

*** *Practical Points* ***

October, 2011

From

PMCS-ICAP

& PAWA House Service Bureau

Services and Solutions for Properties of All Sizes

New HUD Notice About the “EIV & You” Brochure

On September 20, Notice H 2011-25 was released, reviewing the requirements for providing this brochure to tenants. The requirements haven't changed, but HUD has clarified them.

All sites using EIV must give each household the *EIV & You* brochure at each Annual, along with a copy of the HUD Fact Sheet “How Your Rent is Determined”. Applicant households must also be given the brochure as part of final application processing. *EIV & You* is available in 13 languages.

You can order the brochure (English version) from the online HUD Direct Distribution Center at <http://www.hud.gov/offices/adm/dds/index.cfm>, or by telephone at (800) 767-7468. Or, you can download it from: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>. HUD suggests that you order enough to last a year.

Translated versions of the brochure are posted on the Multifamily RHIP website and on the Limited English Proficiency (LEP) website, located at www.hud.gov. These versions are not available through the HUD Direct Distribution Center.

You can get a copy of the Notice H 2011-25 here: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-25hsgn.pdf>

MORs Suspended in Most States

Don't be too thrilled! In the 42 areas where the PBCA bids were contested, there will be no MORs for at least six months. They will begin again though. So we are suggesting that you stay prepared to the fullest extent possible. There are some steps you may want to take:

- Watch for the updated version of HUD Form 9834, used for MORs. It's expected to be approved by HUD this month. Review it so you know what to expect when your MORs resume.
- Do a “mini on-site” MOR on your site and review a percentage of your files for mistakes
- Make sure you stay on top of notices dealing with EIV and keep all your EIV files current
- Review your Tenant Selection Plan and House Rules to include information concerning EIV and the Bedbug issues
- Make sure all your forms, leases and letters are current and up to date
- Review your Affirmative Fair Housing Marketing Plan and update if necessary
- Check your waiting list; make sure it is correct and that proper notes are kept when necessary

ICAP News and Views

Special Claims for Unpaid Rent/Damages (HUD Form 52671-A): ONE FORM – 3 sections: Top section is security deposit and other sources of money collected; **middle section is for Unpaid Rent and Other Charges**; bottom section is for Damages.

What are Other Charges? These are allowable charges due under the lease **that were charged but unpaid at move-out**. These **CAN** include damages. Ex, tenant damaged a door sometime prior to MO, you billed them when it was replaced, but their ledger card at MO still includes a balance for this damage. On your claim form, this unpaid charge should be included in the middle of the form with “unpaid rent and other charges”. Not allowed as “other charges” are any type of court or legal-related charges.

Please note that Form 52671-A has been reformatted and reworded and is expected to be included in the 202D TRACS release.

Senior Scams and You

You may not think that the fact that attempts to scam seniors affect your property, but they do. There is an incredible amount of fraud taking place and we are in a position to observe and report occurrences of possible abuse. Believe it or not, some of the new areas for concern are: incontinence products, arthritis kits, and even home health care gone rampant. How many times have you had large deliveries of incontinence products delivered to your office for a resident? Your service coordinator can contact the resident and see if the products were really ordered.

One resident in Texas noticed that she was receiving products that she had not ordered and notified her local “Silver Sleuths” (sponsored by the Better Business Bureau). Her call led to an investigation and the perpetrators were arrested. She made national news. You might want to check with your Better Business Bureau to see if they have a program to protect seniors from abusive scams.

“Senior Crimestoppers” is a nationwide program that helps with crime prevention. It is similar to a neighborhood watch program, designed to create a “zero tolerance for crime” atmosphere. Senior Crimestoppers addresses such issues as abuse, fraud, vandalism, sub-standard care and any type of unethical behavior. If you choose to become a part of this program, there is a fee for each unit. And if someone reports an incident, they can receive a reward for doing so. For more information on this program please visit the Senior Crimestoppers website: www.seniorcrimestoppers.org or you may contact Peter Gwaltney, 877-232-0859, the CEO of the program.

Residents Rights and Responsibilities in Braille

You can order a limited amount of Residents Rights and Responsibilities brochures in Braille (English Version), from the Multifamily Housing Clearinghouse. The Clearinghouse can be reached by calling 1-800-685-8470. There are translations of this form available in Amharic, Arabic, Armenian, Cambodian, Chinese, Farsi, French, Korean, Portuguese, Russian, Spanish, Tagalog, and Vietnamese. These forms can be downloaded from HUD’s Limited English Proficiency website at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep

TIP: Be prepared for any Fair Housing Inspection by having a copy of each translation in a folder on your desk. You never know who might enter your office and ask for an application. This is Fair Housing at its finest.

REAC Did Not Go Away...

... And there is training being conducted in several different areas of the country. The Jacksonville, Florida HUD office is hosting REAC Trainings bi-monthly. The following topics will be covered: Preparation for a REAC Inspection, Definitions, Scoring, Property Owner Rights and The Appeal Process. The meetings will take place at the Jacksonville HUD Office in the 9th floor training room. The classes are scheduled from 9:00am to 3:30pm on October 13, 2011; December 8, 2011; February 9, 2012; April 12, 2012; June 14, 2012 and August 9, 2012. The training is limited to 30-35 people per session. Please sign up early. The instructor will be Rick Graham, Hub Director.

We encourage all our readers to submit HUD trainings taking place in your area.

Change in APPS System

Would you believe “paperless”? That is the key word. There are times when you will have to update your HUD Participation Form, 2530 – for example, when there are changes in your board members. This will allow you to transition to the paperless APPS system if you haven’t already. For more information, refer to the APPS Industry User Guide at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/apps/appsindustryug

Choices have been expanded in the reasons and roles for a property submission. Be sure to review all of the options in the drop-down list and choose the one that best describes your role, and the reason for submission. Here’s the link to the main APPS page:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/apps/appsmfhm

Bed Bugs Still in the News

Last month we shared with you some of the information released in HUD Notice 2011-20. We want to reiterate the importance of reviewing this information. The CDC (Center for Disease Control) released a report on September 23, 2011, alerting us to the dangers of treating bed bugs. “A government study counted one death and 80 illnesses linked to bed bug insecticides over seven years.” The states that tracked the illnesses included California, New York, Florida, North Carolina, Texas and Washington. Please do not encourage your residents to try and handle the problem themselves. Seek the services of a professional company to handle bed bugs, and remind the residents that management will cover the cost. The CDC Report, released through the CDC publication “Morbidity and Mortality Weekly Report” can be found here: <http://www.cdc.gov/mmwr/>.

The Notice: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-20hsgn.pdf> strongly encourages Owner/Agents to develop an Integrated Pest Management (IPM) Plan. Such plans describe the ongoing efforts property management will take to prevent and respond to pests. More information can be also found at <http://www.stoppests.org>.

Here are some ways that you can address this issue:

- Raise awareness through education for staff and residents about preventing bed bugs;
- Inspect infested areas and surrounding living spaces;
- Check for bed bugs on luggage and clothes when returning home from a trip;
- Look for bed bugs or signs of infestation on secondhand items before bringing the items home;
- Correctly identify the pest;
- Keep records – including dates and locations when pests are found;
- Clean all items within a bed bug infested living area;
- Reduce clutter where bed bugs can hide;
- Eliminate bed bug habitats;
- Follow up on inspections and possible treatments;
- Use a professional service to address bed bug problems on your property

It is important that you stay actively engaged with your residents on this issue. Keep them and your staff informed of all actions taken.

The Maze of Acronyms

IPM Plan: Integrated Pest Management Plan developed by the property to address any pest problem that might occur, which includes prevention and response to tenant reports of bed bugs and other pests.

APPS: Active Partners Participation System in HUD's Secure System. This automates the submission, information update and review of the form HUD-2530 (HUD Previous Participant Certification Process). This form contains data concerning the principal participants of your project including their previous relationship with HUD properties, if any. An approved HUD-2530 is a prerequisite for approval of various applications to do business with HUD.

New Fair Housing Poster

A new Fair Housing Poster has been released, making the current one obsolete. The only change that we have noted is that the new poster now contains a website for Fair Housing Complaints: www.hud.gov/fairhousing. You can download the new poster at: <http://portal.hud.gov/hudportal/documents/huddoc?id=928.1.pdf>

Compliance Q & A

Question: We have a question concerning the 4-6 pay stubs used to verify income. One of our properties was written up on their recent MOR for only using 4 to 6 pay stubs (it says 6-8 pay stubs in Appendix 3 of the 4350.3) and we would like to clarify it for ourselves and use the information in our MOR response. Marcella in Virginia

Answer: The number of pay stubs required has been "4-6" since Change 2 - clarified in the "Transmittal for Handbook No. 4350.3 REV-1 CHG-2, issued June 29, 2007", which says, *Paragraph 5-13.C.3.b - Changed to read four to six pay stubs*. The current Handbook, 5-13.C.3.b cites this as well, clearly stating that "the most recent four to six pay stubs" are used. Appendix 3, however, was not corrected and updated when the Handbook was. The text, though, trumps the Appendix. That should be your response to the MOR finding.

Note that the latest EIV Notice, 2011-21, effective on August 17, requires that the pay stubs be accompanied by either an EIV Income Report or employer verification. The pay stubs alone are not sufficient verification.

Question: A Move-In was processed effective March 2010. The owner used third party employment verification obtained in December 2009 to calculate the income used on the 50059 (Tenant works as a home attendant). My question is: At that time was it acceptable to just use the employment verification or should 4-6 paystubs have also been collected and used to calculate income? Sylvan in NY

Answer: Since we can't get EIV Income Reports for applicants, written third-party verification from the employer must be used for all Move-Ins. The 4-6 paystubs should be used in combination with the EIV Income Report as third-party verification for recertifications. So the third party verification from the employer was the proper way to verify employment information for this applicant – and for all applicants!

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.

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.

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, dial "0" and one of our Specialists will assist. Our 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 us at 315-451-2423 to request a schedule and registration form for Telephone Seminars, or email solutions@pmcs-icap.com.

Industry Organizations: Where We'll Be...

- October 6, **Rocky AHMA, Billings, MT:** Bonnie Wilpon, Certifications and TRACS
- October 19: **AHMA Nebraska/Iowa:** Jeanette Claus, EIV
- October 19: **SAHMA, Dania, FL:** Bonnie Wilpon, EIV
- October 20: **NEAHMA Conference Trade Show, Norwood, MA:** Dan Whitmore and Marty Curry
- October 23-25: **NAHMA, Washington DC:** Jeanette Claus
- October 25-26: **TRACS Industry Meeting, Washington, DC:** Jeanette Claus and Bonnie Wilpon
- October 26-27: **PennDel AHMA Conference, Dover DE:** Jeanette Claus, EIV

For Further Information, Please Contact Us:

Solutions You Can Count On

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