



November 2015

## BREAKING NEWS

### SAVE System Processing Delays

On October 20, 2015, the Systematic Alien Verification for Entitlements (SAVE) Help Desk informed the industry via email broadcast that, due to the amount of verification cases currently pending, SAVE's response times have increased. The team reiterated that verification cases are reviewed in the order in which they are received and asked for the industry's patience in processing the backlog.

The SAVE System is a required verification system used by multifamily owners to verify the eligible immigration status of housing applicants that claim eligible noncitizen status.

If you have any questions, please contact a SAVE representative by sending an email to [SAVE.help@uscis.dhs.gov](mailto:SAVE.help@uscis.dhs.gov) or calling 877-469-2563.

To learn more about the SAVE System and take a free webinar, visit their website: [www.uscis.gov/SAVE](http://www.uscis.gov/SAVE) or visit <http://www.uscis.gov/save/save-training-opportunities> to view their SAVE Tutorial.

### Asset Verification Requirements - Clarification from Headquarters

Assets are a challenging part of the HUD rent calculation process. A frequent question PMCS receives from clients is how to handle assets that residents cash out and then spend the funds. Because some states' Contract Administrators (both traditional and performance-based) require owners to verify how these funds were spent, PMCS was asked to seek HUD Headquarters clarification on this issue.

The clarification request read:

We have numerous clients in different areas of the nation wherein the CA requires owners/agents to verify (through review of receipts) how funds from an asset, converted to cash, are spent. Is the requirement appropriate? **HUD Handbook 4350.3, Change 4, 5-7 G. 3.b.** states, "A lump sum payment is counted as an asset **only as long as** the family continues to possess it. If the family uses the money for something that is not an asset, the lump sum **must not** be counted."

Can you weigh in on this please?

The complete response received from Catherine Brennan at HUD Headquarters was as follows:

*"Requiring owners to gather receipts from households definitely goes beyond the Handbook requirements, and is **inappropriate**."*

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**INDUSTRY NEWS**

## **HUD Issues an Additional FASS Filing Extension for Owners with 6/30/2015 Fiscal Year Ends**

On October 27, 2015, HUD posted an additional global extension to December 31, 2015 for those owners with fiscal years ending June 30, 2015 needing to submit annual financial statements to HUD’s Financial Assessment of Multifamily Housing (FASS-MF) system. This is a global extension and applies to all owner-certified and audited submissions.

The extension is a result of security breach at the U.S. Department of Census which has impacted access to the Federal Audit Clearinghouse (FAC) where Data Collection Forms are submitted. Since the HUD Agreed-Upon procedures engagement performed on FASS submissions includes comparing information to the Data Collection Forms in the FAC, HUD is extending their submission deadlines to follow the extensions provided by the FAC. FAC and HUD previously provided an extension until October 31, 2015.

This may also impact December 31, 2014 audit submissions facing the 9 month A-133 filing deadline which the FAC extended to December 31, 2015. If needed, those auditees should file for an extension electronically using the FASSUB.

## **2016 OCAF Factors Published**

RHIIP Listserv #340 - The 2016 OCAFs (Operating Cost Adjustment Factors) were published in the Federal Register on October 13, 2015. These are the factors used for adjusting or establishing Section 8 rents under MAHRA. The factors are effective with rent increases effective February 11, 2016 and later, and can be found at 2016 Published OCAFs (at <http://www.gpo.gov/fdsys/pkg/FR-2015-10-13/pdf/2015-26016.pdf>).

## **HUD’s EIV System Update 10.0.0.0 Release Summary**

HUD’s EIV system update 10.0.0.0 was successfully released on September 25, 2015. During this update, HUD incorporated minor screen display updates for multifamily system users. Specifically, HUD removed the inactive “Recertification Month” buttons on the New Hire Report, the Identity Verification Reports, and the Deceased Tenant Report selection screens. Owners will continue to pull these reports using the default selection of “all” for the recertification month.

NOTE - There were two additional minor report display modifications to EIV-HQ Management Reports. However, these reports are not viewable by Owners/ Agents/Managers and are reserved for HUD/Contract Administrator access only.

## **Need Training Now?**



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***PMCS is excited to launch our new webinar series trainings. We now offer online registration and payment, too!***

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In addition to new dates and topics, we have categorized our classes into specialized series to better meet the training needs of clients with varied skills and experience with HUD and LIHTC regulatory compliance.

**QUESTION AND ANSWER**

PMCS answers questions based solely on the details provided within the scenario. Readers are advised to consider any impact omitted information may have on guidance provided.

**Question:**

I have 2 separate applicant households on the waiting list. Each is requesting a two-bedroom unit and each Head of Household has listed the same minor child as a member of their household. They say custody is equally split between the households, but there are no court documents regarding this custody arrangement. What do I need to obtain, in terms of verification, and what do I do with the information once I receive it?

~Lola-Oklahoma

**Answer:**

HUD’s guidance regarding how to code joint-custody dependents on 50059s was written under the assumption that all custody arrangements are court-ordered. Because they are not, owners are expected to exercise good judgment in verifying the terms of the arrangement with both parents. If there are no court documents to determine custody, the mother and father can sign an affidavit, explaining the custody arrangement. Both parties must agree to the same information and must agree to report any changes to the situation. If they sign the affidavit indicating the child’s custody is split 50/50 between the applicant households:

<p>One household will code the child using shared custody code of JK.</p> <p>This household will:</p> <ul style="list-style-type: none"> <li>• Receive the dependent deduction;</li> <li>• Be eligible for child care expense deduction for payments made by members of this household;</li> <li>• Include the child in the member count for income limits and unit size.</li> <li>• Include any unearned income for the child (if applicable)</li> </ul>	<p>One household will code the child using shared custody code of: CK.</p> <p>This household will:</p> <ul style="list-style-type: none"> <li>• <b>Not</b> receive the dependent deduction;</li> <li>• Be eligible for child care expense deductions for payments made by members of this household;</li> <li>• Include the child in the member count for income limits and unit size.</li> </ul>
<p>Management doesn’t decide which household gets which shared custody code. The families make this determination.</p>	

References: 4350.3 Section 3-6 E4.b, Section 3-23 E6.b.(6) and Section 5-10.A

**WHERE WE WILL BE**

Join Jenny DeSilva, PMCS’ Director of Training, and Vinnie Viola, Principal of Birch Island Real Estate Consulting for a joint venture webcast, Overview of Requirements For Completing HUD Affirmative Fair Housing Marketing Plan for Multifamily Projects on December 9, 2015: 2:00 pm – 3:30 pm.

This is an interactive webcast designed for property managers, staff, agents or owners needing to create or update their existing Affirmative Fair Housing Marketing Plan (AFHMP).

[Visit our website](#) for more details.