Owner & Management Agent Meeting
July 10, 2017

Working Cooperatively with Our Industry Partners

Owner/Agent Meeting Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
</table>
| 12:30 p.m. | Welcome & Opening Remarks | Valerie Todaro  
Chief Executive Officer  
National Housing Compliance  
Dan Burke  
Director, Multifamily Midwest Region U.S. Department of HUD |
| 12:45 p.m. | Review of Utility Allowance/UAF Process | Kim Lance  
Director, Asset Managers |
| 1:15 p.m. | EIV System Requirements and Reports/VAWA Revisions | Umeka Taylor  
Compliance Manager |
| 2:15 p.m. | Resident Concerns | John Nocheherly  
Senior Compliance Manager |
| 2:45 p.m. | Repayment Agreements and 203A Upgrades | Lisa Furbush  
Voucher Financial Manager |
| 3:45 p.m. | Questions & Answers | Panel |
| 4:00 p.m. | Meeting Conclusion | |
Understanding HUD’s New Utility Analysis Methodology and UAF’s

Presented by
Kim Lance
Director, Asset Management

HUD’S NEW U/A METHODOLOGY

- HUD Notice 2015-04 Issued June 22, 2015
- Revised September 9, 2015 for Clarification
- FAQ’s Issued
Purpose and Background

- Provides instruction to owners/agents for completing the annual utility analysis.
- Builds on the June 2011 memorandum titled “Clarification Utility Allowance Regulations”, issued by former DAS Carol Galante.
- Streamlines the methodology for utility analysis as part of a larger effort to make energy and water conservation a priority at all Multifamily properties.

New 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>
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<tbody>
<tr>
<td>1-20</td>
<td>All units</td>
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<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>
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<td>84-99</td>
<td>23</td>
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<tr>
<td>100-120</td>
<td>24</td>
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<td>121-149</td>
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<td>150-191</td>
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<td>192-259</td>
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<tr>
<td>260-388</td>
<td>28</td>
</tr>
<tr>
<td>389 and above</td>
<td>29</td>
</tr>
</tbody>
</table>
Excel Spreadsheet

- Calculations can be made using a software tool of the owner’s choice or owners may use the Excel spreadsheet offered by HUD.
- The inputs must reflect the methodology detailed in the housing notice.
- Ensure worksheet is used correctly, including not putting a zero in the blank spaces.

UAF (Utility Allowance Factor)

- For two years after a baseline analysis is completed, the utility allowance amounts can be adjusted by a state specific increase factor - The UAF (Utility Allowance Factor).
- The UAF Factors are found on the HUD User website and change every year in line with the OCAF Factors.
UAF (Utility Allowance Factor)

The Department of Housing and Urban Development’s Office of Housing permits owners/agents to use Utility Allowance Factors (UAFs) for projects subject to the requirements found in Housing’s Utility Allowance Notice. The notice describes when owners/agents of Public Family Housing properties that receive a utility allowance may use the published UAFs to adjust those allowances. The dataset will be updated once per year and will be published with an effective date. The dataset will be based on information published by the U.S. Energy Information Administration and the Bureau of Labor Statistics. Owners/agents will determine their utility and state specific UAF and apply the published UAF to their existing allowance for the utility allowance they are adjusting.

“Raising the Bar in Compliance”

UAF (Utility Allowance Factor)

“Raising the Bar in Compliance”
UAF (Utility Allowance Factor)

Special Notice:

- UAF Factors below 1.00 result in a decrease in that utility type. In these cases, proper notice must be given to tenants of the U/A decrease.

After completing the property’s utility analysis under the UAF, O/A’s should compare the adjusted utility analysis to their paid utilities over the previous twelve months. (i.e., their common area utilities).
If, in the O/A’s determination, the results indicate a significant disparity between the two, the O/A should complete a baseline analysis to help ensure the allowance(s) provided are accurate.
UAF (Utility Allowance Factor)

- The analysis does not need to be provided to the CA/HUD. The comparison is intended to have owners take a “second look” at the factor-based results.

### Factor-Based Utility Analysis

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Contract Number:</th>
<th>Project Owner:</th>
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#### Utility Allowance Factors

<table>
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<td>Gas</td>
<td>1.179</td>
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<tr>
<td>Electric</td>
<td>1.072</td>
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<td>Water/Waste/Trash</td>
<td>1.045</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Current Oil/Propane</th>
<th>Recommended Oil/Propane</th>
<th>Current Gas</th>
<th>Recommended Gas</th>
<th>Current Electric</th>
<th>Recommended Electric</th>
<th>Current Water/Waste/Trash</th>
<th>Recommended Water/Waste/Trash</th>
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<tr>
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<td>$ - $</td>
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<td>$ - $</td>
</tr>
</tbody>
</table>

|          | Total Recommended Oil/Propane | $ - $ | $ - $ | $ - $ | $ - $ | $ - $ | $ - $ |

* (pre) - newly recommended factor-based utility analysis

**Table:**

- **Column Headers:** Current, Recommended
- **Row Headers:** Oil/Propane, Gas, Electric, Water/Waste/Trash
- **Notes:**
  - `$` represents dollar amounts
  - Fields with no dollar amount indicate no recommendation

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National Housing Compliance
UAF (Utility Allowance Factor)

If the owner's U/A analysis indicates a decrease in the U/A is necessary, the following steps 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.

"Raising the Bar in Compliance"
“Raising the Bar in Compliance”

Post for Tenant Comment

“Raising the Bar in Compliance”

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, the rent adjustment package is complete and can be sent in to NHC for processing.

- After the rent approval letter is issued, 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.

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U/A Decreases - Step by Step

- If the 30 day notice of an increase in the tenant’s portion of the rent is not given to the tenant at least 30 days prior to the HAP contract anniversary date (rent schedule effective date) then the increase in the tenant’s rent can not be collected from the tenant until the proper 30 day notice is given.

- Any balance owed by the tenant is uncollectable from the tenant if proper notice is not given. This must be a “write off” by the owner or collected from HUD if approved (via voucher credit).
U/A Decreases - Step by Step

Phase-in of Certain Decreases:

- If the U/A decrease exceeds 15 percent of the most recent utility allowance and that decrease is equal to or greater than $10, the decrease must be phased in.

- The owner will implement the decrease amount above 15% the following year.

- No decrease in any one year can be greater than 15%.

Best Practices to Prepare for Next Baseline

- Can be from the utility provider or from the tenant’s directly.

- The starting month of the back up documentation must be within 18 months of the contract anniversary date.
Baseline – Back-Up Documentation

- 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.

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Baseline - Best Practices

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 tenants for verification.
- If the unit was NOT vacant for 2 months or longer, information from the PREVIOUS TENANT must be provided.

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Baseline - Best Practices

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.

Baseline - Best Practices

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.
Baseline - Best Practices

Smaller Properties:

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

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.
Best Practices

- 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

- 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**

- Phase In of Decreases over 15% and $10
  - This is only **Required** for the Initial Baseline!
  - If the next Baseline indicates a decrease in the U/A amount, the decrease will not be phased in.

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**HOT OFF THE PRESS...**

- Revised Section 8 Renewal Policy Guidebook issued on June 30, 2017.

  Applies to any Rent Adjustment or Contract Renewal Package received by HUD/CA on or after July 28, 2017.
HOT OFF THE PRESS...

- Many of the changes are just inclusions from the FAQ's already in place from the last guidebook.

- The Revised Guidebook can be found downloaded from: https://portal.hud.gov.

HOT OFF THE PRESS...

- A few significant changes to note:
  - HUD has clarified the vacancy rate allowed on a budget based rent adjustment (Chapter 2).

  - The reserve for replacement deposits are no longer adjusted each year by the OCAF factor, but now by the Regional AAF Factor. (even though the rents are determined by the OCAF factor).
HOT OFF THE PRESS...

- A few significant changes to note:
  - The same tenant notice can be used to notify the tenant of a rent change and utility allowance change, but must clearly identify both items.
  - HUD clarified that Nonprofit owners can participate in Option 1B, HUD discretionary Mark up to Market.

EIV Procedures & VAWA Update

Presented by
Umeka Taylor
Compliance Manager

“Raising the Bar in Compliance”
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.
- 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

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

As the changes affect 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.

*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 under the VAWA and Form 5382, the new certification must be:
  - Issued at the next annual certification or lease renewal;
  - Provided to market renters;
  - Issued when applicants are admitted or denied; &
  - Issued upon notification of eviction or termination

Victims have 14 business days to submit certification.

- Continue using HUD form 91067, the VAWA Lease Addendum.
Violence Against Women Act (VAWA)

- **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
  - 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 prevents disclosure about the new unit.

- **Internal Emergency Transfer**
  - Emergency relocation of a resident to another unit but the tenant forgoes 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.
VAWA Emergency Transfer Plan (VET) cont.

- The VET Plan must include policies regarding qualifications for 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.
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.
EIV Required Documentation cont.

- The Existing Tenant Search policy must be 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
    - When a new child under age six is added without verification of SSN, O/A must use 999-99-9999.
    - TRACS will assign a TRACS ID.
    - Upon receipt 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.
  - If the tenant disputes the employment and income information in EIV, the owner must obtain third party verification from the source.

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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.

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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.

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EIV Reports cont.

- **Deceased Tenant Report**
  - Submit a move out or 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 how 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 how it 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:
  - Accessed and Printed using “All”;
  - Must be accessed and printed at least quarterly;
  - Retained for 3 years.
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.

EIV Income Disclosure

- 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.
- Must have a procedure to review Users to determine if access is still required.
  - Have past employees been removed?

Enterprise Income Verification

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<tr>
<td>01/01/2017 - 06/30/2017</td>
<td>08/30/2017</td>
<td>Pending Recertification</td>
</tr>
<tr>
<td>-                      -</td>
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</tbody>
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“Raising the Bar in Compliance”

Resident Concerns

Presented by
John Nocheherly
Senior Compliance Manager

“Raising the Bar in Compliance”
Types of Resident Concerns

- Non-Life Threatening
  - Repairs & maintenance issues.

- Life Threatening
  - Conditions that are, or potentially are a threat to life.

- General
  - Everything else.

Letter to Residents

- Excessive number of resident concerns
- Zero resident concerns
- Resolution in Progress
- Impacting your MOR
- Posting the Letter to Residents – see sample provided.
Management & Occupancy Review

Presented by
John Nocheherly
Senior Compliance Manager
MOR Report - Findings

- Condition
  - A noncompliance with HUD requirements.
  - Must be corrected.
- General Condition
  - A noncompliance with HUD requirements.
  - Applicable to more than one tenant file.
  - Must be corrected.
- Observation
  - No action is required.

Owners Response

- Format
  - Preferably consistent with the MOR Report.
  - Must include all “corrected” supporting documents.
- MORdocs@nhcinc.org
  - Must enter property ID # in the Subject Line.
  - Divide and conquer.
  - Attachments may be labelled as:
    - Owner Documents
    - Owner Response
    - Additional Owner Response
    - Other
Letters from NHC

- No Response Letter
  - Owner’s response is due in 30 days.
  - No Response letters are documented.

- Additional Actions Letter
  - Insufficient response.
  - Missing supporting documents.
  - Findings not addressed.

- Closeout Letter
  - All clear!

“Raising the Bar in Compliance”

Voucher Processing & Special Claims

Presented by
Lisa M. Furbush, Ph.D.
Voucher Financial Manager

“Raising the Bar in Compliance”
Meet the team….

IL: Carol Easley, Rasheada Owens, Janet Stokes, and Tamara Wadley
GA: Laura Hardy & Magdaline Parker
Owner/Agent Changes – Toya Davidson

Owner/Agent Changes

- Please contact NHC for the following:
  - Ownership Changes
  - Management Changes
  - Update Bank Account Information
  - Update Contact Information
  - Change Signature Authorization Forms

Failure to provide current and accurate data could delay contract renewals, rent increases, voucher processing and payment!
Contact Toya Davidson for more information!

Toya.Davidson@nhoic.org
770-939-3939 x 2027

<table>
<thead>
<tr>
<th>Special Claims…</th>
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</table>

Are you submitting????

“Raising the Bar in Compliance”
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.

“Raising the Bar in Compliance”

Top 10 Claim Mistakes

- 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).

“Raising the Bar in Compliance”
Top 10 Claim Mistakes

- Implement the 1-1-2016 NHC Special Claims Checklist.
- Sending in more documentation than required.
- Ineligible items requested for (unit damages)
  - Normal wear & tear
  - Appendix 5C & 5D.

Ready For Occupancy Date

- No two actions can take place on the same day.

“Raising the Bar in Compliance”
Top 10 Claim Mistakes

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

**Tenant**
- Assistance Payment Query
- Certification Query
- Certifications with Discrepancy Query
- Late Recertification Query
- Move-In/Move-Out Query
- Multiple Occupancy Query
- Project Evaluation Query
- Tenant Unit Address Query
- Verification Query

"Raising the Bar in Compliance"
Voucher Processing

Quick Reminders

Unique Situations

We’re seeing creative solutions from some software vendors when you come across unique issues and contact them for help.

Before implementing creative answers please contact your voucher specialist for additional guidance.

“Raising the Bar in Compliance”
TRACS Reconciliation & Compliance Percentage

- If you notice a missing file in TRACS, please contact NHC before reaching out to HUD.
- Please be sure to read your TRACS messages!
- NHC does monitor your compliance percentage and will resend files to assist.

Submission Timeframes

- Vouchers are due by the 10th of the month.
- Please do not submit your next voucher until you have received/reconciled the current month’s voucher.
Previous Housing Code 2
Not valid for Move In’s after 10-1-2015

TRACS Release 2.0.3.A
Implementation effective
February 1, 2018 thru May 31, 2018
TRACS 203A Update

- Family Self Sufficiency Program in Multifamily
  - Miscellaneous Accounting Request OARQ in 202D
  - Track like a repayment agreement in 203A
  - HUD Notice 2016-08.

- Adjustment Certifications
  - On the voucher, the certification types applicable for Adjustment Records (MAT30, Section 4) are now all mandatory. The codes for full certification/UTs (AR-O, AR-I, IR-O, IR-I, IC-O and IC-I) were added late in the 202D process and were considered optional for 202D. With 203A UT-O and UT-I are no longer permitted for a full certification/UTs.
TRACS 203A Update

**REMINDER**

**Voucher Signatures:** Beginning with TRACS 2.0.2.D, a signed copy of a voucher must be kept on file at the site but no signed electronic, paper, faxed, or emailed copy is sent to the Contract Administrator. Checking for a signature may be done as part of an MOR.

“Raising the Bar in Compliance”

TRACS 203A Update

Due to a Presidential Directive, expanded Ethnicity and Race categories are being added to the MAT10, Section 3 Member record. Specifically, the following Ethnicity fields have been added:

```
27 = Puerto Rican
28 = Cuban
29 = Mexican, Mexican American, Chicano/a
30 = Another Hispanic, Latino/a or Spanish Origin
31 = Asian India
32 = Japanese
33 = Chinese
34 = Korean
35 = Filipino
36 = Vietnamese
37 = Other Asian
38 = Native Hawaiian
39 = Samoan
40 = Guamanian, Chamorro
41 = Other Pacific Islander
```

“Raising the Bar in Compliance”
TRACS 203A Updates

- RAD
  - LIHTC and rent override situations
  - Rent Phase-In Percentages
- MAT Error 17 – Owner DUNS number blank
- MAT Error 21 – Parent Company DUNS
- MAT Error 25 – Invalid SSN rejected
- MAT Error 26 – ELI needed for Subsidy 1 or 6
- MAT Error 27 – Race/Eth sub-type w/o code

DUNS Numbers

What you need to know
DUNS Dun & Bradstreet Data Numbering System

- To conduct business with the government, an entity must obtain a DUNS number for each physical location.

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:
Dun & Bradstreet Numbers DUNS

- January 5, 2011 HUD Notice 2011-01
  - Notice requiring owners to obtain DUNS and register in the CCR.
- April 25, 2012 HUD Notice 2012-6
  - Notice requiring Owners with Project Based Section 8 Rental Assistance Contracts or Section 202 or 911 Project Rental Assistance Contracts to obtain Dun and Bradstreet Number System (DUNS) Numbers and to register in the Central Contractor Registration (CCR).

DUNS continued MAT Error 17

- June 2, 2017 Memo/RHIIP Listserv #380
  - DUNS Number required on all voucher submissions
December 1, 2017

- Vouchers sent without active DUNS numbers will fatal and not be paid.

**IMPLEMENTATION:**

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. Entities must register/re-activate annually in SAM to maintain an active status to be eligible to receive financial assistance. There is NO charge to register or maintain your entity registration record in SAM. Fatal error corrections in TRACS does not address the status of the entity’s DUNS number or SAMS status.

“Raising the Bar in Compliance”

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DUNS continued

- Ensure your software has the following:
  - Correct Owner’s Name - MAT Field 30
  - Owner’s DUNS Number - MAT Field 33
  - Owner’s TIN Number - MAT Field 35
  - Management Agent has it’s own section
  - Management Agent Name - MAT Field 5
  - Employer Identification Number - MAT Field 6

“Raising the Bar in Compliance”
Social Security Numbers

Current requirements under 202D and changes in 203A

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.
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 not Subsidy**

*Can receive subsidy if under eviction.*

203A New Exception Code “F”

- There are agencies that will not disclose a Foster SSN either to the foster family or to the OA. In those situations, the OA must request a waiver from HUD.

- Once the waiver has been obtained, the SSN sent to TRACS will be all 999-99-999 and the new SSN Exception code of F is used.
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

| 1 | 11 | Identification Code | 70 | 9 | Alphameric | 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 must have a value coded in the SSN Exception field below. Note: SSNs are required in the MAT for Live-in Aides, Foster Children, Foster Adults and None of the Above. However, the SSN of a Foster Child or Foster Adult is NOT to be printed on a HUD 1003. On the printed form, leave the field blank.

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 20, 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. |

| 20 | MB | SSN Exception | 105 | 1 | Alphameric |

A. For individuals whose SSN is verified for entry at the exception in the below. A valid code for the SSN Field (Identification Code) that matches "a".

Blank = no exception applies
C. Individual who does not have a social security number

1. Individuals age 62 or older as of January 1, 2010, whose initial determination of eligibility in either a Multi-Family or Public and Indian Housing program was begun prior to January 1, 2010 (a Social Security number does not void the exemption)

S = Foster Child or adult whose SSN has been declared by the agency and is void when 18 or older.

M = New household members under the age of 18 who do not have an SSN is obeyed for 90-130 days.

Note: Under new definition of “T” 2016. A child under the age of 18 years old to apply at household level in a within 6-month period to the household for a time of admission to the household for the time of admission except for the purpose of entering the child as an SSN or MB. The household will have a maximum of 30 days after the date of admission to provide the Social Security Number and/or documentation for the Social Security Number valid. An additional 60 days may be granted under certain circumstances. Once the household date to provide the Social Security Number and/or documentation to verify the Social Security Number without the much prescribed timeframe, HUD required for the owner to remit in time.

Note: When the number does not have an SSN, fill field with:

- MB: 05 or 06, if field is blank, blank for corresponding field on the 1003 through field 55. 99995 in the Exception field blank for field blank.
STOP
Not Valid SSN – MAT Error 25

000-00-0000  666-66-6666
111-11-1111  777-77-7777
222-22-2222  888-88-8888
333-33-3333  123-45-6789
444-44-4444  987-65-4321
555-55-5555

“Raising the Bar in Compliance”

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.

This will assist in your preparation for the 203A transition.

“Raising the Bar in Compliance”
HUD has discovered that repayment agreement data transmitted to TRACS is often of poor quality and HUD is unable to fulfill its reporting requirements to the Office of the Inspector General.

- 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.
TRACS 203A Industry Specifications Document Guidance

TRACS 203 Industry Specification Guide states “2.0.3.A: Repayment Agreements--With the initial implementation of TRACS version 2.0.3.A, OAs must transmit to HUD, the current status of ALL repayment agreements that have been recorded in TRACS when there is still a balance due and tenants are currently in residence. A record must also be transmitted for all active agreements for moved-out tenants when the former tenants are making payments. This includes those Repayment Agreements with a Repayment Agreement Type of N(None).”

For more information, please review the TRACS 203A Industry Specifications document.

RA Baseline Continued

Who needs to be baselined?

1. Active repayment agreements;
2. Active tenants with repayment agreements that have not made a payment;
3. Previous tenants who have moved out but continue to make payments;
4. Self-managed repayment agreements never reported to HUD;
5. FSS Participants.
RA Baseline Continued

- The New HUD 52670-A part 6
  - RB – Repayment Baseline
  - R – Repayment

- When you baseline, you will have two transactions per entry except if it’s a new repayment.
- When submitting under 203A, all records must be grouped together by ID.

Group by ID

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agmt Amount</th>
<th>Agmt Change</th>
<th>Total Payment</th>
<th>Ending Balance</th>
<th>Agmt ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>THOMAS</td>
<td>1 1904</td>
<td>9/1/2017</td>
<td>651.00</td>
<td>651.00</td>
<td>0.00</td>
<td>651.00</td>
<td>1026</td>
</tr>
<tr>
<td>THOMAS</td>
<td>1 1904</td>
<td>10/1/2017</td>
<td>651.00</td>
<td>0.00</td>
<td>160.00</td>
<td>491.00</td>
<td>1026</td>
</tr>
<tr>
<td>THOMAS</td>
<td>1 1904</td>
<td>10/1/2017</td>
<td>651.00</td>
<td>0.00</td>
<td>54.00</td>
<td>437.00</td>
<td>1026</td>
</tr>
<tr>
<td>THOMAS</td>
<td>1 1904</td>
<td>10/1/2017</td>
<td>651.00</td>
<td>0.00</td>
<td>182.00</td>
<td>255.00</td>
<td>1026</td>
</tr>
</tbody>
</table>
RA Baseline Continued

NHC will be emailing baseline information by July 15th. You may see the following comments:

- Please contact NHC – Incorrect Balance
- Please contact NHC – Agreement Amount
- Please contact NHC – current resident/no payment
- Please contact NHC – data error

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agreement Amount</th>
<th>Ending Balance</th>
<th>Paid Amount</th>
<th>Agreement Id</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burks</td>
<td>1 708</td>
<td>7/1/2017</td>
<td>8272.00</td>
<td>6917.00</td>
<td>-52.00</td>
<td>1101142</td>
<td>T</td>
</tr>
</tbody>
</table>

Comments:
- Please contact NHC – Agreement Amount

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agreement Amount</th>
<th>Ending Balance</th>
<th>Agreement Date</th>
<th>Agreement Id</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>WILLIAMS</td>
<td>5000 101</td>
<td>05/01/16</td>
<td>0.00</td>
<td>172.00</td>
<td>6/4/10 0:00</td>
<td>JWILLIAMS</td>
<td>T</td>
</tr>
</tbody>
</table>

Comments:
- Please contact NHC – incorrect balance

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agreement Amount</th>
<th>Ending Balance</th>
<th>Agreement Date</th>
<th>Agreement Id</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARGRAYS</td>
<td>06 33231A</td>
<td>06/01/17</td>
<td>1365.00</td>
<td>865.00</td>
<td>8/31/16 0:00</td>
<td>102</td>
<td>T</td>
</tr>
</tbody>
</table>

Comments:
- Please contact NHC – incorrect balance

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agreement Amount</th>
<th>Ending Balance</th>
<th>Agreement Date</th>
<th>Agreement Id</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANNS</td>
<td>12 33541B</td>
<td>04/01/17</td>
<td>1953.00</td>
<td>1628.00</td>
<td>10/24/16 0:00</td>
<td>106</td>
<td>T</td>
</tr>
</tbody>
</table>

Comments:
- Please contact NHC – incorrect balance

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agreement Amount</th>
<th>Ending Balance</th>
<th>Agreement Date</th>
<th>Agreement Id</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rush</td>
<td>09 33402A</td>
<td>7/1/2017</td>
<td>1210.00</td>
<td>610.00</td>
<td>9/26/16 0:00</td>
<td>104</td>
<td>T</td>
</tr>
</tbody>
</table>

Comments:
- Please contact NHC – incorrect balance

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Unit Number</th>
<th>Voucher Date</th>
<th>Agreement Amount</th>
<th>Ending Balance</th>
<th>Agreement Date</th>
<th>Agreement Id</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>WESTBROOKS</td>
<td>10 33442C</td>
<td>7/1/2017</td>
<td>1680.00</td>
<td>1382.00</td>
<td>12/1/16 0:00</td>
<td>108</td>
<td>T</td>
</tr>
</tbody>
</table>

Comments:
- Please contact NHC – incorrect balance

“Raising the Bar in Compliance”
RA Baseline Continued

Any errors, after communicating and agreement with your NHC Voucher Specialist should be corrected and submitted on a 202D voucher.

"Raising the Bar in Compliance"

Not current on a Repayment Agreement?

Termination of Tenancy not Subsidy

*Can receive subsidy if under eviction.

"Raising the Bar in Compliance"
# New Status Codes – RA Baselines

**Status Codes**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>AV</td>
<td>Active</td>
<td>Appears on the voucher every month even if the resident does not make a payment. After three consecutive missed payments, the status MUST change to inactive on the fourth voucher.</td>
</tr>
<tr>
<td>IA</td>
<td>Inactive</td>
<td>Tenant has missed 3 or more consecutive payments. Set on month 4. Appears on the voucher each month even if the resident does not make a payment.</td>
</tr>
<tr>
<td>RV</td>
<td>Reversed</td>
<td>Agreement entered in error. Use this code when certification have been corrected or inserted.</td>
</tr>
<tr>
<td>TE</td>
<td>Terminated</td>
<td>Tenant is unable to enforce the agreement - for example a court ordered reversal. This will not create an adjustment to the voucher and should only be used if there will be no future transactions.</td>
</tr>
<tr>
<td>CO</td>
<td>Completed</td>
<td>The tenant has successfully completed the repayment agreement and no future transactions are expected.</td>
</tr>
<tr>
<td>SU</td>
<td>Suspended</td>
<td>The tenant is unable to make payments due to reduced income. This will appear on the voucher each month.</td>
</tr>
<tr>
<td>MO</td>
<td>Move-out Inactive</td>
<td>A former tenant that is no longer making payments. This assumes that there will be no future transactions. In the event the former resident begins making payments, the status can be changed to MA.</td>
</tr>
<tr>
<td>MA</td>
<td>Move-out Active</td>
<td>A former tenant that continues to make payments.</td>
</tr>
</tbody>
</table>

---

**Start gathering your information now... sample excel workbook**

```
<table>
<thead>
<tr>
<th>Month</th>
<th>Code</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>AV</td>
<td>1000</td>
<td>Payment made</td>
</tr>
<tr>
<td>Feb</td>
<td>IA</td>
<td>0</td>
<td>Missed payment</td>
</tr>
<tr>
<td>Mar</td>
<td>RV</td>
<td>0</td>
<td>Agreement error</td>
</tr>
<tr>
<td>Apr</td>
<td>TE</td>
<td>0</td>
<td>Agreement reversal</td>
</tr>
<tr>
<td>May</td>
<td>CO</td>
<td>0</td>
<td>Agreement completed</td>
</tr>
<tr>
<td>Jun</td>
<td>SU</td>
<td>0</td>
<td>Reduced income</td>
</tr>
<tr>
<td>Jul</td>
<td>MO</td>
<td>0</td>
<td>Move-out inactive</td>
</tr>
<tr>
<td>Aug</td>
<td>MA</td>
<td>0</td>
<td>Move-out active</td>
</tr>
</tbody>
</table>
```

---

“Raising the Bar in Compliance”

National Housing Compliance
Contact Your Software Vendor…

If you have any questions about when you will be upgraded, please contact your software company or your internal compliance staff.

“Raising the Bar in Compliance”

Lastly…

- The Fast Act is coming! Three year certifications on fixed source income.
- HOMTA is coming, too! Increase in the elderly allowance, increase in the threshold for medical and disability deductions, increase in the asset amount needed for an imputed asset.

“Raising the Bar in Compliance”
QUESTIONS

“Raising the Bar in Compliance”

Please 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

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

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

“Raising the Bar in Compliance”
Stay Informed!

www.nhcinc.org
Read our Announcements and Visit our Blog!

“Raising the Bar in Compliance”

“Raising the Bar in Compliance”

Thank You …

For attending the 2017 Owner/Agent Meeting

**Please complete our survey**

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

The PowerPoint slides will be posted on NHC’s website by 07/31/17
www.nhcinc.org