

October 2013

BREAKING NEWS

Government Shuts Down: HUD Issues



October 1, 2013: The federal government has shut down.

On September 19, 2013 the House of Representatives passed a Continuing Resolution that would fund all federal programs at slightly below post-sequestration levels, but would de-fund the Affordable Care Act. When it was introduced in the Senate, Majority

Leader Harry Reid called it unworkable, and President Obama said outright that he would veto any bill that would de-fund the Affordable Care Act. Members of Congress had until October 1, 2013 to strike a deal or shut the government down. As of this writing, a deal has not been struck.

Here's what we can expect as a result:

The Real Estate Assessment Center Technical Assistance Center (REAC TAC) has shut down, as of 8:30pm Eastern time Monday, September 30, 2013.

HUD's emergency activities will continue, including functions funded under multi-year appropriations. This is defined as where a failure to perform a function would result in an imminent threat to the safety of human life or the protection of property. Voucher payments will be made for properties which have permanent or indefinite authority or multi-year funding.

Of HUD's 8,709 employees, only 349 will be working; the rest are furloughed until a new government spending bill is authorized.

The staff continuing to work will continue on with renewing and funding Section 8 contracts and PRACS, which have budget authority available from previous appropriations or from recaptures. PBCAs will continue to be paid for work on properties with prior appropriations. HUD-owned properties will continue to be managed, and emergency repairs will be approved.

For more information about available government services, visit USA.gov.

New Form 9250 for Funds Authorization

If you need funds from your Residual Receipts Account or Reserve Fund for Replacement Account, be sure to use the updated Form 9250 when you submit your request. The new form has an OMB expiration date of 5/31/2016 in the upper right-hand corner; the date in the bottom right corner is 1/2008.

Beginning October 1, 2013, old forms will be returned and will not be approved.

You can download the updated Form 9250 from the Hud.gov website. If you have questions, contact your HUD Project Manager.

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2014 OCAFs Published

Operating Cost Adjustment Factors (OCAF) for 2014 were published in the September 16, 2013 Federal Register. It is important to note that these are the factors that are used for adjusting or establishing Section 8 rents under the Multifamily Assisted Housing Reform and the Affordability Act of 1997 (MAHRA), as amended, for projects assisted with Section 8 Housing Assistance Payments.

The factors are effective February 11, 2014.

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BREAKING NEWS

Assisted Living Conversion Program (ALCP) Grants Available

Grant applications are now being accepted for funds to convert all or some units to Assisted Living Program units. Applications are due by November 18, 2013.

The ALCP (Assisted Living Conversion Program) provides funds for the physical costs of the conversions, including remodeling and common area/service space. In order to qualify, a property must already have HUD-subsidized multifamily units, and have (or be willing to obtain) supportive services for their residents, either directly or using a third party.

For more information, contact your HUD Program Manager, or visit, [View Grant Opportunity](#).

QUESTIONS & ANSWERS

Question:

A family moves in on October 14th. On October 1, a decrease in the Utility Allowance for November 1 was approved, which would make the tenant rent go up (and the assistance payment go down). When should I charge this new household the higher rent? What notice do I need to give them?

Answer:

This household's rent would go up on November 1st, along with everyone else's. On June 20, 2011, a memo was issued by Carol Galante, then Deputy Assistant Secretary for Multifamily Housing Programs, to clarify this issue. The memo states (several times) that a decrease in the UA is not a rent change (and thus, by extension, the requirements for rent change notifications do not apply). The only requirement is to notify in-place tenants "at least 30 days" before management submits the request for a UA decrease to HUD for approval. The purpose of that notice is to allow them time to comment.

Question:

I have a multifamily tenant whose SSI was lowered due to a stock or bond that was in her name. The tenant stated that someone else had bought it for her and she was unaware of it. Her SSI was lowered for the next year due to the overpayment. My question is, do I report the full amount or the amount that she is receiving? ~Steph in TX

Answer:

This situation occurs when Social Security has paid a benefit amount that's too high, due to information they didn't have at the time the tenant's benefit amount was determined. In this case, Social Security identified an asset – and when they computed the proper SSI amount, they determined that it should have been lower in the past. So now, SS is deducting the total overpaid amount from the tenant's checks, in monthly installments until the full amount has been repaid. The 4350.3 tells us (5-6 J) to count the amount the tenant actually receives. This is an exception to the "count the gross amount" rule because, in the past, she paid a higher rent based on the higher SSI amount.

Affordable Care Act Enrollment Begins on October 1, 2013

The average income of a family receiving assistance is \$12,500 per year. Most of those families have no health care coverage either because they can't afford it, it's not offered by their employers or they've been excluded due to pre-existing conditions. Many of our residents have learned first-hand that high medical bills can cause people to lose their homes or declare bankruptcy. Helping the 48 million+ uninsured Americans has been a high priority for President Obama.

HUD Secretary Shaun Donovan explains, in this video blog post, how HUD's mission of building strong, healthy communities is can be furthered when we share information about the Affordable Care Act with our tenants.

On October 1, 2013, the Health Insurance Marketplace opens in every state. Anyone can see if their family qualifies for Medicaid, the Children's Health Insurance Program, or subsidized health insurance premiums by visiting HealthCare.gov

The website will be used to enroll families in coverage that will begin as early as January 1, 2014, and can help connect people to local agencies who can help HUD-assisted tenants make their own insurance choices. Customer service representatives, available in 140 languages, are available toll-free at 800-318-2596.

Change 4: What Do I Have to Do NOW?

Change 4 was announced on August 22, 2013; although it was officially effective on August 7, 2013. Policy is expected to extend implementation 90 days for one change (regarding foster children and adults) that requires a change in compliance software, and for 30 days for items requiring changes in policies and procedures.

What do you need to do now?

Get a New 4350.3

PMCS offers a printed Travel Size Version of the full handbook. Updated for Change 4, it's about half the size and bulk of the original, and fits easily into a briefcase or on a desk. A complete, compiled and searchable PDF version is included on a 2GB flash drive.

You can also download the 800+pages of the Revised 4350.3 yourself directly from HUD. **Note:** If you download the "Complete Handbook", it does not contain the Exhibits, you will need to download those separately. Do not download the chapters individually, since the Exhibits are incorrect.

Learn About All the Requirement Changes

Take our Live Class: Change 4 and TRACS 202.D or a 90-minute PMCS Change 4 phone class! If you're a management company and you need to train all of your property managers, we can arrange a live or phone class exclusively for your staff.

Revise your Tenant Selection Plan as needed

You may have already updated your Tenant Selection Plan for all HUD Notices and requirements to date – if so, just a few tweaks will be needed. If not, it's time for a major overhaul of

those documents. Contact PMCS if you'd like help with this.

If your TSP is already current, be sure to revise it for:

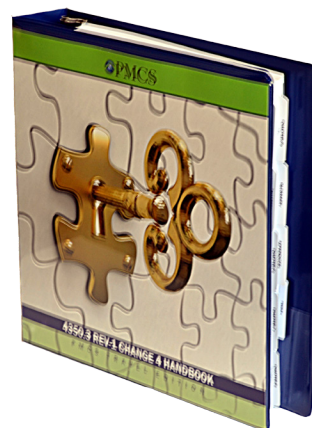
- Revised citizenship forms to determine eligibility for subsidy (Figure 3-4 and Exhibit 3-5)
- Using EIV Existing Tenant Search for all prospective household members (7-10 A)
- Change in 9887/9887A signature requirements (3.11 A 1)
- Change to student eligibility for Section 8 relative to student/parent income eligibility (3-13.A.2)
- Changes to the verification process and to the effective term of verifications (5-27 B)

Revise your EIV Policies and Procedures as needed

You may have already updated your EIV Policies and Procedures for Notice 2013-06, effective in March of 2013. If so, just a few tweaks will be needed. If not, it's time for a major overhaul. Contact PMCS if you'd like help with this.

The following tweaks are needed:

- Using EIV Existing Tenant Search for all prospective household members (7-10 A)
- The No Income Reported on 50059 and No Income Reported by HHS or SSA Reports must be run for All Tenants, and how they're used must be described in EIV Policies and Procedures (9-8 A, 9-11 D 1)
- EIV Income Reports must be searched within 90 days for Initial Certs (9-11 B 5)
- Change to 9887/9887A signature requirements (3.11 A 1)



Revise/Update/Renew

- Be sure to use the NEW Citizenship Declaration Form (Exhibit 3-5) (Note: This Form is NOT used by PRAC or BMIR properties)
- Revise your Application to ask if anyone is subject to any state's lifetime sex offender registration requirement, and ask for a list of all states where all household members have ever lived. (4-14 B 2 a, 4-14 B 2 b)
- Verification procedures for income, assets and expenses have been completely overhauled. (5-13 B, 5-27 B). Follow new procedures immediately.
- Effective dates for Utility Allowance changes have been revised (7-18 C)
- Repayment of overpaid assistance identified outside of EIV now must match the EIV timeframe (8-21 A 5)
- Foster children and adults are now considered Family Members for all purposes except the \$480 dependent deduction (3-6 E 3)

NEWS

FASSUB to Delete pre-2011 DRAFT Submissions

The FASS-MF team will be deleting submissions that are in a draft status where the last update to the submission occurred prior to January 1, 2011. If you have a draft submission in the system you will have until November 12, 2013, to complete it. *Submissions that have been created or updated after January 1, 2011, will be unaffected.*

PMCS NEWS AND EVENTS

LIVE CLASSES

Throughout the year we offer live classes at various locations. If you are looking for expanded information from our phone classes, our live classes might just be what you need. Topics range from HUD basics to the latest updates.

WHERE WE WILL BE

October 2, 2013

PennDel AHMA Live Training – Change 4: What’s Changed in the Revised 4350.3?

King of Prussia, PA

October 3, 2013

JAHMA Live Training – Change 4: What’s Changed in the Revised 4350.3?

Iselin, NJ

October 15, 2013

AHMA-NCNH Advanced EIV Training Updated for 4350.3 Change 4

Oakland, CA

October 16, 2013

AHMA-PSW Live Training – Change 4 and TRACS 202D

Long Beach, CA

October 17, 2013

AHMA-PSW Live Training – Change 4 and TRACS 202D

Phoenix, AZ

October 22, 2013

PMCS Live Training – Change 4 and TRACS 202.D

Syracuse, NY

REAC Tips #3

REAC inspections can be a source of stress, because most of us want to score high enough to be inspected only every three years. To help you achieve high scores, here are some more helpful hints based on the scoring system.

There are certain deficiencies that have a lower point loss than others. These can add up, so it is best to cover your bases and check these areas:

- Missing sink stoppers (pop-ups now required)
- Peep holes in the entry door (not required, but if there is one missing, it must be repaired)
- Window screens are not scored by the unit but by the building exterior
- Flooring issues
- Paint issues
- Missing closet doors are better than damaged closet door. If you remove the door, remove all hardware. Hardware without the door will cost you.
- Trip hazards in units do not score, but site trip hazards do count
- Smoke detectors do not score, but consider the safety issues and in most states, smoke detectors are required.



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