
- May have to submit as
  - Correction
    - Will generate error
  - Baseline
Resident Non-Compliance

- If Household does not respond by the AR date, AP should be terminated

- Termination effective day before AR date

- TRACS & Site data should be the same
  - F0035 - Household assistance termination record already exists for household ID:____
  - TA005 - A MAT65 termination updated the existing HQ termination.
Delay in Submission - Resident

- Resident was late to reply
  - After 10th day of 11th month
  - Before annual effective date

- Extenuating circumstances
  - Extended hospital stay
  - Emergency hospital stay (unable to sign)
  - Out of town/country
  - Other
2. Delays in processing due to late tenant response.
   a. This situation can occur as follows:
      (1) The owner provides all three recertification reminder notices in accordance with
           HUD requirements; and
      (2) The tenant reports for the recertification interview and provides information and
           signatures after the cutoff date (i.e., after the 10th day of the 11th month following
           the last annual recertification), but before the recertification anniversary date.
   b. The owner processes the annual recertification.
      (1) Changes in the TTP/tenant rent and assistance payment take effect on the
          recertification anniversary date.
      (2) As established in the Model Lease, the third reminder notice fulfills the
          requirement for a 30-day notice of rent increase effective on the anniversary date.
   c. In all cases where the tenant reports for recertification after the 10th day of
      the 11th month after the last annual recertification but before the
      recertification anniversary date all adjustments in assistance payments and
      the tenant’s rent are made retroactive to the recertification anniversary date.
No Termination Required

Within 15 months
- Submit AR with original effective date
- What about extenuating circumstances??
  - Submit AR with known info and correct later?
  - Let HQ Termination Happen?
    - Reduces compliance percentage

After 15 Months (HQ TM)
- Submit AR with original effective
- May have to submit as
  - Correction
  - Baseline
Owner/Agent Non-compliance

- If O/A fails to notify or certify on time
- Household AP should not be terminated
- AR must be submitted with original effective date
- O/A is not penalized financially unless TTP increases
  - 30 day notice requirement
Delayed Submission – O/A

- O/A Submits AR after 15 months
  - 7-8-D
    1. **Delays in processing due to owner or third-party action**
       a. This situation can occur as follows:
          (1) The owner fails to provide timely recertification reminder notices
          (2) The owner has adequate time, but fails to complete verification and recertification processing procedures 30 days before the recertification anniversary date, and fails to provide the required 30-day notice for a rent increase to take effect on the recertification anniversary date.
       b. Changes in the assistance payment take effect on the recertification anniversary date.
       c. Changes in the TTP and tenant rent are effective as follows:
          (1) On the recertification anniversary date, if the tenant rent decreases as a result of the recertification; or
          (2) On the first of the month following a 30-day notice period, if the tenant rent increases as a result of the recertification.
In Summary

- The HQ Termination Override Recommended Process Has Changed
  - No “Pat” Answer
  - Depends on Circumstances
  - Initial Certification is only appropriate when resident is non-compliant
  - Otherwise, submit AR with original AR certification effective date

- Please help us communicate this updated information