

# PracticalPoints

Celebrating 25 Years of Services and Solutions



November 2014

## BREAKING NEWS

### SSA Announces the 2015 COLA Increase of 1.7%

On October 22, 2014, the Social Security Administration announced that the cost of living adjustment for 2015 benefits will be 1.7%. This means that recipients of Social Security and Supplemental Security Income (SSI) benefits will see a 1.7% increase in their monthly benefit amount as of December 31, 2014.

Special instructions are provided for managers attempting to complete recertifications effective on or between January 1 and April 1, 2015 in HUD Handbook 4350.3, Change 4, Section 9-6 B (1e).

## 2014 PHONE CLASSES

### November Phone Classes:

- *Tenant Repayment Agreements – Start to Finish*
- *Affirmative Fair Housing Marketing Plans: Completing Form 935.2A*
- *Working Toward Non-Smoking Properties*
- *Adapting to Change 4 and 202D in the Real World*
- *TRACS 202.D: The New Voucher*
- *Resolving EIV Discrepancies*

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)**

### 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 October Winners:*

**Ashley S.**, Athelas Institute Inc., Columbia, MD

**Paula G.**, King Village, New Bedford, MA



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### 2015 Operating Cost Adjustment Factors (OCAFs) Announced

On October 2, 2014, HUD released the 2015 OCAF figures for project based assistance contracts for eligible multi-family housing projects with anniversary dates on or after February 11, 2015. OCAFs are annual factors used to adjust Section 8 contract rents renewed under Section 524 of the Multi-family Assisted Housing Reform and Affordability Act of 1997 (commonly referred to as MAHRA).



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**BREAKING NEWS**

## State Level Administration of State Supplementary Payments (SSP)

There has been a recent change in the administration of state level SSP payments that you must be aware of as it directly impacts verification procedures owners in some states must now follow for SSI benefits.

Recipients of Supplemental Security Income (SSI) benefits receive a monthly benefit amount that incorporates funds from two possible sources:

1. A federal portion and/or
2. A state level portion called the State Supplementary Payment (SSP)

Note: Some recipients receive both a federal and a state portion, while others receive only one or the other.

In the past, this benefit was typically administered at the federal level, by the Social Security Administration. The federal and state level portions would both display on the EIV Income Report.

HUD was recently notified that, going forward, some states have opted to administer the SSP portion of the monthly benefit directly. This means the SSP portion of the payment will no longer be administered by the Social Security Administration (at the federal level). In these states, the state portion of the monthly benefit will no longer display on the EIV Income Report. You must research how the SSP portion of the monthly benefit will be administered in your state.

Please note the combined monthly disbursement amount will not change as part of the administration change. However, if your state has opted to administer the SSP directly, you will need to adjust your verification procedures accordingly. Specifically, you will need to pursue third party verification to verify the state level portion of the SSI income for residents. To further complicate the impact of this change, some states have not yet implemented a standard practice of issuing an award letter.

What else does this change mean? Answer- You might receive an invalid Income Discrepancy if your state is going to administer the SSP and the state level portion is more than \$200 a month. If so, you will need to appropriately document the cause of the discrepancy and place this documentation in tenant file. PMCS recommends that you include in this documentation, a copy of HUD's RHIP Listserv #316 that discusses this administration change.

## HUD Publishes a Smoke-Free Action Guide for Owners

In an effort to further educate the affordable housing industry about the benefits of smoke-free policies, HUD's Deputy Assistant Secretary for Multifamily Housing Programs, Benjamin Metcalf, signed a memo on October 17, 2014 that accompanies a new guide for Owners and Agents that wish to implement smoke-free policies. The Smoke-Free Action Guide entitled "Change is in the Air – An Action Guide for Establishing Smoke-Free Public Housing and Multifamily Properties" was published by HUD's Office of Lead Hazard Control and Healthy Homes (OLHCHH) and supplements HUD Notice 2012-22 to encourage owners and agents to take advantage of both the financial and health-related benefits of smoke-free communities. While strongly encouraged, implementation of smoke-free communities remains an optional initiative.

**QUESTION AND ANSWER**

### Question:

Do I have to have house rules for my property?

~ Becky in NY

### Answer:

House Rules are not a HUD requirement, per Section 6-9 of HUD Handbook 4350.3 REV-1 CHG-4. The Model Lease lists them as a required attachment (if applicable).

It is, however, a good practice to establish House Rules. If you choose to create them, they do not require HUD or CA review/approval. You must be sure that the rules are reasonable, non-discriminatory, and compliant with HUD regulations and state/local laws. If you choose to establish House Rules, they must be provided to tenants and stored in the tenant file as an attachment to the lease.

PMCS recommends establishing House Rules, as certain expectations are not clearly defined in the lease. Lease agreements are the primary legal document referenced in eviction proceedings. Therefore, it is critical that regulations and community rules, used to support management's action, be clearly written in the property's House Rules. For example, one area that is extremely important is the amount of time tenants have to report changes in income or household composition to management. Section 7-1B of HUD Handbook 4350.3 REV-1 CHG-4 indicates that tenants are responsible for providing timely information to management. 'Timely' is not defined by HUD and thus, can be interpreted differently between individuals. We recommend that this timeframe be clearly defined and communicated to tenants via the property's House Rules. Establishing requirements in writing help to ensure management's expectations are consistently applied to all households.