

*** *Practical Points* ***

January, 2012

From

PMCS-ICAP

Services and Solutions for Properties of All Sizes

New Income Limits

Please note that income limits have been released for the following:

New income limits for Low Income Housing Tax Credit (LIHTC) properties are found under Multifamily Tax Subsidy Project Income Limits, and are posted on the HUDUser web site at:

http://www.huduser.org/portal/datasets/il/il12/index_mts.html

The new HUD MultiFamily Income Limits for 2012 are posted at:

<http://www.huduser.org/portal/datasets/il/il12/index.html>

Please note that (as stated on the Income Limits site) all properties with project-based subsidies must use these new income limits as of December 1, 2011.

Income Limits are an important part of our industry and reminders are vital.

Tech Soup and Neighborhood Networks

TechSoup is a nonprofit organization whose purpose is to provide other nonprofits and libraries with technology that empowers them to fulfill their missions and serve their communities.

Through TechSoup, nonprofits and libraries can access 400+ technology products from more than 40 partners including Microsoft, Adobe, Cisco, Intuit, and Symantec. All donated and discounted products are available for a small administrative fee that supports TechSoup's work in the United States and around the world. In addition, TechSoup offers its users lots of learning resources such as articles, blogs, free webinars, and forums led by expert hosts.

To request a product donation through TechSoup:

- You must be a TechSoup member with an individual account.
- If you have a Neighborhood Networks Center, it must be registered and its status listed as "qualified" by TechSoup.
- You must be an authorized agent for your center.
- Your center must be eligible to receive the products you request.

For product donations, to join TechSoup, to register as a nonprofit (or become an authorized agent for an already-registered center), and submit qualification documents, visit the [How to Use TechSoup](#) page.

If you have any questions about TechSoup please call the Neighborhood Networks information line at 1-888-312-2743.

A “refresher” on SSN Disclosure Requirements per the Final Rule (effective 1/31/2010)

First, there are only two (2) exceptions to the requirement for providing a valid SSN:

1. The exemption for senior participants which is based on a two prong test-
(1) the participant must be 62 years of age or older on January 31, 2010; and
(2) the person’s initial determination of eligibility must have begun before that date.

A participant who satisfies both prongs is exempt from the SSN requirements for all future income examinations, even if the senior moves to a new HUD-assisted property.

A participant who fails either prong is subject to the SSN disclosure requirements.

2. The exemption for individuals who do not contend legal immigration status, and are therefore ineligible for HUD housing assistance. In these cases, subsidy is pro-rated so that only the eligible household members receive the subsidy.

SSN Disclosure Requirements: (with above 2 noted exceptions)

New Move-ins and Initial Certifications: **ALL** household members **MUST** provide valid SSNs, **regardless of age**. Without a valid SSN for each member, housing assistance must be denied.

Existing households: When adding a household member to an existing household:

- a. If the member is age 6 or over, the SSN **MUST** be provided by the time the recertification is processed adding the member. The OA must not add the new member until the SSN is provided.
- b. If the member is under age 6, and they do not have a SSN, the SSN must be obtained within 90 calendar days of the child being added to the household. An additional 90-day period may be granted for unforeseen circumstances.

Remember, the SSN disclosure requirements are an essential component to the full and successful implementation of EIV. Subject to the exceptions allowed, an entire household may lose its tenancy if one member of the household does not comply with the SSN disclosure requirements.

Speaking Out

Last month we discussed the importance of speaking out as a stakeholder in the industry. It is important to note that whether your input is positive or negative, it is a valid response to an issue that we face. Of course, not all of us agree on all subjects. However, it is important that we say something.

Here is an opportunity to voice your opinion on an issue currently being considered by Congress. Please express your views to the Congress person who is bringing the issue to light.

Congresswoman Sheila Jackson Lee (www.jacksonlee.house.gov) has submitted legislation that has been referred to the House Financial Services Committee, H.R. 233: No One Strike Eviction Act of 2011: http://thomas.loc.gov/home/gpoxmlc112/h233_ih.xml

“This legislation would reform the provisions requiring ‘one strike’ eviction from public and federally assisted housing. The bill seeks to protect innocent tenants in public housing and Section 8 housing from eviction resulting from criminal activity of their household members or guests. The bill would add language so that

criminal or drug-related criminal activity that was engaged by a member of a tenant's household, guest or other person under the tenant's control, would not be grounds to evict a tenant as long as they did not know and should not have known of the activity" (NAHMA)

More on Residual Receipts for New Regulation Section 8 Contracts

Janet Golrick, Associate Deputy Assistant Secretary for Multifamily Housing Programs, has sent, to owners and agents, a follow-up to her letter of November 22, 2011 giving some clarification as to the distribution of residual receipts.

"My November 22, 2011 memorandum indicated that funds currently held in project residual receipts accounts will be used to reduce Section 8 Project Based Rental Assistance Payments. This is to clarify that the forthcoming Housing Notice to implement this policy will be applicable to Section 8 contracts generally known as "New Regulation" and subject to the regulatory authority at 24 C.F.R. §§ 880.205(e), 881.205(e), and 883.306(e)."

The references state that " If HUD determines at any time that project funds are more than the amount needed for project operations, reserve requirements and permitted distribution, HUD may require the excess to be placed in an account to be used to reduce housing assistance payments or for other project purposes. Upon termination of the Contract, any excess funds must be remitted to HUD."

Does this apply to your property? In 1980, HUD changed the regulations controlling the use of Residual Receipts. Section 8 projects that received a HAP notice of selection before this change are referred to as "Old Regulation" projects. Properties that received the notice of selection after the change are called "New Regulation" projects. New Regulation project owners are required to transfer all residual receipts to HUD upon termination of the regulatory agreement (in other words, these monies do not belong to the property owner at the end of the contract term).

Please check with your HUD Project Manager if you have further questions about your site's residual receipts.

Status of PBCA Awards

New Performance Based Contract Administrator contracts, effective October 1, 2011, were awarded in late July. However, the PBCA transition only proceeded in the 11 states and territories for which HUD only received one bid: Iowa, Maine, Minnesota, Montana, New Hampshire, North Dakota, South Dakota, Vermont, Wyoming, Puerto Rico and the U.S. Virgin Islands.

HUD withdrew the competition in the 42 states/territories for which protests were filed with the General Administration Office (GAO). HUD offered 6-month contracts, effective through March 31, 2012 (with the possibility of three, 3-month extensions) to the current PBCAs in those 42 states, and they all accepted them. These extension contracts were for reduced fees, and MORs have been suspended under this arrangement.

In August, HUD announced its goal of beginning a re-compete through a NOFA (Notice of Funds Available) process, with the NOFA being published within 60 days. However, to date, the NOFA has not been released, and HUD has not yet made any announcement as to how the rebid will proceed.

According to SAHMA President George Caruso, in early October an internal memo from the Deputy Assistant Secretary was issued to HUD field offices advising them that they are now responsible for performing management reviews, as well as follow-ups on REAC EH&S citations. For the most part, HUD field offices have limited travel funds, and several are short of staff as well. It is likely the various HUD offices will only do a very limited number of MORs, focusing primarily on troubled properties.

It is not clear when the formal rebidding process will restart. HUD policymakers in DC have not been willing to discuss the process going forward, with either the PBCAs or with owner/agents.

If your property is administered by a TCA (Traditional Contract Administrator), or one of the 11 PBCAs operating under their new contracts, you should not have noticed any major bumps in the road. If you are in one of the 42 states/territories with contract extensions, it is very likely that you will not have a Management and Occupancy Review (MOR) until at least July of 2012.

Still Suffering the Effects of Hurricane Ike?

If your property still needs assistance from damage caused by Hurricane Ike, Notice PIH 2011-66 (Subject: Terminal Guidance on Disaster Housing Assistance Program - Ike (DHAP-Ike) and Extension Operating Requirements) has been released concerning the extension of the Disaster Housing Assistance Program for Hurricane Ike.

A copy of the notice can be found here: <http://portal.hud.gov/huddoc/11-66pihn.doc>

Compliance Q & A

Question: We have one Section 8 contract number that covers our 24 units. Those 24 units are actually 6 beds each in 4 different group homes, located in three different counties. The problem is that the three counties have three different income limits. Our software only allows us to use one set of income limits. Which county's income limits do we use? Confused in Miami

Answer: There is a Note at the end of Section 3-6 (B)3 of the 4350.3 Handbook that indicates that you can use the highest of the three income limits for the whole contract. Although, technically, this note refers to "a property with multiple buildings", it would also apply to your group homes, since they're all under one HAP contract.

Question: Regarding Move-out date: When a resident submits a 30-day notice, are they required to pay the full rent for the 30 days? If she gives the notice on the 1st, and decides to move out early, on the 25th, what will be the move-out date – the 25th or 30th? I have been moving residents out at the end of the 30th day. Would that be a problem? Susan in California

Answer: In this example, the Move-Out date would be the 25th. HUD's rule is that a site can only collect subsidy for the actual days the household occupies the unit [4350.3, 9-12(E)]. Once a tenant moves out, you cannot collect subsidy – even if the tenant leaves before the notice period is up. So you would be in violation if someone moved out on the 25th and the 50059A Move-Out date was later than that date. This tenant may move into another site after leaving yours, and s/he is not allowed to collect subsidy for living in two sites on the same dates. So if the tenant moves out of your site on the 25th and into another property on the 26th, the tenant is, indeed, eligible for subsidy in that new site on that date. Using a later Move-Out date deprives the tenant of this subsidy, which is not permitted by HUD.

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.

The Maze of Acronyms

M-ID: This is an individual's personal identification number, for access to HUD's online Secure Systems (otherwise known as WASS). Once assigned, a person keeps this M-ID permanently. If s/he changes jobs and moves to a different property, the Coordinator at the old property must disconnect this M-ID from the property data. The Coordinator at the new property will authorize the new employee to see data for his/her new site, by using the Property Assignment Maintenance function for the new employee's existing M-ID.

TRACSMail ID (also known as iMAX ID): This is a unique number that identifies your property in TRACS and iMAX. It is assigned to a site, not to a person. When you transmit TRACS data via iMAX, you must log in with your M-ID and password. Then you must enter (though your software may do it for you) your site's TRACSMail ID and password, in order for your files to be transmitted.

2012 PMCS Telephone Seminars

**Our 2012 Telephone Seminars are in full swing presented by industry specialists:
Jeanette Claus, Bonnie Wilpon and Michael Alexander
Join our growing list of satisfied participants to see what they're all smiling about!**

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(Direct link to class registration form at http://www.pmcs-icap.com/telephone_schedule.html)**

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[New Manager Occupancy Training Series:](#)

New to the industry or just want to confirm that your current practices are really compliant with current HUD regulations? Learn the 'WHY' behind what you do at the site!

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Not new to the industry, but have compliance questions? Take your HUD Compliance knowledge to the next level. Delve deeper into the world of HUD Compliance topics.

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EIV is *extensive*. Help ensure compliance with all EIV requirements for that upcoming MOR!

Classes are still only \$99.00 each or if you register for 6 or more together, they're only \$89.00 each

Tell us what you'd like to see!

We welcome your ideas for new class topics (or topics you'd like to see again)! Have you looked for training on a topic and didn't find it? Send your suggestions to solutions@pmcs-icap.com or call 315-451-2423.

Private Classes for Associations, Management Companies and Contract Administrators

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For Further Information, Please Contact Us:

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