

# TRACS Issues: 202D + 203A

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# 202D MAT Guide

- Edits To the MAT Guide
  - Clarifications
  - Enhancing Error Message Explanations
  - Added Examples

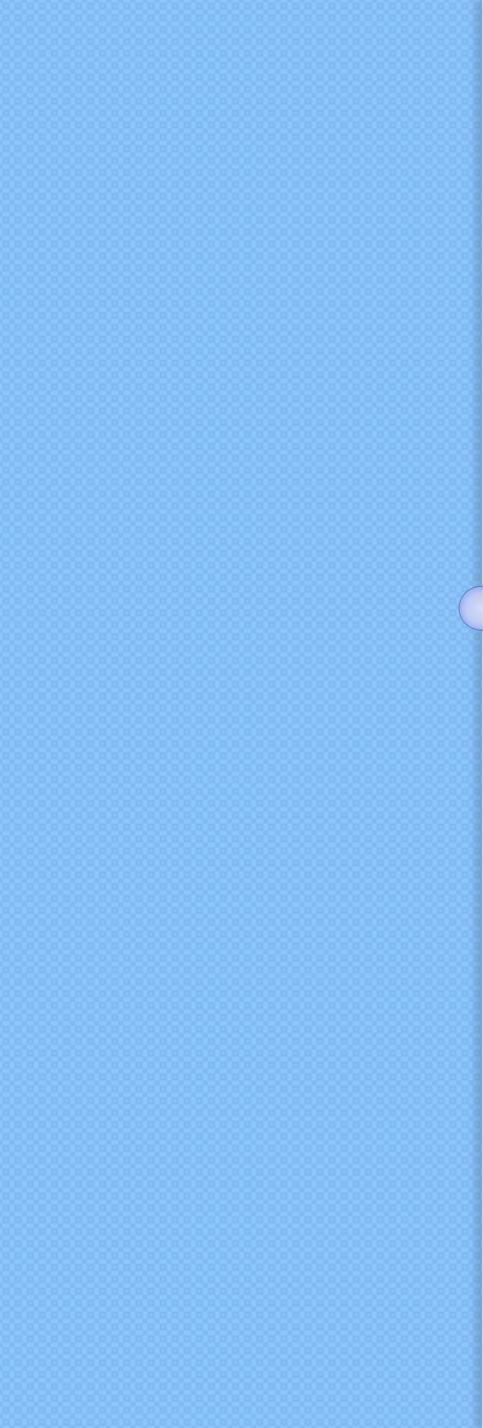


# MI Fatal Error

- Relax MI Fatal Error
- Case for Removing

# 202D Changes

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# VERIFICATION OF SOCIAL SECURITY NUMBERS

*(THIS PROVISION APPLIES TO THE HCV/PROJECT-BASED VOUCHER (PBV), RENT SUPPLEMENT, SECTION 8, SECTIONS 221(D)(3) AND (D)(5), SECTION 236, 202/811, AND PH PROGRAMS.)*

# Rent Refinement FR



HUD changed Social Security Disclosure Requirements with the release of the Rent Refinement Final Rule

*(4<sup>th</sup> iteration released as 24 CFR Parts 5 and 908 Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System Amendments; Final Rule)*

dated December 29, 2009.

# Original Effective Date



Change became effective on

**January 31, 2010**

Required applicants and residents  
to disclose

**Social Security Numbers** and

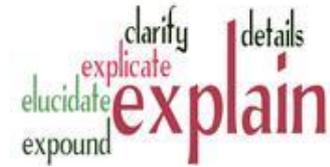
**Adequate documentation** to verify the  
Social Security Number.

# Exemptions

Certain **exemptions** apply



# Subsequent Notice



Instruction explaining  
Social Security Number (SSN) disclosure  
enhanced with release of  
HSG Notice 10-08

*Implementation of Refinement of Income and  
Rent Determination Requirements in Public and  
Assisted Housing Programs: Implementation of  
the Enterprise Income Verification System -  
Amendments; Final Rule.*

# Exemption for Minors (under 6)

Rent Refinement Final Rule and  
HSG Notice 10-08,  
provided an exemption  
to SSN disclosure requirements  
for minors



only if minor  
is added to  
previously assisted family

# Minor Exception at Move-in

HUD changed the rule regarding verification of Social Security Numbers for children under the age of 6 **years-specifically at move-in.**

The 90-day exemption for minors under the age of 6 will now apply **at move-in at initial certification**



# Problem at MI or IC

Previous to April 7, the exemption for minors was not extended to applicants

If applicant family included

- Minor **under 6**
- **Without an SSN** (*and who is not an ineligible non-citizen*)

Family could not receive subsidy  
(MI/IC)

# New Language at 24 CFR

The CFR is being changed to read:

*§ 5.216 Disclosure and verification of Social Security and Employer Identification Numbers.*

\* \* \* \* \*

*(h) \* \* \**

*(1) Except as provided in paragraphs (h)(2) and (3) of this section, if the processing entity determines that the **assistance applicant is otherwise eligible to participate in a program, the assistance applicant may retain its place on the waiting list for the program but cannot become a participant until it can provide the documentation** referred to in paragraph (g)(1) of this section to verify the SSN of each member of the household.*

\* \* \* \* \*



# New Language at 24 CFR

§ 5.216 Disclosure and verification of Social Security and Employer Identification Numbers.

...

(3) If a child under the age of 6 years was added to **the assistance applicant household** *within the 6-month period prior to the household's date of admission* (or, for the HCV program, the date of voucher issuance), the assistance applicant may become a participant, so long as the documentation required in paragraph (g)(1) of this section is provided to the processing entity within 90 calendar days from the date of admission into the program (or, for the HCV program, the effective date of the Housing Assistance Payment contract).



# New Language at 24 CFR

*§ 5.216 Disclosure and verification of Social Security and Employer Identification Numbers.*

\* \* \* \* \*

*The processing entity must grant an extension of one additional 90-day period if the processing entity determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the assistance applicant. If the applicant family fails to produce the documentation required in paragraph (g)(1) of this section within the required time period, the processing entity must follow the provisions of § 5.218.*



# New Language at 24 CFR

*This provision applies to the  
HCV/Project-Based Voucher (PBV),  
Rent Supplement,  
Section 8,  
Sections 221(d)(3) and (d)(5),  
Section 236, 202/811, and  
PH programs*



# New Exceptions



## Exceptions to Disclosure of Social Security Number

The Social Security Number requirements do not apply to:

- 1. Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010.*

# New Exceptions



## Exceptions to Disclosure of Social Security Number

The Social Security Number requirements do not apply to:

2. *Individuals who **do not contend eligible immigration status**. When applicants and residents are required to declare their citizenship status, the existing regulations pertaining to proration of assistance or screening for mixed families must continue to be followed.*

# New Exceptions



## Exceptions to Disclosure of Social Security Number

The Social Security Number requirements do not apply to:

*3. A child under the age of 6 years added to the applicant household within the 6-month period prior to the household's date of admission. The household will have a maximum of 90-days after the date of admission to provide the Social Security Number and adequate documentation that the Social Security Number is valid. An additional 90 days may be granted under certain circumstances. If the household does not provide the Social Security Number and adequate documentation to verify the Social Security Number within the prescribed timeframe, HUD requires that the owner/agent terminate tenancy.*

# Impact on TRACS 202D

FATAL

Was specifically programmed  
to return FATAL error

if MI or IC certification included  
a minor with no SSN using  
M-minor Exemption Code

M-Minor exemption code could  
only be used on AR or IR

F0345	No Social Security Number provided. Exception Code is M –Minor with no SSN. This Exception Code is not allowed at MI. Use C if the minor is an ineligible non-citizen.	Check birth date and correct or provide alternative exemption code or SSN member.
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# No Change by April 7

TRACS will issue a Fatal Error if MI or IC submitted with an Exception Code of

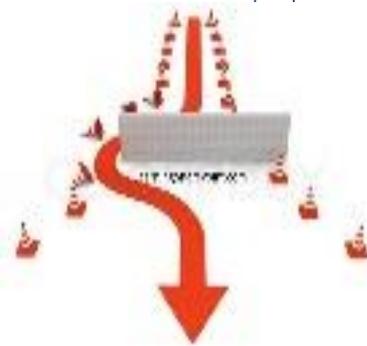
*M – Minor with no SSN.*

TRACS  
**will need to be updated**  
to accept this change.

# Work-around

In the interim, OAs may need to find a “work-around” to allow comply with the new exception.

While HUD is currently discussing changes to TRACS system, no formal “work-around” has been provided.



# WSDL Change

- No Field changes
- Webservices communication change only
  - Direct communications between software and TRACS
- Live now
- Final cutover to the new model at the end of July 2016

# Enforcement of Previous Housing Code

- Code 2 is a legacy code applicable only to 202C certs and corrections to them
- Without or Soon to Be Without Housing
- Any cert using a 2 on a MI **effective after 10/1/2015** must submit a correction
- CAs should flag this case

# Miscellaneous Accounting Requests

- Comment Field is often inadequate for monitoring
- Comment must clearly indicate what it is for
  - Unit # if applicable
  - Tenant Name if applicable
  - Transaction Month if applicable
- Often OAs submit multiple OARQs for the same or different amounts but with identical comments
- CAs are free to fatal these
- Standardize for some types of requests?

# Race & Ethnicity

- Forms have not been released.
- TRACS can accept the new fields now
- OA software should start collecting the expanded fields as soon as it can
- Will be mandatory as part of the MAT with TRACS Version 203?A
- See the handout for field names and locations in the Section 3 record

# Asset Rounding

- Correction of error in the 202DCertificationDataEntry spreadsheet
- **Calculating Imputed Income from Assets (when the Total Cash Value of Assets is > 5,000**
- Passbook Rate                    0.0006
- 4.499000 Passbook Rate times Total Cash Value (Cell C17 above)
- **4.50 Round to penny**                    (NEW)
- **5** Round to dollar. Enter this value on the 50059 and in the TRACS MAT record

# Asset Rounding

- Until 203A both old and corrected calculations are acceptable
- The old example would result in \$4 as opposed to \$5 above

# Mandatory Fields In The MAT

- There is a technical meaning of Mandatory
  - It used to be assigned to fields that TRACS required to work properly
  - In recent times that meaning is no longer strictly true
- If a field does not have a Mandatory designation, data for the field is still required except where stated otherwise
  - MOC is one such case
  - MOC tells you when and when not to fill a field

# 811 PRA Demo – Vacancy Claims

- 811 PRADemo
- Vacancy forms need to be updated
- Applies to vacancy – any number up to 80% - not necessarily 80%
- Only vacancy claims are legal under the program

# No MI Transaction Required

- If the tenant is moving in shortly before the Move-Out (MAT 40) from the old property there is no MI transmission to TRACS.
- The Move-In (MAT 10) should be done at market rent. The day after the Move-Out (MAT 40) effective date from the previous property, an IC should be processed initiating subsidy for the household.

# No MI Transaction Required

- In a case where there was dual subsidy and the MI is truly at market – is the SD equal to market or the true subsidy amount.
- We see this combination MI/TMDS/IC?
- This is a MI with no cert and an IC to initiate subsidy?

# Full Repayment of APIE

- Clarification Repayment Agreement - If the tenant or owner/agent is repaying all of the money due in the same voucher month as when the retroactive adjustments appear, there is no reversing entry and no payment entries.
- There is no repayment agreement.
- EIV flag would be set on any certifications being added or corrected as a result of the use of EIV. In this case (full repayment and no reversal) no Section 7 record is sent

# 202 D Repayment Agreements

# THIRD PARTY VERIFICATION

- Third party verification indicates that she
  - Earns \$10.00 per hour
  - Works 40 hours per week.

$$\text{\$10.00} \times 40 = \text{\$400.00}$$

$$\text{\$400.00} \times 52 = \text{\$20,800.00}$$



Certification Month	Income on Cert Emp., Unemp., SS	Verified Income	Notes
12/2015	\$0.00	\$0.00	
1/2016	\$0.00	\$0.00	
2/2016	\$0.00	\$400.00	Hire date indicates one week of employment for 2/2016
3/2016	\$0.00	1733.33	Derived monthly income by using annual income (\$20,800) and dividing by 12.
4/2016	\$0.00	1733.33	Because resident failed to report in timely manner
5/2016	\$0.00	1733.33	1 – issue lease violation
6/2016	\$0.00	1733.33	
7/2016	\$0.00	1733.33	
8/2016	\$0.00	1733.33	
9/2016	\$0.00	1733.33	
10/2016	\$0.00	1733.33	
11/2016	\$0.00	1733.33	
	\$0.00	<b>15999.97</b>	



**A. Would you Correct the  
12/2015 AR?**

**B. Would you Insert an IR?**

**C. Would you Wait and include the income on the  
12/2016 AR?**



# ASSISTANCE PAID IN ERROR

- Annual projected income for this certification = 20800.00
- Monthly income = 1733.33
- $1733.00 \times 30\% = 519.90$  (\$520.00)



# AMOUNT DUE

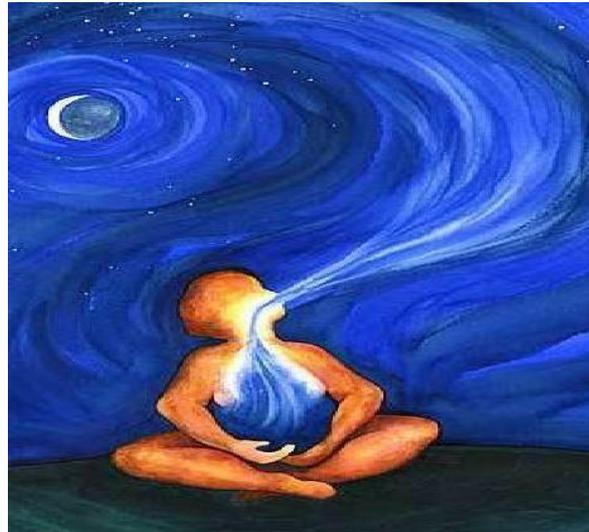
- Calculation completed on 9/15/2016
- Calculate the amount of assistance paid in error as follows.

Certification Month	Amount Paid	Corrected Amount	Difference
3/1/2016-9/30/2016	\$25.00	\$520.00	\$495.00

$$\$495.00 \times 7 \text{ months} = \$3465.00$$



# DEEP BREATH



# THE VOUCHER ADJUSTMENT



- The voucher adjustment will be different.
- Resident has paid rent through September
- Will pay new rent beginning in October
- Will return assistance-paid-in-error March through September



# IN SEPTEMBER (9/2016)

- Voucher was created for October 2016
- AP was wrong because Erin failed to report income
- Adjustment on the November voucher (created 10/2016) will include adjustment for March through October



# OLD VS NEW ASSISTANCE PAYMENT

Month	Original TR <i>(paid by Erin)</i>	Assistance Pmt <i>(billed on voucher)</i>	New TR	Correct Assistance Pmt
March	\$25.00	\$575.00	\$520.00	\$80.00
April	\$25.00	\$575.00	\$520.00	\$80.00
May	\$25.00	\$575.00	\$520.00	\$80.00
June	\$25.00	\$575.00	\$520.00	\$80.00
July	\$25.00	\$575.00	\$520.00	\$80.00
August	\$25.00	\$575.00	\$520.00	\$80.00
September	\$25.00	\$575.00	\$520.00	\$80.00
October	\$520.00	\$575.00	\$520.00	\$80.00
November	\$520.00	\$80.00	\$520.00	\$80.00

Month	Unit Rent	Amnt. Resident Paid	Amnt. on Voucher	Total	Correct Voucher Amnt.	Voucher Adjust	Total Received by OA	Total In Repayment
March	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
April	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
May	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
June	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
July	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Aug	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Sept	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Oct	\$600	\$520	\$575	\$1,095	\$80	\$495	\$600	\$0
Nov	\$600	\$520	\$80	\$600	\$80	\$0	\$600	\$0
<b>Total</b>						<b>\$3,960.00</b>		<b>\$3,465.00</b>

# TRACS 203A

The most likely additions and changes

Live by Summer 2017?

Schedule TBD

# Repayment Agreements

- Bad data is common
- Numbers don't add up
- Balances are incorrect

# To Fix

- Clearly define terms (reversal = adjustment reversal not the reversal of a payment)
- Clarify examples
  - Always show a before and after
- Add new fields to enforce accounting links between records

# Repayment Agreements

- New Fields and New Logic
- **Transaction ID**—sequential
- **Beginning Agreement Amount**(formerly Agreement Amount)
- **Ending Agreement Amount**
- **Beginning Balance** and Ending Balance fields
- Expanded Agreement Types or add a Status field
  - Skipped/Inactive/Moved Out
- Rules for corrections

		Tenant owes 1,000 Adjustment Reversal (Initial Repayment Agreement Transaction)	Tenant owes 1,000 Payment without retention
Field #			
	Transaction ID	1	2
3	Head Last Name	Swanson	Swanson
4	Head First Name	Grant	Grant
5	Unit Number	103	103
6	Agreement ID	12397	12397
7	Agreement Date		
	Beginning Agreement Amount	0	1000
8	Ending Agreement Amount-- formerly Agreement Amount	1000	1000
	Beginning Balance	0	1000
9	Agreement Type (T, O or N)	T	T
10	Agreement Change Amount	1000	0
11	Total Payment	0	50
12	Amount Retained	0	0
13	Ending balance	1000	950
14	Amount Requested	1000	-50

# Repayment Agreements

- **Calculation Rules:**
- Ending Agreement Amount = Beginning Agreement Amount + Agreement Change Amount
- Ending Balance = Beginning Balance + Agreement Change Amount - Total Payment
- Amount Requested = Agreement Change Amount - Total Payment + Amount Retained
- **Record Consistency Checks:**
- First ending agreement amount = second beginning agreement amount
- First Ending Balance = Second Beginning Balance

# Repayment Agreements

- Addressing Court Orders Changing Amount Owed And Reporting The New Amount Owed By The Tenant
  - Unique
  - Results in a change in the agreement amount (amount of misreporting)
  - Can't result in a change in the voucher total because the OA needs to be held harmless

# Other 203? Topics

# HQ Termination

Add HQ Termination

for Residents with

Minor Exemption M

After 180 days

# TM – Death Sole Household Member

- Add TM Code for Death of a Sole Household Member
- Or allow the fake MO with an effective date which is the earlier of actual MO or 14 days after the date of death. This changes Chapter 4, Chapter 5 and Chapter 7

# PRAC - TM

- Should TRACS Fatal
- Should requirements be modified

# Origination of Data

- As presented at an earlier TRACS meeting
- CAs may not change any lease data—data in the MAT that reflects data on a printed cert
- CAs may change technical MAT data as a temporary measure to help the OA while the OA software vendor fixes whatever problem may exist technically
- CAs must accept and process site GRs. They may not execute their own GRs and submit them to TRACS.

# Voucher Adjustment Cert Types

- The full list of types from the 202D spec becomes mandatory
- Some were late additions and optional for site software
- UTs with full certs
  - AR-I, AR-O, IR-I, IR-O etc.
- This will ensure that site and CA software report these transactions in identical ways

# SSN Exceptions

- Use the existing M code (MAT<sub>10</sub>, Section 3 Member Record—Field 26 = SSN Exception) to cover the case of a MI or IC with a child under the age of 6 without an SSN as well as the current case of an addition to the household after MI or IC
- Note: the requirement is that the child must have been added to the household within 6 months of the MI or IC. However the MAT does not collect when a member joined the household.
  - This is an MOR issue unless we add a new field

# Fixed Income Recerts

- Part of the T-HUD appropriations bill passed in December, so it is a statutory requirement
- The HUD secretary has 6-months from bill enactment to set forth rules—expect something in June
- If household meets the Fixed Income definition (90% or more of income is fixed), a recert is due every third year and a self-cert in the out-years
- The rule will likely be in effect THIS YEAR
- TRACS will need to be modified so as not to terminate at month 16 of year 1 but only after year 3
- CA and site software issue as well

# Fixed Income Recerts

- Will site software be required to specify a recert date three years in the future or will old data be resubmitted as part of the self-cert process?

# RAD Rent Phase Ins

- Likely change to the 202D rules:
  - Covers ICs that are part of a conversion to RAD—not subsequent MIs or ICs.
  - Tenant pays RAD rent immediately at IC
  - Whether or not a phase-in is needed is determined at the time of the IC
    - If yes, then phase-in starts with the IC
  - No change to the phase-in calculations. Only when the phase-in determination is done and the start date changes

# Other RAD Issues

- What is to be done concerning tenants whose assistance drops to 0 or goes negative?
- Current guidance in a notice requires the OA to charge a rent similar to what would be done for a PRAC
- No guidance on what happens to the overage
- Tenant still considered S8 and recerts are to be done
- Late ruling that a TM should be submitted
  - At first the rule was not to terminate but not to submit anything to TRACS

# ELI Calculations for > 8 Members

- Since the definition of ELI has changed from 30% of median to the greater of 30% of median or the poverty threshold, our old calculation rules no longer apply to ELI
- An updated spreadsheet will be published

# Family Self-Sufficiency

- Draft Table Notice
- Out for comments
- TRACS Edit
- 50059 Edit
- New Voucher Page for RESR?
- Can RESR page include balance?

# Family Self Sufficiency

- Will be a rent override situation
- To be determined:
  - Will HUD want a field or fields to track the escrow account and other information?

# Voucher Unit Counts

- Currently OAs and CAs share the same count fields
- Should we add comparable fields for CAs so that site values are clear and not subject to edit by the CA?

# GRs Clarifications

- Adjustments for Partial Month GRs:
  - Because of the rounding rules, these cases may result in a total rent greater than what you would see for a GR for the full month
  - This is not a problem but rather a consequence of the calculation rules
- GR recalculation rules
  - The prior cert is recalculated by dropping in the new Rent and UA—nothing else is changed concerning the prior cert
    - New facts as of the GR date (passbook rate, ages, deduction amounts, etc are ignored)

# 9-Character Project Numbers

- Are these real and do we need to change the length of the Project Number field in the MAT Header records?

# RAD/SPRAC/811 PRA Demo

- Update Appendix K
- Incorporate guidance throughout the MAT Guide where applicable

# Vacant and Market Units on the Voucher

- Should the MAT 30, Section 3 Regular Assistance records require one record per unit covered by the contract?
- The tenant name for a Vacant unit would be “Vacant”
- The tenant name for a Market unit would be “Market”
- The counts for Vacant and Market Units in items 6a through 6e would be equal to the counts of the corresponding detail records.
- This would assist CA and HUD staff in reviewing vouchers as they cannot definitively know what units are vacant or market based on certs transmitted

# Odd Adjustment Examples

- Please send in examples so that we can clarify the rules

# HR3700

- Passed the House unanimously
- Watch for Senate Action, if any
- Changes
  - Dependent Allowance = unchanged
  - Elderly Allowance = 525
  - Medical and Disability Expenses = amounts in excess of 10% of income
  - Allowances subject to COLAs (rounded down to a multiple of \$25)
  - Hardship exemptions apply—possible new field

# HR3700

- Transition issues are important to clarify
  - When an allowance changes
    - What is the impact on certs already submitted with effective dates on or after the date of the allowance change
  - Similar issues with income limit and passbook rate changes
    - Existing HUD guidance is that the income limit used to determine eligibility controls for a MI or IC even if the limit drops prior to admission
- Income reviews if there is an increase or decrease of 10% or more of adjusted income
  - Would appear to limit IRs for decreases of lesser amounts

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