

NEW!

NEW SUBSIDY TYPES

- One new subsidy type (811 PRA Demo)
- Two new Section 8 sub-types in various stages of implementation.
- Key information will be included in The TRACS 202D Specification Document – Appendix K as it becomes available.
- Future MAT Guide updates will incorporate this information in the applicable portions of chapters 4, 5 and 6.

- K.2 811 PRA Demo (811 Project Rental Assistance Demo) The 811 PRA Demo subsidy - assigned a value of 6 in the Subsidy Type field in the TENHR and VCHHR records
- K.3 RAD (Rental Assistance Demonstration) RAD is a new Section 8 sub-type
- K.4. SPRAC (Senior PRAC) SPRAC is a new Section 8 sub-type

Owner & Parent Company DUNS & TINs

DUNS Numbers and TIN



- HUD Notice 12-06
- Reporting of DUNS numbers is now mandatory for
 - Section 8
 - PRAC
 - Rent Supplement
 - RAP contracts

DUNS Numbers and TIN Numbers (cont.)

- 202D - Must transmit to TRACS
- Taxpayer Identification Number (TIN) have been added to the header records.
- MAT Header records submissions modified to hold these numbers



ONLY GET PAID IF
DUNS NUMBER AND TIN
MATCH HUD'S RECORDS

Information About SAM

- System for Award Management

System for Award Management

- RHIP ListServ 285
- Switch to SAM
- Annual Certification Requirement
 - Notifications will be sent
 - No Fees

Household Over Income at Move-In

Over Income at MI

<p>If household was over income at MI</p> <ul style="list-style-type: none">• Household allowed to remain in the unit and• Subsidy is recalculated	<p>If recalculation results in \$0 subsidy</p> <ul style="list-style-type: none">• Terminate effective on the MI date• Use the new NS termination code
--	---

Eligibility Determination If Household Situation Changes



- IC should be performed later if
 - Household's income drops and
 - They are income eligible and
 - Eligible for subsidy

Example



- Income Limit @ MI \$24000.00
- At MI – Resident claimed income was \$22000.00
- At MI – Resident's "real" income was \$32000.00
- Resident is terminated
- Resident **will not be qualified** to receive subsidy until household income is \$24000.00 or less

The Security Deposit & Change in TTP at MI



HUD rule: When a MI or IC certification is corrected,
Security Deposit Required is recalculated

Change noted on the lease

OA and tenant(s) initial change

Anticipated Voucher Reported on Date

Anticipated Voucher Reported On Date

Voucher reported on date based on certification effective date	Major change for 202D is adjustment for GR transactions effective on the <u>first</u> of any given month
--	--

Submission of GR Best Practice



- Not good practice to submit gross rent changes in advance of the GR effective date
- All GRs should be submitted after the fact, even if they are effective on the first of the month

Example – TRACS 202C

- GRC effective date is 7/1
- OA receives approval on 5/28
- Most software would not allow the transaction to be entered prior to 7/1
- Transaction initially submitted on the August voucher
- Creates adjustments for all units when rent or utility allowance was adjusted

TRACS 202D What Everyone Wants

GRs are permitted on a voucher if the effective date is greater than the first of the month prior to the voucher date and less than or equal to the voucher date



Example TRACS 202D

- GRC effective date is 7/1
- OA receives approval on 5/28
- Most software will allow the transaction to be entered on 5/28 or later
- Transaction can be submitted at the beginning of June when the July voucher is created
- Eliminates most of the adjustments

INCLUDING UNIT TRANSFERS WITH A FULL CERTIFICATION (AR, IR, IC)

Including UT with Full Certification

- The new MAT guide includes new guidance regarding
 - Unit transfers & ARs and
 - Unit transfers & IRs

These changes require user action.
It is imperative that owner/agents understand the new rules under **TRACS 202D**.



Unit Transfer and Annual Certifications

- AR always effective on the first
- If an AR and UT are combined, the UT must have occurred on the first of the month
- New rent **MUST** take effect when resident takes possession of the new unit

- New lease is required
- Must be signed by all adult household members
- Owner/agents have the choice of whether they want to
 - Transfer the current security deposit or
 - Charge a new deposit



Unit Transfer & Interim Certification

When the family has a change in composition or income, may be appropriate to complete an IR/UT.

If the change in household composition and/or household income occurred on or before the unit transfer date, an IR must be created with the unit transfer flag set to Yes.

If the rent changes (up or down) the IR/UT will be effective on the same date as the unit transfer

This means that a mid-month IR/UT is required when there is a change in household income and/or household composition and the transfer date is other than the first of the month

Current IR Effective Dates



- Normally, changes in household composition and /or household income drive interim certifications (IRs) and the effective date of those interim certifications is
 - Increase - first of the month after a 30-day notice is provided
 - Decreases - first of the month following the date of the action that caused the interim
- Exception when an action that would normally drive an interim certification occurs
 - On or before the date of a unit transfer and
 - Before the anticipated effective date of the IR.
- Household circumstances changes are reported on the full certification UT so that the new lease includes current

Scenario 1 – UT Same Day as Household Change

- Change happens on UT date
- Include new household information on full cert UT
- Do not submit a UT followed by an IR



UT/IR on Same Day

- Ray (HOH) and Rachel (spouse) live in unit 1-A
- Rachel's 12 year old son is moving in with them
- Unit 2-B becomes available
- Ray and Rachel move in to unit 2-B on **June 14** and Ryan moves in the same day (decreasing rent)
- An IR adding Ryan is created with the unit transfer flag is set to yes
- The IR reflecting the decrease in rent and the unit transfer is effective on **June 14**

Scenario 2 Change Occurs Before Full Certification

If the change of household composition/household income occurs prior to the UT date there are two cases



Scenario 2-A Change Occurs Before Full Certification

- The change in household occurred before the UT date
- If traditional IR rules applied, IR would be effective after the UT date
- **With this 202.D change**, if UT occurs after change but before the "traditional" IR effective date, mid-month IR is created with the UT flag set to yes
- Changes to rent effective the same date at the UT

Example 2A



- Mary (HOH), Mark (co-HOH) and Marvin (dependent child) live in unit 100-A
- Mary gets a new job on **October 5** and her income increases by \$15000 per year
- Normally, an IR is done increasing the household rent effective **December 1**
- However, Mary, Mark and Marvin transfer to unit 315-B on **October 30**
- An IR is created with the unit transfer flag set to yes
- The IR/UT is effective **October 30** and includes the family's income increase

Scenario 2B Change Occurs Before Full Certification



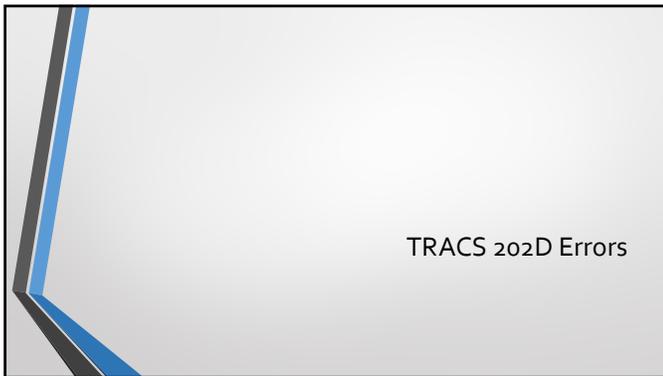
- The change in household occurred before the UT date
- IR has been sent
- UT occurs after the change but before the "traditional" IR effective date
- Mid-month IR is created with the UT flag set to yes
- Change to rent effective same date as the UT
- Original IR corrected to reflect the new unit number

Example



- Carey (HOH), Carla (co-HOH) live in unit B-21
- Carey starts receiving SSI on **February 21** and his income increases by \$5000 per year
- IR is done increasing the household rent effective **April 1**
- Carey and Carla transfer to unit C-21 on **March 15**
- An IR is created with the unit transfer flag set to yes
- The IR/UT is effective **March 15** and includes the family's income increase
- A correction is made to the IR effective **April 1** to correct the unit number

HUD & Tax Credits	
Tax Credits	HUD
<ul style="list-style-type: none">• Tax credit rules depend on whether the transfer is within a building or between buildings• Between building transfers may be handled differently• In some cases tax credit rules require requalification instead of UT• Implemented as a MO/MI	<ul style="list-style-type: none">• HUD does NOT want to see a MO/MI• HUD rules prevail for HUD transactions• UT must always be implemented as a UT• Household is not re-qualifying-just changing units• Tax Credit MI may have income that does not have to be reported to HUD because the change is less than \$200 per month



Re-defining Errors	
<ul style="list-style-type: none">• As part of the 202D project, HUD is editing the error messages.<ul style="list-style-type: none">• Eliminating unnecessary and outdated errors• Eliminating "confirmation" errors• Re-wording errors• Re-categorizing errors• Adding 202D errors	

TRACS 202D Changes to the Certifications

General Information

HUD Form 50059 and HUD Form 50059-A have been re-designed to accommodate changes in regulatory requirements.

It is important that you are familiar with changes to the forms and with changes to the rules regarding certification submission.

Full & Partial Certifications

<ul style="list-style-type: none">• HUD Form 50059 used when creating or correcting full certifications –MAT 10 Records<ul style="list-style-type: none">• Move-in• Initial Certification• Annual Recertification• Interim Recertification• Corrections to any of the above certifications	<ul style="list-style-type: none">• HUD Form 50059-A used when creating a partial certification or an Action:<ul style="list-style-type: none">• Move-out – MAT 40• Termination – MAT 65• Unit Transfer – MAT 70• Gross Rent Change – MAT 70
--	---

Full & Partial – Same Effective Dates

When the effective date of a full certification and a partial certification (UT or GR) are effective on the same day:
Only a full certification is created and
Full certification includes the unit transfer or gross rent change information as appropriate



Signature Requirements Gross Rent Changes

Including Gross Rent Changes with a Full Certification

- When GR or UA is effective on the same date as a full certification (MI, IC, AR, IR), then change is included on the full certification
- No requirement to submit the GR as a separate partial certification
- 50059-A is used when partial certification is sent alone
- If a partial certification has same effective date as a full certification, then owner/agents will use HUD Form 50059

Special Rules - Signature Requirements for Gross Rent Changes

- All GR sent at the same time
- Even if OA does not have signatures.
- OA has 60 days to obtain signatures
- 60 days starts when the certifications are included on a voucher

For example:

- GR includes a UA change
- Resident's rent goes down effective 12/1
- Owner/agent receives approval on 11/1
- Owner/agent includes GR on the December voucher submitted on 11/10
- Owner/agent has 60 days from 11/10 to obtain all required tenant signatures



Signature Requirements – Previously Submitted MAT 10

If cert already completed, signed by the owner/agent and all adult household members, and transmitted to a Contract Administrator and/or HUD, the certification must be corrected.

Signature Rules

- The owner/agent **must** sign the corrected certification **before** transmission
- If TR does not change and there is no other change than the change to rent caused by the GRC, residents not required to sign
- If rent increases or decreases or if there are any other changes, all adult household members must sign the 50059 no more than 60 days after the rent change is included on a voucher
- If there are any other changes, other than those caused by the GR/UA adjustment, then the certification must be signed as appropriate before it is transmitted

Examples

Example 2

- Gross Rent Change effective June 1
- Mrs. Stevens' AR is effective on June 1
- Mr. Huber AR is on sub ID for the MAT 10 (full certification)
- GREs sent on HUD Form 50059-A
 - Will include rent change

Signature – No Change in Rent

When a 50059 MAT 10 is corrected **ONLY** because a Gross Rent Change transaction changes the contract **rent** and when there is **NO CHANGE** in TTP, **Tenant Rent or UA**, there is no tenant signature required.

Example

- Mrs. Stevens AR is effective June 1
- The owner/agent sent the certification on May 2
- On June 5, the owner/agent applied a GR changing rent only (no UA change) effective June 1
- The site software automatically corrected Mrs. Stevens' AR
- The owner/agent must sign the corrected cert
- The residents do not have to sign
- The owner/agent must provide a copy to the resident

Signature – Change in Tenant Rent

- When a 50059 MAT 10 is corrected **ONLY** because a Gross Rent Change transaction changes the **utility allowance** and
- When there is **AN INCREASE OR DECREASE** in **Tenant Rent**, resident signatures must be obtained within 60 days from the date the gross rent change is implemented by the owner
- Use Extenuating Circumstances Code - 9

Example

- Mr. Archer's AR is effective August 1
- The owner/agent sent the certification on July 2
- On July 15, The owner/agent applied a GR effective August 1
- The utility allowance increases \$12.00 reducing Tenant Rent for residents
- The site software automatically corrected Mrs. Stevens' AR
- The owner/agent must sign the corrected cert
- The residents have to sign within 60 days
- The owner/agent must provide a copy to the resident

Changes to the Certification Forms



Changes to Certification Forms

50059 and 50059-A have been modified

The following instruction provides information about changes to certification fields.

In some cases, field name has remained the same, but HUD provided additional options or clarification.



Proposed Changes to Forms

- Field by Field explanation
- Only new or changed fields
- Complete description for all fields on our web site www.rbdnow.com

Please Reference New 50059

New Fields

Item 2 – Subsidy Type

- 1- Section 8 Note: Use 1 – Section 8 for RAD or SPRAC
- 6- 811 PRA Demo
- If a resident in a Section 236 property receives Section 8 assistance through a Housing Choice Voucher (HCV), no HUD-50059 is to be completed
- PHA issuing the HCV is responsible for reporting resident's information to HUD
- Household must be terminated in TRACS

See HH 4350-3 R1, C1, Paragraph 7-4, Cand 2 a.2 D MAT Guide: Chapter 4, Section 4.23

Item 7 – Project iMAX ID



Used to be called "Project Telecom Address"

Page 27

Item 10 – Previous Housing Code

- Added New Codes
- **5 = Lacking a Fixed Nighttime Residence** *Note: Defined as individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided.*
- **6 = Fleeing/Attempting to Flee Violence** *Note: Defined as individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.*



Item 11 – Displacement Status Code

Clarified – Only Use At Move-In

Item 12 – Effective Date

Clarifications Added



Handbook References

- For a move-in (MI), use the date the resident moved into the project.
- For an Initial Certification (IC), use date the resident began to receive the type of assistance in Item 2.
- For an Annual Recertification (AR) this is the effective date of the AR *See HH 4350.3 R1, C4, Paragraph 7-8*
- For an Interim Recertification (IR), this is the effective date of the IR *See HH 4350.3 R1, C4, Paragraph 7-13*

HUD Clarifications in the MAT Guide

- *Note: When a household member leaves a household and moves into another subsidized unit, Interim Recertification removing the member from the old household is effective on the first of the month*
- **Household Split:** *One household becomes two or more households - The MI establishing a new household is effective on the actual MI date.*
- **Household Swap:** *One household member moves in with another established household. No new household is created. The IR for the unit the member is moving to is effective on the date that the IR rules specify. See Chapter 4 of the MAT Guide for an extended discussion of these cases under the heading "How to split a household or move a household member to another household."*
- **For an IR/UT combination,** refer to the notes above and also to TRACS 202D MAT Guide, Chapter 4, Section 4.1

Item 13 – Anticipated Voucher Date



- HUD clarified – This is the date the certification is expected to be on a voucher
- It is not always the date a cert appears on a voucher

Item 15 – Project Move-in Date



HUD Clarification

- Does not have to be the same as the subsidy start date.
- This is always the date the resident takes possession of the unit.
- Rules re: Dual Subsidy Apply

Item 16 – Certification Type

Used to Define the Transaction Type
No Change to Transaction Type
Just HUD Clarifications

HUD Clarification - IR



Note: Do Not use an IR to create a correction.

If a previous certification is not correct (e.g. SSN is wrong), and there are no changes in household composition or income, correct the previous certification

Item 19 - The EIV Indicator

The EIV Indicator

- New field used to help HUD track
 - Assistance-paid-in-error or
 - Cases where additional assistance should be provided
- Rules:
 - If use of EIV is the cause of a correction indicator is set to Y
 - Do not set the indicator on a current (uncorrected) AR
 - If IR is added (not a correction) as a result of EIV information, indicator is set to Y.
 - For partial certifications, indicator is set for a UT or GR if it is being corrected as a result of a change to a full certification whose EIV Indicator is set to Y.
 - If result of EIV investigation is termination or eviction, indicator is set on the TM or MO.

EIV Indicator Example

- Hilton family's certification history for the last year is:
 - AR effective October 2012
 - IR effective May 2013
- Owner/agent is completing an annual certification effective October 1
- When reviewing the EIV Income Discrepancy report, the OA discovers that one of the household members failed to disclose employment income that started in March 2013
- Household is contacted an income is verified
- Lease violation is issued
- Owner/agent:
 - Creates a new interim certification effective April 1 and the EIV Indicator is set to yes
 - Corrects the interim certification effective May 2013 and the EIV indicator is set to yes
 - Creates the annual certification effective October 2013 and the EIV indicator is blank
- Resident signs certifications and either returns assistance-paid-in-error or enters in to repayment

Item 19 – EIV Indicator



- The indicator set for certification if corrected as a result of discovery in EIV. If this is the case, EIV Indicator set to Y
- If the result of use of the EIV system is to add a new, retroactive interim certification (IR), EIV Indicator set to Y

- *Review of EIV reports is required*
 - *As part of the master file review,*
 - *go days after transmitting the MI, and*
 - *As part of the AR and IR process.*
- *If certs are corrected or new retro certs are inserted as a result of EIV discovery, then indicator is set to Y.*
- *For the new IR or AR, do not set the EIV Indicator to Y.*

Item 20 – Previous Subsidy Type

Formerly called *Subsidy Change Indicator*

Item 24 – Unit Transfer Code

Clarification from HUD



- UT/IR Combination
- When an IR indicates a Unit Transfer – The effective day may be a day other than the first of the month

Item 26 – Security Deposit

- Equal to TTP at Move-in
- Usually does not change
- Can change at transfer
- For AR/UT or IR/UT Combinations
 - Decide if new SD is required
 - If so, enter that new amount here



Security Deposit Correction

- HUD Policy has ruled-when MI is corrected, security deposit required is to be recalculated
- Change noted on the lease
- OA and resident initial change
- If this is prohibited based on local tenant/landlord rules, take appropriate action to increase or decrease SD

Item 32 – TTP at RAD Conversion

- If Section 8 sub-type is not RAD leave blank.
- For RAD:
 - If no rent phase-in is involved, leave blank.
 - If Rent Phase in is in process, enter the TTP (Total Tenant Payment) the resident is/was paying at the time of conversion to RAD.

*NOTE: This is not Tenant Rent.
 Tenant Rent = TTP less any Utility Allowance*

Item 37 Relationship Codes

1 Changed Code
& 2 New Codes

 New F - Foster Child or Adult

- F - Foster child under the age of 18 or foster adult or the child of a foster child or foster adult
- Considered part of the family and are included in the number of family members when income limits are considered
- Unearned income for a foster child is counted but earned income for a foster child is not counted (Do not count monies paid to the household for foster aid – this income is excluded.)
- All income of a foster adult is counted
- The foster child or adult **does not** qualify the family for a dependent allowance
- Medical or disability assistance expenses **are** considered
- Child care expenses for children in this category who are 12 years old or younger are considered

• See HH 4350.3 R1, C4, Paragraph 5-6.A

Changed L – Live-in Aide

- L - Live-In Attendant
- No longer used for Fosters
- Do not have rights under the lease
- Not considered members of the family
- Income not counted

See HH 4350.3 R1, C4, Paragraph Fig. 5-2 and Paragraph 3-6.E



New N – None of the Above

- Others Living in the Unit Who are not Members of the Tenant Family.
- Persons in this category do not have rights under the lease.
- Persons in this category are not considered members of the family
- Income is not counted in determining the family's annual income.

- *One example is the parent of a household member who is the HOH and who has been deployed to active military duty.*
- *The HOH's parent may move in the unit, temporarily, to care for grandchildren remaining in the unit until the HOH returns.*



Item 38 - Sex

- **F** for Female
- **M** for Male



- Leave blank if either the O/A did not ask for the information or the tenant did not voluntarily report.

Item 42 Special Status Code

Two New Codes

- **M** = Family Member who is a US military veteran
- **P** = Person being housed temporarily pursuant to the guidance in the HUD Handbook 4350.1, Chapter 38

Item 44 – ID Code (SSN)

- Enter 99999999 if the head of household has no SSN/TRACS ID
- If the SSN 99999999 was used for this member on a previous certification, use the TRACS ID number assigned by TRACS
- Do not enter an ITIN (Individual Tax Identification Number) or a Social Security Benefits Claim Number.

See Housing Notice 10-08 and HH 4350.3 R1, C4, Appendix 7A

Item 45 – SSN Exception

- **C** = Does not contend eligible immigration status
- **E** = 62 or older as of January 31, 2010
 - Initial determination of eligibility was begun prior to January 31, 2010
- **M** = Member under age of 6 where disclosure of SSN is delayed for 90-180 days
 - Cannot be used at MI

Item 46 Citizenship Code

Formerly Member Eligibility Code (Before TRACS 202D)



Items 50, 51 and 52

- Eliminated References to Impairments
 - Family has Mobility Disability?
 - Family has Hearing Disability?
 - Family has Visual Disability?

Item 54 – Number of Non-Family Members

- Enter the number of members with Relationship Code
 - F – Foster,
 - L – Live-in Attendant or
 - N – None of the Above

Item 67 – Income Type Code

* Denotes Income Codes included in EIV Analysis

All other Income Codes ignored by EIV

Item 69 – SSN Benefits Claim Number

- Some software already utilizes this field
- Not required before 202D
- Social Security Benefits Claim number under which a member of the household receives Social Security income benefits **only if** the Claim number is different from member's Social Security number

Item 78 – Cash Value

- Cash value of each asset
- Cash value is market value minus any expenses that could occur with the selling of the asset, or converting the asset into cash
- Lowest cash value is 0

See HH 4350.3 R1, C4 Paragraph 5-7.C and 5-7.D, Appendix 3 and Appendix 6

Item 79 – Actual Yearly Income

New Clarification for Asset Income

Interest Income

If an asset is earning interest, calculate income using the fair market value, not the cash value of the asset unless both amounts are the same



Assets Making Regular Periodic Payments

If the asset is making regular periodic payments (e.g. an annuity), count the regular periodic payments, but do not count the value of the asset.



Retirement Accounts Required Minimum Distributions

If the asset is a retirement account and the resident is required to take an annual Required Minimum Distribution (RMD) once a year, count the RMD as income for one year and do not count the value of the asset.



Item 81 – Total Cash Value of Assets

Name Change from *Total Assets*

Item 96 – Household Citizenship Eligibility

Name Change from *Household Membership Eligibility*

Item 109 – TTP Before Override

- TTP that would normally be calculated without override
- Currently used
 - When a PRAC resident pays less than operating rent **and**
 - Refuses to participate in the annual certification process
- Use the Rent Override function to force the Tenant Rent to operating rent
- Also used for
 - RAD rent phase-in
 - POA calculation that results in a non-standard TTP

Item 114 – Rent Override

Enter "Y" if the normal rent calculations have been overridden for this certification

See HUD Handbook 4350.3 REV-1: Paragraph 5-30

Item 117 – Eligibility Check Not Required

Situations where the use of this designation is appropriate:

**Eligibility Check Not Required
Reasonable Accommodation**

If a resident moves in to a unit in a comparable project as a reasonable accommodation eligibility is not checked on Move-in certification

See HH 4350.3 R1, C4, Paragraph 2-32.C.1.a



Eligibility Check Not Required - VAWA

If a resident moves in to a unit in a comparable project in response to claims of status as a victim under VAWA.

**Eligibility Check Not Required
Contract Combination**

For a contract combination, the resident is first terminated from the old contract (Termination Code = CC) and an Initial Certification is created for the new contract.

Eligibility is not checked on the Initial Certification.



age 29

**Eligibility Check Not Required
Failure to Report a Change**

Resident who fails to respond to a notice to provide information about changes in composition or income must be terminated

When the resident submits the information, assistance must be reinstated (IC)

Eligibility is not checked on this Initial Certification

HH 4350.3 R1, C4, Paragraph 7-12.B.3



Eligibility Check Not Required Income Increase then Decrease

- For 100% Section 8 properties.
- An in-place resident's assistance was terminated due to an increase in income and
- Income decreases and they are again eligible for assistance
- Resident should be certified (IC) and receive the assistance

Eligibility determined at move-in
Does not have to be determined again



Eligibility Check Not Required

PDD—Presidentially Declared Disaster
See HH 4350.1, Chapter 38

Eligibility Check Not Required - Other

Other – Anything that is not covered
by the codes shown previously



Item 118 – Extenuating Circumstances Codes

Extenuating Circumstances Code

Formerly Tenant Unable to Sign Indicator



Extenuating Circumstances

- OAs can submit certifications without resident signatures if extenuating circumstances exist
- Examples include
 - Hospitalization,
 - Military deployment and
 - Reasonable accommodation
- Practice is compliant
- HUD would like more detail



Not the Same As Refusal To Sign

Additional Rules

<p><i>When signatures are required by state or local law, they must be obtained before submitting the data to the Contract Administrator or TRACS.</i></p>	<p>Copies of all HUD 50059s and HUD 50059-As must be retained in the resident file for the term of tenancy and for three years after tenancy ends for any reason.</p> <p><small>4350.3 REV-1: Paragraph 9-8.C and Paragraph 5-22</small></p>
--	---

Getting The Signature Later

- When (if) the resident returns and is able to sign submit a correction
 - Tenant Signed Date populated
 - Extenuating Circumstances field blank
- Correction reason is administrative re-submission





Resident File

"... The owner may consider extenuating circumstances when an adult family member is not available to sign the HUD-50059...

*In these instances, the owner **must** document the file why the signature(s) was not obtained and, if applicable, when the signature(s) will be obtained.*

The owner must provide the resident a copy of the signed HUD-50059 and retain a copy in the resident's file."

Item 118 – Extenuating Circumstances Code

- Leave blank if any resident has signed
- If the resident has not signed fill with one of the following codes.
 - 1 = Medical
 - 2 = Late annual (re)certification due to accommodation or extenuating circumstances.
 - 3 = Late annual (re)certification due to owner/agent delay
 - 4 = Late annual (re)certification due to third party delay (For example a Guardian)
 - 5 = Military Deployment
 - 6 = Eviction In Progress. Must be for a valid HUD Handbook reason.
 - 7 = Court order
 - 8 = No Signature Required (Retroactive GR done after a MO or a GR correction)
 - 9 = No signature required for 60 days
 - 10 = Other



Changes to the Certification Forms 50059-A

Proposed Changes to Forms



- Field by Field explanation
- Only new or changed fields
- Complete description for all fields on our web site

www.rbdnow.com

Item 5 – Transaction Type

HUD Clarification

***Do not** use a termination to end subsidy after the death of a sole member*
Use move-out transaction

Item 10 – Effective Date - MO

Clarifications about effective date of MO

The move-out date is always the actual move-out date or the date that the owner takes possession of the unit in the case of a skip.

See MAT Guide Chapter 4, Section 4.3 and HH 4350.3 R1, Appendix 7

Item 10 – Effective Date - TM

- New Code – *NS – No Subsidy*
- Much like DS – Dual Subsidy
- Means the resident was not eligible for subsidy at MI
- Effective date is the same as the previous MI effective date
- All subsidy must be reversed

Correcting Partial Certifications

Corrections to 50059-A

- OAs have not had the ability to correct partial certifications
- OAs will be able to correct certain information on partial certifications
- Correction indicator will be included to ensure that transaction is recorded successfully
- New rules surrounding corrections to partial certifications

Correction Codes

Blank = Not a correction **R** = Any correction that does not correct a previous effective date.

Item 13 – Correction Type

- Leave blank if this is not a correction
- Enter R = Correction/Re-transmittal

You cannot currently change the effective date of a 50059A

Item 14 – EIV Indicator

- If certification is created or corrected because of an EIV Discrepancy, enter Y
- Indicator set for a UT or GR if corrected as a result of a change to a full certification whose EIV Indicator is set to Y
- If use of EIV system is termination or eviction, indicator is set on the TM or MO

Item 17 – Move-out Code

<ol style="list-style-type: none"> 1. Owner initiated for nonpayment of rent 2. Owner initiated--other 3. Tenant initiated--other 4. Death of sole family member (note: only use if no other household member remains in the unit) 	<ol style="list-style-type: none"> 5. Unit Transfer between two projects. 6. Reserved for TRACS use only 7. Abandoned Unit-- PDD 8. Failure to submit SSN 9. Uninhabitable unit -- Abated. 10. Substantial Rehab or Repair -- Tenant Expected to Return 11. RAD to Housing Choice Voucher--Choice Mobility Option Exercised
--	--



Item 17 – Move-out Code Clarification

For Discrepancies discovered on the EIV Deceased Tenant Report

When an IR is appropriate, DO NOT CREATE A "FALSE" MOVE OUT TRANSACTION TO CORRECT AN EIV DECEASED TENANT REPORT DISCREPANCY.

Doing so is non-compliant.

This could create problems with your ability to receive subsidy for this household.

Item 18 – Date of Death of Sole Member

- Subsidy must end no more than 14 days from the date of death
- Move-out transaction should be entered and transmitted ONLY when OA is able to take possession of the unit
- It is proper to bill for subsidy until the unit is vacated
- The MO code 4 with an appropriate date-of-death must generate a voucher adjustment to 14 days after date of death if the unit is not vacated within 14 days.
- The actual Move-out date is the date the owner/agent may take possession of the unit and may be after the 14-day period.

See MAT Guide Chapter 5, Section 5-8

Item 19 – Description (MO)

1. Owner initiated--Nonpayment of rent
2. Owner initiated--Other
3. Tenant initiated--Other
4. Death of sole family member
5. Unit Transfer between two projects
6. TRACS use only (HQ Move Outs)
7. Abandoned Unit
8. Failure to submit SSN
9. Uninhabitable unit - Abated
10. Substantial Rehab or Repair - Tenant expected to return
11. RAD to Housing Choice Voucher—Choice Mobility Option Exercised

Item 20 – Termination – Old Codes

- **TI** = TTP Equals/Exceeds Gross Rent or moving to market rent.
- **TC** = Did not supply citizenship/eligible alien documentation.
- **TR** = Did not re-certify on time. Tenant required to pay market rent.
- **TF** = Tenant refused to transfer as agreed or submitted false data.
- **CE** = Subsidy contract expired-not renewed. Do not use when renewal is delayed.
- **ST** = Ineligible Student
- **DS** = Double subsidy at move-in.

Item 20 – Termination – New Codes

- **ND** = Natural Disaster or Uninhabitable Unit or Presidentially Declared Disaster
- **AB** = HUD abated unit
- **RR** = Substantial rehab or repair – Tenant expected to return
- **NS** = Resident did not qualify for subsidy at MI for reason other than Double Subsidy
- **OT** = Other. A reason not covered by any of the other codes

Item 21 – Description (TM)

- **TI** = TTP Equals/Exceeds Gross Rent or moving to market rent
- **TC** = Did not supply citizenship documentation
- **TR** = Did not re-certify on time
- **TF** = Tenant refused to transfer or submitted false data
- **CE** = Subsidy contract expired-not renewed
- **ST** = Ineligible Student
- **DS** = Double subsidy at move-in
- **ND** = Natural Disaster or Uninhabitable Unit
- **AB** = HUD abated unit.
- **RR** = Substantial rehab or repair - Tenant expected to return
- **NS** = Resident did not qualify for subsidy at MI--Not Double Subsidy
- **OT** = Other. A reason not covered by any of the other codes
- **EN** = Contract terminated for enforcement action
- **HQ** = TRACS generated termination for failure to recertify
- **LR** = Did not re-certify on time

Item 29 – TTP at RAD

- If not Section 8 leave blank.
- If **Section 8 sub-type is not RAD** leave blank.

- **For RAD:**
 - If no rent phase-in is involved, leave blank.
 - If Rent Phase in is in process, enter the TTP the resident is/was paying at the time of conversion to RAD.

Item 31 – TTP Before Override
Item 35 – Rent Override

Same as on 50059

Summary

- Detailed Review of Changes and Clarifications for
 - HUD Form 50059
 - HUD Form 50059A
- Complete Instructions available at www.rbdnow
- Will be posted by HUD when 202D is released

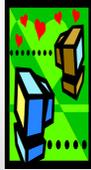
TRACS 202D
Voucher &
Voucher Process Changes

Introduction

- Voucher functionality will be greatly enhanced
- Many industry requests have been addressed with the design of this release.
- HUD Form 52670 enhanced
- Process for submitting vouchers has been improved
- Lesson reviews major changes to the voucher and the voucher process

Detail and Adjustments Added to Electronic Transmission

- Full HAP voucher can be transmitted to a CA from an OA
- Eliminates the need for sending paper or emailed copies of printed vouchers
- Site will continue to maintain a printed and signed voucher in its files



Advantages

CA Benefits

- Permits an automated compare between
 - Owner/agent voucher
 - Voucher generated by CA software
- Comparison should be
 - Faster
 - More accurate
 - More complete



Requirements & Options



- CA is required to send a final approved voucher for use in reconciliation activities at the property
- CA may optionally send a preliminary voucher if the CA allows changes to the current voucher before closing it out

Transition Period



- During initial transition period
 - CA may need a paper voucher
 - Both paper and electronic vouchers may be required
- After the transition
 - Only the electronic records required
- At any point
 - CA free to eliminate the paper requirement

Important Issue Non-Section 8



- Current proposal does not have TRACS receiving, processing and storing the new voucher detail and adjustment records
- TRACS will not return an approved voucher
- Reason is that TRACS does not create vouchers or have the ability to audit the correctness of a voucher

Change to the Adjustments Page

Old
Miscellaneous Accounting Request Codes

- **SERV** = Service Coordinators
- **DRUG** = Drug Related Expenses
- **FORQ** = Field Office initiated accounting adjustment
- **OARQ** = Owner/Agent initiated accounting adjustment

New
Misc. Accounting Request Codes

- **RGRC** = Adjustment for a Retroactive GRC that includes a UA decrease
- **UUTL** = Unclaimed Utility Check
- **RSPC** = Recouped Special Claims Funds
- **CEAD** = Contract Expiration Adjustment
- **EIVP** = EIV Penalty. 5% of the voucher is subtracted to cover EIV noncompliance when applicable
- **RESR** = Residual Receipts. Used to offset part of the voucher billing

RGRC - Retroactive Gross Rent Changes

Utility Allowance Reductions
Retroactive Rent Increase

- Some cases where annual rent review results in reduction in utility allowance
- Resident rent payment will increase
- In accordance with the lease, the resident must be provided with 30-day notice

How RGRC Is Used

- Usually, GR is complete before effective date
- Required notices are provided in compliance with lease
- In rare cases, formal approval may not be obtained in time for the owner/agent to provide notice
- Assuming complete owner/agent compliance with HUD's notice requirements, the owner/agent will "remain whole" until notice period is complete
- Retroactive adjustments caused by the UA decrease can be reversed

UUTL - Unclaimed UA Payments

HH4350-3, 9-13.B says
MAT Guide

"If the utility reimbursement is not disbursed to the tenant or utility provider (e.g., tenant never picks up the check, tenant never cashes the check or tenant moves-out), the funds must be returned to HUD."

UA Adjustments at MO for Negative Renters

A MO adjustment for a unit with a negative rent will automatically return some of the utility reimbursement to HUD

OA may want to recapture the proper amount with a miscellaneous accounting request on the voucher



RSPC

- Miscellaneous Accounting Request Code to allow owner/agents to return Special Claims payments to HUD
- When resident does not pay for rent or damages, OA can apply for a Special Claim
- Part of the process is for OA to attempt to collect the amount through a collection agency.
- In some cases, the resident will return to pay the owner/agent
- When this happens, use RSPC code to return some or all of the money to HUD

RESR - Residual Receipts

- Prior to 202D, used the FORQ Miscellaneous Accounting Request Code to perform this task
- Implementation of 202D replaces that instruction. Owner/Agents will now use RESR

See Notice H 2012-14

New 52670 Part 6 - Repayments

52670 Part 6

When a resident or an owner/agent receives too much housing assistance, the overpayment must be returned to HUD.

HUD's guidance is provided in HH 4350.3 R1, C4 Paragraph 8-20 and in HUD Notice 13-06.

It is common to see such assistance returned to HUD via repayment agreements.



Assistance Paid in Error

Method described in this section pertains only to return of assistance-paid-in-error.

If resident enters in to a repayment agreement to make payments for other charges - such as damages to the unit or to the property - those payments are handled in traditional manner.




52670 Part 6

- Repayment agreements will no longer be reported as OARQ Miscellaneous Accounting Request transactions.
- Will be accounted for with a new HUD-52670-A Part 6 - Repayment Agreements for Schedule of Tenant Assistance Payments Due.
 - Tenant
 - Owner
 - None



Tenant Repayment

- Allow a tenant to return to HUD any assistance paid in error
- Lease requirement
- Return of such funds was previously accomplished by creating a Miscellaneous Accounting Request using OARQ
- Implementation of this form replaces instruction to create an OARQ



No Repayment

- OA may run into a situation where resident does not enter in to repayment agreement
- Can occur when a resident
 - Has signed appropriate certifications
 - Is unwilling to enter into repayment
- OA is NOT responsible for returning assistance paid in error to HUD
- Automatic adjustments are reversed



Owner Repayment

- OA must reimburse HUD for other overpayments due to owner error or the failure to follow HUD's procedures
- HUD or CA may permit owner to repay in lump sum or over a period of time if immediate repayment in full would jeopardize the financial condition of the property. *See HH 4350.3 R1, C4, Paragraph 8-20.*
- Previously accomplished by creating a Miscellaneous Accounting Request - OARQ or FORQ.
- Implementation of this form eliminates need to create an OARQ/FORQ transaction to return funds to HUD.

HH 4350.3 R1, C4, Paragraph 8-20 and the current HUD HSG EIV Notice

Example – Add Existing

- Kylie Kraft originally signed a repayment agreement for \$1000.00 six months ago.
- The current balance for the repayment agreement is \$700.00
- Her monthly payment is \$50.00 per month
- The owner/agent's total expenses to date is \$120.00
- They have been reducing that amount by \$10.00 per month (20% of the \$50.00 payment)
- You have received the next \$50.00 payment from Kylie

U.S. Department of Housing and Urban Development												
Repayment Agreements for Schedule of Tenant Assistance Payments Due												
OMB Approval No. 4300-0044												
Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on the form HUD-52070 information on public burden.												
9/2013												
1. Fiscal Year												
6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Amount	13. Total Payment	14. Ending Balance	15. Annual Retention	16a. Annual Required	16b. Adjusted (HUD/CA, see 2013)	17. Totals for this page
Kraft, Kylie	116	1431	2/1/2013	T	1000	0	50	650	10	-40		

Add New – 202C

- Prior to TRACS 202D, if resident is subject to a repayment agreement, OA
 - Reverses full amount of voucher adjustment created by correcting prior certification(s).
 - Posts subsequent payments using OARQ

Example

- Total of the adjustments is -\$3,511
 - OARQ for \$3,511.
 - Leaves the voucher unaffected by retroactive corrections
 - Comment field must describe transaction
- "Reversal of adjustments subject to repayment – Unit 1023, Sandra Saunders"*

Michelle Returns



What happens if Michelle finds out that the owner/agent has reported her payment performance information to the credit bureau?

- Repayment agreement will be converted
 - From repayment type "None"
 - To repayment type "Tenant"
- If she makes a payment, amount can be returned to HUD via the voucher.

U.S. Department of Housing and Urban Development
Federal Housing Commissioner

OMB Approval No. 4220-0045

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on the form HUD-52070 information on public burden.

1. Fiscal Year (Use for categories): **10/2013**

2. Fiscal Year (Use for categories): _____

3. Fiscal Year (Use for categories): _____

4. Section 8 (FAC) / TRAC Contract No.: _____

5. Type of Activity: _____

6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Amount	13. Total Payment	14. Ending Balance	15. Annual Retention	16a. Annual Required	16b. Annual (HUD/PCA, see 505)
Kraft, Kylie	116	1431	2/1/2013	T	1000	0	50	600	10	-40	
Saunders, Sandra	1023	888888	8/1/2013	T	3511	3511	138	3235	0	-138	
Mitchell, Michelle	401	14321	9/1/2013	T	1860	0	100	1760	0	-100	

17. Totals for this page

Form HUD-52070-A (part of 11/02/13) and Supplement 4/08/13, Rev. 1

Sending Repayments out for Collection

- When a resident leaves with a balance due for the repayment agreement, the owner/agent should do some analysis before sending the amount due to a collection agency. Remember, this is not unpaid rent and the collection of this money has nothing to do with the Special Claims process.
- The problem is that a collection agency's fees usually exceed the 20% expense cap set forth by the federal government. This means that the owner/agent would be paying for all or part of the collection

Example

- Resident moves out owing HUD \$1500.00 in assistance-paid-in-error.
- Owner/agent contacts collection agency to collect the \$1500.00
- Collection agency charges 35% of any amount collected
- Resident pays collection agency \$1500
- Collection agency retains \$525
- Owner agent must show amount collected as \$1500 since this is what the resident paid
- Maximum payment retention is \$300 (20% of amount collected)
- This means that the owner/agent would pay the collection agency \$225

Additional HUD Guidance

- *"As with all income and expenses of the project, O/As must keep records of the receipt and disbursement of all amounts collected from the tenant for audit purposes. At a minimum, the owner must record:*
- (1) *Date and amount(s) received from the tenant;*
- (2) *Expenses incurred; Examples of types of expenses incurred include staff time for verifying the unreported income; meeting with tenant; drafting repayment agreements; generating and sending monthly invoices to tenant; generating manual voucher adjustments; collection agency fees, if applicable; and, meeting state requirements.*
- (3) *Amount(s) retained; and*
- (4) *Voucher date(s) and amount(s) of reimbursement made to HUD.*

Summary

This class was intended to provide you with advanced instruction regarding TRACS 202D changes.

With this information, you should be prepared to make changes to internal processes surrounding the certification and voucher transmission.
