



September 2014

## BREAKING NEWS

# Federal Housing Administration Commissioner, Carol Galante, Announces Resignation

On August 11, 2014, Federal Housing Administration Commissioner Carol Galante announced her decision to resign from her post with the U.S. Department of Housing and Urban Development as the Assistant Secretary for Housing. She plans to transition out of her position at the end of this year. In January, Galante will assume a professorship at the University of California, Berkeley and also as the Director of the Berkeley Program in Housing and Urban Policy and co-chair the Fisher Center on Real Estate Policy Advisory Board.

## Do You Know Your Property's DUNS Number and TIN?

TRACS 202D is here! Managers should be making plans to convert to TRACS 202D before January 31, 2015. In order for a Section 8, Rent Supp, RAP, or PRAC property to create new 202D tenant certifications and voucher files in their TRACS compliance software, they must know their property's unique DUNS number and Tax Identification Number. While these numbers will not display on the 50059 or voucher forms themselves, they are a mandatory element of the electronic MAT files these properties will transmit via iMAX to either HUD or their assigned Contract Administrator.

To search for your property's DUNS number, visit [www.dnb.com](http://www.dnb.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 August Winners:*

**Muriel N.**, Systems Unlimited Group Homes, Iowa City, IA

**Jamie F.**, Hillcrest Village, Boyertown, PA



## In This Issue

- Federal Housing Administration Commissioner, Carol Galante, Announces Resignation
- Do You Know Your Property's DUNS Number and TIN?
- Alpine Companies Assumes Role of Third Party Service Provider in Fort Worth and Kansas City Hub
- Pictures Don't Lie..... REAC Inspectors Now Have Photographic Capabilities
- Court Denies HUD's Appeal in PBCA Litigation
- Q & A's



829 West Genesee Street  
Syracuse, New York, 13204  
**800-245-PMCS(7627)**  
[solutions@pmcs-icap.com](mailto:solutions@pmcs-icap.com)

Follow our Blog for Breaking News and Trending Topics in the Affordable Housing Industry.  
[www.pmcs-icap.com](http://www.pmcs-icap.com)

**Where We Will Be**  
PennDel AHMA 2014 Fall Management Conference & Expo  
Dover, DE

September 17-18, 2014

2014 New Jersey Governor's Conference on Housing and Economic Development

Atlantic City, NJ

September 22-23, 2014

LeadingAge Annual Meeting and Expo

Nashville, TN

October 19-22, 2014

**BREAKING NEWS**

## Alpine Companies Assumes Role of Third Party Service Provider in Fort Worth and Kansas City Hub

In April 2013, HUD announced an initiative that included plans for major restructuring of the Multifamily Housing Division. Wave 1 (of 5) of this initiative is now well underway in the Ft. Worth and Kansas City Hubs.

The transformation calls for significant shuffling of HUD staff to new office locations and staff training on a new management model. To facilitate this transformation, HUD opted to temporarily assign asset management duties to a third party service provider, Alpine Companies, Inc. This week, properties in the Ft. Worth or Kansas City Hub jurisdiction should be receiving email written correspondence from Alpine Companies Inc., providing you with their contact information. During the temporary reassignment period, any communications that would have occurred with your HUD Project Manager should be directed to Alpine Companies.

To learn more about the initiative and HUD's next steps, visit [Transforming Multifamily for the 21st Century](#)

## Pictures Don't Lie..... REAC Inspectors Now Have Photographic Capabilities

In June and July of this year, a small group of REAC Inspectors began testing photographic capabilities of the UPSC 4.0 Inspection software used to conduct REAC Inspections. In August 2014, those inspectors conducting Quality Assurance inspections began incorporating pictures of all observed Level 3 deficiencies. If testing goes well, REAC plans to launch photographic capabilities for all inspections beginning in October 2014.

While the idea of an inspector carrying around a camera might make you feel nervous, the use of photography should aid in improving the accountability of both inspectors and property owners during these inspections. This technology should result in a decrease in the number of inspection appeals. After all, pictures don't lie.

Why not put your property to the test as a preventative measure? If you are preparing for an upcoming REAC inspection of your property, you can use this same technology to effectively prepare using your own staff and a camera. A public version of the inspection software used by contracted inspectors is available for free download from the REAC website. Walk around your property with a camera and assess your property's condition using the free software. You might be surprised what you see from the perspective of a camera lens.

**QUESTION AND ANSWER**

### Question:

I have a tenant that disposed of an asset for less than fair market value on 8/27/12. The tenant moved into my property on 9/1/13. I included it as a disposed asset on the 9/1/2013 Move In. Should I include it on the 9/1/2014 AR as well since you are supposed to include these for two years?

~ Heather in Nevada

### Answer:

No. Remember the significance of the dates. Per Handbook 4350.3, Change 4, Paragraph 5-7 G(8), owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. In this case, the two year period preceding the 9/1/2014 certification is 9/1/12 through 8/31/14. Because the asset was disposed of on 8/27/2012, it does not fall within that two year timeframe.

**NEW PHONE CLASSES**

## PMCS New Phone Classes

We are happy to introduce two new phone classes for 2014.

### Tenant Repayment Agreements-Start to Finish

Nearly 5 years have passed since Owners/Agents (O/As) of HUD properties were required to implement the use of the EIV System. Chances are, you have identified at least one instance of unreported income that necessitated a Tenant Repayment Agreement. Even if you feel knowledgeable with repayment agreements; it's out with the old and in with the new!

The reporting/tracking of all repayment transactions on the monthly voucher is a drastic change in the new TRACS 202D version HUD released August 1, 2014. There are challenges associated with the new methodology for reporting repayment agreements—for both O/As and Contract Administrators.

During this informative, new class, PMCS will guide you through realistic case studies. The training will review the required elements of the repayment agreement, how to calculate the balance owed, and what to do when things don't go as planned. Most importantly, participants will learn how to correctly report these transactions on the new Section 6 record of the voucher. Don't miss this valuable tutorial on how to best handle the new and complicated monthly voucher reporting requirements for repayment agreements!

*Class #10-14A – October 2, 2014 – 11:00 am – 12:30 pm EST*

*Class #11-14B – November 5, 2014 – 2:00 pm – 2:30 pm EST*

*Class #12-14A – December 3, 2014 – 2:00 pm – 3:30 pm EST*

### Adapting to Change 4 and 202D in the Real World

Identifying and trying to understand all the changes in HUD Handbook 4350.3 Rev-1 Change 4 is challenging enough. But do you feel confident that you have applied the changes and implemented all the new requirements at your site and/or management company? Have you updated the required forms? Have you modified how you do your tenant certifications to comply with the new Change 4 methodology?

To add to this hurdle, HUD has officially released TRACS 202D to the industry effective August 1, 2014. At this time, the conversion period runs until January 31, 2015; over the holiday season (again). Do you know these two updates are related? Do you really understand how they relate and how both of these impact your processing at the site and management company?

In the world of compliance, it is not enough to just "be aware of the new rules". Owners and agents (O/As) must know how to incorporate and apply these new requirements into their daily activities. This exciting new phone class will provide O/As with a Change 4 / TRACS 202D checklist to assess compliance with these new regulations. PMCS will guide participants through the checklist to assist each O/A in developing a personal action plan. Don't miss this new class; it will prove to be invaluable to the success of your TRACS 202D transmissions and future compliance audits.

*Class #11-14D – November 17, 2014 – 11:00 am – 12:30 pm EST*

*Class #11-14C – December 8, 2014 – 2:00 pm – 3:30 pm EST*

**BREAKING NEWS**

## Court Denies HUD's Appeal in PBCA Litigation

The Court of Appeals for the Federal Circuit denied HUD's request for a rehearing and rehearing en banc in the ongoing PBCA lawsuit. In March 2014, the Court ruled in favor of the PBCA plaintiffs, determining that HUD acted inappropriately when classifying the PBCA contracts as cooperative agreements. In June 2014, HUD submitted a request for the rehearing. Stay tuned for additional information, as to how the denial impacts any subsequent rebid of the PBCA contracts and the tasks PBCAs perform.

**2014 PHONE CLASSES**

### September Phone Classes:

- *EIV Reports Related to Income*
- *Hoarding*
- *MOR Preparation: Shooting for Above Average and Superior*
- *Calculating Expenses and Deductions for 50059s*
- *Change 4*
- *TRACS 202.D: The New 50059s*
- *TRACS 202.D: The New Voucher*

PMCS offers a variety of live phone classes that are designed to meet the demanding needs of the Affordable Housing Industry. 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. Visit our website for more information: [www.pmcs-icap.com](http://www.pmcs-icap.com)