Practical Points
PMCS - Services and Solutions for Properties of All Sizes

January 2014

BREAKING NEWS

2014 Income Limits Released

On December 18, 2013, HUD released the 2014 Income Limits, and are effective immediately.

If you have applicants who were already determined to be eligible before December 19, they can still be offered units and receive subsidy, **even though their income exceeds the new income limits. Remember that Income Limits only apply to applicants.** Current residents receiving subsidy do not have to meet them in order to continue getting housing assistance.

The new income limits can be found at: ***www.huduser.org***

In This Issue

Change 4: Revised Transmittal

On December 10, 2013, a Revised Transmittal for the 4350.3 REV-1, CHG-4 Handbook appeared online for the first time. Signed by Carol Galante, Assistant Secretary for Housing, its issue date was November 27, 2013.

Changes based on the *Transmittal*:

1. The last sentence alludes to "a small clarification to verification techniques".

– 9-10.A adds that O/As must not use tenant-provided documentation (even when generated by a third-party source) in these particular situations:

1. Tenant can't provide acceptable documentation to support wages and unemployment in EIV
2. Tenant disputes EIV income information
3. There is an EIV income discrepancy reported at the AR, IR or other time if specified in the property's EIV Policies and Procedures
4. EIV income data is incomplete and the O/A needs more information. Some examples are listed, including effective date of income, information about new employment, no EIV data for a tenant.

– 5-13.B.1.b (2) has an added Note referring us to 9-10A for situations when verification must come directly from the source. Note that the Transmittal lists the wrong citation (it shows 5-13.B.2).

2. Implementation:

- O/As have until December 15, 2013 to implement the changes made by Change 4
- O/As have until March 1, 2014 to implement changes that require changes in their compliance software. This refers to entering citizenship eligibility codes and income for foster children and fostered adults.
- HUD may extend the March 1, 2014 date if software vendors can't make the changes due to incompatibility with TRACS. Our current information is that TRACS 202.C will not be updated to accommodate this change, so TRACS won't be able to accept the new information until TRACS 202.D is released.

C, Chapter 3: Paragraph 3-13.A.2 was changed and Paragraph 3-13.A.2.h was added. These Transmittal notes more accurately reflect the changes made in the handbook regarding the Section 8 rules for student eligibility.

K, Appendices: These changes have been made to the Handbook in HUD Clips. The additions refer to:

1. Including new column "Provided by Applicant" under Third Party Verification
2. Including "Note e" referencing examples and requirements in 5-13.B.1 which refers to adding UIV, and the order of acceptable verifications
3. Updating Appendix 3 to align with new verification techniques in 5-13, including self-declaration of income items
4. Several Appendices have been removed from the Change 4 Handbook in HUD Clips:
   - **7-A & B (50059 Data Requirements and 50059 Signature Page)**
   - **8 (rounding) Note: This is not on the list of removed appendices in the Transmittal.)**
   - **9 (HAP Voucher)**
   - **10-A through D, 11 and 12 (Special Claims)**
   - **13 (Excess Income Report used by Section 236 properties)**
   - **14 A-F will be changed to be Appendix 7 A-F (Fact Sheets)**

Note that these newly changed pages show an 8/13 date at the bottom… not a 12/13 date.

MONTHLY NEWS

Are You Ready for 2014?

Are you ready for 2014? Have you done a review of 2013 and determined your accomplishments? Have you reviewed what needs to be done to improve your property in the New Year? **Now is the time!**

The National Apartment Association suggests that you look at the following five areas to improve maintaining your property.

1. **Assess your order history:** Get in touch with your primary supplier and ask for a list of the items that were ordered for the property over the last year. Some suppliers have the ability to break it down by accounting code and price. This will enable the property to plan for upcoming seasons based upon what happened this past year.
2. **Hazardous communications update:** By the beginning of December, the Occupational Safety and Health Administration (OSHA) required every employee to receive training on the new Hazardous Communication standards. In addition to this, the end of the year is a great occasion to review the Safety Data Sheet (formerly called the Material Safety Data Sheet) notebook.
3. **Issue new updated staff communication information:** Over the course of the previous 12 months employees may have been added or subtracted, and/or their contact information may have changed. This is a great time to confirm all that information. Be sure to include all methods of communication, including email, cell phone, land-line phone, and handles for various messaging apps, depending on company policy.
4. **Review emergency action policies/procedures:** This is especially important if your area experiences weather extremes. Think of what can happen under Murphy's Law (whatever can go wrong will go wrong) – then consider Simon's Law (that Murphy was an optimist!). Be sure you have a plan that enables you to successfully deal with as many variables as possible.

   For example: What if the Property Manager/Maintenance Supervisor is unavailable? Do other staff members know who to call to report a widespread power, gas or water outage? How would staff handle a quick evacuation of the property if necessary? What about speaking with the media?
5. **Clean out the shop:** An often repeated statement of maintenance technicians trying to find a part is: "When I have time, I'm going to reorganize this place." The time is now!

Your suppliers can help with bins or boxes that can keep smaller parts separated. Keeping the low-flow flappers separated from the standard flappers will be a time saver! Be sure to get rid of the parts that seem to collect over time. Garbage disposal collars are often kept "just in case," but you only need one on hand, not 23.

Lastly, empty the area and perform some intelligent design. This means putting the most used items at eye level and lesser used items out of the way. Once items are placed, mark the shelves so those items don't move. This can help when you reorder, since there will only be one location for all of the stocked items.

Happy New Year!

BREAKING NEWS

EIV Online Changes

EIV Version 9.6 was released on December 8, 2013, and is expected to be fully functional on December 15th. This is a minor update, with just a few changes that enhance some reports.

Several of the changes are only applicable to HUD internal users. The ones we can see are:

Existing Tenant Search Report: Sometimes we've been seeing the name of a Contract Administrator instead of the information about the property our applicant currently lives in. That's because EIV printed the entity that transmitted to TRACS. Now EIV shows the managing agent information instead, so the information will be much more useful.

Multiple Subsidy Report:

- When fully functional, this update will add two columns to the Summary: Total Number of Properties with Tenants Receiving Multiple Subsidy in MF (MultiFamily), and MF & PIH. Printable .pdf reports and a download to Excel will be available.
- The report will be able to be searched by Property ID.
- Like the Existing Tenant Search Report, EIV will now pick up the managing agent information, instead of the entity that transmits data to TRACS.

Identity Verification Reports: These can now be searched by Property ID, and have a "Printer Friendly Version" choice.

Deceased Tenant Report: This report can now be searched by Property ID, and has a "Printer Friendly Version" choice.

MONTHLY NEWS

REAC Pre-Inspection Checklist

Inspecting the property for these items will help you when you are preparing for a REAC inspection:

1. Inspect for any trip hazards
2. Inspect parking lots for ponding water
3. Inspect basement area for settlement
4. Check roof for any holes or openings, and check the ballast on flat roofs to be sure it's even
5. Check all brick and concrete buildings for any exposed reinforcing bar, missing mortar or any holes
6. Inspect cable television and telephone wiring
7. Check all satellite television dishes for proper mountings
8. Check the disconnects for large equipment; make sure they have padlocks
9. Check all breaker boxes for missing covers or plates
10. Check all windows for cracked or fogged window panes
11. Check all elevator control panels, signal panels and hoist controls
12. Inspect all fire extinguishers in public areas, common areas and units
13. Remove any unused items that are abandoned and have wiring
14. Check for deficiencies in units and repair them
15. Check battery-powered emergency lights
16. Inspect all sprinkler heads
17. Inspect seals on all exterior doors
18. Test every GFI with a GFI tester (GFCI testers help determine whether electrical receptacles are providing power and that they are properly wired for safe operation)
19. Check smoke detectors

A more detailed list can be found by searching, "UPCs Inspection Checklist".

QUESTION & ANSWER

Question:

Can a tenant pay a family member and count that as a childcare expense, and get a deduction for it? How does a person prove that a family member is not available to care for the children? Can you pay another person who lives in the apartment?

~Michele in Texas

Answer:

In order to count as a Child Care expense, payment must be made to a person who doesn't live in the unit. If the child care provider is a relative who doesn't live in the apartment, payment is counted as a Child Care expense after proper verification. The family doesn't have to prove that no one in the unit can adequately care for the child; it's just a decision that the family makes. All of the details about Child Care expense can be found in the 4350.3 Handbook, paragraph 5-10 B.

Scavenger Hunt 2014

There is still time to enter for a chance to win! Visit www.pmcs-icap.com to play our Holiday Scavenger Hunt! After successfully completing the Scavenger Hunt, you will automatically be entered into our drawing to win one of three $100 Cash Prizes.

MONTHLY NEWS

REAC Tips: Handling EH&S (Exigent Health and Safety) Items

At the end of the inspection, you should be aware of any EH&S items that were found. These Exigent Health and Safety issues are considered dangerous and/or life-threatening, and need to be addressed immediately.

Before you retrieve your REAC Report from PASS (in WASS/HUD's Secure Systems), your Coordinator will receive an e-mail listing the EH&S issues. Items requiring immediate repairs (ASAP – As Soon As Possible!) will be listed. You must send a statement documenting the repairs to HUD, within 72 business hours of the inspection.

These items include:

1. Missing, damaged or expired fire extinguishers
2. Missing or inoperable smoke detectors
3. Missing Electrical Panel Covers
4. Missing outlet or switch covers
5. Blocked egress routes
6. Open panel slots
7. Misaligned flues
8. Propane, natural and methane gases

2014 PHONE CLASSES

January 2014 Phone Classes

Change 4: An overview of the significant items in Change 4 (the revised 4350.3 Occupancy Handbook), released in August, 2013. This will include the updated EIV requirements that supersede HUD Notice 2013-06.

Class #01-14A – January 20, 2014 – 2:00 pm – 3:30 pm EST

Resolving EIV Discrepancies: How to read and understand what Income Discrepancy Reports show, and the easiest way to resolve them. Learn when (and which) retroactive certs are needed. We'll use case studies to show real-life examples.

Class #01-14B – January 27, 2014 – 2:00 pm – 3:30 pm EST

Our 2014 Phone Class Schedule is now available.

Visit, ***www.pmcs-icap.com,*** to view our new class schedule. We will be adding more classes, so be sure to check our website for updates.

About our Phone Classes:

Training... right from your desk! Our 90-minute phone classes are inexpensive, convenient and include certificates of completion. The interactive format allows for discussion and Q&A. Topics range from HUD basics to the latest updates.

QUESTION & ANSWER

Question:

I have always been told that an application could not be rejected before ALL information had been verified. I have searched the 4350.3 to see if there is still a requirement that all information must be verified before a rejection and I don't find anything. What is the requirement?
~ Randee in North Carolina

Answer:

When you receive a completed application, the household must either be processed for admission, added to the waiting list, or rejected based on a preliminary determination of eligibility [4350.3, 4-16(1)]. When you begin verifications to determine whether the household is eligible to move in, you may discover that the family doesn't pass criminal or credit checks, is over income, etc. Once you determine that a household is not eligible, there's no need to continue to verify other items on the application; you can reject the application, citing the specific reason for the rejection to the tenant.

PMCS

Follow our Blog for Breaking News and Trending Topics in the Affordable Housing Industry.
www.pmcs-icap.com

PMCS
829 West Genesee Street
Syracuse, New York, 13204

Phone: 800-245-PMCS(7627)
or 315-451-2423
E-mail: solutions@pmcs-icap.com
www.pmcs-icap.com