

*** *Practical Points* ***

February 2012

From

PMCS-ICAP

Services and Solutions for Properties of All Sizes

HOLIDAY LETTER RESPONSE WINNERS

Congratulations to our holiday letter response winners:

Sandra Persichetti from PCH Development Corporation
Linda Gladd from B'Nai B'rith Parkview
Sharon Polen from Westgate Management

Thank you very much to everyone who sent back data update responses.

EIV Existing Tenant Search Clarification

A clarification was released on January 4, 2012 via RHIIP Listserv #267 about the EIV Existing Tenant Search. Please refer to the HUD Handbook 4350.3 Rev-1 about the rejection of applicants. If a household does not meet program or project eligibility requirements, the household is considered ineligible for occupancy and there is no need to continue screening for any other eligibility factor, including the EIV Existing Tenant Search. The file needs to contain the information that leads to ineligibility, but does not necessarily need to contain the EIV Existing Tenant Search. The Existing Tenant Search (run for each member of the applicant household) should be your last step before offering a unit. It must be kept with the application (for 3 years if the household doesn't move in; for term of tenancy plus 3 years if the household does move in).

<http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>

CCR / DUNS Renewal - a Must!

This is a "must-do"! Review your records now. It is vitally important because you must renew and revalidate your CCR (Central Contractor Registration) at least every 12 months from the date you previously registered, according to Housing Notice H2011-01, issued on January 5, 2011. It is strongly recommended that you do this more frequently to ensure that your CCR is up to date and in sync with changes that may have been made to DUNS (Data Universal Numbering System), which is regulated by Dun and Bradstreet, and IRS information.

If you do not renew your registration, it will expire - and that could affect your ability to receive contract awards or voucher payments from HUD. "Failure to provide and maintain current certifications will result in the inability for future funds to be obligated by HUD." This includes funds to be obligated for HAP contract renewals, PAC contracts, PRAC Contracts and all Grant Funds issued by HUD.

"Owners must obtain a DUNS number and have an active, valid registration in CCR."

Duns Number: http://dnb.com/us/duns_update/

CCR (Central Contractor Registration): <https://www.bpn.gov/ccr/default.aspx>

Income Limits and Program Applicability

Last month we reminded you of the New Income Limits, available at:

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

However, we did not mention all the various programs that are governed by these income limits:

- All Section 8 Programs: very low-income or low-income standards
- Section 202 Elderly and Section 811 Handicapped Programs: very low-income or low-income standards
- Section 236 Rental Programs: low-income standards
- Section 221(d)(3), BMIR (Below Market Interest Rate) Rental Programs: 95% of median income
- Indian Housing (1996 Act) low-income is defined as the greater of 80% of the median family income for the Indian area of the U.S. national median family income
- Community Planning and Development Programs: very low-income or low-income standards for current programs under management
- HOME Investment Partnerships Act of 1990: 60% of median and 65% of median that are used as income targeting and qualification requirements; both limits are tied to Section 8 Income Limit determinations
- National Homeownership Trust Act of 1990: 95% of median is referred to as eligibility standard, with a 115% of median standard for high cost areas
- Low-Income Housing Preservation and Resident Ownership Act of 1990: affordability of unit for current occupant of moderate income affects term under which mortgage may be prepaid; moderate income is defined as 80-95% of median, with 80% defined as Section 8 low-income standard.

http://www.huduser.org/portal/datasets/il/il12/IncomeLimitsBriefingMaterial_FY12_v2.pdf

The State of PBCAs

Marie Head, Deputy Assistant Secretary, Office of Multifamily Housing Programs released a letter on January 23 about the PBCA NOFA. The NOFA is still in clearance, which means that the document is being reviewed for final publication and must be cleared by several different departments. It will be in clearance until at least mid-February. The current ACC contracts with the 11 states that began on October 1, 2011 will expire September 30, 2013 since they were two-year terms. If you have any questions, please email MultifamilyDAS@hud.gov (Source: NAHMA)

Revised Affirmative Fair Housing Marketing Plan (AFHMP)

Yes, the form has been revised! This new version is dated **December 2011** and must be submitted on HUD Form 935-2a. <http://portal.hud.gov/hudportal/documents/huddoc?id=935-2a.pdf> . There are some common omissions that have been noted: failure to list county, telephone numbers, email addresses. Make sure you fill in all the blanks on the form.

Be sure to provide Census Tract (information can be found at www.census.gov). You should be able to pull helpful information on demographic data for those who are eligible for your designated area. There are subsets of demographic information such as age, income, and more. Under the new American Fact Finder (factfinder2.census.gov) you can custom design the information that you need. If you need help finding your information on the U.S. Census website, their very useful customer service help line is: 1-800-923-8282.

Homelessness Decline Reported

HUD issued a press release on December 13, 2011 stating that more than 3000 communities on a single night in January of 2011 reported that 636,017 people were homeless in the United States, a 2.1 percent decline from the year before. "While the number of homeless persons vary locally, these communities are reporting modest declines in homelessness in every category or subpopulation including individuals, families, veterans and those experiencing long-term or chronic homelessness." Secretary Donovan, who personally participated in the 2011 nighttime count said, "It's remarkable that in the wake of the most serious economic crisis since the Great Depression, we're witnessing an across-the-board drop in homelessness. This tells us that the Obama administration's homelessness strategy is working. The results spur us to continue working to end homelessness in America once and for all."

One statistic really stands out: "Persons experiencing long-term or chronic homelessness declined 2.4 percent (or 2,664) from last year and 13.5 percent (or 16,635 persons) since 2007. This steep reduction in chronic homelessness is largely attributed to the sharp growth in the supply of permanent supportive housing units – more than 30,000 beds between 2010 and 2011, and by more than 83,000 since 2007."

Those of you reaching out and meeting these supportive housing needs are to be highly commended.

http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2011/HUDNo.11-288

Scholarships Available For Your Tenants

All high school seniors, high school graduates, and adults holding a high school diploma or GED living at an Affordable Housing Management Association (AHMA) member "affiliated property" are invited by the Board of Directors of the National Affordable Housing Management Association (NAHMA) Educational Foundation to apply for scholarship grants for higher education to be awarded in 2012. The NAHMA Educational Foundation issues this invitation to distinguished residents who are pursuing some type of higher education in college, university, community college, trade/ professional school or institute.

This is an opportunity to provide a unique service to your tenants. The scholarship application can be found online at: <http://nahma.indatus.com/>

2012 PAC Renewal Instructions Just Released

Do you have a PAC (Project Assistance Contract) that needs to be renewed? You must use the new FY 2012 contract for renewals, since it has changes in the dates and authorizing legislative section.

The official memorandum from Marie Head, Deputy Assistant Secretary for MF, was released on January 31, 2012, and HUD Field Offices were given their instructions on February 1, 2012. The memo notes that PACs that have expired, or are expiring in 2012 can be renewed for one year. It provides instructions – including those for submitting an operating budget and criteria for approving rent increase requests. Find the memo here: <http://portal.hud.gov/hudportal/documents/huddoc?id=renewalpacsec202.pdf>

Find the list of 2012 expiring contracts (Attachment A), as well as the new PAC contract renewal form (Attachment B) here: (It's the 6th bullet point down in the Section 8 section)

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8

New HUD Web Tool Shows Details for Community Development Initiatives

Partner.hud.gov began in November of 2011. It shows contact information as well as proposal details for the highest-scoring applicants to HUD's flagship community development initiatives. Its purpose is to encourage partnerships among philanthropic, private and public agencies, in the hope of funding sustainable improvements to our country's troubled neighborhoods.

At first the site will cover Choice Neighborhoods grantees and runners-up, so that prospective funding agents can see promising applications that HUD wasn't able to fund, and those that are in need of funds beyond what HUD could supply. This site will also give us easier access to the best models, so we can see what they're doing and possibly implement some of those things in our own communities.

Contacting the OIG about Fraud and Abuse

The Office of the Inspector General (OIG) is, technically, part of HUD. But they work independently and have separate budget authority. Its purpose is to find and prevent abuse, fraud and waste within the HUD systems.

Many clients have wondered how to handle the reporting of fraud identified through using EIV. Some OIG offices have told Owner/Agents that, once they report fraud to the OIG, they should not proceed with repayment agreements. Other offices have told O/As the opposite. Some OIG offices have high financial thresholds, and won't pursue anything less than \$20,000, for example; others will pursue tenants owing lesser amounts.

HUD Policy recommends that each Owner/Agent communicate with its local OIG office to determine its policies and recommended procedures, so that they can be included in the property's EIV Policies and Procedures.

Are you aware of something that you think needs to be reported? Use the email link to the OIG Hotline at: hotline@hudoig.gov. To learn more about the OIG, visit: www.hudoig.gov.

REAC Tips

REAC has been receiving questions concerning Windows and Blocked Exits. REAC has responded with some tips that will help everyone in the industry. Windows that are inoperable and not lockable will receive a deduction no matter where they are located, on any floor. The definition reads: A "window that cannot be opened or closed because of damage to the frame, faulty hardware or another cause." It also states in the compilation bulletin Rev 2.1, Page 16, B. "Windows: Common Areas and Units, (1) All windows in sample units and common areas must be inspected (tested) for correct operation. If a window has more than one lock, all locks must be operable. It is also important that all windows "must operate as designed". It is also important to note that if the window is considered as a means of egress, the inspector must record a health and safety blocked egress. Anything blocking that window inside or outside the unit must be removed. All blockage that limits a person's ability to exit a room in case of emergency is considered a deficiency."

Please review your windows prior to a REAC inspection. A deficiency can be as high as a Level 3.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/reac/products/pass/ga

Compliance Q & A

Question: What qualifies as annual training for EIV? Carolyn in KY

Answer: The Annual EIV Security Requirement changed with HUD Notice 2011-21, effective August 19, 2011. As of that date, all EIV users (including Coordinators, Users and employees of the owner, management company or site who sign Rules of Behavior) must complete the online Federal ISS Awareness training program annually, to satisfy EIV's security training requirement. Find the online Federal ISS Awareness training program at <http://iase.disa.mil/eta/index.html#onlinetraining> and choose the Federal ISS Awareness

(for non-DoD Personnel) icon. This may look familiar – it's the same Security Course required annually, to be completed within 30 days of signing the TRACS ROB (Rules of Behavior). So now this certificate will serve double duty. Although it isn't required, we recommend that all EIV Coordinators and Users complete an EIV Update training each year, to stay current with any changes EIV has made during the year.

Question: I have a tenant who's going to do a Unit Transfer. I was told that the move-out date of the existing unit is the same date as the move-in to the new unit. I thought these had to be a day apart. What's the right way to do it? Rhonda in SC

Answer: The transfer-in date to the new unit must be the day after the transfer-out date from the old unit. Otherwise HUD would be paying subsidy for the same person to live in two units for that one day, and that's not permitted.

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.

2012 PMCS Telephone Seminars

**Our 2012 Telephone Seminars presented by industry specialists:
Jeanette Claus, Bonnie Wilpon and Michael Alexander**

**Class schedule and registration form available on our website at www.pmcs-icap.com
(Direct link to class registration form at http://www.pmcs-icap.com/telephone_schedule.html)**

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

Industry Organizations: Where We'll Be...

February 14: **AHMA PSW, AZ State Meeting, Phoenix:** Jeanette Claus: EIV Security
February 21-22: **SAHMA, GA State Meeting, Atlanta:** Bonnie Wilpon: EIV
March 9: **AHMA TX, Dallas:** Jeanette Claus: EIV
March 11-13: **NAHMA, Washington DC:** Jeanette Claus
March 14-15: **HUD – TRACS Industry Meeting, Washington, DC:** Jeanette Claus, Bonnie Wilpon
March 27: **New Jersey Leading Age, Princeton, NJ:** Bonnie Wilpon: EIV, Tenant Selection Plans
April 26: **Rocky AHMA: SD State Meeting, Sioux Falls:** Bonnie Wilpon
May 8-9: **SAHMA, NC State Meeting, Greensboro:** Bonnie Wilpon: EIV, TRACS
May 14-15: **SAHMA, KY State Meeting, Louisville:** Bonnie Wilpon: EIV, TRACS
May 23-24: **SAHMA, TN State Meeting, Murfreesboro:** Bonnie Wilpon: EIV, MOR Preparation
June 12: **Rocky AHMA, WY State Meeting, Jackson:** Bonnie Wilpon

For Further Information, Please Contact Us:

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