Illinois
Owner/Agent Meeting
July 30, 2018

Working Cooperatively
with Our Industry Partners
## Owner/Agent Meeting Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:30 p.m.</td>
<td>Welcome &amp; Opening Remarks</td>
<td>Valerie Todaro,</td>
<td>Chief Executive Officer National Housing Compliance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dan Burke,</td>
<td>Director, Multifamily HUB U.S. Department of HUD</td>
</tr>
<tr>
<td>1:00 p.m.</td>
<td>Back to Baselines</td>
<td>Kim Lance</td>
<td>Director, Asset Managers</td>
</tr>
<tr>
<td>1:30 p.m.</td>
<td>VAWA, EIV &amp; FAST</td>
<td>Umeka Taylor</td>
<td>Compliance Manager</td>
</tr>
<tr>
<td>2:30 p.m.</td>
<td>TRACS Troubleshooting</td>
<td>Lisa Furbush</td>
<td>Voucher Financial Manager</td>
</tr>
<tr>
<td>3:15 p.m.</td>
<td>Resident Concerns – Call Us Maybe?</td>
<td>John Nocheherly</td>
<td>Senior Compliance Manager</td>
</tr>
<tr>
<td>3:45 p.m.</td>
<td>Q&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4:00 p.m.</td>
<td>Meeting Adjourned</td>
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</tbody>
</table>
Back to Baselines

Presented by
Kim Lance
Director, Asset Management
HUD’S U/A Methodology

- HUD Notice 2015-04 Issued June 22, 2015
- FAQ’s Issued
Methodology Requirements

- Methodology requirements put into place for properties with contract anniversary dates on or after December 18, 2015.

- Some properties had baselines waived for 1 year.

- Auto OCAF/Renewal notices from NHC will indicate if a baseline is due or UAF can be used instead.
Methodology Requirements

- Must establish baseline analysis for each bedroom size once every third year.
- After baseline is established, owner has option to perform a factor-based utility analysis for 2 years.
- Consistent sample size requirements outlined in notice.
Baseline Utility Analysis

- Request utility data from either the utility company or the tenant household.

- Must be done for each bedroom size at the property.

- Must meet minimum sample size.
# Sample Size Requirements

<table>
<thead>
<tr>
<th>Number of Units/per bedroom size</th>
<th>Minimum Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-20</td>
<td>All units</td>
</tr>
<tr>
<td>21-61</td>
<td>20</td>
</tr>
<tr>
<td>62-71</td>
<td>21</td>
</tr>
<tr>
<td>72-83</td>
<td>22</td>
</tr>
<tr>
<td>84-99</td>
<td>23</td>
</tr>
<tr>
<td>100-120</td>
<td>24</td>
</tr>
<tr>
<td>121-149</td>
<td>25</td>
</tr>
<tr>
<td>150-191</td>
<td>26</td>
</tr>
<tr>
<td>192-259</td>
<td>27</td>
</tr>
<tr>
<td>260-388</td>
<td>28</td>
</tr>
<tr>
<td>389 and above</td>
<td>29</td>
</tr>
</tbody>
</table>
## Sample Size Example

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>Number of Contract Units</th>
<th>Sampling for Utility Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bedrooms</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>113</td>
<td>24</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>74</td>
<td>22</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Total units</td>
<td>252</td>
<td>81</td>
</tr>
</tbody>
</table>
Units Excluded from Sample Size

- Units receiving an increased U/A as a reasonable accommodation
- Units vacant for more than 2 months. Units included in the sample should have at least 10 months of occupancy
- Units receiving a flat utility rate as part of a low-income rate assistance utility program
Excel Spreadsheet

- Calculations can be made using a software tool of the owner’s choice or owners may use the Excel Worksheet offered by HUD.

- A protected Worksheet can be found on HUDCLIPS (password is Sharkey).

- Ensure Worksheet is used correctly, including not putting a zero in the blank spaces.
“Raising the Bar in Compliance”
U/A Decreases - Step by Step

If your U/A analysis indicates a decrease in U/As is necessary, the following actions must be taken:

- The decrease is an increase in the tenant’s portion of the rent and must be posted for tenant comment for 30 days as required by 24 CFR 245.405 (a) and 245.410.
Comments

30 DAYS
U/A Decreases - Step by Step

- Once the 30 day comment period has passed, the owner must certify the posting took place and the owner has reviewed and evaluated all comments.

- Certification form (24 CRF 245) must be dated after 30 day posting period.
U/A Decreases - Step by Step

- After the 30 day comment period, a 30 day notice must be sent to the tenant of the approved U/A decreased amount.

- The 30 day notice must be in compliance with Chapter 6-11 of the 4350.3 REV-1 Guidebook.

- Phase-In of Decreases no longer required!
Rural Housing Projects (RHS)

- HUD clarified in the Section 8 Renewal Policy Handbook, Chapter 2 that RHS utility allowance calculations are not acceptable.
- Section 8 Policy Guidebook Chapter 2 – 17 part g.
Back-Up Documentation Requirements

- Can be from the utility provider or from the tenant directly;
- A combination of both can be used or either method;
- The starting month of the back-up documentation must be within 18 months of the contract anniversary date;
- The back-up documentation should cover the same time period to the greatest extent possible.
Back-Up Documentation Requirements

- In years when a UA baseline is anticipated, the owner must make every effort to collect information from residents prior to moving out of a unit.

- Data can be combined for multiple households that lived in a unit to obtain a minimum 10 months of data.
  - Example: 5 months from current resident and 5 months from a previous resident.
Best Practices

- The owner must demonstrate that EVERY EFFORT has been made to obtain the required sample and to otherwise meet the requirements of the analysis.

- It is the owner’s responsibility to provide an analysis that follows the protocol outlined in the notice.

- It is HUD/CA’s responsibility to make sure that the analysis justifies the resulting U/As with whatever compromises in the sampling were necessary to achieve that analysis.
Best Practices Continued…

- Obtain a Tenant Utility Release Form at Move-In and Annual Recertification.

- The tenant is required to sign a release as part of the HUD Model Lease for Subsidized Projects.

- The Release remains applicable for the household’s term of tenancy; however, there may be utility providers that require a signed release more frequently.
Best Practices Continued…

 Owners are encouraged to include language in their House Rules advising tenants of their obligation to sign release forms and to provide any information deemed necessary in administration of the Section 8 program, or face possible termination.

 Any changes to a property’s House Rules must be done according to the procedures outlined in HUD Handbook 4350.3,REV-1 paragraph 6-9.
Penalties for Tenant Noncompliance:

- Failure to comply with the requirements is a lease violation and may result in termination of tenancy.

- If an owner pursues termination of tenancy, the termination must be carried out in accordance with Chapter 8 of HUD Handbook 4350.3.
Best Practices Continued…

When there is 100% sample size requirement and units are excluded due to vacancy (vacant more than 2 months):

- Provide Move-In and Move-Out dates of tenant for verification.

- Properties with multiple section 8 contracts- baseline analysis is done by property.
Best Practices Continued…

When there is 100% sample size requirement and units are excluded due to flat rate billing:

- Indicate Flat Rate billing on the spreadsheet and provide back up documentation (tenant bills showing same amount each month or utility company print out).

**Note:** If Flat Rate billing is the majority at the property, then the Flat Rate billing would be used in the analysis.
Best Practices Continued…

For Larger properties:

- Take the time to analyze the data on hand…. Is it representative of the actual bills of most of the tenants at the property?

- Consider submitting the U/A data most representative of the utility costs at the property in the sample size. (Submitting a larger sample size may be necessary.)
Smaller Properties:

- Demonstrate that every effort has been made to provide the minimum sample size.

- Lease violation letters must be issued if tenant does not comply. Copies of letters should be sent with analysis to prove that every effort has been made.
Best Practices Continued…

- Late and “other” charges are not allowed to be used as part of the utility allowance calculations.

- Owners can use a combination of data collection methods (some bills from residents, some from utility provider).

- Encourage tenants with medical equipment who have extraordinary utility bills to seek a reasonable accommodation for a higher utility allowance.
Go ahead and post for tenant comment the proposed U/A amount when submitting to HUD/CA.

HUD/CA can change the approved amount up or down and the 30 day posting for comment is still valid.

No need to repost for 30 day comment period.
Best Practices Continued…

- It is the Owner’s responsibility to submit a U/A analysis that meets the new methodology.

- An incomplete U/A analysis is not acceptable.

- The rent adjustment effective date will not be delayed due to incomplete U/A unless there is a U/A decrease. The decrease will require tenant posting/notice requirements (if not already met).
Best Practices Continued…

What happens when the minimum sample size cannot be obtained?

- Depends on circumstances.
- The FAQ’s address “perfect” analysis hard to obtain.
- It is the CA’s responsibility to ensure the analysis justifies the resulting U/As with whatever compromises in the sampling were necessary to achieve that analysis.
- If circumstances warrant, CA can recommend a baseline the following year in consultation with HUD.
QUESTIONS
VAWA, EIV & FAST

Presented by
Umeka Taylor
Compliance Manager
Violence Against Women Act (VAWA)

- Legal protection for victims of domestic violence, dating violence, sexual assault, or stalking.
  - Reauthorization Act of 2013
  - Protections for Women, Men, Gender Identity, Sexual Orientation.

- VAWA Emergency Transfer (VET) Policy.
  - Effective: June 14, 2017

- Expanded to include:
  - 202 PAC/PRAC, 811s, HOPWA, HOME, 221(d)(3) BMIR, 236, LIHTC, 515s
    - Check with the authority for the applicable rules.
VAWA Protections

- Victims of VAWA have federal fair housing rights.
- The protections extend to:
  - A spouse, parent, brother, sister, or child of the victim;
  - A person in the care or custody of the victim; and/or
  - Any applicant/resident or lawful occupant living in the household of the victim.
  - Protections are not provided to guests, unauthorized occupants, live-in aides, or service providers.
VAWA Updates

- Policy changes must be incorporated in:
  - The Tenant Selection Plan;
  - House Rules; and
  - Forms

  ----As the changes effect items such as the transfer policy, preferences, ranking of preferences, etc.

- The Owner/Agent (O/A) must:

  - Keep a record of all emergency transfers requests including the outcomes;
  - Retain records for a period of three (3) years; and
  - Provide an annual report* upon request.

**NOTE:** Currently, HUD hasn’t provided a tracking form for this data.
VAWA Notice Requirements

- Tenants and Applicants must be notified of VAWA rights.
- Form 5380, Notice of Occupancy Rights
- Form 5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
  - Victims have 14 business days to submit certification.
- Form 5381, Emergency Plan
- Form 5383, Transfer Request
- Form 91067, VAWA Lease Addendum
VAWA forms

- Forms 5380 & 5382 must be:
  - Issued at Move-in certification
  - With notice of termination of assistance/tenancy/eviction
  - With Rejection notice

- Not required
  - At Annual Certification
  - To be issued to all applicants (only denials)
  - Lease violation notices (only terminations)
VAWA Addendum

- **Form HUD-91067 - VAWA Addendum**
  - Expiration date of 6/30/2017
  - The expiration date can be removed if you are using TRACS or site software.
  - However, if an expiration date is displayed, the date must be 6/30/2017.
  - Forms in additional languages are posted at [https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud9](https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud9)
  - The English version always has to be completed along with any other language version provided.
VAWA Emergency Transfer Plan (VET)

- The Plan must include policies for:
  - External emergency transfers out of the O/A project.
  - Internal emergency transfer within the O/A project.
  - Confidentiality—prevent disclosure about the new unit.

- Internal Emergency Transfer
  - Emergency relocation of a resident to another unit but the tenant bypasses the applicant process.

- External Emergency Transfer
  - Emergency relocation of a resident to another unit and the tenant treated as a new applicant and completes the applicant process.
The VET Plan must include policies regarding an emergency transfer:

- The applicant/tenant believes that there is an imminent threat so a request for a transfer is made.
- A sexual assault victim may request a transfer within 90 calendar days of an assault that occurred at the property.
- The victim is allowed an internal transfers to a “Safe” unit.
- Describe reasonable efforts the O/A will make to assist residents with external emergency transfers.
Safe Unit

- The victim believes that the unit is safe.
- The victim can repeatedly deny a unit if it is not considered safe.
- The VET must provide details regarding ranking/priority for internal transfers.
- O/A are encouraged but not required to give applicants, that are victims of VAWA, a preference.
VAWA Common MOR Findings

- The Tenant Selection Plan had not been updated to include the policy regarding Violence Against Women Act (VAWA) as part of the screening process.
- Owner has not developed a VAWA Emergency Transfer Plan.
- VAWA Notice of Occupancy Rights and Certification Form not being provided to the applicants and tenants; at the appropriate times.
EIV Policy and Procedures

- Verify Employment and Income of individuals participating in Rental Assistance Programs.

- Owner’s Policies & Procedures
  - Are the correct reports printed and accessed?
  - How often should the reports be reviewed?
  - Is the data secured and confidential?
  - Have you read the Policies & Procedures?
EIV Required Documentation

- Owner Authorization Letter
- Rules of Behavior
  - TRACS version for Users
  - EIV Rules of Behavior
- Authorization Forms for:
  - HUD Form 90011 - Coordinator(s) – renewed annually
  - HUD Form 90012 - User(s) – renewed every six months
    - A valid WASS User ID is required
- Security Awareness Training/Cyber Awareness
  - Required Annually for Users as well as Non-Users

NOTE: All historical data should be available.
The Existing Tenant Search policy must be in the Tenant Selection Plan.

Additional EIV reports must be documented in the Property’s EIV Policies and Procedure.

O/A must use EIV in its entirety.

EIV requirements apply to:
- Any EIV/TRACS Coordinator
- Any EIV/TRACS User
- Any iMAX User (Access to TRACS)
- Any person involved in the certification process, has access to tenant files (e.g., consultants or administrative staff filing paperwork), and/or anyone that views EIV data.
EIV Reports

- **Existing Tenant Search**
  - Printed prior to move-in for all members
    - Includes Children & Live-in Aides

- **Identity Verification Reports**
  - Failed Pre-Screening Report
    - Upon receipt of Social Security number complete an IR or Terminate Tenancy if the household doesn’t comply.
  - Failed Verification Report
    - SSA may provide possible reason for failure.
EIV Reports cont.

- Income Reports: Summary, Income, & Income Discrepancy
- Must be reviewed:
  - Within 90 days after move-in TRACS submission;
  - At the time of Annual and Interim certifications & other times as indicated by the property’s policies and procedures.

**Note:** If the tenant disputes the employment and income information in EIV, the owner must obtain third party verification from the source.
EIV Reports cont.

- **Exclusion:**
  - **Summary Report**
    - Only required to be reprinted if there are changes in household composition after initial confirmation by EIV.
    - A status of “Not Verified” requires no action.
EIV Discrepancies

- Reason for Discrepancies:
  - Tenant’s failure to disclose
  - O/A input error
  - O/A is aware of the discrepancy
  - False Positive

- Discrepancies must be resolved within 30 days.
- HUD Handbook 4350.3, Rev-1, Change 4, Paragraph 7-12 B
  - Notice must be issued when management becomes aware of a change in income or composition.
EIV Reports cont.

- Deceased Tenant Report
  - Submit a move out or Interim Certification
  - Interim Certification
- Multiple Subsidy Report
- New Hires Report
  - New jobs started within the past 180 days
- No Income Reports
  - Procedures must document whether the O/A will utilize this report and/or how if it will be utilized.
  - When utilized, “All” must be selected.
EIV Reports cont.

- No Income on 50059 Report
- No Income from HHS or SSA
  - No requirement to review these reports.
  - Policy and procedures must document whether the O/A will utilize and/or how if will be utilized.
- It is strongly suggested that the O/A meet with zero income households every 90 days.
- Declaration of receipt of assistance on the Zero Income Questionnaire must be verified and included on the HUD 50059 data form.
EIV Reports cont.

- Master Binder Reports (excludes ETS, Income Reports, & No Income Reports)
- Master binder reports must be:
  - Access and Printed using “All”;
  - Must be accessed and printed at least quarterly;
  - Retained for 3 years.
HUD Handbook 4350.3, Rev-1, Change 4, Exhibit 9-5, Use EIV reports

<table>
<thead>
<tr>
<th>Multiple Subsidy Report</th>
<th></th>
<th>Search results</th>
<th>Master file</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifies tenants who may be receiving rental assistance at more than one location.</td>
<td>At least quarterly</td>
<td>Documentation supporting any contacts made or information obtained to determine if household and/or household member is receiving multiple subsidies.</td>
<td>Retain Multiple Subsidy Summary Report and supporting documentation in a master “Multiple Subsidy Report” file for 3 years.</td>
</tr>
<tr>
<td>See Paragraph 9-13.B</td>
<td>Must search both queries: • Search within MF • Search within PIH Provide tenant opportunity to explain any circumstances relative to his/her being assisted at another location.</td>
<td>Documentation to support any action taken if household and/or household member is receiving multiple subsidies.</td>
<td>Tenant file Retain a copy of the Multiple Subsidy Detail Report for the tenant along with any documentation of action taken for a household member for term of tenancy plus 3 years.</td>
</tr>
<tr>
<td></td>
<td>Follow up with respective PHA or O/A, if necessary, to confirm tenant is being assisted at the other.</td>
<td>Note: If a tenant’s multiple subsidies were discussed and resolved at the time of recertification, this must be noted on the related report and</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Failed EIV Pre-screening Report</th>
<th></th>
<th>Failed EIV Pre-screening Report documented with action taken to resolve invalid or discrepant personal identifiers.</th>
<th>Master file</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.</td>
<td>Monthly</td>
<td>Note: This report will include those persons who are exempt from the SSN disclosure and verification requirements. In these instances the O/A will note on the copy of the report retained in the “Failed EIV Pre-Screening Report” master file that tenant(s) is exempt from SSN requirements.</td>
<td>Retain copy of report in a master “Failed EIV Pre-screening Report” file for 3 years.</td>
</tr>
<tr>
<td>Identifies tenants who need to disclose a SSN, e.g., replace TRACS generated ID number.</td>
<td>Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification.</td>
<td>Note: If a tenant’s information was corrected at the time of recertification but the EIV data has not yet been updated, this must be noted on the printed report and no further action is required.</td>
<td>Tenant file Documentation to verify discrepant personal identifiers for term of tenancy plus 3 years.</td>
</tr>
<tr>
<td>See Paragraph 9-13.C.1</td>
<td>Check accuracy of data entry, e.g., 6- numbers not transposed in SSN.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contact tenant and confirm to verify discrepant personal identifiers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Correct TRACS data within 30 days of the date of the report.</td>
<td></td>
<td></td>
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</tbody>
</table>

“Raising the Bar in Compliance”
EIV Error Messages

- Coordinator/User failed to recertify
  - “No Contracts Assigned to this User”

- EIV System not working
  - Print a copy of the Notice and place a copy in the applicable files and master binder.
The EIV Income Disclosure form must be executed by the authorizing household member when assisting with the certification process before the information can be shared with another party (including a spouse).
Safeguarding EIV Data

- Coordinators are required to review the Users.
  - RHIIP ListServ #391
- Must have a procedure to review Users to determine if access is still required.
  - Have past employees been removed?

Enterprise Income Verification

<table>
<thead>
<tr>
<th>Recertification Period</th>
<th>Effective to Date</th>
<th>User Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(09/01/2017 - 09/30/2017)</td>
<td>09/30/2017</td>
<td>Certified</td>
</tr>
<tr>
<td>(10/01/2017 - 10/31/2017)</td>
<td>10/31/2017</td>
<td>Certified</td>
</tr>
<tr>
<td>(10/01/2017 - 10/31/2017)</td>
<td>10/31/2017</td>
<td>Certified</td>
</tr>
<tr>
<td>(10/01/2017 - 10/31/2017)</td>
<td>10/31/2017</td>
<td>Certified</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Expired</td>
</tr>
<tr>
<td>(06/01/2017 - 06/30/2017)</td>
<td>06/30/2017</td>
<td>Pending Recertification</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Expired</td>
</tr>
<tr>
<td>(06/01/2017 - 06/30/2017)</td>
<td>06/30/2017</td>
<td>Pending Recertification</td>
</tr>
<tr>
<td>(06/01/2017 - 06/30/2017)</td>
<td>06/30/2017</td>
<td>Pending Recertification</td>
</tr>
</tbody>
</table>
EIV Common MOR Findings

- EIV supporting documents are not available for review.
- Staff with access to the tenant files haven not taken the Cyber Awareness Test.
- Not reviewing the EIV Income Report for new admissions in accordance with HUD requirements.
- Not maintaining a master file or running EIV reports at the required intervals.
- Not resolving discrepancies found on the EIV reports.
Fixing America’s Surface Transportation (FAST) Act

- Interim Final rule
  - Issued December 12, 2017 (OPTIONAL)
- HUD Notice 2016-09
  - Streamlining Administrative Regulations for Multifamily Housing Programs
  - Streamlining Rule
    - Effective April 7, 2016
  - Reduce cost and enhance efficiency
  - If tenants object, all income must be verified.
- Policies and procedures must be updated.
Streamlined Verification Method

- Fixed Income
  - 90% of income is fixed
    - Social Security, Pension, Periodic Payments, etc.
  - Non-fixed income must be verified
- Verify Income once every 3 years
  - Year 1-Third Party Verification
  - Year 2-Apply COLA or fixed increase
  - Year 3-Apply COLA or fixed increase

*Cost of Living Adjustment (COLA)
Streamlined Verification Method

- Third Party Verification
  - Tenant Provided Documents
  - Written Third Party verification
  - EIV is optional in the years streamlining is applied.

- Family Assets below $5,000
  - Year 1-Third Party Verification
  - Year 2-Self-certification
  - Year 3-Self-certification
Streamlined Verification Method

- After Year 3
  - A full income and asset review is required.

- Utility Reimbursements
  - Reimbursements under $15/month
  - Option to pay once per quarter
  - Hardship Policy required

- Effective March 12, 2018
MOR Review

- Did you implement any portion of FAST?
  - When? How?
  - Have operating procedures/policies been updated?
  - Are changes implemented consistently?
TRACS Troubleshooting

Presented by
Lisa M. Furbush, Ph.D.
Voucher Financial Manager
TRACS Release 2.0.3.A

Implementation **tentatively** effective
August 1, 2017 – October 31, 2017
Unique Situations

NHC staff is encountering “creative” solutions from some software vendors when you come across unique issues and contact them for help.

Before implementing creative solutions, please contact your Voucher Specialist for additional guidance.

“Raising the Bar in Compliance”
Must Have’s

- HUD 4350.3 Handbook
- HUD Handbook FAQ’s
- RHIIP ListServ Notifications
- MAT Guide 202D & 203A
- HUD 50059 Instructions
- Special Claims Processing Guide
- Special Claims FAQ’s
Quick Voucher Reminders

- Vouchers are due by the 10th of the month.
- Please do not submit your next voucher without reconciling to the HUD approved voucher.
- Reconcile the TRACS Tenant Query each month to ensure all submitted TRACS files have been recorded properly.
- Review your TRACS messages.
TRACS Messages

Tips & Tricks for your Monthly Review

“Raising the Bar in Compliance”
Required to Monitor TRACS – Impacting your MOR

- Owner/Agents are required to monitor TRACS to ensure that transmissions are recorded accurately.
- As a requirement of EIV, the TRACS database directly impacts your ability to run required reports.
Required to Address TRACS Errors

If you receive a Fatal Error the information has not been recorded in TRACS.

You must fix the error and re-send information in order for TRACS to have record of the transaction.
Action Code 1

- **Action Code 1** indicates a certification error must be corrected **within next 45 days**.

- CA software may stop certification before it is transmitted to HUD.

- Indicate pretty serious issues - CA may want problem fixed before certification is sent to HUD.
Action Code 2

**Action Code 2** indicates an error, which must be corrected **with the next transmission**, meaning:

- Next time an interim certification or an annual recertification occurs for a resident.

- Next time you submit a voucher for the contract.
Action Code 3 indicates that TRACS wants you to take notice of something that you have done, which is not necessarily an error.
Action Code 4 indicates that HUD or the CA may want to check resident information to address specific concerns.

Most common is that the resident may be over-housed or under-housed.
Informational Messages

- HUD will also send informational messages.
- HUD’s way of helping confirm if an action has been processed.
- HUD may send messages to inform you about potential management concerns.
Informational Messages

Example 1

Informational: TA001
TENANT TERMINATED FOR FAILURE TO RECERTIFY ON TIME.
CERTIFICATION EXPIRED: 000000020160501
HQ TERMINATION DATE: 000000020160430

Example 2

Informational: HQ123
FOR SUBMITTED MI, HQ INITIATED MOVE-OUT PROCESSED
MOVE OUT OF PROJECT NUMBER: 071444444
MOVED OUT OF CONTRACT NUMBER: GA06M000000
MOVED OUT DATE: 2018-1-14
MOVED INTO PROJECT NUMBER: 081555555
MOVED INTO CONTRACT NUMBER: GA06L00077
Need to change the HOH information?

What you need to do…
Changing Head of Household Information

When you need to change the HOH information you must enter the ‘incorrect’ information in #60-#65.

All fields must be filled in.

The previous effective date is the last FULL certification.
Social Security Numbers

Current requirements under 202D and changes in 203A...
Social Security Numbers

- 12-29-2009 Rent Refinement Final Rule, effective 1-31-2010.
- HSG Notice 10-08.
- 3-8-2016 Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs - effective 4-7-2016.
Social Security Exemption Codes

- **C** = Individual who does not contend eligible immigration status.

- **E** = Individual age 62 or older as of January 31, 2010, whose initial determination of eligibility in either a Multifamily or PIH Housing program begun prior to January 31, 2010 (a break in assistance does not void the exemption).

- **M** = New household member under the age of 6 where disclosure of SSN is delayed for 90-180 days.
### Identification Code

<table>
<thead>
<tr>
<th>Field</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>M</td>
<td>SSN or TRACS ID Number. Enter the 9-digit social security number of all household members including foster children, foster adults, live-in aides and None of the above. Do not use dashes. If the family member does not have a social security number, enter 999999999 in this field the first time information for this family is submitted. A TRACS Tenant ID number will be generated by the TRACS system and owners will be notified of the numbers. This number should be entered on each subsequent submission until a social security number is reported. A member without an SSN should have a value coded in the SSN Exception field below. Note: SSNs are required for Live-in Aides, Foster Children, Foster Adults and None of the Above. Do not enter the TRACS-generated T Number if the name has changed from the last recertification for this family member. A new T Number will be generated. See also, Field 26, SSN Exception. NOTE: This is the Family Member's SSN/TRACS ID; it is not the SSN Benefit Claim Number in the case of someone receiving survivor’s benefits. It is not the ITIN (Individual Tax Identification Number) for those who have one.</td>
</tr>
<tr>
<td>26</td>
<td>MOC</td>
<td>SSN Exception</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
</table>
| 108   | 1    | Alphanumeric

**Blank = no exception applies**

**C =** Individual who does not contend eligible immigration status.

**E =** Individual age 62 or older as of January 31, 2010, whose initial determination of eligibility in either a Multifamily or Public and Indian Housing program was begun prior to January 31, 2010 (a break in assistance does not void the exemption)

**M =** New household member under the age of 6 where disclosure of SSN is delayed for 90 - 180 days. Not applicable for a MI or IC.

**Note:** When the member does not have an SSN, fill field 11 (Identification Code) with 9's and print 9's in the corresponding field on the S0059.
999-99-9999 in 202D Fatals

- When the notice came out for the Minor Exemption code at MI or IC all coding had already been written.
- The work around for 202D MI & IC files – HSG 16-09.
- 999-99-0000 (with no exemption code).
- 999-99-9999 with ‘M’ will work for AR’s and IR’s. If adding to an existing household create an IR/AR – no corrections.
T-ID Number

- TRACS will assign a TRACS ID (T-ID) and the T-ID must be used on all subsequent certifications in lieu of 999-99-9999 unless/until the valid SSN is provided.
No Valid SSN?

Termination of Tenancy

Can receive subsidy if under eviction.
Baseline SSN Issues from 202D to 203A

What you need to get ready…
999-99-9999 in 203A Baseline

- If such a case was reported prior to site software being updated to version 2.0.3.A and the sanctioned workaround used of reporting an SSN of “999990000” (or if any other made-up SSN was reported).

- The OA MUST transmit an IR (or AR if appropriate depending on the timing) correcting the SSN to all 9’s and using the M exception code.
SSN Baseline

- Completed on the first 203A voucher submission.

- Must be an IR or an appropriate AR – no corrections.

- Once updated/corrected TRACS will issue a warning message soon after the 180 day grace period.
203A SSN Continued
Draft from 203A TRACS Discussion Group

<table>
<thead>
<tr>
<th>MOC</th>
<th>SSN Exception</th>
<th>108</th>
<th>1</th>
<th>Alphanumeric</th>
</tr>
</thead>
</table>

- Fill if an individual without a valid SSN qualifies for one of the three exceptions listed below. A valid code must be entered if the SSN Field (Identification Code) is filled with all 9’s.
  - Blank = no exception applies
  - C = Individual who does not contend eligible immigration status.
  - E = Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility in either a Multifamily or Public and Indian Housing program was begun prior to January 31, 2010 (a break in assistance does not void the exemption).
  - F = Foster child or adult whose SSN has not been disclosed by the foster agency and for whom HUD has issued a waiver.
  - M = New household member under the age of 6 where disclosure of SSN is delayed for 90 – 180 days.

Note: Under a rule effective 4/7/2016, a child under the age of 6 years added to the applicant household within the 6-month period prior to the household’s date of admission is exempt from the requirement to have an SSN at MI. The household will have a maximum of 90 days after the date of admission to provide the Social Security Number and adequate documentation that the Social Security Number is valid. An additional 90 days may be granted under certain circumstances. If the household does not provide the Social Security Number and adequate documentation to verify the Social Security Number within the prescribed timeframe, HUD requires that the owner/agent terminate tenancy.

Note: When the member does not have an SSN, fill field 11 (Identification Code) with 9’s and print 9’s in the corresponding field on the 50059 except that the SSN field is always left blank on the printed 50059 for foster.
<table>
<thead>
<tr>
<th>SSN</th>
<th>MAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>000-00-0000</td>
<td>666-66-6666</td>
</tr>
<tr>
<td>111-11-1111</td>
<td>777-77-7777</td>
</tr>
<tr>
<td>222-22-2222</td>
<td>888-88-8888</td>
</tr>
<tr>
<td>333-33-3333</td>
<td>123-45-6789</td>
</tr>
<tr>
<td>444-44-4444</td>
<td>987-65-4321</td>
</tr>
<tr>
<td>555-55-5555</td>
<td></td>
</tr>
</tbody>
</table>
NHC SSN Report

- NHC will provide those owner/agents with a report showing those current residents with the 999-99-9999 and the 999-99-0000 SSN’s.

**NOTE:** This will assist in your preparation for the 203A transition.
Repayment Agreements

The 203A Baseline is around the corner!
Repayment Agreement Baselines

- There is no minimum amount for a repayment agreement. In the event a tenant pays off an amount due immediately, that must be included on the voucher.

- All self-managed repayment agreements must also be baselined.
Miscellaneous Requests

Were you asked to add one to your voucher?
Miscellaneous Request

Please contact NHC for guidance. OARQ is no longer sufficient. If related to a resident you must include unit number, last name, certification dates effected.

- SERV = Service Coordinators
- DRUG = Drug Related Expenses
- FORQ = Field Office initiated accounting adjustment
Miscellaneous Request

- **OARQ** = Owner/Agent initiated accounting adjustment.
- **RGRC** = Adjustment for a Retroactive GRC that includes a UA decrease that drives a requirement to provide a 30-day notice to affected residents.
- **UUTL** = Unclaimed Utility Check.
- **RSPC** = Recouped Special Claims Funds.
- **CEAD** = Contract Expiration Adjustment.
Miscellaneous Request

- EIVP = EIV Penalty. 5% of the voucher is subtracted to cover EIV noncompliance when applicable.

**Important Note:** The amount of the EIV Penalty is to be calculated based on the total voucher amount before calculating the penalty and before applying any RESR transaction that may be needed. The OA is responsible for initiating the EIVP transaction.
Miscellaneous Request

- RESR = Residual Receipts. Used to offset part of the voucher billing. See Notice H 2012-14 for instructions pertaining to the use of residual receipts in this context.

- INTA= Interest adjustment submitted by PBCA  **Note:** The “INTA” request type is valid only when submitted by a PBCA to report the amount of Interest Earned on the specific Project Account to HUD.
Need to Change Your Unit Numbers?

Please don’t. But if you have to...
Unit Address Updates

- Please contact NHC prior to performing an address change update. This can take several days.

- Step 1: Send NHC a MAT15 record, code 2, address update - This will update the Address Query in TRACS and prepare TRACS for a unit address change.

- Step 2: Send NHC a MAT 15 record, code 3, unit renumber

- Step 3: Audit the Address Query to ensure TRACS accepted the address renumber.

- Going forward: All certifications must be sent with the new unit address. If you have to correct previous certifications (that were submitted under the old unit address) you must send that cert with the old unit number.
Terminations

When to terminate and correct procedures
Terminations

- When a tenant fails to recertify, you must submit a TM 50059.

- The tenant is eligible to receive subsidy (Initial Cert), once they are compliant, and at least ONE month after their previous effective date.

- HUD 4350.3, Rev 1 Chg 4. 7-8,D.3.D
  
  c. Assistance should be reinstated if:
     1. Assistance is available at the property;
     2. The tenant submits the required information; and
     3. The owner determines that the tenant qualifies for assistance.

  d. The new TTP/tenant rent and assistance payment take effect the first day of the month following the date on which the tenant reported for the certification. The tenant must pay the market rent until this date. If the tenant fails to report for the recertification interview and fails to pay market rent, or make arrangements to pay, the owner is obligated to evict for nonpayment.
Terminations

- Late Tenant Response:

  c. In all cases where the tenant reports for recertification after the 10th day of the 11th month after the last annual recertification but before the recertification anniversary date (as described in subparagraph D-2 a above), all adjustments in assistance payments and the tenant’s rent are made retroactive to the recertification anniversary date.

- Owner/Agent Issues:

  If the tenant is not recertified timely due to Owner/Agent or third party issues, an AR is an acceptable certification to reinstate subsidy.
Gross Rent Changes

Timing and Signatures...
# Gross Rent Application

<table>
<thead>
<tr>
<th>No Change in Tenant Rent</th>
<th>Change in Tenant Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant does <strong>NOT</strong> have to sign the HUD 50059</td>
<td>O/A and tenant must sign HUD 50059 within <strong>60 days of vouchering.</strong></td>
</tr>
</tbody>
</table>

All rent increases should be applied to all units and submitted in the same voucher period.

---

## When the GR and AR/IR occur on the same date

**Correction Required (AR/IR already submitted to HUD)**

<table>
<thead>
<tr>
<th>No Change in Tenant Rent</th>
<th>Change in Tenant Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant does <strong>NOT</strong> have to sign the HUD 50059 if the tenant rent is not changing.</td>
<td>If correction only includes gross rent change and tenant rent is changing, signatures must be obtained within 60 days of vouchering date.</td>
</tr>
</tbody>
</table>
DUNS Numbers

What you need to know…. It’s still under conversation
To conduct business with the government, an entity must obtain a DUNS number for each physical location.

Source: 24 CFR 5.1004
SAMS – System for Award Management

- Register and renew annually
- Free to register
- Must have active status to be eligible to receive financial assistance.

TECHNICAL SUPPORT:

Below are steps to assist with inactive or expired DUNS number. For all technical support questions relating to your DUNS number, contact the SAM Federal Service Desk at 1-866-606-8220. Additionally, the SAM User Guide is available at:
DUNS continued MAT Error 17

- June 2, 2017 Memo/RHIIP Listserv #380
- DUNS Number required on all voucher submissions

DUNS Number Required on All Voucher Submissions

The attached memorandum, dated June 2, 2017, implements the requirement to include the Dun & Bradstreet’s (DB) Data Numbering System (DUNS) Numbers on all vouchers submitted to Tenant Rental Assistance Certification System (TRACS). Effective December 1, 2017, approximately six months from the date of this memorandum, vouchers that do not contain an active DUNS number will generate a Tenant Rental Assistance Certification System (TRACS) fatal error and will not receive payment until corrected. For technical support questions regarding a DUNS number, contact the SAM Federal Service Desk at 1-866-606-8220. For other questions regarding this memorandum, contact Danielle Garcia at Danielle.D.Garcia@hud.gov.
DUNS Numbers

- NHC had 100% participation in reporting and no contract had a voucher suspended for non-reporting!

- Entity Changes & Ownership Changes do require voucher changes!

- DUNS number must be reported in SAMS.

- DUNS numbers are reviewed during contract renewals.
Contract Combinations

What to expect…
Contract Combinations

- Expect a delay in payments – minimum two months.
- Non-renewing contract will have to ‘mock’ vouchers to capture all required certifications. These are manually reviewed at NHC.
- New combined contract will not be submitted until all certifications have been reviewed and all non-renewing tenant certifications have been terminated in TRACS.

Source: MAT Guide Chapter 4.17 and 4.19
Special Claims

Common Issues
Special Claims

SpecialClaimsIL@nhcinc.org

IL06T1000000 – V – 312.pdf (Vacancy Claim)
IL06T1000000 – D – 312.pdf (Unpaid Rent/Damages)

Each pdf file must contain all documentation needed to verify that unit claim.
Common Errors

- The original signed MI 50059 (UT’s or Change of HOH)
- Missing Signatures on HUD 52670-A Part 2, and HUD 52671-A & C
- Redact SSN and DOB
- Waiting List Submission
  - Shows the NEW tenant (move-in)
Common Errors

- Implement the 1-1-2016 NHC Special Claims Checklist
- Sending in more documentation than required
- Ineligible items/charges requested for (unit damages)
  - Normal wear & tear
  - Appendix 5C & 5D
  - Charges: Lease Break
  - Collections: Security Deposit
Common Mistakes

- Ready For Occupancy Date
  - No two actions can take place on the same day

```
4. Date of Death
5. Date of Unit Transfer
6. Date of Move-Out: 11-18-15, Anticipated Move-In Date: 11-20-15
7. Maintenance: Start Date: 11-19-15, Finish Date: 11-20-15
   Comments
8. Maintenance: Start Date: 11-19-15, Finish Date: 11-20-15
   Comments
   Comments
    Comments
11. Painted: Start Date: 11-19-15, Finish Date: 11-20-15
    Comments
12. Carpet Cleaned: Start Date: 11-19-15, Finish Date: 11-20-15
    Comments
13. Carpet Cleaned: Start Date: 11-19-15, Finish Date: 11-20-15
    Comments
14. Unit Cleaned: Start Date: 11-19-15, Finish Date: 11-20-15
    Comments
15. Unit Cleaned: Start Date: 11-19-15, Finish Date: 11-20-15
    Comments
16. Date Approved for Occupancy: 11-20-15
```
Common Mistakes

- TRACS MI/MO Report
  - Move-Out/Move-In POSTED in TRACS.
  - Unit Transfers are not Move-In files!
Common Mistakes

- Unpaid Rent & Damages
- Certified Mail Requirement
QUESTIONS
Resident Concerns - Call Us Maybe?

Presented by
John Nocheherly
Senior Compliance Manager
Our Main Objective!

HUD

Owners

Managers

NOT

Decent, Safe, and Sanitary Affordable Housing

MISSION: IMPOSSIBLE
Types of Resident Concerns

- Life Threatening
- Non Life Threatening
- General
Resident Concerns Statistics

- How many resident calls in 2017?
  - General: 69%
  - Non Life Threatening: 30%
  - Life Threatening: 1%

Calls

- General
- Non-LTHS
- LTHS
Resident Concerns & Your MOR

- 9834 Questionnaire, Category “F”, Subcategory #23
- Tenant Concerns:
  - Is there a written procedure for resolving tenant complaints or concerns?
  - Does the procedure adequately cover appeals?
  - Is there an active tenant organization at this project?
  - Is tenant involvement in project operations encouraged?
- Is NHC’s “Letter to Residents” posted?
Why Don’t They Call?

- NHC’s Letter to Residents is not posted!
- Backlash / Retaliation
- Owed Balance / Back Rent
- Previous Lease Violations / Notices
- Don’t Know their Rights
  
  *(Resident Rights & Responsibilities - New Brochure 3-8-18)*

- Ultimately Fear of Eviction
On March 8, 2018 announced that the Office of Multifamily Housing Programs has released an updated Resident Rights and Responsibilities brochure.

This brochure is available to download and print at: https://www.hud.gov/sites/dfiles/Housing/documents/resident_rights_brochure_8.pdf
Residents Rights vs. Owner Responsibilities

- O/A’s to communicate with residents on any relevant issues or concerns.
- O/A’s to give prompt consideration to all valid resident complaints **resolving** them as **quickly** as possible.
- Residents’ right to file complaints without retaliation, harassment or intimidation.
- Residents’ right to organize and participate in certain decisions regarding the well-being of the property and their homes.
Why Do They Call?

- Life Threatening Concerns:
  - No Heat / AC
  - No Water
  - Inoperable Doors / Windows
  - Gas / CO Leaks
  - Exposed Electrical Wires
  - Blocked Exits / Egress
  - ... and more

Repair Immediately.

Confirm Completion / Copy of Work Order.

9834 Questionnaire, Question #5,j:
“Is there a procedure in place to handle emergency work orders?”

“Raising the Bar in Compliance”
Why Do They Call? Continued…

- Non-Life Threatening Concerns
  - Leaky Faucets
  - Mold & Mildew
  - Bugs
  - Broken Windows
  - Locks
  - Holes in the Walls
  - Outlets
  - Plumbing
  - Appliances

9834 Questionnaire, Question #5,i:
“Is there a written procedure for completing work orders?”

- Repair ASAP.
Why Do They Call? Continued…

- General Concerns
  - Waiting List
  - Occupancy Policy
  - Reporting Income Changes
  - Certifications & Calculations
  - Utility Checks Disbursement
  - Security Deposit Refunds
  - Noisy Neighbors
  - Staff Entering Units W/O Notice
  - Staff Unprofessional / Rude
  - Security Staff Roles & Behaviors

“Raising the Bar in Compliance”
Best Practices

- Develop House Rules:
  - Relate to safety, care, and cleanliness.
  - Strongly Recommended / Owner’s Discretion.
  - Approval is Not Required.
  - Not so restrictive as to limit tenants’ freedom.
  - Must be consistent with HUD’s requirements.
  - Reasonable and fair Not excessive or extreme.
  - Must not infringe on tenants’ civil rights.
  - Changes require 30 days notification to tenants.
  - Discuss appeals and arm’s length.
Best Practices Continued…

- Develop policy & procedures for:
  - Waiting list.
  - Occupancy Standards.
  - Tenants’ Complaints and Appeals (Arm’s Length).
  - Reporting Income/Family Composition Changes.
  - Reporting & Requesting Repairs / Entering Units.
Best Practices Continued...

- Provide Training for:
  - Staff
    - Tenant Selection Policy.
    - Income/Assets Calculations.
    - Effective Communication.
    - Customer Service and Problem Resolution.
  - Tenants
    - Calling in a Work Order.
    - Calling in a Tenant Concern.
    - House Rules.
    - Reporting Income & Household Composition Changes.
QUESTIONS

“Raising the Bar in Compliance”
Send Follow-up Questions to:

Kim Lance
Director, Asset Managers
Office: (770) 939-3939 Ext. 2011
Kim.lance@nhcinc.org

Umeka Taylor
Compliance Manager
Office: (773)304-0431 Ext. 3017
Umeka.taylor@nhcinc.org

Lisa Furbush
Voucher Financial Manager
Office: (770) 939-3939 Ext. 2017
Lisa.furbush@nhcinc.org

John Nocheherly
Senior Compliance Manager
Office: (770) 939-3939 Ext.2019
John.nocheherly@nhcinc.org
Stay Informed!

www.nhcinc.org

Read our Announcements and Visit our Blog!
Thank You …

For attending the 2018 Owner/Agent Meeting

**Please complete our survey**

The PowerPoint slides will be posted on NHC’s website by 8/31/18
www.nhcinc.org

Mailing Address:
1975 Lakeside Parkway, Suite 310
Tucker, Georgia 30084

“Raising the Bar in Compliance”