



U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of:

Directors of HUD Regional and Field
Offices of Public Housing; Agencies
that Administer the Housing Choice
Voucher Program

Notice PIH 2012-44 (HA)

Issued: October 25, 2012

Expires: This Notice remains effective until
amended, superseded, or rescinded

Cross References: HUD Notice 2005-33

Subject: Section Eight Management Assessment Program Guidance

- 1. Purpose.** The purpose of the notice is to clarify certain issues regarding the submission, scoring, and appeal process for the Section Eight Management Assessment Program (SEMAP).
- 2. Submission Issues.** In accordance with 24 CFR § 985.101(a), a public housing agency (PHA) must submit the HUD-required SEMAP certification form into the Management Information System (MIS) under the Public and Indian Housing Information Center (PIC) module within 60 calendar days from the end of its fiscal year. Clarified below are the submission deadlines based on the PHA’s fiscal year end date:

<u>Fiscal Year End Date</u>	<u>Submission Deadline</u>
March 31	May 30
June 30	August 29
September 30	November 29
December 31	February 29/March 1

Moving to Work (MTW) agencies are exempt from SEMAP as stated in their respective MTW agreements.

- 3. Leasing Indicator.** The score for the leasing indicator, 24 CFR § 985.3(n), will be based on data provided by the Financial Management Center (FMC) to the field offices for SEMAP scoring purposes. With the *Federal Register* publication, *Revision to the Section 8 Management Assessment Program Lease-Up Indicator*, on May 31, 2012, all PHAs will be scored based on leasing data at the end of the calendar year (CY) that ends on or before their fiscal year. PHAs must report leasing and expense data accurately and timely in HUD systems (i.e., the Voucher

Management System (VMS)). This means that all PHA leasing and expense data, as well as any known prior months' corrections for the CY, should be in VMS no later than January 22nd. Once the FMC has provided leasing and expense information from VMS to the field offices for SEMAP scoring, any appeals of the SEMAP leasing indicator score related to data reporting will only be considered for circumstances outside of the PHA's control (e.g., late portability payment from a receiving PHA for multiple months).

4. **PIC Reporting Rate.** PHAs are still required to have a minimum reporting rate of **94.5 percent** in order to be scored on the PIC-related SEMAP indicators. The reporting rate is computed using the number of Family Reports (form HUD-50058) in PIC as the numerator, and the number of units leased at the end of the last month of the PHA's fiscal year (as reported in VMS and then imported into PIC) as the denominator. PIC-related indicators include: (1) annual reexaminations; (2) correct tenant rent calculations; (3) pre-contract housing quality standards (HQS) inspections; (4) annual housing quality standards (HQS) inspections; and (5) family self-sufficiency enrollment and escrow accounts.
5. **Biennial SEMAP Certifications.** On June 24, 2003, HUD published in the *Federal Register* a final rule (*Deregulation for Small PHAs*) that streamlined certain requirements for small PHAs. In accordance with 24 CFR § 985.105(a)(2), HUD shall assess and score the performance of a PHA with less than 250 assisted units (contracted under an Annual Contributions Contract) once every other PHA fiscal year unless the PHA elects to have its performance assessed on an annual basis or is designated as troubled. If a PHA submits a certification in an exempt year, it will be scored. In accordance with the aforementioned final rule, listed below is the schedule of SEMAP submissions for small PHAs:

PHAs with fiscal years ending September 30, 2012, to June 30 2013, must report
PHAs with fiscal years ending September 30, 2013, to June 30, 2014, are exempt,
PHAs with fiscal years ending September 30, 2014, to June 30, 2015, must report,
etc.

6. **Modified or Withheld Scores.** In accordance with 24 CFR § 985.103(e), a PHA's overall performance rating can always be modified when first issued (or subsequently) should information become available that would affect the assessed year's SEMAP certification. An overall performance rating can also be withheld. The field office director may withhold or modify the overall performance rating when warranted by circumstances which have bearing on the SEMAP indicators.

Information which may be considered includes, but is not limited to: evidence of noncompliance with civil rights and fair housing laws and regulations; adverse litigation; a voluntary compliance agreement under Title VI of the Civil Rights Act of 1964; fair housing and equal opportunity monitoring and compliance review findings: fraud or misconduct; audit findings, or substantial non-compliance with program requirements, which may be identified as a result of on-site or remote monitoring reviews, audited financial statements, or other information contained in

HUD reporting systems. In addition to the items reference in 24 CFR § 985.103(e), information that may be considered also includes evidence of a conciliation agreement under the Fair Housing Act, a voluntary compliance agreement under Section 504 of the Rehabilitation Act of 1973 or under Title II or III of the Americans With Disabilities Act, or any other applicable fair housing or civil rights law.

The circumstances do not have to impact the score of an indicator in order to be considered to have a bearing on the indicator. For example, the use of HAP resources for any purpose other than providing HAP to families in order to lease units has a direct bearing on the ability of families to lease up in the program even though such activity may not result in the PHA receiving a lower score due to the way points are awarded under the indicator .

7. **Family Self-Sufficiency (FSS) FSS Participants with Escrow Balances.** The percentage of FSS participants with escrow account balances that is computed for SEMAP Indicator 14b includes only families in the PHA's voucher FSS program with FSS Progress Reports. In computing the percentage, families whose latest FSS report on their form HUD-50058 or HUD-50058 MTW is an FSS Enrollment Report are excluded since those families are not eligible for FSS escrow. To calculate the percentage correctly, the total number of FSS families with positive escrow balances and/or escrow disbursed is divided by the number of FSS families with FSS Progress Reports in PIC. Families that moved under portability that are still under FSS contract in the assessed PHA's FSS program should be included in the totals.
8. **Confirmatory Reviews.** Although random confirmatory reviews may be conducted at any time, in accordance with 24 CFR § 985.105(d), HUD must conduct an **on-site** confirmatory review of a PHA's performance before changing any annual overall performance rating from troubled to standard or high performer. However, if this review has not been completed by the date the PHA's subsequent fiscal year's SEMAP certification is due to be scored, the field office will not be able to score any indicators in the SEMAP module. In these cases, the field office should notify the PHA that its rating from the previous year remains in place and the PHA remains troubled until a confirmatory review is performed. Once a confirmatory review is completed, issued, and the date of issuance entered into PIC, the score and designation can be changed, if warranted, based on the outcome of the review. The PHA must then be notified of its SEMAP score at that time.
9. **Appeals.** Any appeal of a PHA's overall SEMAP rating must be submitted via PIC SEMAP and a written appeal to the local field office no later than 30 calendar days from the date of the notification letter of the PHA's score and performance designation. Appeals may only be submitted if there would be a change in the performance designation (i.e., troubled to standard or high or standard to high). The field office director must accept or deny the appeal and notify the PHA within 30 calendar days following the date of the PHA appeal letter. A PHA may further appeal its SEMAP performance designation to the Assistant Secretary for Public

and Indian Housing no later than 30 calendar days following the field office's denial of the initial appeal. Headquarters will notify the field office of the results of the appeal. Any changes to the SEMAP score and performance designation must be entered into PIC by the field office within 10 calendar days of the date of Headquarters' letter of acceptance of the appeal. The SEMAP score and designation will remain final for the PHA's entire fiscal year unless changed through the appeal process described here.

10. Information Contact. Inquiries about this notice should be directed to Phyllis Smelkinson in the Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs via email at: Phyllis.Smelkinson@hud.gov.

11. Paperwork Reduction Act. The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The following active information collections contained in this Notice have been approved under the PRA OMB Control Number 2577-0215.

/s/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing