TRACS 2.0.3.A
February 7, 2017
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- Opening Remarks
- Review of MAT Guide Edits – Read Me
- Review of Impact 2.0.3.A Changes
- Review of Specific MAT Guide Changes
- Publication of MAT Guide
- Schedule Review
MAT Guide Changes - Basic

See the Read-Me File

The Specification

203ATRACSIIndustrySpecification.docx:

The specification itself.
The MAT Guide Documents

- 203AMATChap01 Introduction.doc
- 203AMATChap02 Understanding the MAT.doc
- 203AMATChap03 New Release Enhancements.doc
- 203AMATChap06.docx: MAT Guide Chapter 6 – MAT Voucher/Payment System Record Formats and Definitions. Revised.
- 203AMATChap07.docx: Incorporates Chapter 9 from HUD Handbook 4350.3 REV 1, Change 3. Revised

The Appendices

Appendix A –
Multifamily Housing
Hub and Program Center Structure
Nothing There
The Appendices - Errors

All Revised and Expanded

- Appendix B - TRACS Message Formats edit
- Appendix C - Tenant Voucher Error Messages-Codes
- Appendix D - Discrepancy Codes
- Appendix E - Fatal Error Messages-Codes
- Appendix F - Tenant Informational Messages
- Appendix G - Voucher Status Acknowledgement Messages

Appendices - Other

- 203AMATAppendixH.docx: Mandatory calculation rules for certifications, voucher adjustments, noncitizen rule proration, imputed income proration, and special claims. Revised.
- 203AMATAppendixI.docx: MAT15 Address Record Specification
- 203AMATAppendixJ.docx: An appendix dealing with rules for the various types of baseline files. Revised.
- 203AMATAppendixK.docx: An appendix dealing with rules for new subsidy types and sub-types (RAD, SPRAC, 811 PRA Demo). Revised.
Calculation Examples

- **203AAdjustmentCalculations.xls**: Example adjustment calculations and rules. Currently unchanged from 202D.

- **203ACalculatingTenantRent.xls**: Calculating tenant rent and assistance for each subsidy type. Revised to add calculations to be used for 811 PRA Demo and RAD.

- **203AImputedIncomeProration.xls**: Spreadsheet detailing how to prorate the imputed income field on the 50059 if the OA opts for that option.

- **203ACalculationsForRepayments.xls**: How to calculate Repayment Agreement and FSS Escrow field amounts. Revised.

- **203ANonCitizenRuleProration.xls**: Prorating subsidy under the noncitizen rule.

- **203ARelationshipRules.xls**: Summarizes the rules associated with each relation code—whether the member counts for income limit purposes, whether their income counts, etc. Updated for 2.0.3.A

- **203ASpecialClaimsRounding.xls**: Calculating special claims. Revised to include the rules for the 811 PRA Demo program.

- **203ARADPhase-In.xls**: Shows how to do rent phase-in calculations for RAD. Revised.

- **203ACertificationDataEntry.xls**: Revised.

Cross Reference

**203ACrossReference.xls**: Cross reference of 50059 and 50059-A fields with MAT fields.
Other

203AAdjustmentExamples.pdf contains samples how adjustments for various scenarios should appear on the HAP Voucher.

This is being packaged as a separate document to make it easier to update it frequently with new examples.

203AHUD52670APart6.pdf contains the revised form for displaying Repayment Agreement and Family Self Sufficiency Escrow records.

Forms Changes

50059: No change
50059A: 2 Label Changes
52670 part 6: Changed
Instructionals

The 50059 and 50059-A Instructional documents will be updated prior to the 2.0.3.A implementation date.

The Plan

- Incorporate any New Guidance
- Review Final Edits
- Post and Release
- May add examples or clarifications as necessary before and after beginning of implementation
Summary of Changes
Update & Review of Clarifications
Purpose

- Explain how 2.0.3.A changes impact TRACS
- Review clarifications
- All current requests for clarifications have not been resolved and will be addressed shortly

The Rental Assistance Demonstration Program

RAD
Section 8 RAD

- Background
- Asset Management & Monitoring
- Notices and Resources
- Unique Program Features
- Negative and Zero Assistance
- Vouchering for Negative Assistance
- Rent Phase-In
- Transition Rules

RAD Background

- Program has both PIH and Multifamily components
- Discussing MF only (reporting to TRACS v PIC)
- Conversions to MF Project Based Rental Assistance - Section 8 (PBRA)
  - Public Housing to MF S8
  - Rent Supp and RAP to S8
  - PIH Mod Rehab to MF S8
Possible Future Change

Congress is debating adding
202 PRAC and 811 PRACs
to the program

RAD Goal

Approximately 60 Rent Supp and RAP contracts left
Goal is to convert all of these over the next few years
RAD Goal

RAD program enables financial restructuring to allow for rehab and modernization of ageing housing stock

RAD Notices

- PIH 2012-18 (March 8, 2012, superseded by PIH Notice 2012-32)
- PIH Notice 2012-32 (July 26, 2012)
- PIH Notice 2012-32 REV-1 (July 2, 2013)
- PIH Notice 2012-32 REV-1 Technical Correction (February 6, 2014)
- PIH 2012-32 Rev 2 (June 15, 2015)
RAD Notices

Terms and conditions that apply to a RAD conversion are those from Notice in effect at the time of the RAD closing.

When in doubt, consult with HUD staff.

TRACS Resources

- TRACS 203A Industry Specification
  - Paragraph 2.7 Changed Rules for RAD Certifications
  - Paragraph 2.13 Vouchers-Miscellaneous Accounting Requests

- Chapter 4 of the MAT Guide
  - 4.31 Rent Overrides

- 203ACalculatingTenantRent.xls

- 203ARADPhase-In.xls
Asset Management/Monitoring

Currently these are direct reports to HUD/TRACS

HUD intends to start moving these to the PBCA portfolio
Unique Program Features - EID

• If conversion is from PIH, **Earned Income Disregard (EID)** applies

• Deal with as a data entry issue for now

• **HOTMA repeals EID** so this feature will likely go away

Unique Program Features – Rent at Conversion

• All in-place tenants pay their prior PIH TTP at conversion

• If rent is lower than S8 rent, move to S8 rent calculation at first AR or IC **unless phase-in applies**

• If tenant is paying flat rent prior to conversion, flat rent is used as TTP at conversion
Unique Program Features – Rent at Conversion IC

Conversion IC retains the “Next AR Date” from the prior 50058

(Must check “Next AR Date” on 50059 to make sure it matches 50058)

Unique Program Features – Rent Phase In

Existing tenants whose TTP would increase more than threshold amount as a result of the conversion have rent increase phased in

(Threshold amount is greater of 10% or $25)

New MIs/ICs effective after conversion move immediately to the S8 rent calculation

There is no phase-in
Unique Program Features – Negative Assistance

Tenant rent is not capped

Assistance can be zero or negative

Negative and Zero Assistance

• There is no cap on TTP or TR including at MI or IC so long as the tenant qualifies

• Assistance can be zero or negative - Similar to a PRAC in this respect

• Tenant with zero or negative assistance still subject to usual recertification rules

• Tenant is still considered assisted
Vouchering for Negative Assistance

- Unlike PRAC, OA is permitted to keep any overage (amount of negative assistance)

- Voucher will bill for the negative assistance

- 203A includes a new RADN Miscellaneous Accounting Request so that OA can reverse negative assistance request

Example - RADN

- Unit Rent/UA = 800.00
- Household Adjusted Income = 36000.00
- \( \frac{36000}{12} = 3000.00 \)
- \( 3000.00 \times .3 = 900.00 \)
- \( 900 - 800 = 100.00 \)
- HAP Request = -100.00 (appears on 52670 – Part 2)
- RADN = 100.00
RADN Added Individually

- For each regular assistance (Section 3) record for a certification with negative assistance
- For each adjustment (Section 4) record for a certification with negative assistance

RADN Reconciliation

Facilitates tying RADN requests to related assistance and adjustment records.
RADN Entry with Adjustment

More complex case is where there are adjustments (corrections) involving negative assistance certs

Most complex case is where both regular assistance and adjustments are involved

Important Note

Only regular assistance transactions and adjustment transactions involving certs with negative assistance are subject to the following rules
RADN Comment Field

- Comment field for **RADN Miscellaneous Accounting Request** has specific formatting rules to facilitate monitoring.

- Information to be shown includes:
  - Unit Number
  - Head Last Name
  - Head First Name
  - Assistance/Adjustment
  - Cert Type
  - Cert Effective Date
  - Prior/New (applies only to adjustments)
  - Cert Assistance

RADN Requested Amount

- The RADN requested amount always for same amount but the opposite sign of amount in record being reversed.

- The requests are grouped:
  - By household and unit
  - With regular assistance first
  - Followed by any adjustment reversals,
  - Prior before new and
  - In effective date order within Prior/New
Format of RADN Comment Field

The periods are intended to help indicate field length

Would be replaced by spaces in a real record.

Note that there is a space as filler between fields.
Example RADN Request

For example, a RADN request for a tenant with a regular assistance amount would look like this:

3781 Smith          Amanda      ASSIST AR    01/01/2016    -120

The amount for this RADN request would be +$120.

Rule

You reverse the AP amount when the calculated assistance for the certification is negative

The rule doesn’t necessarily apply to a negative adjustment
Adjustment Example

- Original AR AP = $100.00
- AR is corrected and new AP is -$80.00
- First adjustment is reversing the original AP request (-$100.00)
- Second adjustment is billing for new AP at -$80.00
- Only adjustment subject to the RADN reversal is the -$80.00 because that is the negative RAD AP.

Spec

Adding examples to spec
Example RADN Request w Adjustment

- Assume 1/1 AR that is corrected 3 months after submission where assistance changes from -$120 to -$125

- Prior RADN adjustment would have been +$120 each voucher month (total $360-3 months at 120).

- When cert is corrected, requested amount for this first RADN row would be -$360.

Example RADN Request w Adjustment (cont.)

The Corrected AR will have a new adjusted TTP for each of the 3 months:

3781 Smith    Amanda    ADJUST AR* 01/01/2016 N  -125
Example RADN Request w Adjustment (cont.)

- New adjustment would be -$375 (3 months at -$125).
- Requested amount for the second RADN row would be +$375 to offset
- Net of the two transactions is +$15 (-360 + 375)
TIP & Rent for RAD w/ LIHTC

New HUD Notice clarifies when LIHTC and RAD are combined, tenant whose assistance is zero or negative pays the lesser of applicable LIHTC rent or RAD rent

This is treated as a rent override situation when the LIHTC rent wins

TIP and Rent for RAD + LIHTC

If LIHTC rent is lower, we force the TR to equal LIHTC Rent (Max LIHTC Rent less UA) and adjust TTP such that TTP – UA = TR as we do when forcing PRAC tenant to operating rent for failure to recertify
HUD will not pay subsidy in this situation
(if the resulting subsidy is positive)

Force subsidy to the lesser of calculated assistance and 0

If assistance calculates as positive, reduce it to 0
If assistance calculates as negative, leave it alone???
Zero stays zero
### TTP and Rent for RAD + LIHTC

#### Assistance starts negative and ends negative

<table>
<thead>
<tr>
<th></th>
<th>Normal Calculations</th>
<th>Force TR to LIHTC Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rent</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>TTP</td>
<td>650</td>
<td>605</td>
</tr>
<tr>
<td>UA</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>TR</td>
<td>620 (TTP - UA)</td>
<td>575 (LIHTC Rent)</td>
</tr>
<tr>
<td>Assistance</td>
<td>-50 (GR - TTP)</td>
<td>-5 (Leave alone)</td>
</tr>
<tr>
<td>LIHTC Rent</td>
<td>605</td>
<td></td>
</tr>
<tr>
<td>Less UA</td>
<td>575</td>
<td></td>
</tr>
</tbody>
</table>

**Assistance changes from -50 to -5**

#### TTP and Rent for RAD + LIHTC

#### Assistance starts negative and ends positive

<table>
<thead>
<tr>
<th></th>
<th>Normal Calculations</th>
<th>Force TR to LIHTC Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rent</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>TTP</td>
<td>650</td>
<td>550 (TTP = TR + UA)</td>
</tr>
<tr>
<td>UA</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>TR</td>
<td>620 (TTP - UA)</td>
<td>520 (LIHTC Rent)</td>
</tr>
<tr>
<td>Assistance</td>
<td>-50 (GR - TTP)</td>
<td>0 (Force to 0)</td>
</tr>
<tr>
<td>LIHTC Rent</td>
<td>550</td>
<td></td>
</tr>
<tr>
<td>Less UA</td>
<td>520</td>
<td></td>
</tr>
</tbody>
</table>

**Assistance changes from -50 to 0**
RAD Rent Phase Ins

- There are two changes to the 202D rules for 203A:
  
  - **No Change:** Covers ICs that are part of a conversion to RAD—not subsequent MIs or ICs.
  
  - **No Change:** Tenant pays prior TTP at IC

- **Change:** Whether or not a phase-in is needed is determined at the time of the IC
  
  - If yes, then phase-in starts with first AR or IR post after conversion

- **Change:** Phase-in calculations are not done on UTs or GRs

- **No Change:** Phase-in calculations
RAD Rent Phase Ins


- Changes the rent phase-in percentages
  - 3-year from 33, 66, 100 to 33, 50, 100
  - 5-year from 20, 40, 60, 80, 100 to 20, 25, 33, 50, 100

RAD Rent Phase Ins


Notice states that rules applicable to a RAD contract depend on the Notice in effect at the time of the RAD closing

In the case of phase-ins, the phase-in percentages to use are those based on the notice in effect at RAD closing
RAD Rent Phase Ins

- If closing is subject to the old notice then use the old percentages (33, 66, 100 or 20, 40, 60, 80, 100)

- If closing is subject to the new notice, then use the new percentages (33, 50, 100 or 20, 25, 33, 50, 100)

- The RADPhase-In spreadsheet has been revised to cover both scenarios

RAD Rent Phase Ins – UT/GR

- Special rules apply to partial certs (UT/GR)
  - Go back to the prior full cert
  - Drop in the new rent and UA
  - Recalculate the cert based on the rules that applied at the time
  - Use the TTP, TR and Assistance that results as the values for the partial cert
Transition Rules

Rules described apply to conversions (new ICs) done using TRACS 2.0.3.A.

Any conversions/ICs done under TRACS 2.0.2.D use the 2.0.2.D rules.

ICs will be identical for both TRACS versions—tenant pays TTP in effect at time of the conversion.

What is different is the decision on whether to implement rent phase-in is done immediately under 2.0.3.A but only on the first AR or IR post-conversion for 2.0.2.D.
Transition Rules

Once the phase-in determination is done, the 2.0.3.A rules apply with respect to the treatment of partial certs executed under 2.0.3.A.

2.0.2.D rules apply to partial certs executed under 2.0.2.D.

Information May Change Based on Future Clarification
Corrections to RAD Conversion ICs

Is Phase-In decision re-determined if IC is corrected?

Yes
Phase-In is re-determined
Only if OA is correcting an original Conversion IC and not a corrected IC done to implement an AR or IR effective on the same date.
Corrections to RAD Conversion ICs

AR or IR on the conversion date

This occurs in the odd (and rare) case of an AR or IR effective on the conversion date

Conversions can be effective any day of the month

Conversion date must be first of month for this problem to be an issue

AR (50058) was previously scheduled for the conversion date and may have been complete/signed

On AR effective date/RAD conversion date, AR is invalid
  • PIH rules no longer apply and
  • Cert never takes effect

It is like the PIH AR never occurred
The conversion IC is used to determine if phase-in applies

So the conversion IC uses the facts from the most recent 50058

prior to the conversion date

not the facts from the AR

The conversion IC is immediately corrected to reflect income calculation to be use for the AR

Apply a rent phase-in calculation if necessary

This is now considered the first AR post conversion

Phase in determination is based on conversion IC and, if phase-in applies it begins with AR/corrected IC
Corrections to RAD Conversion ICs

If the conversion IC was corrected to implement AR/IR with an effective date that is the same as the conversion date, there may be a reason to correct it depending on the reason for the correction to the original IC (e.g. SSN correction) but that IC is not involved in a decision concerning phase-in.

Example

- RAD Conversion 10/1
- Resident AR anticipated effective date 10/1
- Conversion IC effective 10/1 using data from 50058 in effect before 10/1 AR
- Determine whether Rent Phase In applies
- No Rent Phase In
- Submit Conversion IC
- Correct Conversion IC to show any changed information that should be included on 10/1 AR
- This is the first AR/IC post-conversion
- Submit the corrected IC
- AR income is found to have been incorrect
- The AR/IC is corrected to reflect new income
- No new phase-in determination is done
The RADPhase-In spreadsheet now has a new tab giving examples of phase-in determinations and cert corrections.

### Phase In Calculations 1

#### Typical Cases

<table>
<thead>
<tr>
<th>Cert Sequence</th>
<th>Do Phase-In?</th>
<th>Phase-In Calcs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Conversion Cert</td>
<td>IC</td>
<td>1/1/2017</td>
</tr>
<tr>
<td>2</td>
<td>AR</td>
<td>2/1/2017</td>
</tr>
<tr>
<td>3</td>
<td>AR</td>
<td>2/1/2018</td>
</tr>
<tr>
<td>4</td>
<td>AR</td>
<td>2/1/2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cert Sequence</th>
<th>Do Phase-In?</th>
<th>Phase-In Calcs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Conversion Cert</td>
<td>IC</td>
<td>1/1/2017</td>
</tr>
<tr>
<td>2</td>
<td>AR</td>
<td>2/1/2017</td>
</tr>
<tr>
<td>3</td>
<td>AR</td>
<td>2/1/2018</td>
</tr>
<tr>
<td>4</td>
<td>AR</td>
<td>2/1/2019</td>
</tr>
</tbody>
</table>
# Phase In Calculations 2

## Less Typical Cases

<table>
<thead>
<tr>
<th>Cert Sequence</th>
<th>Do Phase-In?</th>
<th>Phase-In Calcs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Conversion Cert</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>2</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>3</td>
<td>AR</td>
<td>2/1/2017</td>
</tr>
<tr>
<td>4</td>
<td>AR</td>
<td>2/1/2018</td>
</tr>
</tbody>
</table>

# Phase In Calculations 3

## Very Rare Cases

The AR/IR effective on the same date is never used to determine phase-in

<table>
<thead>
<tr>
<th>Cert Sequence</th>
<th>Do Phase-In?</th>
<th>Phase-In Calcs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Conversion Cert</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>2</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>3</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>4</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cert Sequence</th>
<th>Do Phase-In?</th>
<th>Phase-In Calcs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Conversion Cert</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>2</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>3</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
<tr>
<td>4</td>
<td><strong>IC</strong></td>
<td>1/1/2017</td>
</tr>
</tbody>
</table>
Repayment Agreements & FSS Escrow Tracking
Repayment Agreements & Escrow Accounting

MAT30, Section 7 record being repurposed for TRACS 2.0.3.A to include information for Repayment Agreements and transactions related to deposits and withdrawals for FSS Escrow Accounts.

Repayment Agreements & Escrow Accounting

The Section 7 Record being renamed Repayments and Escrows.

In the future, additional escrow/agreement types may be reported in the Section 7 Record.
HUD has discovered that Repayment Agreement data transmitted to TRACS is often of poor quality.

As a result, fields are being added to the MAT30, Section 7 record to better tie a transaction to the ones previous to it and immediately after it.
Implement Family Self Sufficiency

- Promotes Self Sufficiency
- Family/Resident enters into Contract of Participation (CoP) with OA
- Participates in training and employment programs
- When TTP increases, difference deposited into an escrow account
- Once CoP is fulfilled, money goes to resident
- If resident defaults, money goes to HUD

Example – Very Basic

- Ben is unemployed and pays $25.00 TTP
- Ben enters into FSS Contract of Participation (CoP)
- Ben gets a job in year one and earns $24000.00
- Ben pays new TTP of $600.00
- $575 is deposited into FSS Escrow Account
- This continues until FSS Agreement is fulfilled
- At the end, resident receives money in FSS Escrow Account
New Special Status Code

- New code F added

- **F = FSS-Family Self Sufficiency Participant** (such individuals have executed an ITSP-Individual Training and Services Plan. ITSPs are attached to, and incorporated as part of, the CoP-Contract of Participation)

- Not all household members might be participants.

- The Special Status Code, MAT10, Section 3 Field 10, widened to 10 characters

- Former “future code” of F for frail elderly has been dropped.

Note that HUD Form 50059 is not being modified at this time to allow more space for printing codes. The existing space is adequate to handle an additional code.

Family Self Sufficiency

- The Section 7 record will now be used to hold information about FSS escrow account transactions--contributions to/withdrawals from escrow account as called for by FSS COP

- Withdrawals may be made when tenant fulfills COP requirements or when participation in program is terminated.

- Owner/agents supporting FSS program should follow HUD FSS guidance with respect to escrow account.
New Fields

Added fields include a
Record Type,
Agreement End Date,
Status,
Beginning Agreement Amount and
Beginning Balance.

Changed Fields

The existing Agreement Amount Field
has been renamed to
Ending Agreement Amount and
Agreement Type
has been renamed to
Transaction Type.
List of Fields--Reordered

- Record Type
- Head Last Name
- Head First Name
- Unit Number
- Agreement ID
- Agreement Date
- Agreement End Date
- Transaction Type (formerly Agreement Type)
- Status
- Beginning Agreement Amount
- Agreement Change Amount
- Ending Agreement Amount (formerly Agreement Amount)
- Beginning Balance
- Total Payment
- Ending Balance
- Amount Retained
- Amount Requested

New/Renamed Fields

- Record Type (R, F)
- Agreement End Date: Only for FSS-5 year term
- Transaction Type: O, D, W, C for FSS
- Status: Next slide
- Beginning Agreement Amount: from last transaction
- Ending Agreement Amount
- Beginning Balance: from last transaction
Status Field

- AV = Active = Tenant Is On Target With Repayment Agreement/Escrow Account Requirements
- IA = Inactive = Tenant has missed 3 consecutive payments. Set on month 4. (Repayment Only)
- RV = Reversed = Agreement/Escrow entered in error
- TE = Terminated = OA unable to enforce agreement. Court order. (Repayment Only)
- CO = Completed = Tenant Successfully Completed Repayment Agreement/Escrow Account Requirements
- SU = Suspended = Tenant unable to make payments due to reduced income (Repayment Only)
- MO = Moved-out Inactive = Former resident no longer making payments (Repayment Only)
- MA = Moved-out Active = Former resident making payments (Repayment Only)
- TR = Transferred to Another Property = Former resident still participating but in another property (FSS Escrow Only)

The Rules

Be familiar with how the rules work

For example, an active repayment agreement will appear on the voucher every month even if there is no payment (subject to the 3 month – no payment rule)
The Rules

All Repayment Agreement Records and all Records for FSS Escrow Accounts must have a status code.

See MAT Guide Chapter 4, Paragraph 4.9 Repayments and Escrows for the rules for what records to include on the first 2.0.3.A voucher transmission.

The Rules

When description for a status indicates, “Normally no further transactions are submitted for this ID”, this assumes that status has been entered correctly and there is no cause to change status later on.

However, situations may arise that result in a new transmission for the ID with a new status or correcting numbers related to prior transaction.
### Rules AV - Active

<table>
<thead>
<tr>
<th>Repayment</th>
<th>FSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current resident is in repayment and is making periodic payments.</td>
<td>Current resident is compliant with FSS requirements outlined in the FSS contract.</td>
</tr>
<tr>
<td>Must appear on the voucher each month.</td>
<td>Must appear on the voucher each month.</td>
</tr>
</tbody>
</table>

### Rules - CO Completed

<table>
<thead>
<tr>
<th>Repayment</th>
<th>FSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment Agreement fulfilled.</td>
<td>Resident has completed the agreement and Escrow funds have been distributed as appropriate.</td>
</tr>
<tr>
<td>All assistance-paid-in-error has been returned to HUD.</td>
<td>FSS Agreements with this status only appear on voucher one time when CO status is indicated.</td>
</tr>
<tr>
<td>Repayments with this status only appear on voucher one time when CO status is indicated.</td>
<td>Normally no further transactions are submitted for this ID.</td>
</tr>
<tr>
<td>Normally no further transactions are submitted for this ID.</td>
<td>Normally no further transactions are submitted for this ID.</td>
</tr>
</tbody>
</table>
Rules – SU Suspended

(Repayment only)
Current resident is in repayment but income has been reduced and resident is unable to make regular periodic payments.

Resident returns to Active Status once a single payment is received.

Must appear on the voucher each month.

Rules – TE Terminated - Repayment

Do not use this code if income is reduced and the resident can no longer make payments. Use SU instead.

Use TE when OA is unable to enforce repayment agreement terms due to outside decisions such as a court orders.

Normally no further transactions are submitted for this ID.

Note – if a judge throws out the agreement and says that the tenant does not need to pay, terminate the agreement but do not change the current balance reported to TRACS.

This tells HUD that the OA cannot collect because of a judgement.
Rules - TE Terminated - FSS

Current resident has withdrawn or been removed from FSS Agreement/program and escrow money is being returned to HUD.

FSS agreements with this status only appear on voucher one time when TE status is indicated.

Normally no further transactions are submitted for this ID.

Rules - Reversed

**Repayment**

Use when the resident (current or former) should not have been subject to repayment.

- Resident was not responsible for returning any housing assistance to HUD.
- Agreements with this status only appear on the voucher one time when the RV status is indicated.
- Normally no further transactions are submitted for this ID.

**FSS**

Use when the resident (current or former) is assigned an FSS Agreement in error (usually wrong resident).

- Agreements with this status only appear on the voucher one time when the RV status is indicated.
- Normally no further transactions are submitted for this ID.
Rules - Inactive

(Repayment only)

Current resident is in repayment but has missed three consecutive payments.

Rules - Inactive

Fourth submission must include a payment or the Status Code must be changed to

- IA (Inactive),
- MO (Moved out Inactive),
- TE ( Terminated)
- SU (Suspended),
- CO (Completed) or
- RV (Reversed)
Rules – Inactive to Active

Current resident returns to Active Status once a single payment is received.

Must appear on the voucher each month.

Rules MA – Moved Out Active

Repayment only

Former resident **still making periodic payments**.

Must be displayed on the voucher each month.
Rules – TR Transferred

FSS only

Former resident is still participating in and fulfilling requirements under FSS program.

FSS Agreements with this status only appear on the voucher one time when TR status is indicated.

Rules – TR Transferred

Normally no further transactions are submitted for this ID.

Depending on circumstance (Transfer is to another MF project or to PIH property) transaction numbers will either follow rules for a Termination or a Completion.

Check with HUD for guidance when this situation arises
Rules – MO Moved Out Inactive

Repayment only

**Former resident** is no longer making periodic payments.

Use if MA record indicates three or more consecutive missed payments by former resident.

---

Rules – MO Moved Out Inactive

Resident returns to Active Status once a single payment is received.

Status **must** change to MA if payment is processed.

Repayments with this status only appear on the voucher one time **when the MO status is indicated**.

Normally no further transactions are submitted for this ID.
Submitting a Repayment Agreement/Escrow Baseline

• Required on the first 2.0.3.A voucher

• Submit one record for every repayment agreement (T/N/O) that has not been fully paid for:
  • Any current resident
  • Any former resident who continues to pay

Not Conditional

If resident is required to return assistance-paid-in-error, repayment baseline must be submitted
Not Conditional

True regardless of whether agreement type is T or N

True even if OA never submitted anything to show this assistance-paid-in-error

Inventory

- Basically, this is an inventory of
  - Current Residents who owe
  - Prior Residents who continue to pay
Open Question - Repayment

After tenant has made one or more repayment agreement payments and judge voids entire agreement, what is the correct procedure for returning funds to tenant and terminating agreement while still keeping OA whole?

Open Question - Adjustment FSS Escrow

What is proper method to account for retroactive adjustments to escrow contributions.

We believe these should be shown as a series of undo-new transactions on the MAT30-6 so that reviewers can follow and confirm the math.
Changes to the Specification

2.16 Reminders
MATGuide Changes

- MAT Guide Chapter 4 Edits
  - Changes to address design changes or policy clarification
    - Added examples
    - Added explanations
  - Can modify as long as we do not change design
  - Edits changing design won’t be included until 203B (with HUD approval)
    - Unless HUD wants the change
New Errors

Errors have been modified

TRACS Errors

MAT Errors vs TRACS Errors

Certification and Voucher Edits (Compliance)
Still Visiting

- Hard edits on use of a T numbers when the SSN Exception is used

- Reducing the Fatal Error to a Discrepancy with an action code of 1 for multiple subsidy
  - Complies with current HUD guidance
  - Reduces risk of improper payment
Note: if any of fields 27-30 are filled with “Y” then field 17 (Ethnicity) must be set to a value of 1.

- 27 = Puerto Rican
- 28 = Cuban
- 29 = Mexican, Mexican American, Chicano/a
- 30 = Another Hispanic, Latino/a or Spanish Origin
Race & Ethnicity Data - Asian

The following Race fields have been added:

Note: if any of fields 31-37 are filled with “Y” then field 19 (Race – Asian) must be set to Y.

- 31 = Asian India
- 32 = Japanese
- 33 = Chinese
- 34 = Korean
- 35 = Filipino
- 36 = Vietnamese
- 37 = Other Asian

Race & Ethnicity Data – Native Hawaiian or Other PI

Note: if any of fields 38-41 are filled with “Y” then Field 21 (Race – Native Hawaiian or Other Pacific Islander) must be set to Y.

- 38 = Native Hawaiian
- 39 = Samoan
- 40 = Guamanian, Chamorro
- 41 = Other Pacific Islander
Race & Ethnicity Data - 50059

- Reporting of Race and Ethnicity on printed 50059 is unchanged from 2.02.D

- None of the new Race and Ethnicity values are to be printed on the form.

- New Race and Ethnicity values are to be transmitted as part of the MAT record

- See MAT Guide, Chapter 5, for revised instructions

New Bills

US HR 482 and SB 103

Would stop the collection, storage, and distribution of data on racial disparities in communities and with access to affordable housing

Text of the bill, “Local Zoning Decisions Protection Act of 2017,” would nullify HUD’s 2015 “Affirmatively Furthering Fair Housing” report to have “no force or effect” by taking away the data needed to complete AFHMPs accurately
Previous Housing Code

<table>
<thead>
<tr>
<th>Code 2 = Without or Soon to Be Without Housing.</th>
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<tbody>
<tr>
<td>May not be the value in the Previous Housing Code field for any MI effective 10/1/2015 or later</td>
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<table>
<thead>
<tr>
<th>TRACS 2.0.2.D</th>
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</thead>
<tbody>
<tr>
<td>Two new codes</td>
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<tr>
<td>5 = Lacking a Fixed Nighttime Residence and</td>
</tr>
<tr>
<td>6 = Fleeing/Attempting to Flee Violence</td>
</tr>
</tbody>
</table>

Streamlining – SSN Minor at MI

- New Rule
- CAs should be familiar with 202D to 203A requirements
- CAs should be familiar with certification requirements
- Extensive language included in the spec
ELI Calculations for > 8 Members

• Since definition of ELI has changed from 30% of median income to greater of 30% of median or the poverty threshold, our old calculation rules no longer apply to ELI

• Income limit to be used for any family size is the greater of 30% limit and poverty threshold for family size.

• The result is capped at Very Low Limit

ELI Calculations for > 8 Members

Poverty Thresholds are published in mid- to late January and the HUD limits are posted in March
ELI Calculations for > 8 Members

Question

Do we start using the January Poverty Thresholds immediately when determining ELI limits for more than 8 household members?

2/7/2017

ELI Calculations for > 8 Members

Question

NO: Poverty Numbers are baked into the ELI values that HUD publishes AND into the online tool for calculating limits for > 8 people

For ELI purposes the Poverty Thresholds become effective when the HUD Income Limits become effective

2/7/2017

Information May Change Based on Future Clarification
811 PRA Demo Special Claims

Vacancy Claims

• Under the 811 PRA Demo program, state agency administering program may allow vacancy claims or not.

• If they do, they can set payment percentage other than traditional 80%.

• Site/CA software needs to support whatever value state agency uses keeping in mind that value may differ from state to state.

History Baselines

There are situations where Floor Plan Identifiers (Unit Types) change over time.

Most typical case is where, in multiple building project, rehab causes different set of utility allowances in one or more buildings

This necessitates the addition of new Floor Plan IDs to accommodate the differences.
History Baselines

History Baseline calls for one MAT91 Record for each Floor Plan Identifier and the corresponding MAT15 records include the Floor Plan ID.

The MAT92 Unit Rent records also use the Floor Plan ID in reporting the rent history.

History Baselines

Because a Unit can only have a single Floor Plan ID, we will adopt the following convention for History Baselines:

The Floor Plan Identifier shown in the MAT15 record will be the current ID.

The MAT91 records will include all IDs used during the period of time covered by the baseline.

Similarly, the MAT92 records will report a rent for each ID active as of the Rent Effective Date.
History Baselines

CAs receiving a History Baseline from another CA will be required to make sure the data is valid and provides accurate information in relation to historical changes in a Floor Plan ID for a particular unit.

It may be necessary to manually link historical floor plans to specific units.

Adjustment Cert Types

• On voucher, certification types applicable for Adjustment Records (MAT30, Section 4) are now all mandatory.

• Codes for full certification/UTs (AR-O, AR-I, IR-O, IR-I, IC-O and IC-I) were added late in 202D design process and were considered optional for 202D.

• With 203A UT-O and UT-I are no longer permitted for a full certification/UTs.
Origination of Data – CA Changes

Added examples of “legal changes” to the spec document but please refer to Chapter 4, 4.39.12 for full details.

Legal changes include record numbers, version numbers, date/time stamps, voucher dates, correction and baseline flags.

Use of Security and Pet Deposits

Tenant's security deposit may be applied against the balance in a repayment agreement, after first being applied to unpaid rent, damages and other charges.

However, a pet deposit may not be applied to a repayment agreement balance unless the tenant gives permission to do so.
Still Pending
Outstanding – Corrected Vouchers

- Voucher Hub asks for corrections to prior vouchers even after subsequent vouchers have been paid
- Note that this requirement is not limited to the immediately previous voucher.
- Proposed alternative

Caveat

If subsequent vouchers have been submitted but not paid then voucher corrections may be required
Proposed Alternative

- Voucher is suspended
- Subsequent voucher is paid
- OA is not required to correct suspended voucher
- Voucher should be released once data is corrected and transaction reflected as
  - Adjustments or
  - Miscellaneous Accounting Requests
- Caveat is still true
Final Version

- This is the final version
- Clarifications don’t equal “change” and will not reset the clock per se
- Forms approval (biggest risk)

New 203A Schedule

- The test region is up and running
- 203A Go Live Date = August 1, 2017
- Final date to submit 2.0.2.D files October 31, 2017
- CAs are required to implement at the same time TRACS
- Three-month transition period
- At the end of the transition (November 1, 2017), all files submitted by OAs to TRACS or CAs must be in 2.0.3.A format.
### Contact Information

<table>
<thead>
<tr>
<th>Mary Ross</th>
<th>Jed Graef</th>
</tr>
</thead>
<tbody>
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<td><a href="mailto:jed.graef@hdsoftware.com">jed.graef@hdsoftware.com</a></td>
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<td>770-424-1806 office</td>
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<td>678-570-7044 mobile</td>
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<tr>
<td>770-424-5412 fax</td>
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