

## TRACS 202D Rollout Debrief

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## Resources

- We recommend you access and review the following resources for this session:
- DAS Memo
- Proposed Final Rules
  - [Docket No. FR-5654-P-011 RIN 2502-AJ22 Streamlining Management and Occupancy Reviews for Section 8 Housing Assistance Programs and Amending Vacancy Payments for Section 8 and Section 162 Housing Assistance Programs](#)
  - [\[Docket No. FR-5654-N-02\] Section 8 Housing Assistance Programs Proposed Management and Occupancy Review Schedule](#)
  - [24 CFR Parts 891 and 892 Supportive Housing and Services for the Elderly and Persons With Disabilities: Implementing Statutory Reforms; Proposed Rule](#)
  - [Docket Number FR 5743-P-01 RIN 2506-AC38 Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing and Community Planning and Development Programs](#)

## 202D Vouchers And Voucher Processing--Site And CA Rules And Capabilities

Housing Owner's Certification and Application for Housing Assistance Payments		U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner		OMB Approval No. 2502-0182 (02/07/04)	
<b>Part I - Contract Information</b>				<b>HUDCA Use Only</b>	
1. Project Name:	2. FNA/EH/Non-Insured No.	3. Sec. 8/PAC/PRAC/Contract No.	Voucher Number:		
4. Type of Subsidy:	5a. Management Agent's Name			Date Received:	
	5b. EIN:			Date Paid:	
<b>Part II - Occupancy &amp; Income Eligibility Information</b>					
6. General Occupancy Information (contract specific):		7. Exceptions to Limitations on Admission of Low-Income Families (only for Sec. 8 contracts effective on or after 10/1/81):			
a. Total Units in contract		a. Project-based exceptions in use			
b. Number of Units receiving subsidy under this contract		b. Project-based exceptions allocated			
c. Number of units abated under this contract		c. Tenant-based exceptions in use			
d. Number of Units vacant under this contract		d. Total exceptions (line b + line c)			
e. Number occupied by Market Rent Tenants		e. Date Field Office last changed allocations for project-based exceptions (mm/dd/yy)			
<i>Note: 6a must equal 8e + 9c + 9d + 9e</i>					
<b>Part III - Breakdown of Assistance Payment Requested</b>				<b>HUDCA Use Only</b>	
8. Type of Assistance		9. Number of Units in Billing	10. Amount Requested	11. Amount Approved	
a. Regular Tenant Assistance Payments for (mo./yr.):					
b. Adjustments to Regular Tenant Assistance Payments					
c. Section 8 Special Claims for Unpaid Rent					
i. Section 8 Special Claims for Tenant Damages					
ii. Section 8 Special Claims for Vacancies					
iv. Section 8 Special Claims for Debt Service					
d. Miscellaneous Accounting Requests					
e. Repayment Agreements					
f. Total Subsidy Authorized under instructions in Handbook 4350.3 Rev. 1					
		<b>Part IV - Distribution of Subsidy Earned (HUDCA Use Only)</b>			

## Phases

### ● Phase I—202D

- Full electronic voucher
- CA to send preliminary/final voucher to OA
- TRACS changes needed

### ● Phase II—??

- Reconciliation reports
- TRACS changes not needed

## Phase I: Voucher Changes

- Prior to 202D, an electronic voucher contained very limited detail information
- With 202D, the MAT30 voucher contains full voucher detail

## Phase I Summary

What is different from 202C to 202D?

Voucher Form	Description	MAT 30 Record	202C	202D
52670	Cover Page	Section 2	Yes	Yes
52670-A Part 1	Regular Assistance	Section 3	No	Yes
52670-A Part 3	Adjustments	Section 4	No	Yes
52670-A Part 4	Miscellaneous Requests	Section 6	Yes	Yes
52670-A Part 5	Special Claims	Section 5	Yes	Yes
52670-A Part 6	Repayment Agreements	Section 7	NA	Yes

## Phase I: Voucher Changes

- With 202D, CAs are required to send a final voucher back to the site in MAT30 format
- This provides the site with additional information to use in the reconciliation process
- There are no requirements determining how data is presented in site software

### 4.39.11 - CA MAT30s-- When is a single vs a double record created and returned?

- 202D - CA software required to create a full set of MAT30 records that are returned to OAs and sent to TRACS.
- OAs will use the records to assist in reconciling the site and CA HAP vouchers.
- The MAT Guide details the rules for when CA software creates
  - A single record
  - Two records

### 4.39.11

- In Phase I - a “full match” of field data is required for a single record to be returned
- A full match is defined as the data in all key fields of the site and CA record matching perfectly (except for Paid Amount)
- The key fields that are used to define a match decision are listed in the MAT Guide Chapter 4 for each of the Section 3-7 record types

## Phase I Issues—The CA Voucher

- CAs must include ALL site records on a preliminary or final voucher.
  - **No records are rejected or removed**
  - **A “rejection” is done by paying \$0--not by removing the record**
  - This is done so that the OA requested amounts in the MAT 30 Section 2 record are equal to the requested amounts in the voucher sub-records (Sections 3-4-5-6-7)
  - The CA paid amounts in the sub-records also add up to the CA paid amounts in the MAT 30 Section 2 record
- Section 2 Record = Assistance Pmnt. Summary
  - Section 3 Record = Assistance Pmnt. Detail
  - Section 4 Record = Adjustment Pmnt. Detail
  - Section 5 Record = Approved Special Claims
  - Section 6 Record = Misc. Accounting Request
  - Section 7 Record = Repayment Agreements

### 4.39.11

- An “OA Record” is defined as a record sent by the site software.
- A “CA Record” is defined as a record created by the CA software **when there is not a full match** with an OA Record.
- A “CA Record” may be created when there is no “OA Record”.
- There will always be an OA Record corresponding exactly to what the site submitted with the exception of the Paid Amount field.
- There may or may not be a CA Record.
- If CA is paying for something unrelated to an OA request, there would only be a CA Record

## 4.39.11

There are  
two scenarios  
when the OA submits a record:

## 4.39.11

- **If there is a full match**, the site request record is sent back to the site with the Paid Amount field filled with the amount of the CA payment
- Note that the CA may pay an amount less than, equal to or greater than the site requested amount
- A \$0 paid amount is possible in this case and would indicate that the CA is rejecting the site request if the site request is non-zero

## 4.39.11

### Scenario 1: There is a full match

- The CA returns an OA Record only.
- The only field that might differ from the original OA Record is the Paid Amount field.
- The paid amount can have any value including \$0.
- If the CA is paying exactly what the OA requested then “Requested Amount” and the “Paid Amount” fields will be equal.

## 4.39.11 Example – Return 1 Record

Vacancy Claim Submitted for = \$400.00  
Claim ID is correct

CA only approved \$300

Single record return because we have a match  
Claim Type = Vacancy  
Claim ID – CA Claim ID

Amount Requested \$400 – Paid Amount \$300  
Or  
Amount Requested \$400 – Paid Amount \$0

**There must be a record**

### 4.39.11

- **If there is not a full match**, the CA will return the site request record, setting the Paid Amount field to \$0.
- A second record will be created indicating what the CA is actually paying

### 4.39.11

#### **Scenario 2: There is not a full match**

- The CA returns an OA Record consisting of the site record as submitted with the Paid Amount field filled with \$0.
- The CA returns a CA Record with the Requested Amount set to \$0 and the OA Vendor Data field left blank.
- The Paid Amount will be whatever the CA is paying.

### 4.39.11 Example – Return 2 Records

Mary's AR effective 5-1-2014 – sent 4/1/2014 – AP = \$400.00

Mary's IR effective 9-1-2014 – rejected by CA – AP = \$420.00

OA Voucher for 11/2014 shows resident IR - \$420.00

1<sup>st</sup> record - CA will pay for \$400.00 for AR

2<sup>nd</sup> record - CA will pay \$0.00 for IR

Rules re: record order?

### 4.39.11 Example – Return 2 Records

Tom's AR effective 5-1-2014 – sent 4/1/2014 – AP = \$400.00

TRACS Issue

CA submits same AR as a correction to force TRACS to accept the record (status changes in CA software)

OA Voucher for 11/2014 shows resident AR - \$400.00

1<sup>st</sup> record - CA will pay for \$400.00 for AR **correction**

2<sup>nd</sup> record - CA will pay \$0.00 for AR

Rules re: record order?

## Phase I Issues—The CA Voucher

- Can a CA remove site detail records (of any type)
- The answer is No
- The only discretion a CA has is the amount to be paid for each detail record
- A CA may not change any part of a site record except the field holding the paid amount

## Phase I: Voucher Changes

- A CA may send a preliminary voucher to the site – but this is not required
- CA will do this **only if** CA intends to give OA time to
  - Fix problems and
  - Submit a corrected voucher before going to a final voucher
- CA does not return a preliminary voucher **if there is no desire for site to send new corrected voucher back to the CA** for review before a final voucher is created

## Phase I: Voucher Changes

Some CAs  
are returning preliminary vouchers  
(sometimes multiple preliminary vouchers )  
on the same day or immediately before  
returning  
a final voucher

This gives the OA **no time** to submit corrections  
before the voucher is finalized

Creates confusion for the OA staff

## Phase I Issues—The CA Voucher

- To summarize, the CA voucher contains
  - All Section 3-4-5-6-7 records submitted by the site
  - Plus any CA records created under the rules for double row returns
    - See MAT Guide, Chapter 4, 4.39.11—CA MAT30s—When is a single vs a double record created and returned?

## Voucher Sort Order

- The sort order is defined only for Regular Assistance and Adjustments
- The consumer of the voucher (Site or CA) can sort other records in any way that makes sense

## Site Software Implementation

- No rules established
- What are the site software vendors doing with the MAT 30 record returned to the OA by the CA?
  - Nothing
  - Creating/Printing a Voucher
  - Creating a Variance Report

## CA Software Capabilities

- CA Software – Who is doing what?
  - 202D allows for a push-button discrepancy report – is this used by all CAs?
  - No need to do a manual compare between site and CA vouchers if your software vendor implements this – is this used by all CAs?

## Communication to OA

- How are CAs telling owner/agents about errors and variances between the OA request and the CA voucher?
  - Has the process changed?
  - If yes, what is OA feedback?
- CA's must continue to notify OA to
  - Facilitate communication about what was requested by OA vs what was requested by CA
  - Provide OA with instruction for changes needed

## TRACS Errors...or Not

Field	Data
@**@ TRACMnnnnn	(TRACSMail identification)
User Defined	(reserved for <b>OA Defined Data</b> )
User Defined	(reserved for <b>OA Software Vendor</b> )
User Defined	(reserved for <b>OA Software Release/Version</b> )
User Defined	(reserved for <b>CA Software Vendor</b> )
User Defined	(reserved for <b>CA Software Release/Version</b> )
User Defined	(reserved for <b>Agency Defined Data</b> )
Project Name	
Project Number	
Contract Number	
Unit Number	
SSN	(Head of Household SSN)
Name	(Head of Household Name)
Tenant Number	
Effective Date	The (re)certification effective date. (Hud-50059, Item #1)
Specific Message Text	This includes message type (fatal, discrepancy, or informational), message text, and additional message details if applicable.

## CA or No CA

- TRACS returns all voucher and cert messages to sender via iMAX
- CA (both PBCA and TCA) **MUST** return **ALL** messages to site
  - TRACS Messages
  - Messages generated by CA software

## Instruction for Sites

- Site staff should be instructed to **check TRACS Mailbox regularly** – seeing major issues
- Site staff should be instructed to **reference MAT Guide**
- Using “**Certifications with Discrepancies**” Query is not good enough
  - Does not store Fatal Errors
  - Does not store Informational Messages
  - Errors do not always go away when cert corrected

## Potential Issue – Voucher Errors

- Some situations where voucher is not recorded
- Some situations where voucher will not be paid

- Sometimes Error Goes to OA
- Sometimes Error Goes to CA but not OA
- Sometimes No error messages returned to CA/OA

## Error Goes to OA

- Three Identified Issues
  - Threshold Error Retroactive GR
  - Contract Renewal Issue – PRAC? Non-S8?
  - DUNS Number Issue

## Threshold Error

- I see this on PRAC
- Retro GR
- Error Message Generated
- Voucher HUB does not release voucher
  - Inadequate detail
  - Potential for additional training

## DUNS Number

- Not required at this time
- May be required at any time in the near future
- Property Owner
  - If No DUNS Number Then No TIN
  - If DUNS Number Then MUST HAVE TIN
  - If TIN Then MUST HAVE DUNS
- Parent Company
  - Not required
  - Do not use property DUNS or TIN
  - If No DUNS Number Then No TIN
  - If DUNS Number Then MUST HAVE TIN
  - If TIN Then MUST HAVE DUNS

## HUD Notification

Need HUD  
to give the industry  
a “heads up”  
before  
the error becomes fatal  
if there is no DUNS or no TIN



## HUD Clarification

- Is this supposed to be a CA edit
  - Supposed to make sure there is a value
  - Does CA check for validity?
  
- Is HUD responsible for this edit?
  - Supposed to make sure there is a value
  - Does HUD check for validity?

## Potential Issue - Certs

- If CA submits MAT to HUD – CA Responsibility
- If no CA – OA Responsibility
- Certs not recorded – Can't get them in to TRACS
  - Try traditional methods
    - Send as correction
    - Send as baseline
- No error – only way to know is to check TRACS

## TRACS Reconciliation

- Voucher & Certification Queries
- No way to gauge the success of the transmission unless someone checks TRACS
- Many OAs do not have access
- This is an MOR Question (Section II – Question 19)
- Also negatively affects EIV

## Basic Check

Make sure voucher is recorded correctly  
Use MAT Guide Appendix G to understand  
Status messages



**U.S. Department of Housing and Urban Development  
TRACS Voucher List**

Contract/Project Number: GA111111  
 Project Name: MAGNOLIA GARDENS  
 Subsidy Type: Section 8  
 Subsidy Contract Expiration Date: 08/31/2014  
 Active Tenant Count/Units: 141/139 (101.4%)

[Back to Query](#)

*Select a Voucher ID to view additional voucher details.*

Voucher ID	Voucher Date	Correct-ion Ind	TRACS Processed Date	Status Code	Status Date	Discrep-ancy Ind	Approved Voucher Amount	Offset Amount	Amount Paid	Est Pay Date	Payee TIN	LOCCS Payee Name	Action ID	Contract Administrator ID	Compliance Percent
	01/01/2012	N	12/21/2011	P00	12/30/2011		\$85021	\$0	\$85021	01/03/2012	XXXXX		LOCCS		101
	12/01/2011	N	11/03/2011	P00	11/30/2011		\$71244	\$0	\$71244	12/01/2011	XXXXX		LOCCS		101
	11/01/2011	N	10/17/2011	P00	10/29/2011		\$74185	\$0	\$74185	11/01/2011	XXXXX		LOCCS		101
	10/01/2011	N	09/16/2011	P00	09/30/2011		\$72423	\$0	\$72423	10/03/2011	XXXXX		LOCCS		101
	09/01/2011	N	08/02/2011	P00	08/31/2011		\$86510	\$0	\$86510	09/01/2011	XXXXX		LOCCS		100
	08/01/2011	N	07/18/2011	P00	07/29/2011		\$87654	\$0	\$87654	08/01/2011	XXXXX		LOCCS		100
	07/01/2011	N	06/10/2011	P00	06/30/2011		\$84442	\$0	\$84442	07/01/2011	XXXXX		LOCCS		100
	06/01/2011	N	05/16/2011	P00	05/28/2011		\$83499	\$0	\$83499	06/01/2011	XXXXX		LOCCS		100
	05/01/2011	N	04/13/2011	P00	04/29/2011		\$84293	\$0	\$84293	05/02/2011	XXXXX		LOCCS		101
	04/01/2011	N	03/02/2011	P00	03/31/2011		\$84578	\$0	\$84578	04/01/2011	XXXXX		LOCCS		103
	03/01/2011	N	02/22/2011	P00	02/26/2011		\$89451	\$0	\$89451	03/01/2011	XXXXX		LOCCS		102
	02/01/2011	N	01/05/2011	P00	01/29/2011		\$84584	\$0	\$84584	02/01/2011	XXXXX		LOCCS		103
	01/01/2011	N	12/02/2010	P00	12/30/2010		\$70611	\$0	\$70611	01/03/2011	XXXXX		LOCCS		100

## Basic Check - Certifications

Make Sure Certs Are Recorded Correctly



U.S. Department of Housing and Urban Development  
TRACS Certification List

Contract/Project Number: GA111111  
Subsidy Contract Expiration Date: 08/31/2014  
Active Tenant Count/Units: 141/139 (101.4%)

Back to Query

Select a Tenant Name to view additional certification details. Highlighted rows correspond to Active Tenant Count.

Tenant Name	SSN	Unit Number	Effective Date	Cert Type	Action Code	Action Effect Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Gross Rent
ADAMS, A	XXXXXX	01 2400 A	03/01/2011	AR	GR	09/01/2011	09/02/2011	\$374	\$198	\$8328	\$7928	\$572
BURGESS, B	XXXXXX	01 2400 B	09/01/2011	MI			10/03/2011	\$624	\$47	\$2340	\$1890	\$671
CARVER, C	XXXXXX	01 2400 B	08/01/2011	AR	MO	07/05/2011	07/21/2011	\$165	\$482	\$22880	\$19280	\$647
DANVERS, D	XXXXXX	01 2400 C	11/01/2011	AR	CT		11/01/2011	\$646	\$25	\$0	\$0	\$671
ISTRADA, E	XXXXXX	01 2400 D	11/01/2011	AR			10/03/2011	\$248	\$324	\$15145	\$12975	\$572
FARCY, F	XXXXXX	01 2400 E	04/01/2011	AR	GR	09/01/2011	09/02/2011	\$431	\$240	\$11654	\$9614	\$671
GREGGS, G	XXXXXX	01 2400 F	04/01/2011	MI	GR	09/01/2011	09/02/2011	\$579	\$92	\$4160	\$3680	\$671
HASIM, H	XXXXXX	01 2400 F	12/01/2010	AR	MO	03/07/2011	04/05/2011	\$464	\$183	\$12480	\$7308	\$647
IKLACIOUS, I	XXXXXX	02 2401 A	07/01/2011	AR	GR	09/01/2011	09/02/2011	\$374	\$198	\$8328	\$7928	\$572

U.S. Department of Housing and Urban Development  
TRACS Certification History List

Head Tenant Name: ADAMS, A  
Head Tenant SSN: XXXXX

Project/Contract Number: GA111111  
Sorted By: Effective Date

Back to Query

Select a Head Tenant Name to view additional certification details.

Head Tenant Name	Head SSN	Unit Number	Effective Date	Seq Num	Cert Type	Action Code	Action Effect Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Gross Rent	Assist Status Code	Project/Contract Number
ADAMS, A	XXXXX8929		09/01/2011	2	*AR*	CT	09/01/2011	09/02/2011	\$561	\$198	\$8328	\$7928	\$779	E	
ADAMS, A	XXXXX8929		09/01/2011	1	*AR*			08/02/2011	\$554	\$198	\$8328	\$7928	\$752	E	
ADAMS, A	XXXXX8929		09/01/2010	2	*AR*	CT	09/01/2010	09/17/2010	\$554	\$198	\$8328	\$7928	\$752	E	
ADAMS, A	XXXXX8929		09/01/2010	1	*AR*			08/18/2010	\$529	\$198	\$8328	\$7928	\$727	E	
ADAMS, A	XXXXX8929		09/01/2009	4	*AR*	CT	09/01/2009	05/19/2010	\$523	\$204	\$8544	\$8144	\$727	E	
ADAMS, A	XXXXX8929		09/01/2009	3	*AR*	CT	09/01/2009	09/02/2009	\$523	\$204	\$8544	\$8144	\$727	E	
ADAMS, A	XXXXX8929		09/01/2009	2	*AR*	CT	09/01/2009	09/02/2009	\$523	\$204	\$8544	\$8144	\$727	E	
ADAMS, A	XXXXX8929		09/01/2009	1	*AR*			08/17/2009	\$494	\$204	\$8544	\$8144	\$698	E	
ADAMS, A	XXXXX8929		09/01/2000	3	*AR*			04/26/2001	\$264	\$298	\$12528	\$11901	\$562	E	
ADAMS, A	XXXXX8929		09/01/1994	1	AR			09/01/1994	\$172	\$264	\$10944	\$10544	\$436		

Interpreting and printing this page

Back to Query Back to Certification Detail Options

## Train Staff

- Checking this information is OA responsibility
- CA should be checking this information as well
- CAs must respond to OA if there is an issue
  
- Make sure staff understands the process
  
- Make sure staff understands negative impact of missing information
  - Lower compliance percentage
  - No information in EIV
    - Message – No 50059 data found in TRACS
    - No Verification or Income Data
  
- Make sure CA staff does not disregard

## TRACS Errors in the MAT Guide

- Editing the errors to add some clarification info.
- Some of the errors may need to be tweaked.
- We have gotten mixed information about certifications or vouchers that fatal (are not recorded in TRACS that we can see) with no error returned to the OA.
- We're also having issues getting certs in to the TRACS system.
- I think Alisa is the only one who can tell us what we're doing wrong and how to adjust our processes so that we can quit bothering her... :
- Is it user error?
- Is it software?

## IR to Over-housed with Repayment

- IR to Over-housed with Repayment
- May want to re-classify the "over housed" issue
- This is currently an error with an Action Code 4
- Might need to be classified with an Action Code 3 to encourage OA response/action
- Trend where a household is notified of failure to fully and accurately report, residents "move out"...but not really
- Remaining person still lives in a 4 bedroom unit
- Suspect that there are unauthorized residents in the unit and we need to push the UT to an appropriate size unit

## Dual Subsidy???

- There seem to be some problems with the system when one person is found in two units
- We need to discuss the rules, the way TRACS works and how TRACS should be handling these certifications

## Dual Subsidy Causes

### Rules allow for exception

- Minor in two units
- Household Split
- Household Swap

### Non compliant policies

- Move out notice
- End of month
- End of lease

### TRACS Issues

- Posting Order May reverse MO or Termination
- No MO sent for Market
- Retro GR may reverse recorded MO
- Other PM may not be willing to correct

## Processing Order

1. Processes move-outs first (MAT 40)
2. Followed by terminations (MAT 65)
3. Followed by full certifications (MAT 10)
4. Followed by unit transfers (MAT 70) and gross rents (MAT 70)



## TRACS Status

TRACS considers the last partial certification processed (for the last MAT 10) to be the most current



## Impact of Retroactive Submissions

- When transactions are submitted in the order they occur, things work fine.
- When retroactive transactions are submitted, problems can occur.
  - Retroactive Gross Rent Changes
  - Corrections to a prior certification
  - Retroactive Interim Certifications

## Impact of Retroactive Certs

Sequence #	Cert Type	Effective	Date Submitted	Voucher	Assist. Payment
1	AR – MAT 10 Unit B50	2/1	2/3	March	400
2	Move-Out – MAT 40 Unit B50	8/1	8/3	September	0
3	GR – MAT 70 Unit B50	4/15	9/3	October	420



As long as MAT 10 was effective in the last 15 months, this resident is Active again as of 9/3 and appears to be living in this unit according to TRACS. Resident moved out 8/2

## Fatal Errors

F0019	<p>Move-in rejected. Tenant is an occupant elsewhere with no move-out.</p> <p>I thought we got rid of this code to accommodate the rules regarding SWAP and SPLIT Households. Also to accommodate minors in joint custody arrangements</p>	<p>This error is issued if the tenant is occupying a different property OR the same property but a different unit. If it is the later, then submit a move-out if the tenant had moved out sometime ago and is now moving back into the property. If the tenant simply needs to be in a different unit, then submit a transfer. If, however, the tenant is in a different property, then you need to contact Housing, who will assist in moving the tenant out of TRACS.</p>
F0120	<p>Initial cert rejected. Tenant is an occupant in another project.</p>	<p>This error is issued if the project number in the MAT does not match the one in TRACS for this tenant. Submit a move-in and refer to the Recommendation Action for the Fatal Error F0119 to avoid a move-in rejection.</p>

## Proposal

Make these errors  
Discrepancies  
with an Action Code 1

## Repayment Agreements

## Repayments

- When a resident or an owner/agent receives **too much housing assistance**, the overpayment must be returned to HUD.
- **Guidance** is provided in
  - HH 4350.3 R1, C4 Paragraph 8-21 *(please note, just because something is subject to repayment does not mean that a resident actually entered in to a repayment agreement)*
  - HUD Notice 13-06
- Common to see such **assistance returned to HUD via repayment agreements**



## 52670 Part 6

Repayment agreements may **no longer be reported as OARQ** Miscellaneous Accounting Request transactions

Will be accounted for with **new HUD-52670-A Part 6 - Repayment Agreements for Schedule of Tenant Assistance Payments Due**

## Site Software Vendors



- Site software vendors are required to **add or modify current repayment functionality**
- All repayment agreements **must** be entered in to the site software
- Site software will **assign a repayment agreement number/ID**
- Site software will **create an entry** for each monthly payment amount
- Payments will be entered in the software
- Appropriate voucher entries will be **included on the monthly transmission**

## Assistance Paid in Error



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

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

## Types of Repayment Agreements

- Three types of repayment agreements:
  - Tenant
  - Owner
  - None
    - CAs MUST accept None if certification adjustments are correct
    - Status can be changed to Tenant if resident returns to repay
      - Court order
      - Guilt
      - Collections

## Collection Agencies

- OA not required to send amounts to collections but they can
- Costs of collection retained by OA is maximum of 20% of the amount collected from resident
- Amount of payment is the total amount the resident paid
- Not amount collection agency returned to OA unless the amount is the same as the amount the resident paid

## Example

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

## Recording Repayment Transactions

- Original Repayment Recorded in 202C via OARQ
- It is April 2015
- In May, 2014, a correction to prior certification was created due to a resident's failure to fully and accurately report income information.
- This correction created a voucher adjustment for negative \$1000.00
- Kylie Kraft signed a repayment agreement for \$1000.00 on June 1, 2014.
- The current balance for the repayment agreement is \$500.00
- The owner/agent's outstanding costs/expenses \$120.00
- Monthly payment is \$50.00 per month
- OA reducing the payment amount by \$10.00 per month (20% of the \$50.00 payment)
- \$50.00 payment from Kylie

# History

- Pretend it is April 2015
- An **OARQ Miscellaneous Accounting Request** for positive \$1000.00 was included on the **July 2014** voucher reversing the adjustments created by correcting the certification
- Each month, the OA has been adding an OARQ Miscellaneous Accounting Request for negative \$40.00 to return the assistance paid in error to HUD

Repayment Agreements for Section 8 Tenant Assistance Payments

Before completing this form, read and follow the instructions on the reverse side.

1. Ass. Forms Due For (mm/yyyy): 5/2015

2. Project: \_\_\_\_\_

3. FHA/ELI/Insured Prog. No.: \_\_\_\_\_

4. Section 8 / PAC / FRAC Contract No.: \_\_\_\_\_

5. Type of Subsidy: \_\_\_\_\_

6. Head of Household Name (Last, First): Kraft, Kylie

7. Unit Number: 116

8. Agreement ID: 1431

9. Agreement Date: 6/1/2014

10. Agreement Type: T

11. Agreement Amount: 1000

12. Agreement Change Amount: 0

13. Total Payment: 50

14. Ending Balance: 450

15. Amount Retained: 10

16a. Amount Requested: -40

16b. Approved (HUDICA use only): \_\_\_\_\_

17. Totals for this page: \_\_\_\_\_

Form HUD-52670-A part 8 (10/2012) ref. Handbook 4300.3 Rev. 1

Agreement ID is generated by site software

Agreement amount is the total amount of assistance paid in error before any resident payment

Agreement change amount shows difference last month and this month

Caused by creating new agreement or adjusting the original amount usually because of an error

Agreement Change amount Less Total Payment Plus Amount Retained  
 $0 - 50 + 10 = -40$

## Questions???



## Add New Repayment Agreement

- Resident who failed to fully and accurately report income for a number of years
- Resident owes assistance-paid-in-error totaling **\$3511.00**
- **OA Must** complete corrections to a prior certification(s) affected by the income change
- **OA Must not** fail to correct the prior certification(s) in an attempt to avoid having large negative adjustments appear on the HAP voucher

**Repayment Agreements for Section 8 Tenant Assistance Payments**

Before completing this form, read and follow the instructions on the reverse side.

1. Ass. Funds Due For (mm/yyyy): 5/2015

2. Project Name: \_\_\_\_\_

3. FHA/ELI/Insured Prog. No.: \_\_\_\_\_

4. Section 8 / PAC / FRAC Contract No.: \_\_\_\_\_

5. Type of Subsidy: \_\_\_\_\_

6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Change Amount	13. Total Payment	14. Ending Balance	15. Amount Retained	16a. Amount Requested	16b. Approved (HUDICA use only)
Kraft, Kylie	116	1431	6/1/2014	T	1000	0	50	450	10	-40	
Sandra Saunders	210	1433	3/9/2015	T	3511	3511	100	3411	20	3431	

17. Totals for this page: \_\_\_\_\_

Form HUD-52670-A part 6 (10/2012) ref. Handbook 4350.3 Rev. 1

Agreement ID is generated by site software

Agreement amount is the total amount of assistance paid in error before any resident payment

Agreement change amount shows difference last month and this month

For a NEW Repayment Agreement, the Agreement Amount & the Agreement Change Amount are the same. This is the total of the adjustments created by correcting the certs

Agreement Change amount Less Total Payment Plus Amount Retained  $3511 - 100 + 20 = +3431$

## What We Hear

- The confusion seems to be with two scenarios
- New Repayment Agreements and
- No Repayment Agreements

**U.S. Department of Housing and Urban Development**

**Repayment Agreements for Schedule of Tenant Assistance Payments Due**

OMB Approval No. xxx-xxxx (xxxx/xxxx)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission Manual.

1. Ass. Pmts. Due For (mm/yyyy): **5/2015**      2. Project Name: \_\_\_\_\_      3. FHA/ELI/Insured Prog. No.: \_\_\_\_\_      4. Section 8 / PAC / FRAC Contract No.: \_\_\_\_\_      5. Type of Subsidy: \_\_\_\_\_

6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Change Amount	13. Total Payment	14. Ending Balance	15. Amount Retained	16a. Amount Requested	16b. Approved (HUD/CA use only)
Kraft, Kylie	116	1431	6/1/2014	T	1000	0	50	450	10	-40	
Sandra Saunders	210	1433	3/9/2015	T	3511	3511	100	3411	20	3431	

17. Totals for this page: \_\_\_\_\_

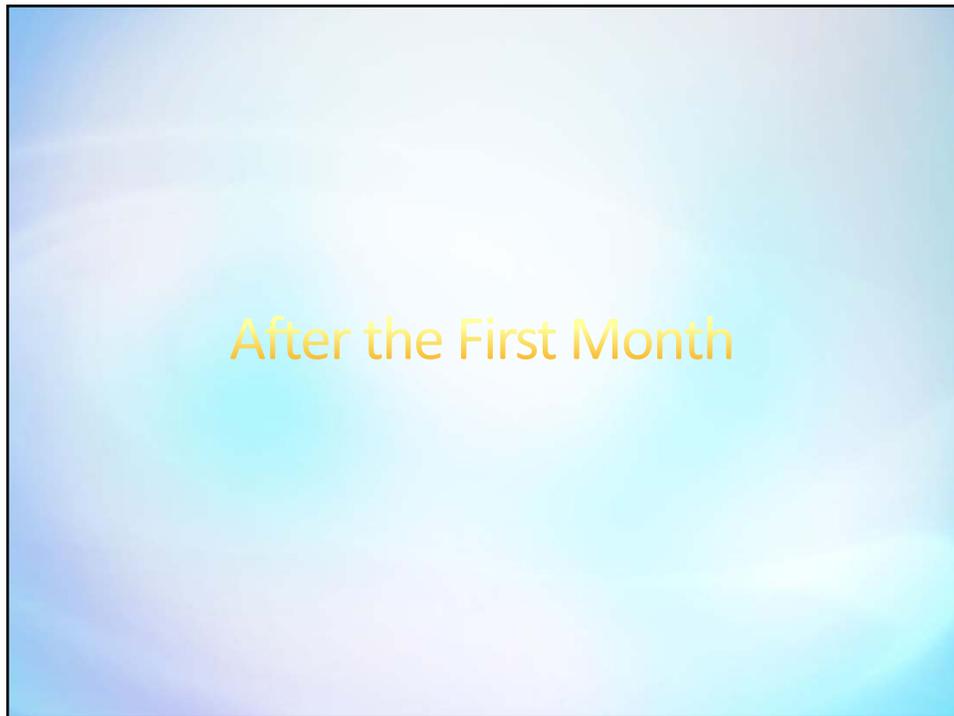
Previous editions are obsolete. Page \_\_\_\_ of \_\_\_\_ Form HUD-52670-A part 6 (10/2012) ref. Handbook 4350.3 Rev. 1

Agreement amount is the total amount of assistance paid in error before any resident payment

Agreement change amount shows difference last month and this month

For some reason, this Change Amount is Creating Questions when a new repayment is submitted.

At some point, there has to be an avenue to reverse the original adjustment created by correcting the previous certifications. This is it.



**U.S. Department of Housing and Urban Development**

**Repayment Agreements for Schedule of Tenant Assistance Payments Due**

OMB Approval No. xxx-xxxx (xxxx/xxxx)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) for the month of **6/2015**.

6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Change Amount	13. Total Payment	14. Ending Balance	15. Amount Retained	16a. Amount Requested	16b. Approved (HUD/CA use only)
Kraft, Kylie	116	1431	6/1/2014	T	1000	0	50	400	10	-40	
Sandra Saunders	210	1433	3/9/2015	T	3511	0	100	3311	20	-80	

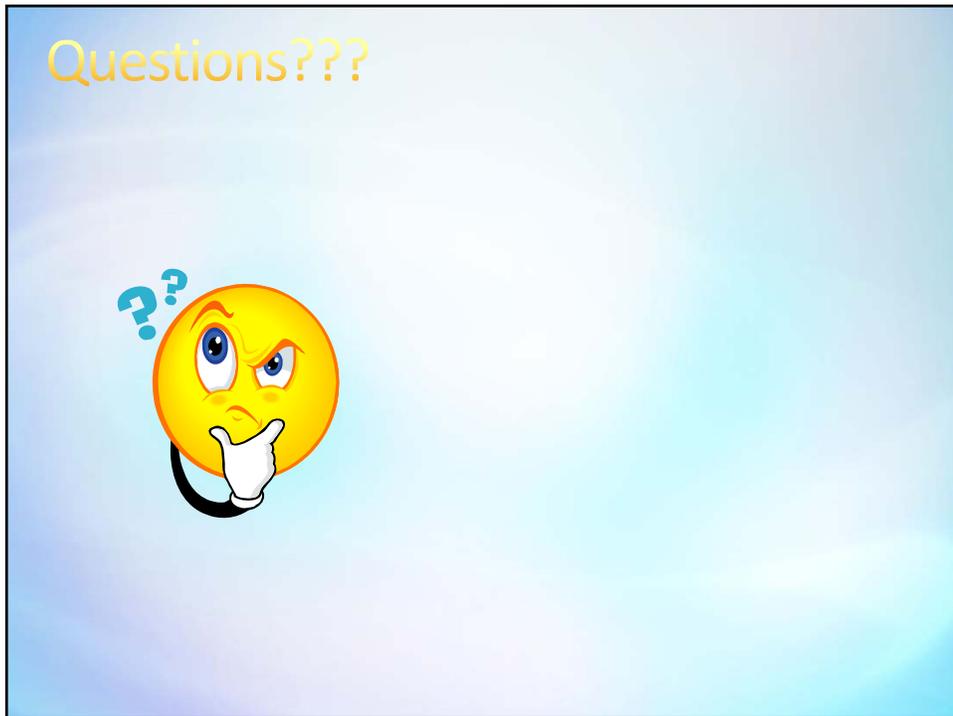
Agreement amount is the total amount of assistance paid in error before any resident payment

Agreement change amount shows difference last month and this month

After the first month, the Agreement Change Amount is zero unless there is an adjustment and the total assistance paid in error changes for some reason.

Owner/agent continues to return assistance to HUD until repayment agreement is fulfilled or resident stops paying.  
0 - 100 + 20 = -80

Previous editions are obsolete. Page \_\_\_\_ of \_\_\_\_ Form HUD-52670-A part 6 (10/2012) ref. Handbook 4350.3 Rev. 1



## Refuse Repayment

- Residents sign appropriate certs but **refuse to enter in to repayment agreements**
- Resident may **move out or skip**
- OA may initiate eviction



- Since certifications are signed, no way to avoid adjustments
- **If the certifications have been signed** the OA must transmit to HUD
- **Assuming compliance**, OA not required to return assistance paid in error

## Do Not Send if Not Signed

- It is not appropriate for an owner/agent to send certifications **if they have not been signed** by the resident
- This is **not an Extenuating Circumstances** (tenant unable to sign) situation
- If the resident does not sign, the cert is not finalized
- If the cert is not finalized, there is no negative adjustment to the voucher

**Repayment Agreements for Schedule of Tenant Assistance Payments Due** U.S. Department of Housing and Urban Development

OMB Approval No. xxx-xxxx (xxxx/xxxx)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) Agreement and the statements on the form HUD-52670 information on public burden.

1. Ass. Funds Due For (mm/yyyy): **5/2015** 2. Project Name: 3. FHA/ELI/Insured Prop. No. 4. Section 6 / PAC / FRAC Contract No. 5. Type of Subsidy:

6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Change Amount	13. Total Payment	14. Ending Balance	15. Amount Retained	16a. Amount Requested	16b. Approved (HUDICA use only)
Kraft, Kylie	116	1431	6/1/2014	T	1000	0	50	450	10	-40	
Sandra Saunders	210	1433	3/4/2015	T	3511	3511	100	3411	20	3431	
Michelle Morton	222	1434	3/9/2015	N	1500	1500	0	1500	0	1500	

17. Totals for this page

Previous editions are obsolete Page \_\_\_\_ of \_\_\_\_ Form HUD-52670-A part 6 (10/2012) ref. Handbook 4350.3 Rev. 1

Agreement amount is the total amount of assistance paid in error before any resident payment

For a NEW Repayment Agreement, the Agreement Amount & the Agreement Change Amount are the same. This is the total of the adjustments created by correcting the certs

Agreement Change amount Less Total Payment Plus Amount Retained  
 $1500 - 0 + 0 = +1500$

## What Are the Hard CA Edits

- Name ?
- Unit Number?
- Agreement ID? – This is considered by TRACS
- Agreement Date?
- Agreement Amount
- Change Amount?
- Payment Amount?
- Retention Amount?
- Balance Due?
- Adjustment?

## HUD Clarification – Prior Denial by CA

- Need to confirm
- No regulation saying that the reversal of adjustment must be on the same voucher as the original adjustment
- If OA Repayment agreement was denied by a CA because a resident refused to enter in to repayment, **OA can still request reversal**
- If resident no longer lives on the property or will not sign use Agreement Type N
- Use unit number at time of move out

## Questions???



## Transaction Start Date

- Developing rules/best practices regarding the start date for transactions pertaining to repayment agreements
- What's the practice
- Need to figure out what everyone needs in order to establish consistent implementation

## Owner Repayment Agreement

- OA repayment agreement
- Lump sum vs detail?
- The spec envisioned a lump sum--not broken out by unit.

# Assets



## Assets with Cash Value of Zero

- This is an acceptable scenario

### Example – Real Property with Rental Income

- Home purchased for \$250,000.00
- Current Value \$190,000.00
- Current mortgage \$175,000.00
- Cost to sell broker fee \$14,000.00
- Cost to sell other fees \$2,000.00
- Cash value <\$1,000.00> - Cash value = \$0.00
- Rental income \$750/month
- Income = \$9000.00



## Assets with Cash Value of Zero

- Ties more closely with Tax Credits
- TRACS fix is in the works to allow

## Assets with Cash Value of Zero

- Have requested clarification from HUD explaining how assets making regular periodic payments should be entered on a 50059.
- Should be added to the MAT Guide
- Must have HUD approval
- Impact on Proposed Final Rule – Specifically in respect to fixed income

*Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing and Community Planning and Development Programs; Docket Number FR 5743-P-01; RIN 2506-AC38.*

## Good News!



- **Notice H2014-15 Passbook Savings Rate Effective February 1, 2015 and Establishing Future Passbook Savings Rates**
  - **Changed the Passbook Savings Rate** used for certifications created using HUD Form 50059
  - The new Notice can be found on HUD's web site
  - **Will supersede information in the HUD Handbook 4350.3 Section 5-7.F**

## New Method

Starting February 1, 2015, new "income from asset" calculation, will equal the **greater of**

- "Actual income from assets"
- Or 0.06% of the total cash value.

Certifications effective **2/1/2015 or later** will use the new 0.06% passbook rate



## If OA Had to Wait

Need to correct previously submitted certifications that include all of the following

- Assets with a cash value of \$5,000.00 or more
- The old imputed percentage of 2%
- Effective date of February 1, 2015 or later.

## Asset Value < \$5000.00

No requirement to correct certifications when the cash value is \$5000.00 or less.

Reference the instruction in the MAT Guide:

31	Reported Passbook Rate Percent	143	6	Numeric	Enter the passbook rate as provided in HUD Handbook 4350.3, paragraph 5-7, if the value of Field 29, Total Cash Value of Assets, is greater than \$5,000. <b>Otherwise, enter zero.</b> Four decimal positions implied. For example, the handbook passbook rate of 2% would be entered as 000200. Enter 000000 if not applicable or if the subsidy type is BMIR.
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## Effect of GR Transactions

- A GR or full cert GR should not change the passbook rate on a previously submitted certification with an effective date prior to 2/1/2015
- A GR effective 2/1/2015 or later will not change the passbook rate automatically
- Needs expansion – Jed – say something

## Interim?



- All residents able to take advantage of the reduced rate on or after February 1, 2015.
- According to 4350.3 and the model lease, residents have the right to request an interim certification if income changes before the next annual recertification.
- If a change in the passbook savings rate changes the cumulative income residents may request an interim recertification
- Refer to HUD Handbook 4350.3, Chapter 7

## MAT Guide Edits



### Clarifications

- Turns out the MAT Guide could be more clear on some issues.
- For example, the NS termination code is causing quite a bit of confusion.
- It's not the termination, but the qualifications for the subsequent IC that seems to be causing the issue.

## Over Income at MI



### If household was over income at MI

- Household allowed to remain in the unit and
- Subsidy is recalculated



### If recalculation results in \$0 subsidy

- Terminate effective on the MI date
- Use the new **NS** termination code

## Eligibility Determination If Household Situation Changes

Should the household's income drop such that they are eligible for subsidy, **an IC should be created.**

Because household was **not eligible** at move-in, household's income would have to drop **to or below the current income limit** requirement in effect at the time of certification

## Example



- Income Limit \$24000.00
- Resident **claimed** income is \$21,000 at MI
- After 90 Day EIV Review, OA discovers resident's "real" income was \$32000.00
- Resident is terminated
- Later resident loses job and requests subsidy
- Resident **will not be qualified** to receive subsidy until household income is \$24000.00 or less (or current income limit at the time of request)

## The Security Deposit & Change in TTP at MI

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

Change noted on the lease

OA and tenant(s) initial change



## Other Issues

### Terminations of Assistance and PRAC

- Need to discuss site software vendors and use of the termination code for PRAC properties.
- This is still allowed in many software packages.
- Proposed Error in TRACS for this
- The Handbook is clear that TMs do not apply to PRACs

## PRAC - Rent Override?

- Termination for
  - Dual Subsidy – No override option at this time
  - No Subsidy – No override option at this time
  - Failure to Recertify – Override option
- Need HUD clarification – what to do in first two scenarios

## RSPC – Miscellaneous Accounting Request

Need clarification from HUD explaining how to handle the return of Special Claims funds if the OA receives payment from a resident.

## Partials and Expired Certifications

- Expired Certs—We propose TRACS should accept partials effective on or after the AR date.
  - MAT 70s Fatal – F0193
  - MO does not fatal but TRACS rejects if after 15 months – F0185

## SSN Exemptions?

- Exception code to be used when a foster agency will not give out the SSN
- Baby was born after the unit offer but before the MI - HUD will grant emergency exception in these cases
- No appropriate exception code

## SSN Exemptions Continued

- We may need two new exemption codes for the SSN disclosure.
- One is Foster
  - Would check against the Foster relationship code
  - Can be used on all certs – no time limit
- One is for a special HUD exemption granted when a child is born between the time a unit is offered and the time the household moves in
  - Used at MI and IC (and appropriate partials) only
  - 180 day time limit

## New Move-Out Codes?

- Does HUD want new MO codes for
  - MO due to criminal
  - MO voluntary termination of tenancy for LIHTC
- Based on the DAS Memo

## Potential Future Rule Changes

### Proposed Final Rule – Affects Income & SSN Disclosure

*Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing and Community Planning and Development Programs; Docket Number FR 5743-P-01; RIN 2506-AC38.*

- Allows for use of prior year income for certification
- Allows for removal of requirement to verify income when income is fixed
- Changes requirements for SS disclosure at MI when child is added after unit offer but before MI

## Proposed Rule –

*Supportive Housing and Services for the Elderly and Persons With Disabilities: Implementing Statutory Reforms; Proposed Rule*

- Introduces ePRAC—new subsidy types
- Modifies Service Coordinator Function
- Modifies 811 eligibility criteria
- **New Eligibility Edit?**

*Nonelderly Adult.* “Nonelderly adult” defined as a person 18 years of age or older and less than 62 years of age, in accordance with the definition of “persons with disabilities” under the Melville Act.

## Continued

- **Requires** the SPRAC waiting list to include
  - Race
  - Ethnicity
  - Gender
- Comments were due December 8

## Proposed Final Rule - MOR

*Docket No. FR-5654-N-02] Section 8 Housing Assistance Programs  
Proposed Management and Occupancy Review Schedule*

- Comments Due March 16, 2015
- Proposes to require MORs of projects on a schedule that is based on both
  - Project's annual MOR rating and
  - HUD's risk-based asset management model

## Proposed Final Rule

*Docket No. FR-5654-P-01] RIN 2502-AJ22 Streamlining  
Management and Occupancy Reviews for Section 8 Housing  
Assistance Programs and Amending Vacancy Payments for Section  
8 and Section 162 Housing Assistance Programs*

- Comments Due March 16, 2015
- Modifies regulations governing frequency of MOR and
- Changes Vacancy Claim Processes

## Proposed Change to Special Claims

- Vacancy and Debt service
  - Vacancy = 30 days for new and renewed contracts--  
60 otherwise
  - So, 2 versions of each claim tied to a contract  
number flag

