



National Housing Compliance RAD Program

National Housing Compliance (NHC) welcomed the opportunity to pilot the RAD Program. By documenting and sharing our experiences, we hope to provide the industry with valuable information that can guide organizations with the full launch of RAD. This white paper focuses on the processes and practices that drove successful outcomes in this pilot, as well as improvements that can streamline future program rollouts.

Timing and Staffing of RAD Project

- The allotted time for this project was 90 days for onboarding, submission, and payment of the first voucher to 13 properties. The properties provided the required documents to facilitate rapid processing of the voucher; however, the 90-day timeframe could have been inadequate had the workload been more intense due to the properties' lack of training, duplicate units in TRACS, and unreconciled certification errors. All 13 properties were mature PBRA transfers, which facilitated this shorter transition period. The assignment of properties that are within five years of initial conversion may require a greater transition period.
- Within 90 days, NHC completed 11 of the 13 properties (85%) in 30 days. Due to the anticipated complexity of the project, we assigned (1) a seasoned professional from the voucher team and (1) a seasoned professional from the asset management team.

Senior Voucher Manager (Onboarding Tasks)	Senior Asset Manager (Post Onboarding Tasks)
Completed in-take briefings with all properties	Resolved missing information
Processed historical baselines – which included conference calls with software providers	Processed rent adjustments
Reconciled baseline certification & TRACS errors	Completed utility analysis
Tracked status of all requested documents	

Recommendations:

- Build in time for training staff at each property and solving technical issues. In general, property staff have limited knowledge about RAD policies. Addressing their many questions can cause onboarding to be an arduous process. In many cases, the software used by the properties does not support making corrections to prior certifications. This issue complicates historical baselines and can present future problems, as retroactive corrections are often needed.
- Start recommending the properties that require a Baseline UA to obtain 10-12 months of utility data for the units that are being sampled, which is a requirement of the HUD Housing Notice 2015-04. With this data readily available, the PBCA can efficiently process utility allowances for each property.
- The PBCA should reconcile the first voucher instead of submitting it with variances.
- The PBCA should review the property information in TRACS to ensure all billable units are active and that there are no duplicate units.

- Prior to the transition, HUD should ensure the property contact information is correct.
- Once the initial assignment is made by HUD, the PHA and onboarding CA should meet early in the process to discuss how resident concerns should be addressed during the transition period and after the effective date of the assignment. HUD should clearly emphasize in their assignment letter that the PHA is responsible for handling all resident-related issues. This responsibility should be communicated to their residents by written notice or meeting, in addition to addressing any concerns they may have regarding the transfer of assignment.

Interaction with HUD and Properties

- The HUD Account Executives were readily available for questions; however, communication was primarily with the properties. Additionally, several of the properties were unaware of their Account Executive. To facilitate communication during the transition, NHC provided the contact information and the tasks HUD would continue to handle.
- NHC contacted the properties once HUD submitted the official transition letter to them; however, due to time constraints, there needed to be formal introductions to explain the transition, what would be needed, and the importance of the information.
- NHC conducted an in-take questionnaire, which was most helpful during the transition. (See Attached)
- The properties were very responsive and appreciated the attentiveness in making a successful transition.

Key Success Factors

We have taken into consideration the factors that most affected the transition. Communication with the properties was extremely critical and a hands-on approach was beneficial to the success. In our post-analysis of this exercise, the properties' feedback was that the transition was smooth. They appreciated our direction on compliance issues and our prompt responses to their questions. MORs will start in mid-October, four months since onboarding the properties. Continued training will occur and our final recommendations include the following:

<p>At the time of transition, host a joint call for HUD, PBCA, and the Property to discuss:</p>	<ul style="list-style-type: none"> ● The timing and the requirements of the transition ● The importance of timely responsiveness from all parties ● An explanation of the role of PBCA
<p>Suggested training for Property Managers:</p>	<ul style="list-style-type: none"> ● Certified Occupancy Specialist (COS) training ● Compliance training (HUD 4350.3 handbook) ● TRACs
<p>Suggested affiliation membership for PBCAs:</p>	<ul style="list-style-type: none"> ● GAHRA
<p>Suggested affiliated membership for PHAs</p>	<ul style="list-style-type: none"> ● Local AHMA, e.g. SAHMA - PBRA Training

MOR Findings at RAD Properties

NHC has completed MORs on all 13 RAD properties. During the initial MOR with each property, NHC faced two significant hurdles:

1. The timeframe between conversion and scheduling the first on-site MOR was too long and
2. Mass recertifications

Most of the properties' initial MORs took place years after conversion, which led to properties adopting deficient processes, perpetuating significant compliance errors. They must revisit their policies, ensuring HUD compliance, and implement these processes in their day-to-day routines. Additionally, most properties are completing mass recertifications incorrectly AND without HUD's approval. ALL of the properties we audited were non-compliant with this process. Recertification deadline pressures are leading to shortcuts that compromise compliance requirements. This has resulted in numerous properties having to reimburse HUD subsidies, which for the most part, were fundamental eligibility and certification errors (i.e., having an executed HUD Form 50059).



Other areas that must be addressed are:

- Application processing.
- Properties are not familiar with HUD requirements: required documents, HUD required verbiage on standard forms (i.e., Tenant Selection Plans, move-in inspections, etc.), policies and procedures, HUD Form 9834 and Addendum A (Tenant File Review Worksheet).
- Properties need help with EIV compliance: establishing policies and procedures, generating the reports, correctly following up, and reading the reports. Since the properties need help understanding the reports, they cannot adequately address deficiencies listed on the reports.
- All properties need compliance and occupancy training regarding move-in certifications, initial certifications, annual recertifications, interim recertifications, terminations, and move-out 50059s. Properties must learn the difference between the certification types: what they are, what they're for, the required documentation for the tenant file, and how to process them correctly.
- Correctly verifying and calculating income, assets, and expenses.

NHC observed that all RAD properties need someone to review the forms, HUD rules, and discuss the Owner/Agent's (O/A's) responsibilities. NHC recommends comprehensive training for the entire process to ensure properties achieve compliance knowledge while fostering competency in navigating this program.

Contact Information

National Housing Compliance

1975 Lakeside Parkway, Suite 310, Tucker, GA 30084 | 770.939.3939 | www.nhcinc.org



National Housing Compliance

RAD Converted PBRA Property

NHC Intake Questionnaire - Sample

Property Name:	Contract Number:
Units:	PBCA Assignment Date:
Public Housing Authority/Owner:	
Main Contact/Phone:	
Conversion Date/Applicable Notice of 1, 2, 3, or 4:	
Conversion Rent Roll/Tracking Residents at Conversion:	
Last Rent Increase - Date:	Last Baseline Utility Allowance - Date:
Name of Software Provider:	
Obtain Letter of Authorization:	
5-Year Baseline or Historical Baseline (Date of PBRA Conversion):	

	Vouchers	Yes	No	NA	Comments
1.	Do any units have Family Self Sufficiency?				
2.	Is the property eligible/receiving Rehab Assistance Payments (RAP)?				
3.	Do any of your residents have repayment agreements?				
4.	Are there any outstanding Special Claims?				
5.	Any previous rent adjustments not applied or processed?				
6.	Are there any late annual certifications? Same anniversary date for all units?				
7.	Do any units have Earned Income Disregard?				
8.	Is the property still subject to Phase-In Rents?				
9.	Do any units have a TTP that exceeds Gross Rent?				

	MORS	Yes	No	NA	Comments
1.	Does the property have any elderly, near elderly preference, as approved by HUD?				
2.	Does the property have any additional preferences (approved by HUD, as applicable)?				
3.	Do any of the residents have pets?				
4.	When was your last Management and Occupancy Review (MOR)?				
5.	Does your property also have Tax Credits - funding for the IRS?				
6.	Does your PHA Agency also administer a Housing Choice Voucher Program?				

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