

Practical Points

By **PMCS** - Services and Solutions for Properties of All Sizes

June 2013

Verifying SS Debit Cards: Policy Clarification

RHHP ListServ #296, issued in February, reminded us that Social Security benefits may now be paid via Direct Express debit cards. This ListServ revised previous guidance, saying that the current balance of this debit card is considered an asset, with verification of the current balance (similar to a savings account.) Management can use the current balance that the tenant obtains from an ATM, or through the online account service or a paper statement, and the verification document must identify the account and the account holder.

When tenants provide ATM statements they include only the last four digits of the account number, and do not include the tenant's name. Since the tenant must pay for the online or paper statements, these are not used as often as ATM statements.

In a May 2, 2013 e-mail, Michael Sharkey in Policy clarified that the verification

must show "a relationship between the verification document and the account holder", and that HUD will not define verification any further than that. He did agree that, if management makes a copy of the Direct Express Card, showing the tenant's name and full account number, and attaches the copy to the ATM printout, that would satisfy the requirement.

We recommend that you do exactly that. Do not forget to count the SS benefit payment as income too... just as employment pay counts as income, and bank accounts are assets. Some managers have mentioned that debit card balances will be lower at the end of the month after tenants have bought their monthly groceries and paid their bills. Verifications are valid for 120 days; therefore, ATM statements printed any time of the month will be valid for verifications.

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Q&A

Question:

I have an applicant I currently am processing for residency. He has a federal pension that has a deduction for a court ordered alimony, and I understand we do not count this portion of his benefit. He also has a child support ordered garnishment from the same pension.....do we exclude this income as well?

~ Jim in NJ

Answer:

You're right - when someone has a government (federal, state or local) or military pension, if there is court-ordered alimony paid to an ex-spouse, deducted from the pension check before the tenant receives it, then the tenant's income is the amount after the deduction. But that applies only to alimony, not to any other type of deduction. So if child care is deducted, the tenant's income counts as the amount before that deduction.

New HOME Program Rent Limits

2013 HOME Program Rent Limits, effective June 1, 2013 have been posted at: www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2013/

In addition to finding the Limits by state, you can also click on links for Area Definitions, and the Rent Limits Memo explaining how the limits are calculated, and reasons for recent changes.

FMRs Revisions

On April 30, 2013 some of the FY2013 Fair Market Rents (FMRs) that were published in October of 2012 were updated. FMRs were changed for: Cheyenne, WY, Odessa, TX, Burlington-South Burlington, Vermont and a three-county group in ND (Mountrail County, Ward County and Williams County.)

If you are in one of these areas, and you use FMRs, be sure to use these updated figures. Find them at: www.gpo.gov/fdsys/pkg/FR-2013-04-30/pdf/2013-10171.pdf



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EIV System Updates for Spring

The online EIV systems are scheduled for updates every October and April. The Spring 2013 version update (to 9.5) wasn't released until Monday, May 6, 2013. The changes were announced on May 7th in RHIP ListServ #300.

The changes were minor and no updates to your EIV Policies and Procedures are required.

Changes are:

- 1. New Hires Report:** In October, this Report was added to the main menu bar. This is a reminder to use the report from that location, since it will include All Tenants, as HUD requires. This week's update increases data security by displaying data only when you click on the tenant's masked SSN. And, there is a break between the data for each person.
- 2. Income Report:** When the Head of Household's identifiers can't be verified by Social Security, the Head shows up on the Failed Verification Report. In the past, no information for other household members was shown in this case. Now, income information for members of the household who are verified will be shown, even if the Head's data isn't available. Information for verified household members will also display when the Head is an ineligible Non-Citizen, and appears on the Failed EIV Pre-screening Report.
- 3. Other Changes apply only to internal HUD Users.**

Smoke-Free Toolkits

On March 1, 2013 Lanier Hylton sent an e-mail to Owner/Agents about the Smoke Free Housing Toolkits. The letter that accompanied the e-mail was from Carol Galante, Acting Assistant Secretary – Federal Housing Commissioner, Jon Gant, Director of Office of Healthy Homes and Sandra Henriquez, Assistant Secretary of the Office of Public and Indian Housing. This letter again encourages owners and managing agents to adopt smoke-free policies.

The benefits of smoke-free housing include reducing the exposure of residents to the harmful components of secondhand smoke, reducing the risk of fires, and potentially reducing the costs associated with maintenance at unit turnover. Smoke-free policies are increasingly being adopted across the country by PHAs and owners of both assisted multifamily housing and market rate rental housing.

HUD has also posted smoke-free housing toolkits to OHHLHC's (Office of Healthy Homes and Lead Hazard

Control's) website at: <http://portal.hud.gov/hudportal/HUD?src=/smokefreetoolkits1> These toolkits were developed by HUD and its partners - the Centers for Disease Control and Prevention, the American Lung Association, and the American Academy of Pediatrics - and are designed to provide information on smoke-free housing policies and suggested steps to take when implementing a smoke-free housing plan.

The smoke-free housing message is being reiterated again and again, emphasizing HUD's desire for housing management to adopt these policies. If you would like to learn more information about this trending topic, we offer a phone class on this subject: *Smoking – Working Toward Non-Smoking Properties: How far can you go in eliminating smoking at your site(s)?* We'll explore the resources that HUD has to offer, for both management and tenants.

2013 AAFs Announced

The Federal Register Notice, posted on May 22, 2013, can be found here: www.gpo.gov/fdsys/pkg/FR-2013-05-22/pdf/2013-12174.pdf

This notice announces the FY 2013 AAFs. The factors are based on a formula using residential rent and utility cost changes from the most recent annual Bureau of Labor Statistics Consumer Price Index (CPI) survey.

AAFs (Annual Adjustment Factors) are used to modify contract rents for some Section 8 HAP contracts, on HAP contract anniversary dates, per the U.S. Housing Act of 1937.

AAF Tables 1 and 2 are posted at: www.huduser.org/portal/datasets/aaf/FY2013_tables.pdf. Each Table has two columns. The first is used to adjust the contract rent for units where the highest-cost utility is included in the contract rent and the second column is used when that utility is not included in the rent.



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PBCA Awards Update: Upholding NOFA Appealed

Nine Contract Administrators have appealed the federal claims court’s decision to allow HUD to proceed with PBCA awards under the NOFA that was previously issued.

On May 10, 2013, the appeal was jointly filed by: CMS Contract Management Services (UT), Housing Authority of the City of Bremerton WA., National Housing Compliance (formerly GA HAP Administrators), Assisted Housing Services Corp (CGI-OH), North Tampa Housing Development Corp (CGI-FL), CA Affordable Housing Initiative, Navigate Affordable Housing Partners (formerly JeffCo), SW Housing Compliance Corp (TX) and MA Housing Finance Agency.

It is not yet clear whether the court’s ruling (upholding HUD’s position) will be set aside until the appeal process is completed, or whether HUD will be permitted to proceed while the appeal is being heard. However, it is believed that no PBCA awards will be announced until after the appeal has been decided, which may take several months.

In the meantime, current PBCAs “in limbo” are operating on a limited basis (conducting no MORs) under a series of 3-month extensions. On October 1, the 11 states which currently have PBCA contracts will join these others, and will operate under the same extensions until new PBCA contracts are officially awarded.

Infestation or NOT an Infestation

As a reminder, REAC has issued its stance on infestation:

When either one dead roach or only roach droppings is observed in a unit or in an inspectable item location in Common Areas (e.g., halls/corridor/stairs, laundry room, lobby office etc.), the inspector is to record this observation as Health and Safety, Hazards, Other and in the comment field write either “One dead roach” or “Roach droppings only.”

When more than one dead roach is observed in a unit or in an inspectable item location in Common Areas, the inspector is to record this observation as “Infestation”.

When the inspector observes one or more live roaches in a unit or in an inspectable item location in Common Areas, the inspector is to record this

observation as “Infestation.”

Revision #1, effective September 4, 2012, is a new provision and will be added to Part II: Definition Clarifications, Page 33, Health and Safety, as a new Item “E. Infestation”. The Index will be updated accordingly.

Q&A

Question:

Unit Transfer - We have a tenant in an efficiency who has secured a doctor’s note for a bigger apartment and a reasonable accommodation form has been prepared to facilitate this request to a one bedroom unit. If I remember correctly, we pay for this move, right?

~ Anne in NJ

Answer:

Reasonable accommodations are available to people who are verified as being handicapped/disabled. Assuming that the tenant has been verified as handicapped/disabled, yes, the property must pay for the unit transfer - though the property does not have to pay for the transfer of any utilities. If appropriate, and considering the liabilities, site staff can simply move all the resident’s belongings so there’s no actual out-of-pocket cost to the site. If the tenant is not handicapped/disabled, but needs a transfer for a medical reason, the tenant is responsible for paying the moving costs.

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