



May 2016

BREAKING NEWS

Breaking News....MORs Have Been Reinstated

On January 6, 2016, PMCS issued an article about HUD's consideration of a proposal to permit PBCA staff in 42 states to resume conducting Management and Occupancy Reviews (MORs), as part of their interim contracts.

This proposal became a reality on Friday, April 15, 2016 when these PBCA entities received amended contracts that included this critical task effective May 1, 2016.

One surprising element of these contracts is the flexibility afforded the PBCAs to conduct MORs on up to 100% of the properties in their portfolio, versus just those identified as "high-risk" (as HUD originally proposed).

This development is very new and there are several logistical questions regarding the reinstatement schedule and whether the risk-based model will be immediately utilized. Each PBCA will also be tasked with deciding on a state-by-state level, when the first MOR visits will be scheduled and how widespread their portfolios will be reviewed.

Regardless of the answers to these logistical questions, owners should take a proactive approach to this announcement. PMCS recognizes the apprehension this reinstatement of MORs creates. PMCS is scheduling both webinars and live training classes focused on MOR preparedness. Some of our upcoming sessions are:

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**MORs Have Been Reinstated...
Are You Prepared?**

**Hurry!
Space
is Limited.**



**Join Us in Syracuse
For a Live MOR Class!
Registration Now Open!**
**Facing MORs...Do You Know What
You Don't Know?**

**Assessment Tips and Tools to
Guide You in the Process**

Wednesday, June 15, 2016.

[Click here for more information](#)

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BEAKING NEWS

Breaking News....MORs Have Been Reinstated (continued)

Location / Date	Title	Link to Registration	Format
Online June 29, 2016 11:00 PM – 1:00 PM ET	MORs Part I – Understanding the Mechanics of a HUD MOR	Click Here To Register	Webinar- Participants receive written materials
Online June 29, 2016 1:30 PM– 3:30 PM ET	MOR Preparation – Part II – Assess Your Forms and Policies for Compliance	Click Here To Register	Webinar- Participants receive written materials
Syracuse, NY June 15, 2016 9:00 AM to 3:30 PM ET	Facing MORs...Do You Know What You Don't Know?	Click Here To Register	Live Class with MOR Prep Toolkit Bonus Resource

Additional locations and times will be announced on our website and via Facebook as they are finalized.

If you know you are in need of immediate assistance (pre-MOR site visit, sample tenant file review, policy review or revisions, AFHMP revision, EIV master file audit, etc.) contact us via solutions@pmcs-icap.com. Explore the cost-effective and convenient ways PMCS can assist in your MOR preparation, both on-site and in a remote capacity.

A small proactive investment for training and consultation **now** could yield a significant amount of time and monetary savings for you in post-MOR remedies.

Appropriate Use of Previous Housing Codes

During the April 7, 2016 TRACS Industry Meeting, HUD staff provided verbal instruction to the stakeholder group, asking owners to check for the inappropriate use of the previous housing code “2” on Move-In certifications effective October 1, 2015 or later.

Previous Housing Codes are used to populate Field Number 10 on HUD Form 50059s to identify the prior housing arrangements for a household moving into multifamily housing. Options are:

- 1 = Substandard
- 2 = Without or Soon To Be Without Housing
- 3 = Standard
- 4 = Conventional Public Housing
- 5 = Lacking a Fixed Nighttime Residence (*a new code to track homeless households being housed*)
- 6 = Fleeing/Attempting to Flee Violence (*a new code to track VAWA (Violence Against Women Act) individuals now being housed.*)

Previous Housing Code “2” is being phased out and should only be used, when appropriate, on Move-In 50059s created in TRACS Version 2.0.2.C. Move-In certifications created in TRACS Version 2.0.2.D for previously homeless households should utilize the new “5” code designated for this group. However, TRACS is continuing to receive new Move-In transmissions with the legacy code “2”.

HUD regularly utilizes TRACS data to gather statistical information related to the success of housing initiatives, one of which is ending homelessness. Therefore, it is important for the appropriate new homelessness code of “5” to be used on Move-In certifications being processed during HUD’s current fiscal year that began October 1, 2015. For any Move-In 50059s effective on or after October 1, 2015, that display the previous housing code of “2”, owners should:

- Create a correction to the certification, removing the “2” code and replacing it with the applicable code (5).
- Have the adult members of the household sign the corrected certification.
- Transmit the corrected certification, via iMAX, to their assigned Contract Administrator/HUD.

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:

In preparing a tenant’s recertification, I verified that a tenant’s sibling (who do not reside at the property) pays \$54/month towards the tenant’s medical insurance. The monthly premium is \$154 - of which the tenant pays \$100 and the siblings pays \$54. My question is two-fold:

1. Do I count that \$54 in monthly assistance from the sibling as income for the tenant since it is happening monthly?
2. Would the tenant’s monthly medical expense be \$154 or just the \$100 portion that the tenant is paying out-of-pocket?

~Natalie, Pennsylvania

Answer:

HUD Handbook 4350.3, Rev-1, Change 4, Exhibit 5-1 states that ‘amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member’ are excluded from annual income. Therefore, the \$54/month that the sibling pays should not be counted as income or as a portion of the medical expense for the tenant. The tenant pays \$100/month out-of-pocket. Therefore, the monthly medical expense is \$100.