

*** *Practical Points* ***

November, 2011

From

PMCS-ICAP

& PAWA House Service Bureau

Services and Solutions for Properties of All Sizes

EIV Version 9.2.1 Just Released

EIV was updated during the last week of October. Due to lack of funding, only a couple of things changed:

Reports pulled “By Contract” and “By Project” can be printed by hitting Enter (or the Go Button, as before).

Tenants’ Masked SSNs are still in bold type, but are not colored red until you move your cursor over the hyperlink. These SSNs appear when searching for Income Reports by Contract or Project Number. You can click a masked SSN to go into the household’s record and print the Income Summary, Detail and Discrepancy Reports (as well as the Certification Page, if you use it).

If you have any questions, please email the Multifamily help-desk at mf_eiv@hud.gov or call 1-800-767-7588.

OCAF Adjustments Released for 2012

Prepare your new budget accordingly as you submit your request for contract renewal. The new Operating Cost Adjustment Factors (OCAF) were released on October 26, 2011, entered into iREMS on November 3, and will become effective on February 11, 2012. Please check out the web site for these percentage increases at: <http://www.gpo.gov/fdsys/pkg/FR-2011-10-26/pdf/2011-27816.pdf>

As a reminder to HUD and PBCA offices who are participating in the Auto OCAF Pilot: please delete any Amend Rents records effective February 11, 2012 and beyond, which either automatically or manually were created using the old 2011 Factor. A new record will automatically generate with the new 2012 Factor.

ICAP News and Views

News from the recent TRACS meeting held October 25-26:

Change 4 to the HUD Handbook 4350.3 is expected to be released sometime this month. EIV rules and requirements, as well as the Final Rule requirements are expected to be incorporated into this revision. Be sure to look for this release!

TRACS 202D Timeline:

October 31, 2011	Specs Finalized
April 2012	Vendor testing begins
July 2012	202C and 202D running concurrently for 4 months
November 2012	Full 202D Implementation

202D is loaded with new fields for both certs and vouchers. TRACS Error Messages are being rewritten to simplify them. Messages referring to the EZ Worksheets will be removed. Watch for the PMCS TRACS 202D classes, coming this Spring.

Tenant Resident Organizations

HUD has again prompted us to encourage tenant resident organizations. Although some may consider this to be a bothersome arrangement, it is still required and protected. Notice 2011-29 from Carol Galante, Acting Assistant Secretary for Housing –Federal Housing Commissioner, stresses the importance of having a tenant resident organization and the penalties for not having one in place. You can find the Notice at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=11-29hsgn.pdf> . Information can also be found in the Residents Rights & Responsibilities Brochure at www.hud.gov/offices/hsg/mfh/gendocs/mfhrrr.pdf .

Tenant Resident Organizations provide tenants a way to address issues related to their living environment, as well as activities related to housing and community development, including:

- Owner requests for rent increases,
- Partial payments of claims,
- Conversion from project-paid utilities to tenant-paid utilities,
- Reduction of Utility Allowances,
- Converting units to non-residential use, cooperative housing, or condominiums,
- Major capital additions, and
- Loan prepayment.

According to 24 CFR 245.115 Owner/Agents must allow residents to:

- Distribute leaflets in lobbies, common areas and under tenants' doors, post information on bulletin boards;
- Initiate contact with tenants, conduct door-to-door surveys to ascertain interest in establishing a tenant organization and to offer information about the tenant organization;
- Offer assistance to allow residents to participate in the tenant organization's activities; and
- Convene tenant organization meetings on-site fully independently of management representatives. "In order to preserve the independence of tenant organizations, management representatives **may not** attend such meetings unless invited by the tenant organization."

Tenant Resident Organizations can be a welcome addition to your property, but the organization must remember that there are still rules and regulations that must be followed. There is a fine line between helping the property and interfering with management when there are conflicting interpretations of mandatory compliance issues. Document any activity that could be misunderstood and discuss issues with your HUD Asset Manager as needed.

NAHMA Issues from the October Meeting

Sometimes it is important that we speak up about issues that concern our properties. The following issues were discussed at the recent NAHMA (National Affordable Housing Management Association) meeting in Washington, D.C. on October 23-25, 2011:

Bed Bug Control and Prevention (HUD Notice H 2011-10): There are great concerns about the unforeseen costs of bed bug eradication. Some properties have already paid over \$100,000 a year to address this problem. It has been discovered that much of this problem has been created by residents, and there is no recourse for the O/A to assign part of this cost to the resident who caused the problem. Many residents cooperate with the inspection and treatment efforts, however, there are some who do not, and put their fellow neighbors at risk.

NAHMA members have suggested that HUD consider a lease addendum that would require tenants to:

1. Report suspected bed bug infestations in their units;
2. Cooperate with inspection and remediation efforts;
3. Maintain clean living environments which deter bed bug infestations;

4. Comply with protocol for treating and/or disposing of infested items; and
5. Face sanctions levied by O/As for failure to comply with provisions of this lease addendum.

Some members asked that the memorandum be rescinded, and that HUD meet with industry representatives to discuss ways this issue should be addressed. Please send your concerns about this issue to Margaret Salazar (margaret.salazar@hud.gov).

Utility Allowance: Since utility allowance reviews are required on a yearly basis, our work is cut out for us. It is now required that all properties change the utility allowance when there is any difference from the current utility allowance. There is a survey available, so that you can let HUD know about your concerns and issues. Please request your survey from HUD Policy staffer Yvette Viviani (Yvette.Viviani@hud.gov). It is important that we express our concerns.

REAC Conversations: Delton Nichols (delton.nichols@hud.gov) has offered to have telephone conference calls concerning REAC issues. This is another opportunity for us to have direct communication with REAC about our concerns. Please contact his office if you're interested in this. He would like to have ten people scheduled to call in at one time.

Curb Appeal = Community Appeal

If you check out Wikipedia, it states that “**Curb appeal** is attractiveness of the exterior of a residential or commercial property. The term was extensively used in the United States during the housing boom, and continues to be used as an indicator of the initial appeal of a property to prospective buyers.”

For a long time, prospective tenants have been driving by to check out the “look” of the property - including the year and make of the vehicles parked there. No one wants to live where there are old beat-up cars on blocks in the parking areas.

Walk your property. Look around with keen “curb appeal” eyes. How does the landscaping look? Are the beds turned and is the grass cut and edged? Are there “bald” spots on the lawn? Is the paint peeling? Has the brick or siding been power-washed? Are there cracks in the sidewalk? What is the overall picture? Small changes and clean-up will approve the appearance of your property tremendously.

It's a big compliment when someone who drives by or walks by comes in for an application. It's a monumental moment when someone proclaims, “There is no way that this could be a HUD property!” Help improve our image in our neighborhoods. Nothing says it better than a well-kept property.

Social Security Cost of Living Raise

The Cost of Living Adjustment (COLA) of 3.6% in 2012 will be the first increase in benefits since 2009. However, Medicare increases may be released in November, which means that some residents will not realize an overall income increase. If you can, wait for that release before you calculate medical allowances for upcoming certifications, or you'll need a lot of Interims. This information can be found in RHIIP Listserv #263, dated October 20, 2011.

The Maze of Acronyms

DE (Dual Entitlement): Social Security benefits collected under someone else's SSN. Under certain circumstances, tenants may be entitled to benefits based upon two or more separate social security accounts. Claim numbers consist of the SSN of the person under whose number the recipient is collecting, plus a letter indicating the reason for the Dual Entitlement. Residents can contact their Social Security Office to see if they are entitled to Dual Entitlement.

Compliance Q & A

Question: I have a question about the correction type codes on the 50059. I know that there are three types. I was wondering though, when you would use each type of code. Dan in New York

Answer: Code 1 is for Administrative Resubmissions, used when no one made any mistakes or misreported anything. It could be used for things like correcting an identifier for EIV, or doing a Correction due to changed circumstances (i.e. The June AR was transmitted on May 2 for the June voucher. Then, on May 15, the tenant lost her job. So there would be a Correction to the June AR.).

Code 2 corrects Owner/Agent Errors. Here, the management company - not the tenant – is responsible for repaying HUD for any overpaid assistance. The Correction cert's effective date is always the date the HUD Assistance changes, but it might not be the date the tenant starts paying a different rent amount, since the tenant will have to get a 30-day notice of any rent increase. This code could be used to correct a relationship or student code used on a previously transmitted cert; when management miscalculated income, expenses, assets or income from assets; or forgot to include an imputed asset on the cert.

Code 3 corrects Tenant Misreporting. The tenant failed to provide complete, accurate data, resulting in the Correction. The tenant owes HUD for any overpaid assistance, which can be collected via a Repayment Agreement. This code could be used when the tenant fails to report a change in household composition; doesn't report a new job, losing a job or household income going up \$200+/month.

Question: We just took over a new property. They did not provide a baseline and we are keying the certs in manually. Is there a way for us to reconcile our data with what is in TRACS? Management company in Tennessee

Answer: You should enter the certs into your software to match the most recently paid HAP voucher. For example: If the most recent voucher showed Bill Bored in Unit 3, enter his active cert - even if he's moved out since then. That will ensure that the next voucher has the proper adjustments. Likewise, enter all certs that are on the current voucher - even though there may be newer ones completed that haven't gone to TRACS yet.

As a separate task, totally unrelated to loading certs into your software, go into Secure Systems/TRACS/Tenant /Certification Query and check the certs. Look at your most recently paid voucher, and go down the list, comparing Assistance Payment numbers.

These procedures also should be followed if you're replacing your compliance software with a new product. Even if certs are brought in via a baseline, double-check them.

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.

Industry Organizations: Where We'll Be...

December 6-7: AHACPA, Las Vegas, NV: Jeanette Claus (EIV) and Jeanine Ahern

Conference schedules are slow this time of year due to the Holidays. Happy Thanksgiving to all!

As a Manager of Assisted Housing, You Need To Have:

*Legal Experience *Social Work Experience *Banking Experience *Accounting Experience *Rental Sales Experience *Human Resources Experience *Maintenance Experience *Security Guard Experience *Public Relations Experience*

FEELING OVERWHELMED? LET PMCS HELP!

Service Bureau Compliance Processing

Standard Service Bureau: Processing tenant certifications and vouchers, TRACS transmissions. Voucher reconciliation with HUD or your Contract Administrator. TRACS error message review. We provide copies of all certifications, vouchers, 120-90-60 day recertification notices, initial notices and rent change letters.

Looking for more assistance than basic certification and voucher processing?

PMCS has several options available in addition to standard Service Bureau. We customize our services to meet the needs of our clients and constantly consider new options to make your life easier. A few of our most sought after services are Certification Packet Creation and Verification Review of 50059 Packets. Why not contact us today to hear more about these and all of our other services?

Also available: Full Service Contract Administrator Voucher Processing by ICAP for both Traditional and PBCAs, including Special Claims.

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 315-451-2423. 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.

For Further Information, Please Contact Us:

Solutions You Can Count On

Telephone: 315-451-2423

Web: www.pmcs-icap.com

E-mail: Solutions@pmcs-icap.com

Main Office: 829 West Genesee Street, Syracuse, New York 13204