

PracticalPoints

Celebrating 25 Years of Services and Solutions



July 2014

BREAKING NEWS

TRACS 202.D Implementation Schedule Released

We have discussed it for years. Now, TRACS 202D is finally here!! On June 30, 2014, HUD's Office of Multifamily Housing formally announced the TRACS 202.D Release Implementation Schedule. The conversion period will run for a 6-month period from August 1, 2014 to January 31, 2015.

The conversion start date is August 1, 2014. This is the earliest date that an owner can submit files to HUD and/or their Contract Administrator (TCA or PBCA) in the TRACS 202D format.

The conversion end date is January 31, 2015. This is the last date that Contract Administrators and/or HUD will accept files in the TRACS 202C format. All tenant and voucher files must be submitted in the TRACS 202D format beginning February 1, 2015.

Please do not mistake this for a minor, IT focused update of your software. Once you convert to TRACS 202D, you cannot revert back to the 202C format. This is a major release that incorporates multiple changes to 50059s and vouchers required per occupancy regulations implemented since 2008. While not an all-inclusive list, some of these major updates include HUD's new SSN reporting requirements, mandatory use of EIV and of course, Handbook 4350.3-Change 4.

This update significantly affects your application, recertification and vouchering process. Forms used to screen applicants and complete

recertifications must be updated to gather new information. Unlike standard notices and leases, these forms are probably not generated by your software.

Each TRACS software provider will determine the date to release their TRACS 202D updates to users. To adequately prepare, it is critical that you ask your vendor when they will be releasing their update. Please keep in mind that this conversion timeframe incorporates the 2014 holiday season. Plan accordingly to ensure you do not experience a lapse in subsidy payments as a result of a delayed conversion.

Time is of the essence. Take the time to make sure you are prepared for the impact this change will have on your everyday activities. For more information about how PMCS can help prepare you for this conversion, visit our website at www.pmcs-icaps.com.

PMCS - Free Phone Class Giveaways

In honor of celebrating our 25th Anniversary this year, we are giving away a FREE PHONE CLASS to every 25th phone class registrant.

Congratulations to our June Winners:

Maribel D., Van Der Hayden, Springfield, MA

Sister Annmarie F., Thorpe Village, Sparkhill, NY

Rafael L., Village at Hickory Hill Apartments, Kingwood, TX

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BREAKING NEWS

Updated List of Federally Mandated Income Exclusions

An updated list of income exclusions specifically mandated by federal laws was published in the Federal Register on May 20, 2014, as Docket No. FR-5741-N-01.

There were three new exclusions and changes to two of the existing exclusions, and due to the addition of (xvi), the exclusions following it have been re-numbered. Please remember that there are several other income exclusions in Handbook 4350.3 that are mandated by HUD, rather than by Congress.

Changes from the most recent list (published on December 14, 2012) are:

Exclusion (vii) still excludes the first \$2000 of per capita shares and income received by individual Indians in trust or restricted lands, as it did before. However, the following was added: This exclusion does not include proceeds of gaming operations regulated by the Commission.

(xxiii), which was the old (xxii), still excludes payments to individual

Indians per the Agreement in the Elouise Cobell et al case. The change is that these payments are only excluded for a period of one year from receipt.

New exclusions are:

(xvi) excludes allowances paid to children of Vietnam veterans and of certain Korean veterans born with spina bifida as well as children of women Vietnam veterans born with certain birth defects.

(xxiv) excludes amounts in an "individual development account", per the Assets for Independence Act.

(xxv) excludes per capita payments from the proceeds of Indian Tribal Trust Cases described in PIH Notice 2013-30.

We recommend that you print out the 3 pages from the Federal Register, and insert them into your 4350.3 Handbook at Exhibit 5-1, which lists HUD income inclusions and exclusions.

EIV Online System Update: June 7, 2014

EIV online systems update 9.7 will be fully effective on June 7, 2014.

According to RHIP Listserv Posting #314, issued on June 3, 2014, the changes are:

- EIV was upgraded to work with Internet Explorer 10 (IE 10). HUD cautions that EIV might not work when other browsers are used.
- All reports that had mismatched project/contract names were corrected.
- Income Reports: The 19-character glitch has been fixed! Income Reports can now be obtained for people whose last names have more than 19 characters.
- Discrepancy Report:
 1. Reported Annual Wages and Benefits from EIV will now show cents instead of being rounded
 2. Dual Entitlement payments were doubling a tenant's income because of a re-load from the Social Security Administration. This has been fixed for future Dual Entitlement income.
- Pending Verification Report: The page break was reformatted to eliminate wasted paper, when using the Printer-Friendly option.
- Minor changes were also made for HUD Headquarters users, including audit reports.

PBCA Update: HUD Requests Rehearing

On June 23, 2014, HUD announced it would seek a rehearing of the decision of the U.S. Court of Appeals for the Federal Circuit related to the PBCA rebid. As you may recall, in March 2014, the Court, represented by a 3-judge panel, ruled in favor of the PBCA plaintiffs, determining that HUD acted inappropriately when classifying the PBCA contracts as cooperative agreements.

In yesterday's rehearing request, HUD requested their appeal be heard in an "en banc session", meaning the case is heard before all the judges of the court, rather than by a panel selected from them.

Stay tuned for additional updates, as the industry awaits the Court's decision to either grant or deny HUD's rehearing request.

BREAKING NEWS

Extremely Low Income Limits Revised

The Extremely Low Income limits have been re-defined and recalculated, and are effective on July 1, 2014.

On June 25, 2014 the Federal Register posted a Notice of Statutory Changes: HUD Implementation of Fiscal Year 2014 Appropriations Provisions on Public Housing agency Consortia, Biennial Inspections, Extremely Low-Income Definition, and Utility Allowances.

The only part of this Notice that applies to HUD's project-based Section 8 program has to do with the new definition of the Extremely Low Income limits. All of the other items pertain only to PIH (Public and Indian Housing). The Section 8

Income Targeting requirement has not changed – at least 40% of households with Move-In or Initial certifications within the property's fiscal year must meet the Extremely Low income limit.

Effective July 1, 2014 Extremely Low Income limits are defined as "very low-income families whose incomes do not exceed the higher of the Federal poverty level or 30 percent of Area Median Income." This is the first time that the federal poverty level has been taken into consideration.

HUD has recalculated all of these income limits. Visit Huduser.org for the new FY2014 Income Limits (only the Extremely Low limits have changed) and begin using them as of July 1, 2014.

QUESTION AND ANSWER

Question:

If a resident of Section 202/8 housing marries a 40 something year old, what happens if the existing resident dies before her spouse becomes age 62? Is the under age 62 person required to move out?

~ Linda in Delaware

Answer:

Section 3-16 of the 4350.3 addresses this issue. If the property is a 202 PRAC or a 202/8, the spouse (regardless of age) stays in the unit and pays rent based on income, following normal 50059 procedures, as long as s/he was properly added to the lease, is of legal contract age, and was living with the resident at the time of death. The spouse is not required to move out.

Question:

At some time I remember hearing that, 90 days after move-in, properties needed to run the EIV Summary Report to verify the SSN, name etc. Now I can't find that requirement.

~ Bonnie in Wyoming

Answer:

No, HUD doesn't require that the EIV Summary Report be run within 90 days of transmitting a move-in/initial certification. Exhibit 9-5 in the 4350.3 lists all EIV report requirements. The first page refers to this report, and shows that it must be used for Annuals and Interims, and must be printed only if it's different from the last printed report. That being said, some managers do want to run this report (along with the Income Report) at this time, and they certainly can opt to do that, as long as it's in their EIV Policies and Procedures.

2014 PHONE CLASSES



July Phone Classes:

- *Smoking – Working Toward Non-Smoking Properties*
- *EIV Reports Related to Income*
- *Fair Housing and 504 Compliance Overview*
- *Affirmative Fair Housing Marketing Plans: Doing the Research*
- *Change 4*
- *Resolving EIV Discrepancies*
- *TRACS 202.D: The New 50059s*
- *TRACS 202.D: The New Voucher*
- *Waiting List Management*
- *Calculating Expenses and Deductions for 50059s*

PMCS offers a variety of live phone classes that are designed to meet the demanding needs of the Affordable Housing Industry. Our experienced trainers provide resources and information that will help you successfully manage your properties. Our 90-minute phone training is a cost effective, convenient solution for you and your staff. The interactive format is an excellent opportunity for questions and answers and our trainers will stay on the line until all questions are answered.

View all our different classes and their descriptions at: pmcs-icap.com/training/phone-training

MONTHLY NEWS

25 Fair Housing Tips

During the month of April we celebrated Fair Housing Month. However, it is important that we remain alert to common mistakes. Here are some tips to share with your staff:

1. Know the seven Federal protected Classes.
2. Know the newest protected HUD Class: Sexual Orientation/Gender Identity/Marital Status.
3. Do not deny anyone the opportunity to apply for housing.
4. Do not deny any qualified applicant the opportunity to lease housing suitable to his or her needs.
5. Do not provide anyone housing that is different from housing provided to others.
6. Do not steer.
7. Do not restrict access to any benefit enjoyed by others, or access to the same level of services others receive.
8. Do not deny any the opportunity to participate in a planning or advisory group that is an integral part of the housing program.
9. Do not discriminate in advertising.
10. Do not discriminate against someone because of that person's relation to, or association with, another individual.
11. Do not retaliate against, threaten or act in any manner to intimidate someone because he/she has exercised his/her rights under the Fair Housing Act.
12. Think before you speak. A casual or flippant answer could be misinterpreted.
13. Concentrate your attention on the applicant or resident without interruptions.
14. Know the difference between a service animal and a pet.
15. Remember to verify the eligibility and not the disability.
16. Make sure all your materials include the Fair Housing Logo.
17. Don't forget the TTY number on your printed material.
18. Review your understanding of "reasonable accommodation".
19. Remind your residents of the Fair Housing Laws.
20. Review your City, County and State Fair Housing Laws (there may be additional protected classes).
21. Attend Fair Housing Training yearly.
22. Review the Fair Housing Laws with your entire staff.
23. Watch your reactions, body language and tone of voice to avoid being misinterpreted.
24. Remember if you do it for one, you do it for all.
25. Document, Document, Document!