

*** *Practical Points* ***

July, 2011

From

PMCS-ICAP

& PAWA House Service Bureau

Services and Solutions for Properties of All Sizes

Breaking News – Many CA Changes Coming!

The Performance Based Contract Administrator (PBCA) awards have been announced, and the successful organizations will begin their new 2-year contracts effective October 1, 2011. During the 3-month phase-in period between now and then, new PBCAs will be receiving five years worth of tenant and voucher data from the CAs who will no longer administer those states.

In a move that surprised most of us in the industry, HUD made changes in 28 states/territories! Some PBCAs were awarded new states, but lost the states they have been administering. The Factors for Award and their weights were Capability Statement (30%), Technical Approach (35%) and Quality Control Plan (35%).

ICAP is delighted to announce that we will be handling TRACS transmissions for the District of Columbia, North Carolina, Texas and Virginia.

The awards are fixed, and there will be no appeals. For a complete list of all states/territories, with information about the changes, email a request (with “New PBCAs” in the subject line) to us at Solutions@pmcs-icap.com.

Get HUD News... Hot Off the Press

If you want to be “in the know”, HUD public affairs has launched a new, easy-to-use site where anyone - including you and me - can get HUD news **hot off the press**. Sign up now for HUD News Alerts to receive the latest news involving issues and programs necessary to stay in compliance. Go to www.hud.gov and type HUD News Alert in the search box to sign up. Be one of the first on your block!

Revised 9834 Form for MORs is Under Construction

The changes in HUD Form 9834, which is the form your reviewer completes during your Management and Occupancy Review (MOR), deal with EIV information now required for all properties with project-based subsidy. **Comments are due by August 9, 2011.** Comments from people within the industry are needed in order to:

1. Evaluate whether the information is necessary for a property’s proper performance, including whether the information will have practical utility;
2. Evaluate the accuracy of HUD’s estimate of the burden collecting the information will impose;
3. Improve the quality, usefulness and clarity of the information collected; and
4. Minimize the burden of collecting the information – including the use of appropriate automation.

The purpose of changing the MOR review form is to enable Contract Administrators (CAs) to evaluate the quality of the project management, determine what causes problems at the property, develop corrective actions to stabilize sites and prevent mortgage defaults, and to reduce fraud, waste and mismanagement.

Send your comments and ensure that your voice is heard.

NO MORE FAXED VOUCHERS TO HUD's FOD

As of July 15, 2011, the Financial Operations Division in Chicago will no longer accept faxed copies of your vouchers. If a voucher is suspended or rejected and has a status code of T03, T31, T52, T91 or T92, it can be manually reviewed by the FOD. In order to be reviewed, your voucher will have to be scanned to create a PDF file, and attached to an email addressed to VoucherProcessing@hud.gov.

ONE EMAIL – ONE VOUCHER. For more information, go to <http://portal.hud.gov/hudportal/documents/huddoc?id=announcements.pdf>. Don't panic when you see "81 pages" – this document is just one page in the TRACS Announcements. If more announcements have been added by the time you look, there may be more pages, and you may have to scroll down a page or two.

TTY/TDD Telephone Numbers

It has been noted that many properties are not publicizing TTY/TDD telephone numbers. TTY and TDD refer to electronic devices that allow telephone conversations with persons who have hearing or speech difficulties. These telephone numbers should be placed on all publications and correspondence from your property. This includes letterheads, flyers, web sites, posters, business signs and even your business cards. Find the TTY/TDD number for your state at: http://www.docdroppers.org/wiki/index.php?title=National_TTY_Numbers

Tax Credit Compliance Costs can be Included in Section 8 Budgets

Willie Spearmon, Director, Office of Housing Assistance and Grant Administration, released a memo dated May 31, 2011 about the inconsistent handling of tax credit compliance fees in Section 8 projects. If you have a Section 8 site with low income housing tax credits, your budget is now permitted to include the cost of preparing and sending the annual compliance reports required by your State Agency. Refer to Chapter 7 of the 4350.1 Handbook, Multifamily Asset Management and Project Servicing. If you have any questions concerning this policy, contact Kerry J. Mullholland at 202-402-2649.

Green Refinancing Plus Program

As an owner, do you need to reduce operating and capital costs, reduce utility costs for tenants and improve indoor environment quality? The *Green Finance Plus*, an enhancement of the Fannie Mae/FHA Risk program may provide the answer that will enable you to undertake the modest modifications.

The program requirements include:

- Property must be at least 10 years old, with a recorded use agreement of the affordability restrictions that extends for at least the term of the new loan to help preserve affordable housing
- At least 5% of the refinance loan proceeds must be applied to property renovation or energy retrofit
- All rehabilitation and energy improvements must enhance value and improve property operations

Fannie Mae will adopt a Green Property Needs Assessment (Green PNA) that will be required for underwriting the loans. This will identify a property's deferred capital needs and cost effective opportunities for increasing energy and water efficiency. Fannie Mae will offer this program through its networks of Delegated Underwriting and Servicing (DUS) and Special Affordable lenders. For more information, go to: http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2011/HUDNo.11-106

Use EIV Income Report to Calculate SS Income for Certs

RHIIP Listserv #256, issued on June 22, reminds us that HUD requires us to use the Social Security income listed on the EIV Income Report, unless the tenant disputes the amount. This is true even when the Award Letter shows cents and the EIV Income Report does not... in this case the 50059 would not show the cents. Annualize the gross monthly amount to project forward for the next twelve months.

We strongly recommend that you do not put the SS Award Letter in the tenant file unless the tenant has disputed EIV, or EIV data is incomplete, and you are using the Award Letter instead. In this case, note “Tenant Disputed”, or “EIV Incomplete” and “SS Award/Proof of Income Letter Used Instead”, and place both documents behind the 50059 in the tenant file.

You may be using the Award Letter to document expenses. In this case, we recommend that you circle or highlight the items being used and note “EIV Used for Income; Award Letter Used for Expenses Only”, and place the Award letter behind the 50059 along with other expense verifications. These steps will help eliminate confusion during your MOR.

Energy Efficiency Focus

HUD now insists upon conservation and energy efficiency strategies being incorporated into the design, construction and operation of all Section 202 and Section 811 projects. They are providing an incentive to encourage sponsors and owners to develop their projects using the principles of green building design. The new publication is Enhancing Energy Efficient and Green Building Design in Section 202 and Section 811 Programs: www.huduser.org/portal/publications/pdf/EnergyEff_GreenBuildingV2.pdf. This publication offers tools, resources, and case studies of successful energy efficiency practices in 202 and 811 housing.

Weatherization Assistance Program

In this age of energy awareness, HUD is pushing all of us to become energy efficient. The Department of Energy has developed the WAP (Weatherization Assistance Program) to help properties, including services and improvements to existing buildings. Each state has its own criteria for these funds to be distributed. The states have a list of local weatherization agencies (most are non-profit) that provide the services.

The Department of Energy (DOE) has provided some guidelines for the states in their eligibility status:

- One of the primary factors affecting eligibility is income. Depending on the state, if your income falls below the “200% poverty level”, you are eligible for the services. In some states eligibility is based on income less than 60% of the median income in your state.
- If you receive Supplemental Security Income (SSI) or Aid to Families with Dependent Children, you are automatically eligible to receive weatherization services.
- States give preferences to:
 - People over 60 years of age
 - Families with one or more members with a disability
 - Families with children (in most states)

State contacts can be found at: http://www1.eere.gov/wip/wap_apply.html

To apply go to the web site and check “about”, look to the left side of page and check on “Apply for Weatherization Assistance”.

This program applies to single family homes and HUD multifamily housing. Your units may already be on the list. Call your local agency. Even if you are on the list, you will still need to apply. If you get bogged down, call 1-877-337-3463.

Welcome New Acting Director

We want to welcome Donna Crane as the new Acting Jacksonville Hub Director in Florida. She comes from the Birmingham HUD Office where she is the Program Center Director, and will be filling this position until September 7, while the search to fill this position continues. You can reach Ms. Crane at 904-208-6016 or via email at donna.j.crane@hud.gov. We encourage all our readers to help welcome people who come to help us in our endeavors to serve our properties.

The Maze of Acronyms

TTY/TDD: TTY is an acronym that stands for Teletypewriter, a device used for a deaf or hard of hearing person to communicate over the telephone. TDD is the new acronym that stands for Telecommunications Device for the Deaf, an electronic device for text communication via a telephone line, used when one or more of the parties have hearing or speech difficulties.

TRACS: Tenant Rental Assistance Certification System is HUD's software system, developed to help improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls. TRACS is the program to which we transmit our tenant certs and our vouchers. This information is kept in a database, which we can see by using HUD's Secure Systems (WASS – Web Access Security SubSystem).

Compliance Q & A

Question: I have an elderly tenant and when I print out all three reports for EIV, the SSN is verified, but all the different income categories are blank. I asked her for an award letter; and she is receiving SS, and Medicare is being deducted. All the categories state "EIV received no benefit data" and "EIV received no income data". Even the Medicare states "EIV received no benefit data". What would be the problem causing this? Who do I contact to fix it? Lori, Wheat Ridge, CO

Answer: It's likely that the only SS this tenant receives is dual entitlement (collected under someone else's SSN with a letter at the end – probably her deceased husband's). There is a known glitch in EIV – dual entitlement income is missing most of the time. There's nothing you can do about this: just print out the Income Report showing "EIV received no benefit data" for her tenant file, and use the Award Letter as third party verification for her cert. TRACS 202.D (scheduled for early 2012) will add a TRACS field for claim numbers, and we hope that will help the EIV and SSA programmers to diagnose and fix this problem.

Question: Do we count IRS payments garnished from Social Security as income? Susan, CA

Answer: If a tenant owes the IRS money, and a payment to the IRS is being deducted from his/her SS check each month, then it's a deduction from income, not extra income. When there's a garnishment, we still use the gross SS amount as income – not the lower amount after the deduction. Like alimony or child support, amounts coming out of the SS check are not deducted from the income used for the 50059. The only exception is when Social Security is deducting a monthly amount to repay SS overpayments to the tenant during a previous year.

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.

Industry Organizations: Where We'll Be...

- July 13: **SAHMA, Nashville, TN:** Bonnie Wilpon, EIV
- July 14: **PMCS, Syracuse, NY:** Jeanette Claus: Advanced EIV
- July 21: **East Texas AHMA, Houston:** Bonnie Wilpon, Intermediate EIV
- July 26: **Rocky AHMA, Denver:** Bonnie Wilpon, Basic EIV
- August 1-2: **Real Page Conference, Las Vegas:** Jeanette Claus
- September 15: **Rocky AHMA Conference, Las Vegas:** Bonnie Wilpon, 2011 HUD Review, EIV
- October 24-25: **NAHMA, Washington DC:** Jeanette Claus
- October 25-26: **TRACS Industry Meeting, Washington, DC:** Bonnie Wilpon
- October 26-27: **PennDel AHMA Conference, Dover DE:** Jeanette Claus, Intermediate EIV

EIV Classes in Your Area?

EIV AFFECTS MUCH OF WHAT YOU DO! PMCS would like to schedule live classes for EIV and we are looking to our readers for suggestions on locations to hold them. Send us an email, solutions@pmcs-icap.com letting us know what city, state and zip code you'd like to see us visit for a live EIV class.

2011 PMCS Telephone Classes

TELEPHONE CLASS "3-Pack" SPECIAL

Have you . . .

Worked with HUD properties for 18 months or less?

Had little or no formal HUD compliance training?

Always wished you could get a better handle on compliance basics?

Had Management and Occupancy Review (MOR) findings for incorrect certifications or tenant file issues?

*If you answered YES to any of these questions, our **BASIC TELEPHONE CLASSES** are just what you need!*

"3-Pack" Special is **ONLY \$267.00** for **ALL 3 CLASSES** in this pack!

"3-Pack" Special

1] **SECURE SYSTEMS [WASS]** - Learn how to use systems other than EIV. Focus will be on the Cert and Voucher information you and your CA can see in HUD's Secure Systems. We'll also take a look at some important security aspects of WASS such as the TRACS Rules of Behavior (ROB) and the security test required to transmit TRACS files.

Thursday, August 4, 2011 11:00 AM – 12:30 PM EST

2] **TRACS/iMAX** - New to TRACS/iMAX or need to know more? Learn how TRACS transmissions work and how to prioritize and fix discrepancies. We'll also explore the required security exam and TRACS Rules of Behavior (ROB).

Thursday, August 11, 2011 3:00 PM – 4:30 PM EST

3] **WAITING LISTS** - Make sure your waiting list is compliant with HUD regulations and learn about preference options. Discover how to check eligibility for Move-In, and what to keep on file – whether the applicant moves in or not.

Friday, August 19, 2011 11:00 AM – 12:30 PM EST

Go Green!

Save the handouts in your computer, and add your notes electronically during class!

Materials are emailed in Word – no need to print!

TO REGISTER:

Fill out and scan the attached Telephone Class "3-Pack" Special Registration Form. Then email registration to solutions@pmcs-icap.com. Can't scan/email? Call PMCS at 315-451-2423 extension 1520.

For Further Information, Please Contact Us:

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