

*** Practical Points ***

April 2011

From

PMCS-ICAP

& PAWA House Service Bureau

Services and Solutions for Properties of All Sizes

Extension for fiscal year-end December 31, 2010 FASSUB Submissions

You can breathe a sigh of relief if you did not have your fiscal year-end 2010 audited or owner certified financials ready. On Wednesday, March 30, 2011 the Office of Asset Management approved a blanket 30-day extension for FASS-MF Multi-Family owners for audited and owner certified financials with a fiscal year ending December 31, 2010 that were due on March 31, 2011. The extended due-date is April 30, 2011.

The extension is automatic for financials for fiscal year ending December 31, 2010 and does not require owners to take any additional action.

After issuing that extension, HUD released a second notice saying that Secure Systems (including the FASS system) will be offline for system maintenance from 8 PM Friday, April 29th through Monday, May 2nd, 2011. Therefore, even though the extension was granted until April 30, 2011 **all submissions must be made prior to the system going offline on April 29th.**

Please contact PMCS if you need assistance with your electronic audited or owner-certified submissions.

New MF Help Desk Contractor Promises Faster Help!

Your voice is important. If you've been trying to get information from the Multi Family Help desk (1-800-767-7588) you may have found find that it's somewhat easier than before. Some changes have been made by the new contractors - and you can make it easier to receive answers to your questions if you are properly prepared.

- **Be prepared when you call.** Have your WASS M-ID handy. Know which program you need help with. If your call is sent to voicemail, make sure that you leave a message that includes your time zone and the best time to call you back.
- Voicemails have higher priority than emails; Help Desk staff encourages callers to leave messages.
- The Help Desk handles six programs: TRACS, EIV, DAP (Development Application Processing for FHA insurance and capital grants) iREMS, AAPS, and MDR (for mortgage delinquencies)
- Choose the program you're calling about, and the system will try to contact the "specialist" for that system. If that specialist is unavailable, someone else will take the call, but if it is beyond their expertise, they'll refer you to the specialist. Each staff member has a High, Medium or Low skill rating on each of the six systems.
- While on the line, you'll be alerted to the number of people ahead of you, and the number of minutes before you can speak with a specialist.
- Hours are 7am to 8pm EST. You can get help in your choice of English or Spanish.
- **CAAF (Coordinator Access Authorization Form):** The Help Desk will now be keeping copies of the approved CAAFs for a year instead of ninety days. So if yours is lost, you can get it replaced more easily than before. Remember - your initial CAAF must be in your site's EIV file, or the MOR

reviewer is required to terminate your EIV access!

Facing Fair Housing Every Day

This month marks the 43rd anniversary of the 1968 landmark Fair Housing Act. We are constantly reminded that federal and local laws prohibit discrimination in the sale, rental and financing of dwellings (and in other housing-related transactions) based on race, color, national origin, religion, gender, familial status and disability. Most of you, especially if you are “on the front lines”, face issues that deal with tenants from all walks of life on a daily basis. Make sure to be aware of the terms of this Act.

“Best Practices” Tip: This is the perfect time to review your current Affirmative Fair Housing Marketing Plan. The plan is good for a period of five years; however, it is highly recommended that you review it yearly. If your plan may need to be updated in the near future, it is prudent to look at the new form HUD-935.2A... find it at: www.hud.gov/offices/adm/hudclips/forms/files/935-2a.pdf

The old AFHMP form was only two pages long. This new form is 8 pages in length and much more detailed. In upcoming issues of Practical Points, we will address particular parts of this form with some suggestions for revising your marketing plan. Don’t allow this form to intimidate you!

One area to pay special attention to is the research needed for Sections 3a and 3b of the form, that addresses the demographics and marketing area of your property. Worksheets are provided that will aid you in determining your demographic statistics when you go to the U.S. Census Bureau at www.census.gov. Once you have entered the statistics provided, you will be able to determine the demographic group(s) that will need special outreach efforts. The forms are self-explanatory. You’ll find that you will need more time to prepare your future AFHMP.

Clarification – DON’T Change Student Financial Assistance Income for Section 8!

FHEO changed the Fact Sheet, “How Your Rent is Determined” for Section 8, and the latest version is dated September 2010. The only substantive change was that the new Fact Sheet indicated that Title IV Education Financial Assistance was no longer excluded from income.

HOWEVER... HUD headquarters has clarified that, in fact, nothing has changed! DO count, as income, financial assistance over and above tuition received under the Higher Education Act of 1965. There are two exceptions: DO NOT count this income IF... (1) the student is over age 23 AND has dependent children, or (2) the student is living with his/her parents who are receiving Section 8 assistance.

Remember - student loans do not count as income, since they have to be repaid.

Do I Have to Revise my HUD 9887-9887A?

We highly recommend that you review the 9887/9887A that you’re using. Every resident 18+ must sign them, to enable us to gather information needed for Move-Ins, Annuals and Interims.

The revised form, posted to HUD Clips, has a new OMB expiration date of 6/30/2012 on page 2 and carries a revision date of 02.2007. You do not have to have an OMB # or Expiration Date on the form you use. However, if you do use a form with an expiration date on it, be sure to update it to the right one.

Annual Adjustment Factors can Help your Budgeting Process

The Annual Adjustment Factors are published by HUD every year as a rent increase mechanism at the time of contract anniversaries. An owner who is eligible to receive an AAF adjustment would submit a Unit Turnover

Report. This report identifies units that have had Move-Ins and Move-Outs since the HAP Contract Renewal Date.

AAFs have two different tables - one for units that have had turnover, and another for units who have not had turnover. You need to evaluate the AAF factors and the FMRs (Fair Market Rates) for the area. When a property's proposed budget's increased rents are higher than the FMRs, management may have to submit a Rent Comparability Study in order to receive that increase.

Projects Eligible: Generally, New Construction, Substantial Rehab, 236, Loan Management SetAside (LMSA) and Property Disposition SetAside (PDSA) projects are eligible – but refer to your HAP contract's section on Rent Adjustments. If you see “Automatic Annual Adjustment Factors” or “24 CFR Part 886” or “24 CFR Part 888”, then you are eligible for the AAF. Guidance for this type of adjustment is found in **HUD Notice 2002-10** located at: <http://hud.gov/offices/adm/hudclips/notices/hsg/files/02-10.doc>. Note that contract rent AAFs are not used for budget based rent adjustments.

The AAFs are effective March 16, 2011. A copy of the Federal Register containing the revised AAFs is located at: <http://www.huduser.org/portal/datasets/aaf.html> The list of FMRs for 2011 is located at: <http://www.huduser.org/portal/datasets/fmr.html>

Proposed Budget for 2012

Even though we are still waiting to hear about the outcome of the 2011 budget, HUD Secretary Donovan released the Department's proposed budget for Federal fiscal year 2012 on February 14, 2011. This new budget will give you an inside view of next year's plans. This will enable you to determine your future budgeting and allow you to respond to your Congresspersons on the need for continued funding. Here are some highlights – **note that they are NOT effective yet:**

- Increasing the standard deduction for elderly and disabled households from \$400 to \$675
- Raising the deduction for excess medical expenses from 3% to 10% of income
- Streamlining the program by permitting 3-year annual recertification for fixed-income families
- Producing more timely Fair Market Rent Data on an annual basis
- Full funding for 12-month contracts

If you want to wade a little deeper, you will find the full, 79-page 2012 budget summary at <http://portal.hud.gov/hudportal/documents/huddoc?id=fy2012budget.pdf>

Finally, the archived Webcast of the Secretary's Webcast presentation on 2/14/2011 will be available in the webcast archives soon. You can check for availability at: <http://portal.hud.gov/hudportal/HUD?src=/press/multimedia/videos>

The Maze of ACRONYMS

Acronyms can be confusing and can sometimes prevent someone from understanding what is being said. To keep all of us from being in the dark, we'll try to alleviate some of that confusion. Each month we will list several of HUD's many acronyms.

- **AAFs:** Annual Adjustment Factors – The factors are based on a formula using residential rates and utility cost changes from the most current annual Bureau of Labor Statistics Consumer Price Index (CPI) survey.
- **FMRs:** Fair Market Rates – FMRs are gross rent estimates that include shelter rent plus the cost of all tenant-paid utilities (except telephones, cable or satellite television service, and internet service). HUD sets FMRs to assure that a sufficient supply of rental housing is available.

- **AFHMP:** Affirmative Fair Housing Marketing Plan – Your site’s plan to attract prospective tenants of all minority and non-minority groups in the housing market area regardless of race, color, religion, sex, national origin, disability, or familial status.
- **WASS:** Web Access Secure Subsystem – otherwise known as HUD’s Secure Systems. This system allows authorized individuals to access pertinent information to enable a property to conduct its business. Systems within WASS include TRACS, iMAX and EIV. Persons must have a registered WASS ID to enter WASS (the portal) or any of its systems.
- **CAAF:** Coordinator Access Authorization Form – This form, which must be approved by the MultiFamily Help Desk, allows persons entry into the EIV system to gain information, as well as to authorize EIV Users and perform other administrative tasks. The initial approved form (or a copy) must be kept in your EIV file at the site. Failure to have the required form will result in loss of access to the EIV system.

Sneak Peek at Upcoming Issues of Practical Points...

In upcoming issues, we will continue to address the new AFHMP Form and provide tips to aid you in completing the form. We will also visit the Presidential Disaster Policy (new Chapter 38 in the 4350.3 Administrative Handbook) and how it will affect your property. We always welcome your input – send us questions to answer, and suggestions for topics you’d like to see in Practical Points!

Compliance Q & A

Question: HUD recommends that the repayment amount plus the TTP amount should not exceed 40% of the adjusted income. When a tenant owes \$2,400.00 and this formula exceeds the 12 month period for repayment, is it okay to exceed the 12 months until the \$2,400 is met or does the amount owed divided into 12 monthly payments become the repayment agreement? Lori in Wheat Ridge, CO

Answer: If the family’s monthly adjusted income is, say, \$800, HUD would recommend that the repayment amount be \$80/month (10% of it), so that the total of the tenant’s TTP + the repayment amount does not exceed 40% of monthly adjusted income. Of course, the tenant could pay more if s/he wanted to, or less if both tenant and management agreed that s/he couldn’t afford \$80/month.

The timeframe for the repayment is based on the amount. There is no such thing as a required (or even recommended) 12-month period for repayment. If the tenant in the example above owed \$2400, the repayment agreement would be for \$80 per month for 30 months.

Question: The Frank Melville Supportive Housing Investment Act of 2009 was signed into law early this year. Part of the law modifies project rental assistance contract requirements, including renewal of, and increases in, annual contract amounts. It also revises the tenant selection procedures. Any idea as to when any trainings or updates will be forthcoming since this is now the law? Mike in Lexington, Virginia

Answer: We contacted HUD, and got this response from Marvis S. Hayward, Program Manager, Office of Housing Assistance and Grants Administration: “The Department is currently developing the policy for implementation of the Act. There are several steps required in this process; however, once the proposed rule is established, it will be published for 60 days to garner comments from the general public. At this time, we estimate that the final requirements will be made available during the 2012 NOFA process.”

Have a question that you’d like answered in this column? Email us at

Solutions@pmcs-icap.com with “Practical Points Question” on the subject line, or fax to 315-451-2456.

Featured Service: Private Training

Do you need EIV training during your next Managers Meeting, but aren’t sure where to turn? Look no further! PMCS’ full-day **Advanced EIV: Beyond the Theory to the Practical** class will bring your staff up to speed on EIV, including the latest changes and requirements. Our EIV class is perfect for Manager’s Meetings because

it's interactive and your managers can bring their own questions and examples to be discussed. It's an advanced class, designed for site managers and staff who have been using EIV reports for a solid period of time. The class uses case studies and class-generated examples to give managers the tools they need to analyze Discrepancy Reports, integrate EIV into tenant interviews, and use EIV as a system to reduce unreported and under-reported income. The class can be shortened to a half-day session by omitting some of the components, if your staff only needs to cover specific items.

Need something quick but want to keep travel costs to a minimum? Set up a private EIV telephone seminar training for your staff by calling Ricci Rathburn at 315-451-2423 x1555, or email us at solutions@pmcs-icap.com.

A current schedule of our Spring 2011 Telephone Seminars can be found on our website, at: <http://www.pmcs-icap.com/pdf/PMCS%20Phone%20Seminar%20Flyer%20Fall%202010.pdf>.

Call or email us to receive your customized quote. We can be reached at 315-451-2423 or solutions@pmcs-icap.com. **PMCS: providing solutions you can count on, for over 21 years.**

TALK - We Will Listen!

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? Have you taken trainings with others that were on the wrong level - not basic enough, or not advanced enough? Send your suggestions to solutions@pmcs-icap.com or call 1-800-245-7627 x 1555. Our Spring 2011 Telephone Seminar schedule is available online at www.pmcs-icap.com/pmcs-icap-events.html.

Private Classes for Associations, Management Companies and Contract Administrators

We provide high-quality training for your members and 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 us in to conduct a full-day, half-day or 1-2 hour workshop session.

Questions about phone trainings?

Contact: Ricci at 800-245-7627 x 1555 to request a schedule and registration form for Telephone Seminars, or email solutions@pmcs-icap.com.

Industry Organizations: Where We'll Be...

May 5-6: **JAHMA (New Jersey) Spring Management Conference:** Jeanette Claus, EIV Training
May 10: **PennDel AHMA:** Jeanette Claus, EIV Training
May 18-19: **Tennessee SAHMA:** Bonnie Wilpon, EIV, MOR, Income/Assets/Expenses Training
May 23-24: **Kentucky SAHMA:** Bonnie Wilpon, EIV/CAVE, Income/Assets/Expenses Training
June 7: **Puerto Rico SAHMA:** Bonnie Wilpon, EIV, TRACS 202.D, MOR Preparation Training
June 14: **Woodbridge, NJ, JAHMA:** Jeanette Claus, EIV Training

For Further Information, Please Contact Us:

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