

*** *Practical Points* ***

December 2010

From

PMCS-ICAP

& PAWA House Service Bureau

Services and Solutions for Properties of All Sizes

Holiday Greetings from PMCS

December is the time when we reflect on the year drawing to an end and anticipate what may be ahead in the New Year. And that is quite a challenge when it comes to the world of HUD! It is also a perfect time to thank all of our faithful readers for your input throughout the year and allowing us to use your questions submitted to help others in the industry. We hope that Practical Points has kept you informed of the many industry changes and reduced the confusion often caused by “HUD-speak”. Our goal is for this knowledge to help give you control – the ability to implement the changes at your property as required and on time... and that results in a passing MOR (Management and Occupancy Review) score! Success in this industry comes from all of us working together! Our thanks go to each of you who work very hard at providing good housing to those in need, while dealing with all the changing regulations! Everyone at PMCS really understands and appreciates all that you do!

Additionally, we'd like to thank all those who have responded to our contact information update request. Remember, you have until January 15, 2011 to submit your updated contact information. The drawing will be held on February 1, 2011 – the three winners will be contacted directly by phone. We will publish the names of the winners in the February 2011 Practical Points. If you wish to participate in the drawing, please submit your contact information by visiting <http://www.pmcs-icap.com/pmcs-icap-newsletter-signup.html>.

We wish you all peace, joy, hope and happiness during this Holiday Season and throughout the New Year!

2011 Operating Cost Adjustment Factors (OCAFs)

The Federal Register published the 2011 Operating Cost Adjustment Factors (OCAFs) on November 8, 2010. The 2011 OCAF effective date is February 11, 2011.

What are OCAFs and how do they apply to me? OCAFs are annual factors used to adjust Section 8 rents renewed under Section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA). Your contract rent will be adjusted based on HUD calculations from your FYE financial statements submitted between 2008 and 2010. For definitions and formal descriptions, take a look at the Federal Register publication on OCAFs here: <http://www.hud.gov/offices/hsg/mfh/mfhsec8.cfm>.

Have a question regarding the 2011 OCAF? The contact person at HUD is Stan Houle, HUD Program Manager, Office of Housing Assistance and Grant Administration, Office of Housing, Department of Housing and Urban Development. Postal mail can be sent to 451 7th Street, SW., Washington, DC 20410. he can also be reached by telephone at 202-402-4572.

No 2011 Social Security Cost-of-Living Adjustment (COLA)

The Social Security Administration announced there will neither be an increase in Social Security benefits payable in January 2011, nor an increase in SSI payments.

What is a COLA? Cost-of-living-adjustments or COLAs were enacted by legislation to ensure that Social Security and Supplemental Security Income (SSI) benefits keep pace with inflation. Since there are no SS or

SSI COLAs you can process your Annual Recertifications based on the current Social Security information found in EIV! For more information on 2011 COLAs, please visit www.socialsecurity.gov/cola or call 1-800-772-1213.

Does this affect Medicare premiums? The law contains a “hold harmless” or special provision that protects *most* Social Security beneficiaries from paying a higher Part B premium, in order to reduce their net Social Security benefit. Those *not* protected include higher income newly entitled beneficiaries to Part B. There is no special provision for Medicare Parts C and D, meaning that beneficiaries must pay any higher premiums. For more information, on Medicare premiums for 2011, please visit www.medicare.gov.

New Requirements for Section 8, Section 202 & Section 811 Properties!

Yet another HUD requirement to close the 2010 year! Section 8 and PRAC (Project Rental Assistance Contract) properties are required to register with the Central Contractor Registry (CCR), in order to continue receiving assistance payments. Prior to registering with the CCR, owners will need to obtain a DUNS number (Data Universal Numbering System), a unique nine digit identification number provided for each physical location of your business.

This interim requirement was published in the July 15, 2010 Federal Register, which can be accessed here: <http://www.hud.gov/offices/adm/grants/ffrcrrqmts.pdf>. This rule became effective August 16, 2010; however, information has been very limited from HUD. Keep a watch for more information; HUD plans to publish a notice providing additional details.

At this time, not having the required DUNS number and CCR registration will not hold up your HAP or PRAC voucher. If you have any further questions, you can contact your HUD Project Manager or your PBCA to discuss the status of unpaid vouchers.

The good news is...if you received ARRA stimulus money last year, you may have already obtained your DUNS number and done the CCR registration! **Note:** You must renew and revalidate your registration at least every 12 months from the date you previously registered. If you do not renew your registration, it will expire and an expired registration will affect your ability to receive your HAP or PRAC payments sometime in 2011.

If this is all new to you and you have not done the CCR registration and/or obtained a DUNS number, here are the steps to follow:

To obtain a DUNS number

Online

Use the online web form process at <http://fedgov.dnb.com/webform>. Basic instructions are provided for you on this webpage. Responses to web form submittals online are returned within 1-2 business days.

By Phone

If you need assistance you can call toll free at 866-705-5711. The process to request a DUNS Number takes about 15 minutes when calling.

The following information is requested to obtain a DUNS Number:

- Legal Company Name
- Headquarters Company Name and Address
- DBA (Doing Business As) Company Name (if applicable)
- Physical Address, City, State and Zip Code
- Mailing Address
- Telephone Number
- Contact Name and Title
- Number of Employees at your physical location

Note: Obtaining a DUNS Number is FREE for all entities doing business with the Federal Government.

To register with the CCR

Online

Visit <https://www.bpn.gov/ccr/default.aspx>. Click on "Start New Registration."

What do you need to register?

- DUNS Number (Part 1 of this article)
- Tax Identification Number (TIN) - A TIN is either an Employer Identification Number (EIN) assigned by the Internal Revenue Service (IRS) or a Social Security Number (SSN) assigned by the Social Security Administration (SSA) if you are registering as a sole proprietor
- Statistical information about your business - You will be required to provide certain receipts and indicate your number of employees.
- Electronic Funds Transfer (EFT) Information for payment of invoices

How long does it take?

If you already have the necessary information on hand the online registration takes approximately one hour to complete, depending upon the size and complexity of your business or organization. The website states that it usually takes 3-5 business days to process new registrations.

Grant Funds Available for (Nonprofit) Elderly Properties

This may be a great opportunity for your site! HUD is now accepting applications for \$5 million in 2010 grant funds for emergency capital repairs on eligible multifamily assisted properties for the elderly owned by nonprofits. For more, visit <http://www.hud.gov/offices/adm/grants/nofa10/grpecrg.cfm>.

Final Rule set for Violence Against Women Act (VAWA)

Since November 2008, the Violence Against Women Act (VAWA) has been operating under an interim rule. This is no longer the case as HUD published the VAWA Final Rule on October 27, 2010. The effective date of this rule took place on November 26, 2010.

The rule addresses many concerns that were raised with the 2008 release. This new notice provides more detailed guidance to housing authorities and Section 8 property owners on how to implement VAWA and making a commitment to provide further guidance in the future. A couple of examples of the clarification changes include protective measures before eviction of domestic abuse victims and a stronger definition of "actual and imminent threat".

We strongly advise you to take some time to read the Federal Register regarding VAWA here: <http://edocket.access.gpo.gov/2010/pdf/2010-26914.pdf>

New VAWA Final Rule Telephone Seminar!

We will be holding two telephone seminars in 2011 focused on these new changes! Our Violence Against Women Act (VAWA) Final Rule classes will be held on Thursday, January 20 from 3:00 PM – 4:30 PM EST and Wednesday, February 16, 2011 from 11:00 AM – 12:30 PM EST. Make sure you are compliant with VAWA through November 30, 2011!

The ALL NEW 2011 Telephone Seminar schedule and registration form is attached to this newsletter!

Tips, Clips & Quips

TIPS

Question: What does it mean when an EIV report states “a current form 50059 record was not found for social security number?” I could not pull an income report but after review of the file there was no discrepancy in the name, date of birth or SS number. **Brenda, SC**

Answer: This means that there's no current 50059 certification in TRACS for the tenant. Check the Secure Systems (WASS) / TRACS / Tenant / Certification Query. If there's no current 50059 cert, retransmit it and check back to confirm that the certification was accepted. If you transmit your TRACS files to a CA, work with the CA first. If the CA accepted the cert, it's their job to transmit it to HUD TRACS. However, there may have been a fatal error that needed your follow-up.

If a cert arrives at HUD TRACS by the first Monday of the month, the tenant's EIV status/data should be available when you do your next EIV monthly processing around the 1st of the following month. Otherwise, check the month after that; sometimes the EIV drop longer than it should. If you need to use third-party verification to complete an AR on time, go ahead and do that – you can always do a Correction if needed after you receive the EIV data.

Question: Regarding medical expenses, should shipping and handling charges from a mail order place be included in the medical expense? Also what about the sales tax on prescriptions or OTC meds? **Shirley, OH**

Answer: The 4350.3 instructs us to count, as expenses, “out of pocket” medical costs for all allowable pharmaceuticals (prescription/nonprescription medicines that have been prescribed by a physician). And, since shipping & handling and sales taxes are part of the out of pocket costs, they should be counted – even though the 4350.3 does not explicitly mention them. It is possible that an MOR reviewer might disallow these costs since the Handbook doesn't address them; however I would respectfully ask that reviewer to document a citation excluding those particular tenant-paid items.

Have a question that you'd like answered in this column? Email us at Solutions@pms-icap.com with Practical Points Question on the subject line, or fax to 315-451-2456.

CLIPS

All archived HUD webcasts can now be found here:
<http://portal.hud.gov/portal/page/portal/HUD/press/multimedia/videos>.

QUIPS

“It's easier to go down a hill than up it but the view is much better at the top.”
-- Henry Ward Beecher

2011 PMCS Telephone Seminar Schedule Released!

NEW FOR 2011

Two 6-part series of Telephone Seminars!

Basics/Validate Your Procedures:

New to the industry or just want to confirm your current practices are really compliant with current HUD regulations?
Do you know the ‘*WHY*’ behind what you do at the site?
Build your confidence and share your experiences during these classes.

Certs and Vouchers • Verifying Income, Assets & Expenses
Tenant Files • Secure Systems • TRACS/iMAX • Waiting Lists

Enterprise Income Verification (EIV):

Why try to cram everything about EIV into one class? EIV is *extensive*.

Want to fulfill your annual security training requirement – look no further!

Make sure you are compliant with all EIV requirements for that upcoming MOR!

- EIV – What's It All About? • Requirements & Responsibilities for EIV Coordinators •
- Understanding All 10 EIV Reports • Dealing with Income Discrepancies Using Case Studies •
 - EIV Affects it All – Using EIV During Tenant Interviews •
 - Bringing EIV Together – Q & A, Discussion, Tips & Updates •

Register for one class or take all 12, it's up to you! Classes are still only \$99.00, and if you register for 6 or more, they are only \$89.00 each! You'll receive a certificate of completion for *each* class you take!

The ALL NEW 2011 Telephone Seminar schedule and registration form are attached to this newsletter

**Save Money – Save Time
With PMCS Telephone Seminars**

Go Green!

Add your notes and save them electronically! Materials are emailed in Word – no need to print!

Tell us what you'd like to see!

We welcome your ideas for new class topics (or old topics you'd like to see again)! Have you looked for training on a topic and didn't find it? Send your suggestions to Matt Simon at solutions@pmcs-icap.com or call 1-800-245-7627 x1535. Our ALL NEW 2011 Telephone Seminar schedule is available online at <http://www.pmcs-icap.com/pmcs-icap-customized-training.html>.

Private Classes for Associations, Management Companies and Contract Administrators

We provide high-quality training for staff. Any of our live or telephone classes can be customized to meet your specific needs. If you have a Conference or Educational Series coming up within the next year, consider bringing PMCS in to conduct a full-day, half-day or 1-2 hour workshop session.

Questions about phone trainings?

Contact: Matt Simon at email solutions@pmcs-icap.com to request a schedule and registration form for our 2011 Telephone Seminars.

For Further Information, Please Contact Us:

Solutions You Can Count On

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Happy Holidays