

Project-Based Rental Assistance (PBRA) in the RAD Program

Day 2

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Income and Rent Calculation



Rent Override

- In place tenants at the time of conversion are protected from rent increases on the date of conversion
- If their TTP would be different from the 50058 on the IC, the O/A must use the rent override option



Rent Override

- If this is the case, the O/A can enter an alternate TTP and TRACS will accept it
 - Make sure the override flag is only set for the IC process and the standard PBRA calculation rules apply after conversion



RAD PBRA: Rent Phase-In

- In-place tenants at the time of conversion eligible to have rents phased-in
- If purely as a result of conversion, amount tenant would pay for rent and utilities (TTP) would increase by more than the greater of 10% or \$25
- Rent increase phased in over 3 years
 - PHA may extend to 5 years



RAD PBRA: Rent Phase-In

- PHA must develop a written policy for length of the phase-in period:
 - 3 years, 5 years or a combination
 - Ex: 3 year phase-in for smaller increases, 5 year phase-in for larger
- Policy must be in place at conversion
 - May not be modified after conversion



Rent Phase-In

- If rent phase-in applies, the O/A must override the regular rent calculation by noting Y in the rent override field of the 50059
- The phase in % of a 3-year term are:
 - At conversion- match 50058 TTP
 - Year 1: 33% of the difference
 - Year 2: 66% of the difference
 - Year 3: full rent



Rent Phase-In Ends

- Phase-in ends when:
 - TTP is equal to or less than the previous TTP
 - End of the three-year term
 - End of EID (if applicable)



Phase-In Example

- Adam East is a former PH resident paying the \$500 flat rent at the time of conversion
- But his TTP should be \$1,000 based on PBRA calculation rules



Phase-In Example





- At conversion:
 - Rent Override: Y
 - Total Tenant Payment: \$500
 - TTP before override: \$1000
 - TTP at RAD conversion: \$500
 - No change on the date of conversion





Phase-In Example

- At the first AR let's say that the resident's rent has increased to \$1,100
- TTP at AR: \$1,100
- -TTP at RAD conversion: \$500
- = difference of \$600
- \$600 x 33% = \$198





Phase-In Example

- TTP at conversion: \$500
- Amount to phase-in: \$198
- Year 1 TTP: \$698
 - TRACS will be as follows:
 - Rent override: Y
 - TTP: \$698
 - TTP before override: \$1100
 - TTP at conversion: \$500



Phase-In Example

- Year 2
 - Let's say that two months later the resident loses a job and their rent has now dropped to \$600
 - More than it was at conversion but less than the last TTP resident was paying
 - O/A will conduct the IR and submit the 50059 data to TRACS



Phase-In Example

▪ This is the end of the phase-in for this household

▪ TRACS as follows:

▪ Rent Override: blank

▪ TTP: \$600

▪ TTP before override: \$600

▪ TTP at conversion: \$500

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Phase-In Example

▪ At all IR or AR recertifications after this, the rent override will be left blank

▪ The TTP before override and TTP at conversion lines will also 0 after this

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Phase in Percentages

▪ New version of TRACS will change the phase-in percentages

▪ O/As are not to use these new numbers until HUD publishes the new 203.A version of TRACS

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- Income calculations made using:

- 24 CFR Part 5.609 (annual income)
- 24 CFR 5.233 (EIV)
- HUD Handbook 4350.3 (REV-1), Chapter 5
 - Determining Annual Income
 - Determining Adjusted Income
 - Verification
 - Calculating Tenant Rent



Whose Income is Counted?

Member	Include Employment Income	Include Other Income (Including From Assets)
Head	Yes	Yes
Cohead	Yes	Yes
Spouse	Yes	Yes
Other Adult (Including Foster Adult)	Yes	Yes
Child Under 18	No	Yes
Student Over 18	Earned income over \$480 of a dependent who is a student and 18 years of age or older is excluded.	Yes
Foster Child Under 18	No	Yes
Live-In Aide	No	No

**Temporarily Absent Family Member-
Public Housing**

- PHA defines temporarily absent family members in the ACOP



**Temporarily Absent Family Member-
PBRA**

- Family members who are temporarily absent include
 - Dependents away at school
 - Temporary employment in another location
 - Active military duty (Exception in 8823 Guide)
- Owner must decide if the person qualifies as a family member
- Must be considered on an individual basis



**Temporarily Absent Family Member-
PBRA**

- Temporarily absent individuals on active military duty continue to count as family members and have income included, if:
 - They are the head, spouse or co-head, or
 - The spouse or dependent of the person on active military duty resides in the unit
- Otherwise, they are removed from the family and their income excluded



**Permanently Confined Family
Members- PBRA**

- Members who are permanently confined to a hospital or nursing home:
 - May not be named head, spouse, or co-head
 - May continue as a family member if the family decides to continue to include them



**Permanently Confined Family
Members- PBRA**

- If family elects to include permanently confined member, the PHA must:
 - List the member on the 50059
 - Remember! This member may truly be seen as head of household, spouse or co-head, but must not be listed as such
 - Determine if the household member is able to sign the 50059
 - If unable to sign, PHA must document the file



**Foster Children and Foster Adults-
Public Housing**

- Earned and unearned income and assets of foster children and adults are excluded for determining income limits
- Counted as household members when establishing unit size



**Foster Children and Foster Adults
PBRA**

- Counted when establishing unit size and family size for comparison to income limit
 - Payments received by the family for care are excluded
 - Earned income of foster children is excluded
 - Unearned income of foster children IS counted
 - Earned and unearned income of foster adults IS counted



Earned Income Disallowance (EID)

- PBRA: Does not apply
- RAD/PBRA: Tenants receiving EID at time of conversion continue to receive exclusion until
 - Break in employment
 - Ceases to use the exclusion
 - Exclusion expires
- Rents are not phased-in for these families, automatically adjusted to appropriate level



Social Security

- PHA must a policy within the EIV policy concerning how the annual COLA will be handled
- Must select one of the 4 methods for Jan-April recerts
- All recerts effective after April 1 must reflect SSA benefit that includes the COLA



COLA

- 1. Use the benefit information reported in EIV that does not include the COLA as third party verification as long as the tenant confirms that the income data in EIV is what he/she is receiving;
- 2. Use the SSA benefit, award letter or Proof of Income Letter provided by the tenant that includes the COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner



COLA

- 3. Determine the tenant's income by applying the COLA increase percentage to the current verified benefit amount and document the tenant file with how the tenant's income was determined; or
- 4. Request third party verification directly from SSA when the income in EIV does not agree with the income the tenant reports he/she is receiving. (See Paragraph 9-15)



Public Assistance

- Temporary Assistance for Needy Families
- SSI
- General Assistance



Public Assistance

- If welfare income is sanctioned due to fraud, you only count what the resident is actually receiving. There is no imputed welfare income calculation.



Imputed Welfare Income

- PBRA: Does not apply



**Scholarships or Grants-
PBRA**

- Excluded in public housing
- Financial aid exceeding amounts received for tuition/required fees shall be included in annual income
 - Financial aid paid to a student over the age of 23 with dependent children is excluded
 - Financial aid paid to a student living with parents is excluded
 - Does not include student loans



Student Financial Assistance

- **Required fees:** All fixed sum charges that are required of a majority of students, including:
 - Writing and science lab fees
 - Athletic fees
 - Fees specific to student’s major or program



Student Financial Assistance

- **Expenses related to attending school not included in tuition include:**
 - Room and board
 - Books
 - Supplies
 - Meal plans
 - Transportation and parking
 - Student health insurance
 - Other non-fixed sum charges



Recurring Gifts and Contributions- PBRA

- **Value of groceries provided by someone outside the unit and food portion of public assistance are excluded**
 - If cash is given for the resident to go and buy groceries, the cash amount is included in income.
- **Amounts paid directly to childcare providers by a person not living in unit are generally not included in income**
 - Child care expenses paid by the non-custodial parent in lieu of all or part of the child support payments should be included in income



Child Support- PBRA

- PH- Policy in ACOP
- Amounts of child support that have been awarded, but not received, may be excluded from annual income only when applicants have made reasonable efforts to collect amounts due
 - Including filing with courts or agencies responsible for enforcing payments



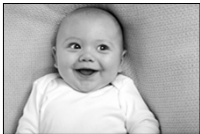
Alimony & Child Support

- May accept
 - Printouts from the court or agency responsible for enforcing payments, or
 - Other evidence indicating the frequency and amount of support payments actually received



Alimony & Child Support

- When no documentation of child support, divorce, or separation is available, may require family sign a certification stating amount of child support received



**Federal Government/Uniformed
Services Pension Funds**

- **PBRA:** Exclude Federal Government/Uniformed Services, other state, local government, social security, or private pension funds paid directly to a former spouse pursuant to the terms of a court decree of divorce, annulment or legal separation
- **Public Housing:** No written guidance



Pensions Paid to Former Spouse

- Decree and copies of statements should be obtained to verify net amount of pension to be applied



Zero Income

- HUD recommends that owners/PHAs re-verify the status of tenants who claim zero income at least quarterly
 - Must have this written in EIV policy and procedures
- No Income Reported on 50059 and No Income Reported by HHS or SSA reports in EIV
 - Reports do not have to be retained



Lump Sum Payments

- Income
 - Processing delays of periodic payments such as welfare or unemployment



Lump Sum Payments

- Possibly assets, but not income
 - SS, SSI, and VA disability
 - Inheritances
 - Insurance payments such as worker's comp
 - Capital gains
 - Settlements for personal and property losses



Lump Sums

- One time lump sum that is placed in an asset
 - As long as family continues to possess it
 - If family uses money for something that is not an asset, do not count



Income Double Check

- Were all the correct questions asked during the certification interview?
- Are income and deductions properly calculated prior to data entry?
- Does income information from tenant agree with verified info?



Learning Activity

- Nick (Other Adult) and Nate (HOH) live in a 2-bedroom at Happy Valley
 - Nate is 33, employed full-time, not a student
 - Nick is 32, employed part-time, and is a part-time student
- Nick receives a \$1,500 scholarship per quarter. His tuition is \$1,200 each quarter
- Their combined annual income is below the applicable income limit



Learning Activity

- Does the household qualify to continue to receive assistance?
- How much of Nick's earned income should be counted annually?
- How much of Nick's scholarship should be counted annually?



Income from Assets



Imputed Asset Income

- If net cash value of assets exceeds \$5,000 must use the greater of
 - Actual anticipated income from assets
 - Imputed income from assets



Imputed Asset Income-PBRA

- H 2014-5 published March 5, 2014
- Effective February 1, 2015 passbook rate is 0.06%
- Still effective for 2019



Checking and Savings Accounts

- PBRA:
 - Checking is six month average
 - Savings is current amount
- PH:
 - PHA policy



Assets Owned Jointly
Public Housing

- Include: Assets owned by more than one person
- Restricted/Unrestricted access: PHA policy



Assets Owned Jointly- PBRA

- Include the asset if...
 - It's held in applicant/tenant name and is *effectively owned* by them
 - Prorate asset according to the percentage of ownership
 - If percentage of ownership is not specified, prorate the ownership percentage evenly among owners



Assets Owned Jointly- PBRA

- Exclude asset if...
 - It's not effectively owned by the applicant/tenant
 - An asset is not effectively owned if:
 - The asset and any income it earns accrue to the benefit of someone else who is not a member of the family, and
 - That other person is responsible for income taxes incurred on income generated by the asset



**Withdrawal from Investments
Public Housing**

- Payments to family from investments are included in income
 - Except to the extent the withdrawal is reimbursement of family's own investment
 - Must have documentation
 - A lump sum distribution would not be income



Withdrawals from Investments- PBRA

- If, withdrawal is received as a *periodic payment*, count as income
 - No mention made about whether the amount is a reimbursement
 - Remaining amounts in account not counted as asset
- If the amount received is a *lump sum* from a pension or retirement fund, then count the amount under asset rules



**Assets Disposed of for Less Than
Fair Market Value- PBRA**

- Cash value of the assets disposed of exceeds the gross amount the tenant received by more than \$1,000
 - PIH: PHA policy sets threshold amount
- Within two years of the effective date of the tenant's certification/recertification
- Exception: Divorce or separation, bankruptcy, or foreclosure/short sale



Pre-Paid Debit Cards- PBRA

- SS benefits: Direct deposit or Direct Express Debit Card included in annual income
- Balance on Direct Express Card is an asset
 - Verification: Account balance
 - No more than 120 days old
 - ATM, online account service, paper statement
 - Document must identify account and holder
- No written guidance in PH



Verifying Income Exclusions- PBRA

- HUD 4350.3 does not specifically state 3rd party not required for fully-excluded income, but also does not list verification requirements for fully excluded sources
 - Check with your CA/PBCA to see if any type of verification is required



Minimum Rent Hardship Exemptions

- Minimum TTP is \$25
- MAT 10, Section 2, Field 63 lists hardship code
 - Must re-verify tenant's income every 90 days until the tenant TTP is at least \$25
- MOR looks at whether exemption was applied correctly



Adjusted Income - Deductions



Adjusted Income

- Tenant rent is based on adjusted annual income, which is calculated by using this formula:
- Annual Income – Total Allowable Deductions = Adjusted Annual Income



Deductions

- 5 possible deductions a household might qualify for
- Not all households qualify for all allowable deductions



Definitions

- Elderly households
 - Families in which the head, spouse, or cohead is 62 or older
- Disabled households
 - Families where the head, spouse, or cohead is a person with disabilities






Deductions


- Allowances to be subtracted from annual income
 - Dependents
 - Elderly/disabled
 - Child care
 - Medical expenses
 - Disability expenses



Dependent Deduction


- \$480 for each dependent:
 - Under 18
 - Full-time student, 18+
 - Person 18+ with disabilities






Dependent Deduction

- Head, spouse, cohead, foster child or foster adult, and live-in aides are *never* a dependent
- Unborn children or children that have not yet been added to the household are never dependents



Dependent Deduction

- There is no requirement to prove legal custody
- Full-time student is a person attending an institution with a degree or certificate program full-time
 - Full-time is defined by the institution



Dependent Deduction

- When 2 assisted families share custody, only 1 can claim the dependent deduction
 - Usually who has primary custody at the time of certification



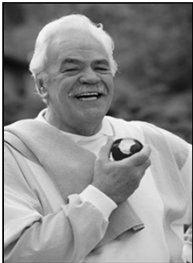
Dependent Deduction

- For 50/50 custody agreements, or if there is a dispute about which family gets the deduction
 - Families decide



Elderly/Disabled Allowance

- \$400 *per family* where the head, spouse, or cohead is at least 62 or disabled
- \$400 is the maximum amount the family can receive, even if both head and spouse or cohead are elderly or disabled



Child Care Deduction

- Includes anticipated, unreimbursed child care expenses
- Care provided for children under 13 years of age
 - Including foster children



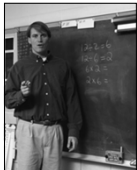
Child Care Expenses

- Payments to childcare provider in lieu of child support is not counted
- Payments to childcare provider in addition to child support is counted



Child Care Expenses

- Care must enable a family member to
 - Work
 - Actively seek work
 - Further education



Child Care Expenses

- Amounts must be reasonable
- Children must be living in household at least 50% of the time
- Household determines no adult family member is able to care for child



Child Care Expenses

- Amounts are paid to someone living outside the unit
- Not reimbursed by outside agency or other person outside household



Child Care Expenses

- Child care allowance cannot exceed the income that a family member earns
- When two assisted households have joint custody expense may be split
 - Total expense claimed by both households can't exceed cost for actual time child spends in child care
 - Restricted to approximate time actually spent at work



Child Care Expenses

- When the childcare is to enable a family member to attend school, or to look for work, there is no cap
 - Amounts must be reasonable



Disability Assistance Expense

- Not just for elderly or disabled households
- Anticipated expenses for:
 - Care attendants
 - Auxiliary apparatus
 - Wheelchairs, ramps, vehicle adaptations, special equipment for the blind, etc.



Disability Assistance Expense

- If such expenses
 - Enable a family member (could be person with the disability) to WORK
 - Amounts that exceed 3% of annual income
 - Can't exceed the earnings of person enabled to work



Example

- HOH earned income - \$20,000
- Spouse earned income - \$17,300
- Gross annual income = \$37,300
- Care Expense - \$15,250
- $\$15,250 - \$1,119 \text{ (3\% of GAI)} = \$14,131$
 - Note: \$14,131 is not greater than amount earned by Spouse, who is enabled to work



Disability Assistance Expense

- If disability assistance expense enables more than one person to be employed, combine income to determine the cap
- One-time nonrecurring expenses may be included after expense is incurred
- If disabled person doesn't exclusively use apparatus, must prorate total cost



Disability Assistance Expense

- Attendant care includes, but is not limited to reasonable expenses for:
 - Nursing care
 - Running errands
 - Housekeeping
 - Interpreting for hearing impaired
 - Reading for persons with visual disabilities



Example

- Sasha’s earned income - \$17,000
- Natoya’s earned income - \$6,000
- Gross Annual Income = \$23,000
- Disability assistance expense - \$7,000
- Minus 3% of GAI – \$690
- Allowable Disability Assistance = \$6,310
 - But...



Example

- Capped at the amount earned by Natoya, who is enabled to work
- \$6,310 exceeds the amount Natoya earns
- So the actual Disability Assistance Expense would be \$6,000



Disability Assistance Expense

- If one caregiver takes care of children and a person over 12 with a disability the O/A must determine:
 - Cost to count for childcare, and
 - Cost to count for attendant care, AND
 - The total of both cannot exceed the amount earned by the person enabled to work




Medical Expenses


▪ Permitted ONLY for family where head, spouse, or cohead is at least 62 or disabled

▪ If eligible, medical expenses deducted for all family members

▪ Medical expenses of foster children, foster adults and live-in aides are not counted

▪ Portion of unreimbursed medical expenses that exceed 3% of GAI





Example


▪ Judy Hodge (age 68) lives alone


▪ She has unreimbursed medical expenses of \$2,500 annually

▪ Her total annual income is \$21,000.

▪ $\$21,000 \times 3\% = \630

▪ $\$2,500 - \$630 = \$1,870$ allowable medical expense






Medical Expenses

▪ Deduction includes all unreimbursed out of pocket expenses over next 12 months

▪ May use ongoing expenses household has paid out of pocket in past 12 months to estimate anticipated expenses

• 4350.3, Exhibit 5-3 Medical Inclusions and Exclusions



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Medical Expenses

- Services of doctors/health care professionals
- Services of health care facilities
- Medical insurance premiums
- Prescription/nonprescription medicines (prescribed by a physician)
- Eyeglasses
- Transportation to treatment (cab fare, bus fare, mileage)
- Dental expenses
- Hearing aids batteries
- Long-term care insurance premiums
- Live-in or periodic medical assistance



Medical Expenses

- Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred)
 - May include only amount expected to be paid in the coming 12 months



Medical Expenses

- Past one-time nonrecurring medical expenses that have been paid in full
 - Not applicable for new residents at move-in
 - For residents, may be added either:
 - At the time the expense occurs
 - Family requests an interim
 - At upcoming annual recertification



Verification Process



Verification

- Owner/agents must verify all income, assets, expenses, deductions, family characteristics, and circumstances that affect eligibility or assistance
 - Verification takes place prior to move in, at the time of every annual recertification, and when changes are reported between annual recertification



Verification Errors

- Most common errors:
 - Applicants or tenants who fail to fully disclose all income
 - Identification of income exclusions
 - Incorrect calculation of deductions, usually due to lack of verification
- Thorough applicant/tenant interviews and appropriate verification forms are necessary



Verification Resources

- Appendix 3 of 4350.3 has a detailed verification chart for use
- Check with CA for interpretation of HUD regulations



Income Verification Hierarchy

1. Upfront-income verification
 - Mandatory: EIV
 - Optional: UIV using non-HUD systems such as the work number
2. Written third-party verification from source
 - May be provided by the tenant/applicant
 - May include electronic verification
3. Oral third-party verification
4. Family certification



Verification

- UIV is third-party verification
 - Most preferred form
 - Meets regulatory requirements
- Intended to streamline verification process
 - Eliminates the need for written third-party verification forms in many cases
 - Use tenant-provided documents to project annual income



Verification

- Must obtain additional verification if tenant disputes EIV
- Must take action to resolve income discrepancies within 30 days of the date of the report



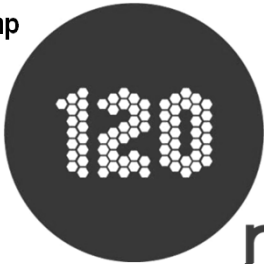
Verification Forms

- Owners must create their own verification forms for specific verification needs
 - All verification forms must include HUD required language
 - HUD Handbook 4350.3 Chapter 5, Figure 5-5
 - Verification forms must show who will provide information and who will receive the information
 - Signed verification forms expire 15 months after being signed



Verification Tips

- Verifications are good for up to 120 days from the date the owner receives them
- Time/date stamp



Example

- Brandon lives at Happy Valley apartments and his recert is due 7/1
- He provides the manager with consecutive pay stubs dated 1/1 to 3/14 at his recert appointment on 3/16
- The manager may use them because they were dated within 120 days of receipt by manager



Notice H 2020-04

- Permits, but does not require:
 - Multifamily O/As to use electronic signatures (e-signatures)
 - Electronic transmission and storage of files



Wet Signatures & Paper Documents

- O/As adopting the Notice must provide applicants and tenants the option to use wet signatures and paper documents upon request



Required Documents

- This Notice does not change the nature or use of required documents



Impacted Documents

- Pertains to all HUD forms and O/A-created documents related to:
 - Asset management
 - Section 8 contract renewals
 - Occupancy policies



Stored or Transmitted

- When storing or transmitting documents electronically, industry partners must use National Institute of Standards and Technology (NIST) compliant methods
 - Putting the documents inside an encrypted wrapper, such as a password protected DOC, PDF, or ZIP file
- Passwords should not be included in the same transmission as the documents
- Best practice is to provide the recipient with the password by calling, texting, or in a separate email



Impacted Documents

- While not required by HUD, some state and local laws or entities may require the use of wet signatures on some forms
 - HUD-50059, "Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures"
 - HUD-9887 "Document Package for Applicant's/Tenant's Consent"
 - Leases and lease addenda



Leases and Deposits



Lease Requirements

- Must use HUD model lease
 - HUD 90105-A *Model Lease for Subsidized Programs*
 - Available at NMAReferences.com
 - For in-place tenants, effective date must equal HAP contract effective date
 - Must be signed by owner and tenant on or before HAP contract effective date



Lease Requirements

- Initial lease term 1 year (365 days)
 - May be less if HAP contract will expire in less than 12 months
- Automatically renews month-to-month after initial lease term
- In place tenants keep their original PH recertification date



Lease Requirements

- Initial lease term 1 year (365 days)
 - May be less if HAP contract will expire in less than 12 months
- Renewal term must be a minimum of 30 days
- In place tenants keep their original PH recertification date



General Lease Requirements

- Lease may only cover rental unit and services routinely provided at rental properties
- Any special services must have a separately executed agreement
 - Meal programs
 - Health care services



Required Lease Attachments

- HUD-50059 signed by tenant & owner
- HUD-50059-A signed by tenant & owner when applicable
- Move-in inspection signed by tenant & owner
- VAWA Lease Addendum
- House Rules
- If applicable:
 - Lead-based paint disclosure form
 - Pet rules
 - Owner's live-in aide addendum
 - Owner's Police or Security Personnel addendum



House Rules



House Rules

- Required to include resident rights as listed in PIH 2012-32, REV-2 or H 2017-03, REV-3 as part of house rules
 - Termination notification
 - Grievance procedures
- Owners may develop additional house rules consistent with HUD requirements
 - Attachment to the lease



House Rules

- Development of other house rules is recommended
- Purpose: Identify allowable and prohibited activities in both the unit and common areas
- HUD/CA review and approval is not necessary
 - However, may be reviewed during an MOR and HUD/CA may ask for changes if necessary
- House rules must not be so restrictive that the tenant's freedom is limited



House Rules

- House rules must be:
 - Related to safety, care, and cleanliness of the building;
 - Related to safety and comfort of tenants;
 - Compliant with and not circumvent HUD requirements;
 - Be reasonable, fair, and not excessive or extreme.
- Further information about the creation of house rules can be found in HUD Handbook 4350.3, Chapter 6



Live-in Aide Addendum

- Created by the owner - approved lease addendum
- Clearly establishes any live-in aide has no rights to the unit in the event the tenant no longer lives in the unit
- May give the owner the right to evict a live-in aide if they violate any of the house rules



Police or Security Personnel

- Owner created approved addendum that must state the police officer or security personnel right of occupancy is dependent on the continuation of the employment that qualified them for residency



Changes to the Lease

- Changes may only be made
 - To comply with documented state or local laws
 - To be in line with management practice generally used by management entities of assisted projects
- Must obtain approval from HUD
- Changes only effective at end of lease term and must provide to tenants 60 days prior to end of lease term



Lease Modification

- Must send notice first class mail and deliver a copy to an adult household member or post notice on resident's door
 - Effective date of notice is date notice was both mailed and delivered
- If resident doesn't receive proper notice, may not implement new changes



Changes to the Lease

- Modifications not allowed to these provisions:
 1. Changes in Tenant Rent;
 2. Regularly Scheduled Recertifications;
 3. Reporting Changes Between Regularly Scheduled Recertifications;
 4. Removal of Subsidy;
 5. Tenant Obligation to Repay;
 6. Discrimination Prohibited;
 7. Termination of Tenancy; and
 8. Penalties for Submitting False Information



Move-In Inspection

- PBRA projects must be in safe, decent, sanitary condition and in good repair, according to Uniform Physical Condition Standards (UPCS) established by HUD



Move-in Inspection

- Move-in inspections are required
 - Ensures the unit is free of damages
 - Inspection must be conducted jointly with owner and tenant
 - Form must be signed and dated by both owner and tenant



Move-In Inspection

- Must be completed prior to lease being signed
- Tenant has 5 days after move-in to add deficiencies to the inspection report
- Copy of the inspection must be retained in the tenant file



Inspection Form

- Owners may create their own inspection form
- Form should include:
 - Signature areas for owner and tenant
 - List all areas of the unit for comments
 - Unit number
 - Date
 - Must state, “The unit is in decent, safe, and sanitary condition.”
- See HUD Handbook 4350.3 appendix 5 for an example of an acceptable inspection form



Additional Information

- At move-in and annual must provide and have signed acknowledgement in file:
 - EIV & You brochure
 - HUD Fact Sheet “How Your Rent is Determined”
 - Resident Rights and Responsibilities brochure
 - Only use acknowledgement, not copies of brochures
 - Fraud brochure



VAWA Notice H 2017-05

- New! Notice H 2017-05, Additional Guidance for Multifamily O/A's
 - link at nmareferences.com
 - Does not change the final rule
 - Gives examples, clarifications and scenarios
- Appendix 1 of the notice: *Items to Consider When Developing VAWA Policies*
 - Review this against your VAWA policies to ensure everything is covered



VAWA Notice H 2017-05

- The notice:
 - Recommends documenting in a confidential manner when verbal statement or other evidence is accepted
 - Provides various clarifications and considerations with respect to requesting third-party documentation in cases where information conflicts



VAWA Notice H 2017-05

- The notice:
- Clarifies that owners may not conduct further "fact finding" to verify the "validity" of victim status, *although* if the owner already has or receives reliable conflicting information, they may require additional third-party documentation



VAWA Notice H 2017-05

- The notice:
 - Offers guidance and best practices for proper communication with victims, specifically in avoiding inadvertent disclosure of information and keeping the victim safe



VAWA Notice H 2017-05

- All documentation of a claim of protection under VAWA must be kept confidential, separate from the resident files, and in a secure location



VAWA

- VAWA Final Rule – Notices & Emergency Transfers (Eff. 12-16-16 & 6-14-17)
- VAWA policies must be included in the TSP and should be in house rules
- The VAWA lease addendum must be attached to each new and existing lease
 - Must be signed by every household member who is required to sign the lease



VAWA

- The Notice of Occupancy Rights Under the Violence Against Women Act and the new VAWA certification form HUD-5382 must have been given to all existing residents by Dec. 15, 2017, with acknowledgment in the file



VAWA

- At the time of admission, or
- At the time assistance is denied to an applicant
- At the time a notice of termination of assistance or notice of eviction is served
- Emergency Transfer Plan for VAWA must have been in place by June 14, 2017



VAWA

- If a household is divided due to a VAWA-related crime, household members may establish eligibility to remain in housing if not the original household member who had done so (e.g., the HOH)
 - 30 days to establish eligibility
- Rule clarifies documentation requirements
 - VAWA Final Rule



VAWA

Available at [hud.gov](https://www.hud.gov) (links at [NMAResources.com](https://www.nmreferences.com)):

- The Notice of Occupancy Rights Under the Violence Against Women Act (Form HUD-5830)
- Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5381)



VAWA

- Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (Form HUD-5382)
- Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5383)



VAWA

- These are model forms, and may be customized for each property, as long as they contain the same information and language



Lead-Based Paint Disclosure

**Applies to all
properties
built prior to
January 1,
1978 unless
deemed
exempt.**

- Exemptions
- Residential structures built after January 1, 1978, are exempt from lead-based paint requirements because Congress banned the use of lead-based paint for residences after this date.
- Rental property found to be lead-based paint free by a lead-based paint inspector certified under the federal certification program or under a federally accredited State or Tribal certification program is exempt.
- Zero-room dwelling units, including single room occupancy (SRO) units, are exempt.
- Housing specifically designated for the elderly or persons with disabilities is exempt, unless a child under age 6 resides or is expected to reside in the unit.
- Short-term leases of 100 days or less when no lease renewal or extension can occur

**Pet Rules in Elderly/Disabled
Developments**



Pet Rules

- Service and Assistance Animals are not pets, are not subject to pet rules or pet deposits
- Existing pets must be grandfathered into the property at RAD conversion
- Owners may restrict pets to households that were part of the conversion



Pets in Elderly/Disabled

- Common household pet
 - Domesticated animal, such as a dog, cat, bird, rodent (including a rabbit), fish, or turtle that is traditionally kept in the home for pleasure rather than for commercial purposes
 - Does not include reptiles (except turtles)



Pets in Elderly/Disabled

- If definition conflicts with applicable state or local law, state or local law or regulations apply



Pet Rules

- May not prohibit common household pets in elderly/disabled projects
- May prohibit in family projects
- If permitted in family projects, owner must develop pet rules according to state and local law



RAD PBRA: Pet Rules

- Existing pets must be grandfathered into the property at RAD conversion
- Owners may restrict pets to households that were part of the conversion



Pet Rules in Elderly/Disabled

- Common rules concerning pets include:
 - Pet registration
 - Inoculation
 - Disposal of pet waste
 - Restraint of pets in common areas
 - 4350.3, Exhibit 6-4 and 6-5



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Pet Rules in Elderly/Disabled

- Pet rules:
 - O/As must not treat a person who owns a pet differently
 - Applicants may decline a unit offer because the unit is too close to another unit with a pet
 - Rejection of unit offer must not impact applicant's position on the wait list.

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Pet Rules and the Lease

- Pet rules:
 - Are an addendum to the lease
 - If resident violates pet rules O/A may
 - Serve resident 10-day notice to comply or vacate
 - O/A must have sufficient evidence of violation

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Pet Rules and the Lease

- Evidence of violation:
 - O/A witnessing violation
 - Written statements from other residents



Pet Rules and the Lease

- Notice must:
 - Identify the pet rule violated
 - Contain brief statement of how violation was determined
 - State resident has 10 days to
 - Correct violation
 - Request meeting with O/A to discuss it



Pet Rules and the Lease

- Notice must:
 - State pet owner is entitled to be accompanied by person of their choice at the meeting
 - State the pet owner's failure to either correct the violation, request a meeting, or appear at a requested meeting may result in termination of tenancy (eviction)
- If resident requests a meeting within 10 days, O/A must meet with resident no later than 15 days from date of violation notice



Pet Rules and the Lease

- If the resident and owner are unable to resolve the violation at the meeting or if the resident has failed to correct the violation
 - Owner may issue a notice of pet removal to the resident



Pet Rules and the Lease

- Owner must not terminate tenancy based on a pet rule violation unless the resident fails to remove the pet or correct the violation within the specified timeframe
 - And the violation is sufficient to terminate tenancy under the terms of the lease and regulations
 - Check your state laws and regulations to ensure the most beneficial for the resident are followed



Pets in Elderly/Disabled

- May charge refundable pet deposit of no more than \$300
- Must accept payments not to exceed initial payment of \$50 and \$10 a month thereafter until paid in full
- No fees
 - HUD 4350.3, Figure 6-8, pg. 6-40



Pet Rules and the Lease

- If new pet rules are adopted, or changes are made to the pet rules O/A must give residents:
 - A copy of the rules
 - Written notice of changes
 - Stating residents have 30 days to comment



Service and Assistance Animals

- Notice FHEO 2013-01
- Pet rules may never be applied to service or assistance animals
 - Neither are pets
 - Pet deposits do not apply



Service and Assistance Animals

- State or local health and safety laws may be enforced
- Resident must be responsible for the care and maintenance of the animal
- All lease provisions apply



Service and Assistance Animals

- Service animal
 - A trained dog
- Assistance animal
 - A reasonable accommodation for a person with disabilities



Service and Assistance Animals

- Rules governing reasonable accommodation apply to assistance animals
 - Must be requested by a person with a disability
 - Must have a disability-related need for the assistance animal (nexus)
 - Request must be reasonable



Service and Assistance Animals

- May refuse to permit the animal if reliable objective evidence that the animal:
 - Would cause substantial physical damage to the property, or
 - Poses a direct threat to health or safety of others
 - Cannot be reduced or eliminated by a RA



Service and Assistance Animals

- May not refuse to allow an assistance or service animal simply because it is not professionally trained
- May not restrict by size, weight, or breed except as governed by state or local laws



Security Deposit



Security Deposits

- Owners may continue recognizing security deposits that have been previously provided by in-place tenants
- If in-place tenants were not previously required to provide security deposit, may not require a security deposit



Security Deposits

- For other tenants, owners must collect a security deposit at the time of the initial lease execution
- Equal to the greater of \$50 or the household’s total tenant payment at move-in



Security Deposits

- O/A must collect a security deposit at lease execution for the following properties:
 - Sec 8 NC with AHAP executed on or after 11/5/1979;
 - Sec 8 Sub Rehab with AHAP executed on or after 2/20/80;



Security Deposits

- Sec 8 State Agency with AHAP executed on or after 2/29/80;
- Section 202/8;
- Section 202 PAC;
- Section 202 PRAC; and
- Section 811 PRAC.



- For properties built prior to that, collection of the security deposit is recommended
 - At the time resident initially executes lease
- Amount differs depending on program
 - Generally a different amount for each resident since they are usually income-based
(See following chart)

[illegible]

HUD Handbook 4350.3 Chapter 6, Figure 6-7

Program	Amount to Collect
Section 8 New Construction with AHAP executed <u>before</u> November 5, 1979	One month's total tenant payment
Section 8 Substantial Rehabilitation with AHAP executed <u>before</u> February 20, 1980	One month's total tenant payment
Section 8 State Agency with AHAP executed <u>before</u> February 29, 1980	One month's total tenant payment
Section 8 New Construction with AHAP executed <u>on or after</u> November 5, 1979 [24 CFR 880.608]	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 8 Substantial Rehabilitation with AHAP executed <u>on or after</u> February 20, 1980 [24 CFR 881.601]	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 8 State Agency with AHAP executed <u>on or after</u> February 29, 1980 [24 CFR 883.701]	The greater of: 1) One month's total tenant payment, or 2) \$50
RHS 515 with Section 8 [24 CFR 884.115]	Equal to one month's total tenant payment
Section 8 LMSA with HUD-insured or HUD-held mortgages [24 CFR 886.116]	An amount up to, but no greater than, one month's total tenant payment
Section 8 provided with the sale of a HUD-owned property (Property Disposition) [24 CFR 886.315]	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 202/8 or Section 202 PAC [24 CFR 891.435]	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 202 PRAC [24 CFR 891.435]	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 811 PRAC [24 CFR 891.435]	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 236	One month's tenant rent
Section 236 with RAP	The greater of: 1) One month's total tenant payment, or 2) \$50
Section 221(d)(3) BMIR	One month's tenant rent
Rent Supplement	The greater of: 1) One month's total tenant payment, or 2) \$50

Security Deposits

- Amount does not change if resident later experiences income increase
 - Example: Household moves in in April and has an interim recertification in October that increases the household's TTP
 - Would not pay a higher security deposit



Security Deposit

- Residents are expected to pay security deposit from their own resources or from other private/public sources
 - May be rejected if they do not have sufficient funds
 - May collect in installments



Security Deposit

- May require any resident to pay the security deposit in a guaranteed form
 - Money order, bank check, or cashier's check
- For all other monies due, must accept a resident's personal check



Interest

- Depending on program type and property, local law governing interest earned on security deposits may differ
 - If state or local laws more stringent or conflicts with HUD requirements, follow requirements that provide greatest benefit to resident
 - 4350.3, pg. 6-35



Refunds

- Any unused balance must be refunded to the resident
- Residents must provide forwarding address or arrange to pick up any refunds



Refunds

- No later than 30 days after move-out, must:
 - Refund full security deposit plus interest, or
 - Provide an itemized disposition of any unpaid rent, damages, and estimated cost for repair



Refunds

- If owner fails to provide a refund or disposition in a timely manner, resident is entitled to full refund plus interest
 - In a lot of states, entitled to double or triple the amount of the original security deposit
- Disposition must include resident’s rights under state/local laws



Refunds

- If resident objects to any items on disposition, may present objections in an informal meeting
 - Must keep a record of any disagreement and outcome of meeting in the file for 3 years after move out




Unit Transfers

- Security deposit must either:
 - Transfer to the new unit; or
 - Be refunded
 - Resident is required to pay a security deposit for new unit



Other Charges



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Other Charges

- At move-in, the only money that may be collected is for:
 - Maximum security deposit
 - Pet deposit (if applicable)
 - Rent
- Must obtain HUD approval for any other fees or charges

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Late Fees

- \$5 late fee on 6th of month
- \$1 a day for remainder of month until that month's rent has been paid (up to \$30)
- May not charge late fees in Section 202/8, Section 202 PAC, Section 202 PRAC, and Section 811 PRAC

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Late Fees

- Higher late fees may be approved by HUD if:
 - Doesn't exceed \$30/ month
 - Fee permitted under state/local law
 - Consistent with local management practices



Late Fees

- May not evict residents for nonpayment of late fees
- May deduct unpaid late fees from resident's security deposit at move-out



Other Charges

- Application processing and screening fees may not be charged to applicants
- Charges in addition to rent/security deposits are not permissible



Damages

- Owner must properly identify and charge for damages
 - Caused by carelessness, misuse or neglect by tenant, household member, or visitor
- Must reimburse owner within 30 days after billing
- May deduct from security deposit at move-out
- May evict for non-payment of damage charges



Move-In Tips



Move-In File Tips

- Owner/PHA must conduct EIV Existing Tenant Search for all applicants
- Ensure all pertinent documents are maintained in the file
- Check with HUD/CA for checklists and forms that may have already been created
- Ensure O/A and new tenant have signed and dated all appropriate documents



Annual and Interim Certifications



Certification

- Annual (AR) and interim (IR) certifications are full certifications that are conducted in the same manner as a move in (MI) or initial certification (IC)



Certification

- Unit transfers (UT), gross rent changes (GR), and move out's (MO) are partial certifications and are created and documented differently than full certifications



Annual Recertification

- Owners must conduct recertification by recertification anniversary date annually
 - First day of the month in which household moved in
 - Family moves in September 15, 2015, Annual is due by September 1, 2016
 - May establish alternate date with approval from CA
- Streamlining Final Rule
 - Only verify fixed sources of income at move-in and every 3 years...



FR Notice 12/12/17

- Interim final rule implementing FAST Act
 - Effective 3/12/18
- Applies to PBRA, PBV, and public housing
- All provisions are optional for PHAs or O/As



New Rule - Fixed Income

- If at least 90% of family's unadjusted income is from a fixed source
 - PHA or O/A must require 3rd party verification of fixed source every 3 years
 - Must 3rd party verify at admission
 - In years 2 and 3, may apply verified COLA or interest rate adjustment
- For non-fixed sources, PHA or O/A are not required to obtain 3rd party verification of non-fixed income



New Rule - Fixed Income

- Families with at least one source of fixed income but less than 90% of income from a fixed source
 - PHA or O/A must require 3rd party verification of fixed source every 3 years
 - Must 3rd party verify at admission
 - In years 2 and 3, may apply verified COLA or interest rate adjustment
 - For non-fixed sources, PHA or O/A must obtain 3rd party verification of non-fixed income



Example: 90% of income from a fixed source

- Manuel receives \$1,000 a month in SS income and a \$50 regular contribution from his mother
 - PHA or O/A must 3rd party verify all income at admission
 - In years 2 and 3, apply COLA to SS income and may but are not required to verify regular contribution



Example: Less than 90% of income from a fixed source

- Marla receives \$500 from a pension and a \$500 regular contribution from her dad monthly
 - PHA or O/A must 3rd party verify all income at admission
 - In years 2 and 3, apply any adjustment to the pension and must verify regular contribution



New Rule - Assets

- At admission, third-party verification of all assets, regardless of amount, for all family members is required
 - Or must document the file why 3rd party verification was not available



New Rule - Assets

- Thereafter, when net family assets equal \$5,000 or less, PHA or O/A may accept self-certification
 - May continue to 3rd party verify all assets, regardless of amount
- Must obtain 3rd party verification of all family assets every 3 years



New Rule - Assets

- Declaration must state the amount of assets owned and income family expects to receive from assets
 - Amount must be included in family's income
 - May be on a single form with each asset listed



New Rule - URPs

- Utility reimbursement payments (URP) of \$45 or less *per quarter* may now be paid quarterly
 - If a family moves out before the next quarterly URP, O/A is required to reimburse the family for it's prorated share of the URP
- O/As that adopt this option must have a policy in place to assist families that would experience a financial hardship if only paid quarterly



Annual Recertification

- Notice requirements are more stringent than requirements in PIH programs
- Must inform tenants, through written notices, about the tenants' responsibility to provide information about changes in family income or composition
 - Notices must include very specific information on the recertification process, requirements and timelines - requirements in 4350.3, Chapter 7



Initial Notice

- Initial notice must be given to tenant at time lease is signed
- Must be given every year when the AR is completed
- Must be signed and dated by the tenant and kept in file



Example: Initial Notice

- Tenants AR is due 7/1/15
- Tenant comes in to sign and complete AR on 5/15
- At that time the PHA would give the tenant an initial notice that they will be required to complete an AR on or before 7/1/2016



Initial Notice

Initial Notice must:

- Refer to the requirements in the HUD model lease regarding the tenant’s responsibility to recertify annually.
- Specify the cutoff date, the 10th day of the 11th month after the last annual recertification, by which the tenant must contact the owner and provide the required information and signatures necessary for the owner to process the recertification.



Reminder Notice

- 1st AR notice must be given to tenant 120 days prior to effective date of certification



Reminder Notice

- If the tenant has not responded to the first notice, 2nd AR notice must be given to tenant 90 days prior to effective date of certification



Reminder Notice

- If the tenant has not responded to the first or second notice, 3rd AR notice must be given to tenant 60 days prior to effective date of certification, and it satisfies the 30 day notice of termination of assistance and rent increase



Reminder Notice

- Must be kept in tenant file and must:
 - Refer to lease regarding the tenant's responsibility to recertify annually
 - Name of the staff person to contact about scheduling a recertification interview
 - Contact information for this person and how the contact should be made
 - Give the location, days, and office hours that property staff will be available for recertification interviews



Reminder Notice

- List info tenant should bring to the interview
- State cutoff date by which tenant must contact owner and provide info and signatures (10th day of the 11th month after the last annual recertification)
- State if the tenant responds to the owner after the cutoff date, owner will process the annual but will not provide 30 day notice of any rent increase



Reminder Notice

- State if tenant fails to respond before the anniversary date, tenant will lose assistance and will be responsible for paying the rent amount
- The owner may propose an interview date as long as the tenant has the option to reschedule the interview for a more convenient date and time



Final Notice

- Best practice for PBRA - if possible, notice of termination of assistance or rent increase is given to the tenant 30 days prior to the effective date of the certification



Annual Recertification

- Must give 30 days notice of rent increase unless the resident failed to report timely
- Late recertifications should have a note to file documenting the reasons the AR was late



Annual Recertification

- Assistance terminates for household that doesn't have an annual submitted to TRACS or CA within 15 months
 - Monthly voucher will not be accepted if there is even one outdated recertification (15 months and beyond)
- Specific requirements in Chapter 7 of the 4350.3



Interim Recertifications

- Tenants are required to notify the owner when:
 - A family member moves out of the unit
 - The household wants to move a new member into the unit
 - A previously unemployed adult member becomes employed
 - The household's income cumulatively increases by \$200 or more per month



Interim Recertifications

- Interims may be performed when resident experiences changes in income and requests an interim recertification be performed



Interim Recertifications

- Owners must complete an IR when:
 - There has been a change in family composition
 - An increase in a family's cumulative income of \$200 or more a month
 - An increase in allowances
 - Most decreases in income except where the decrease was caused by a deliberate action of the tenant to avoid paying rent
 - A change in citizenship or eligible immigration status of any family members



Interim Recertifications

- Owners are required to complete a recertification interview when a tenant alerts them of new household circumstances
- Obtain and maintain proper verifications concerning the changed circumstances
- Tenant must be given 30 days notice of any rent increase
- Owners must complete IRs within a reasonable amount of time, processing should generally not exceed 4 weeks



Interim Recertifications

- Owner may refuse to process an IR if:
 - An income decrease was caused by a deliberate action of the tenant to avoid paying rent
 - The owner has confirmation that a decrease will last less than one month
- Owners may delay, but not refuse, to process an interim recertification if they have confirmation that a tenant's income will be partially or fully restored within two months



Tenant Failure to Report Changes

- The owner's notice must:
 - Refer the tenant to the lease clause that requires the interim recertification;
 - Give the tenant 10 calendar days to respond to the notice; and
 - Inform the tenant that their rent may be raised to the market rent if the 10-day deadline is not met.



Gross Rent Change

- The gross rent may change if:
 - Utility Allowance changes
 - Contract Rent changes
- Typically, this will happen annually on the anniversary of the HAP effective date or rent adjustment
- GR effective date should be the date the owner's new change or contract is effective



Gross Rent Change

- If there is a change in the gross rent, owner must provide the tenant with a new HUD-50059-A and keep a copy in the file
 - 50059-A only needs to be signed by tenant if there is a change in tenant rent or URP
 - 30 days notice of rent increase is required
 - In all cases, GR 50059-A must be signed by the owner



TTP Exceeds Gross Rent

- When TTP exceeds contract rent plus UA (gross rent)
 - Family's assistance is NOT terminated
 - Must charge tenant 30% of adjusted income minus UA for rent; or
 - Any applicable maximum rent allowable under LIHTC regulations (for properties with tax credits)
 - Excess rent is considered project funds and must be used for project purposes.



TTP Exceeds Gross Rent

- Although no longer assisted, tenant is still a considered a Section 8 tenant
 - Retains rights under the lease
 - Still subject to re-exam of income and composition
 - Assistance reinstated if tenant becomes eligible
- But...
 - Not required to use EIV for the family
 - Not required to process through TRACS
 - Contract rent adjustments still in effect for unit



Learning Activity

Nick and Nate moved into Happy Valley Apartments on 5/13/2014.

Since then, they have had an interim recertification, due to a reported income increase, effective 10/1/2014 and the property had a gross rent change effective on 12/1/2014 that lowered their rent amount.



Learning Activity

- When did Nick and Nate receive their initial annual recertification notice?
- When is their first annual recertification due?
- When must they receive their 1st reminder notice?



Learning Activity

- When must they receive their 2nd reminder notice?
- When must Nick and Nate have received 30 days notice of rent increase based on the effective date of the interim?
- Were they required to sign the GR 50059-A?



GR and UA Change Tips

Start rent adjustment and utility allowance analysis on time. This will help eliminate issues when implementing new rent and UA amounts.

Be pro-active and clear when explaining what information is needed to utility providers.

Have all tenants sign a release for their utility use information at the time of recertification.

Contact your HUD rep or CA for information about what is required for UA analysis in your state and for current spread sheets/checklists they want you to use.

Check your software- make sure the change is being entered correctly.

Make sure to apply GRs to vacant units in your software as well as occupied units. If a GR is not correctly applied to vacant units, the correct amounts will not be applied to the next tenant who moves in.

GRs create a large amount of errors on monthly vouchers if implemented incorrectly in owner's software; corrections must be made before voucher can be processed in TRACS.

Moves and Transfers



Unit Transfers

- Owner determines when unit is smaller or larger than appropriate
 - Owner determines appropriate unit size
 - Owner determines whether a transfer is required



Unit Transfers

- A full recertification of income/assets is not required
- Interim unit transfer so that PHAs/owners are able to include any necessary income changes with a unit transfer



Choice Mobility

- Residents have a right to move with tenant-based rental assistance (e.g., Housing Choice Voucher (HCV)) the later of:
 - 24 months from date of execution of the HAP; or
 - 24 months after the move-in date
- Some exceptions granted by HUD



Choice Mobility

- PHA not required to provide more than one-third of turnover vouchers to residents wishing to move
- May create a cap, not required
- If a cap is created, waiting list must also be created by PHA
 - In order in which request were received



Choice Mobility

- In any year, the owner may limit the number of Choice-Mobility moves to 15% of the assisted units in the project
- May create a limit, not required
- If a limit is created, owner must also create a waiting list
 - In order in which request were received



Example

- 100 PBRA-assisted units in a project
 - Owner could limit number of families exercising Choice-Mobility to 15 in any year
 - May not limit it to less than 15
 - May allow more than 15



Choice Mobility

- Must state right to choice mobility in the House Rules
 - See sample Attachment 1E of Notice H-2019-09



Floating Units

- In projects that are not 100% RAD PBRA, assistance can float between units
 - Must be in the same project with the same bedroom size and contract rent
 - PHA must request
- Property must maintain the same number and type of RAD units



Terminations

- Additional requirements for terminations and grievances for RAD PBRA properties
- Must include in House Rules as an attachment to the lease
 - Attachment 1E of PIH 2012-32(HA), REV-2 or H 2017-03, REV-3



Termination Notification

- Must provide adequate written notice of termination of tenancy which is not less than:
 - A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction; or
 - 14 days in the case of nonpayment of rent



Disclosure & Notification for Nonpayment of Rent

- *Federal Register Notice 10/7/21*
- Notice H 2021-06
 - Published October 7, 2021
- Applies to both PBRA and public housing
 - Does not apply to HCV or PBV



**Disclosure & Notification for
Nonpayment of Rent**

- During national emergencies, HUD may make a determination requiring O/As to:
 - Provide tenants with information regarding Federal funding available to prevent eviction for nonpayment of rent during the emergency
 - Extend the time before lease termination for nonpayment to a minimum of 30 days after information is received



**Disclosure & Notification for
Nonpayment of Rent**

- HUD has determined such an emergency exists
- The determination remains in effect until a “subsequent HUD notice is issued rescinding the determination”



Applicability

- | | |
|---|---|
| ▪ Section 8 Project Based Rental Assistance (PBRA) <ul style="list-style-type: none">▪ New Construction▪ State Housing Agency Program▪ Substantial Rehabilitation▪ Section 202/8▪ Rural Housing Services Section 515/8▪ Loan Management Set-Aside (LMSA)▪ Property Disposition Set Aside (PDSA)▪ RAD | ▪ Section 202/162 Project Assistance Contract (PAC) <ul style="list-style-type: none">▪ Section 202 Project Rental Assistance Contract (PRAC)▪ Section 202 Senior Preservation Rental Assistance Contract (SPRAC)▪ Section 811 Project Rental Assistance Contract |
|---|---|



**Disclosure & Notification for
Nonpayment of Rent**

- Owners must provide no less than 30 days
advanced notification of lease termination
due to nonpayment of rent



**Disclosure & Notification for
Nonpayment of Rent**

- Notification must include information to
support families in securing cash funding
 - Specific required language provided in Notice
H 2021-06, Appendix: Information for Tenants
 - O/A must update information to reflect
local ERA grantee



Termination Notification

- In all other cases, requirements at 24 CFR
880.603, the Multifamily HUD Model Lease,
and any other HUD multifamily
administrative guidance applies



Termination of Assistance

- Tenant no longer receives assistance
 - May remain in the unit
- Must pay market rent
 - Failure to comply with program requirements or requirements under the lease
 - Failure to recertify timely
 - Failure to transfer to appropriate size unit



Termination of Tenancy

- Tenant must move
- Tenant found to be in noncompliance with terms and conditions of lease
- State and local law apply
- Evictions may only be executed by judicial action



Termination of Assistance/Tenancy

- Notice of termination must be in writing and state
 - Specific date assistance/tenancy will terminate
 - Reasons for termination
 - Advise tenant of new rent amount (for assistance)
 - Advise tenant remaining in the unit may result in court action (for tenancy)
 - Right to request an informal hearing
 - Person with disabilities has right to reasonable accommodation



Grievance Process

- Must give residents an opportunity for an informal hearing with an impartial member of PHA's staff within a reasonable period of time



Grievance Process

- Residents must:
 - Have the opportunity to be represented by another person of their choice
 - To ask questions of witnesses
 - Have others make statements at the hearing,
 - Examine any regulations and any evidence relied upon by the owner as the basis for the adverse action
 - With reasonable notice to the PHA, prior to hearing and at the residents' cost, may copy any documents or records related to the proposed adverse action



Grievance Process

- PHAs provide the resident with a written decision within a reasonable period of time stating the grounds for the adverse action, and the evidence the PHA relied on as the basis for the adverse action

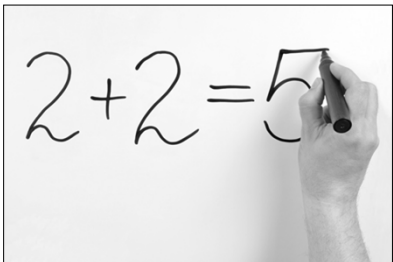


Grievance Process

- The PHA will be bound by decisions from these hearings, except if the:
 - Hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing; or
 - Decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
- If the PHA determines that it is not bound by a hearing decision, the PHA must promptly notify the resident of this determination, and of the reasons for the determination



Discrepancies and Errors



Discrepancies and Errors

- Must determine whether the error is a program violation or a resident error
 - Program violations: Any action or inaction by resident that breaches lease, regulations, or any other program requirements
 - Resident errors: Unintentional violations where the resident may have misunderstood or forgotten the rules



Discrepancies and Errors

- If an owner suspects a resident has misrepresented income or eligibility information, must investigate before making any determinations that affect assistance
- Must fully document investigation



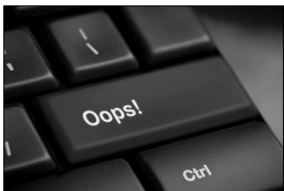
Discrepancies and Errors

- Investigation may include
 - Asking resident to clarify the discrepancy
 - Other household member statements
 - Information received from additional 3rd party sources
 - Any other fact-finding that may verify the resident's information or the conflicting information



Discrepancies and Errors

- If the error cannot be substantiated as intentional through verification, it must be treated as an unintentional resident error



**Reimbursement of HAP, Overpaid
Rent, and Repayment Agreements**



Resident Reimbursement to Owner

- Resident must reimburse owner if resident was charged a lower rent amount than they would have because they:
 - Failed to provide owner with changes in income or any factor that would affect resident rent
 - Submitted incorrect information
 - Failed to report any income



Resident Reimbursement to Owner

- Resident must repay owner difference between
 - Rent household should have paid and
 - Rent household actually paid
- If under-payment was due to owner-caused error, resident is not required to reimburse owner



Resident Reimbursement to Owner

- Resident reimbursements may go back as far as 5 years
 - HUD-9887 and HUD-9887-A explain this
 - Owners should explain at move in and annual



Resident Repayment Options

- Residents may repay amounts due:
 - In one lump sum payment for total due
 - By entering into a repayment agreement (RPA) with the owner to pay the total in installments
 - With a combination of a lump sum and RPA



Resident Repayment Options

- Terms of repayment agreement must be mutually agreed on by owner and resident
- Resident must agree to pay back amounts owed or be subject to termination of tenancy



Resident Repayment Options

- Monthly payment must be affordable
- Monthly payment plus resident’s TTP should not exceed 40% household’s monthly adjusted income
 - To ensure payment amount is affordable, may have to extend repayment period



Resident Repayment Options

- Monthly rent payments must not be applied to RPA payments
- RPA payments must not be applied to monthly rent payments
- Utility reimbursements must not be applied to past due rents, late fees, damages or repayment agreements



Resident Repayment Agreement

- All RPAs must include:
 - All retroactive amounts due
 - Any lump sum paid when RPA was signed
 - Monthly payment amount
 - References to applicable paragraphs in the lease



Resident Repayment Agreement

- All RPAs must include:
 - Clause stating terms of RPA may be renegotiated if household has an income increase/decrease of \$200 or more per month
 - State monthly RPA amount is due in addition to, not in lieu of, monthly rent



Resident Repayment Agreement

- All RPAs must include:
 - Language stating that late and/or missed payments constitute a default of the RPA and may result in termination of assistance and/or tenancy
 - Signatures and dates for both resident and owner



Owner Reimbursement to HUD

- Owners are not required to immediately reimburse HUD for HAP overpayments that are resident-caused
- If the owner signs a repayment agreement with the resident, the owner may reimburse HUD as they receive payments from the resident



Owner Reimbursement to HUD

- Owners may retain a portion of the repayment amount
 - Applies to all cases of improper reporting by the resident, not just fraud



Owner Reimbursement to HUD

- The owner may retain the lesser of:
 - Actual costs; or
 - 20% of the amount received from the resident
 - Amounts retained by owner must be deposited in property’s operating account



Move-Out Files

- Tenants must provide owner with 30-day written notice to vacate according to lease
- Inspections required at move-out
 - Copy of the inspection must be retained in the tenant file
 - Must be signed and dated by O/A



Move-Out Files

- Security deposits must be returned in 30 days
 - Or less if required by state law
- Charges against the security deposit must be in an itemized list
- Tenants must be billed for any balance due if amount owed exceeds security deposit



Special Claims



Special Claims

- Owners can apply for special claims for unpaid rent and damages and/or vacancy loss
 - Work with contract administrator
 - And HUD's "Special Claim Processing Guide"



Vacancies

- Eligible to receive 80% of the contract rent for up to 60 calendar days for each vacant unit
- The requirements for vacancy claims include:
 - Upon learning of a vacancy the owner transmits the moveout data to TRACS



Vacancies

- Only for units that are in decent, safe and sanitary condition and available for occupancy
 - May not be paid for the days a unit is being prepared for re-occupancy (Unit Ready Date is day AFTER all work is completed in the unit)
- All feasible actions taken to fill the vacancy



CA Processed Claims

- Unpaid Rent/Tenant Damages HUD-52671-A
 - Reimbursement to a property owner for a former resident's failure to pay monthly rent, other charges due under the lease, or for damages caused by the former resident.



Unpaid Rent & Damage Claims

- Total claim paid for both unpaid rent and damages may not exceed 1 month contract rent minus the security deposit
 - Rent in effect on date of move out



Applies to All Claims

- All Special Claims submitted must have a checklist
- Special Claim(s) must be received within 180 days of :
“Date Unit Ready for Occupancy”



Requirements

- “Other charges” due under the lease included with unpaid rent include:
 - Failure to return keys
 - Late fees, if allowable under the lease and state or local law
 - Any charges for damages during tenancy that the resident was previously billed for and that were still unpaid at move-out



Requirements

- “Other charges” that are not allowed include:
 - Legal fees
 - Collection agency fees
 - Unpaid utility bills left by the resident
 - Cost of photographing unit to prove resident damage



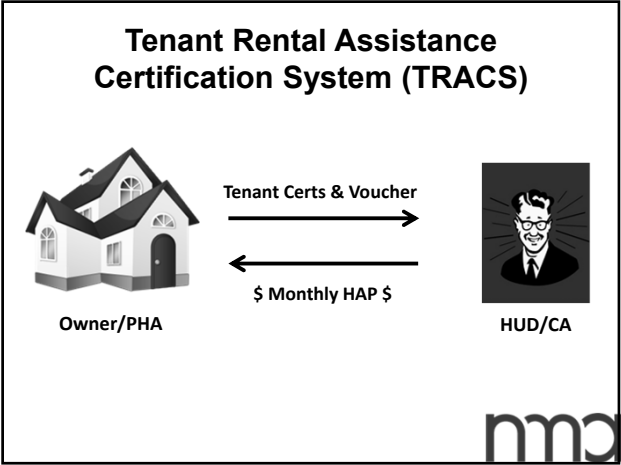
Requesting Special Claim Payment

- Owner/Agent should request Claim paid on next HAP voucher
 - Request must be made within 90 days of approved/adjusted letter date
 - HAP Voucher must include 14-digit Special Claim ID number**
- **HUD 52670-A Part 5



Computer Systems





TRACS

- Owner/agent must use TRACS queries to review and monitor transmissions
- Must follow up with HUD or CA to correct deficiencies identified in TRACS
- “Rules of Behavior for TRACS” within last 12 months and on file
- Annual TRACS “Security Training Certificate” current, on file, dated within 30 days of above



Timing of TRACS Submissions

- Voucher must be submitted by the 10th of each month for the HAP due on the 1st of the next month
 - Example, June’s voucher would be transmitted to TRACS between the 1st and 10th of May
- Tenant certifications (50059/50059As) should be submitted as they are completed, but no later than the 10th
- If a current recertification has not been submitted for any household within 15 months of the previous recertification, TRACS will not accept the voucher



TRACS

- Monthly Activity Transmission (MAT) is a front-end subsystem to TRACS
 - Accepts data transmitted from owner’s software to HUD/CA and returns messages
 - Failed data causes error messages requesting correction from sender
 - MAT data is transmitted to HUD via an electronic mailbox (iMAX, formerly TRACSMail)



MAT Files

- MAT files are the language that is spoken by owner/PHA software and TRACS
- Each type of file submitted has a different MAT file number
 - MAT 30- Voucher
 - MAT 10- Full certification info (MI, IC, AR, IR)
 - MAT 15- Tenant address info
 - MAT 40- Move out certification
 - MAT 65- Termination info
 - MAT 70- Partial certification (UT and GR)



MAT Files

- MAT Files are recorded in TRACS in the following order:
 - Voucher
 - Move outs
 - Terminations
 - Full certifications
 - Unit Transfers
 - Gross Rent changes
- Tenant certification can be submitted more than once a month
- Recommended to submit all move out, termination and unit transfer certifications as soon as they are completed



Voucher Billing

- Owner software creates the monthly voucher from all current certifications for each household
- The voucher contains all tenant rent and HAP amounts, including any adjustments that have been made since the last voucher billing
- This is why having all certifications completed 30 days in advance is critical for correct billing



Voucher Submissions for RAD

- RAD properties will not begin to receive payments through the Multifamily (MF) system until January 1 the year following conversion
 - This time is called the year of conversion
 - For example: If the HAP contract is effective 11/1/19, MF HAP will not begin paying until 1/1/20



Voucher Submission for RAD

- During the year of conversion, O/As must submit vouchers with a \$0 payment request
 - Enter a Miscellaneous Accounting Request to zero the amount out
- These zero-sum vouchers MUST be submitted during the year of conversion
 - If it is not zero, it will be rejected in TRACS



AR/IR Corresponding to Conversion Date

- There may be an AR or an IR that is supposed to be effective on the same date as the conversion IC
 - Recertifications must still be completed



AR/IR Corresponding to Conversion
Date



- The O/A must:
 - Create the IC using the most recent 58
 - Does phase-in apply?
 - Sign and send to TRACS
 - After TRACS has accepted the IC and it shows as current, correct the conversion IC using the new income data from the AR or IR



AR/IR Corresponding to Conversion
Date



- Must be current in TRACS first
- Make sure that it is done as a correction (CR) to the Initial (IC)
 - Not an Interim (IR) or Annual (AR)
- If phase-in is applicable, make sure the rules are applied to the CR



AR/IR Corresponding to Conversion
Date



- Send the CR to the IC to TRACS
 - Check the AR date to ensure it is showing as due the next year
 - i.e. a November 1, 2019 conversion would show the next AR as due November 1, 2020



Combining Certifications



Effective Dates of 50059

- When a full certification and a partial certification are effective on the same day, the certifications are combined on the full certification
 - This is common when gross rent changes or unit transfers are effective on the same day




Example




- Resident AR is due April 1
- Resident reports timely and the AR is sent to TRACS on March 10
- On May 9 the O/A completes a requested GR and enters it into site software with an April 1 retroactive effective date
- A Correction (CR) to the AR must be completed and sent to TRACS




Example




- The full, corrected 50059 will be the only certification submitted to TRACS
 - With the correct assistance payment amount
 - Submitted as a CR to the AR as a MAT 10 file




Example




- Remember, that a full 50059 must always be signed by the O/A and all adults, but the 50059 A only signed by the head of household if the resident portion of the rent will change



Example



- In other words, if the gross rent change caused a correction to a previously submitted 50059, you must get resident signature on that certification
 - Even if the resident portion does not change
 - Full certification, not a partial certification



Housing Owner's Certification and Application for Housing Assistance Payments

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0182
(Exp. 06/30/2016)

Part I - Contract Information

1. Project Name:		2. FHA/EH/Non-Insured No.	3. Sec. 8/PAC/PRAC/Contract No.	HUD/CA Use Only Voucher Number:
4. Type of Subsidy:	5a. Management Agent's Name:			Date Received:
	5b. EIN:			Date Paid:

Part II - Occupancy & Income Eligibility Information

6. General Occupancy Information (contract specific):		7. Exceptions to Limitations on Admission of Low-Income Families (only for Sec. 8 contracts effective on or after 10/1/81):	
a. Total Units in contract		a. Project-based exceptions in use	
b. Number of Units receiving subsidy under this contract		b. Project-based exceptions allocated	
c. Number of units abated under this contract		c. Tenant-based exceptions in use	
d. Number of Units vacant under this contract		d. Total exceptions (line b + line c)	
e. Number occupied by Market Rent Tenants		e. Date Field Office last changed allocations for project-based exceptions (mm/dd/yy)	
Note: 6a must equal 6b + 6c + 6d + 6e			

Part III - Breakdown of Assistance Payment Requested

8. Type of Assistance	9. Number of Units in Billing	10. Amount Requested	HUD/CA Use Only 11. Amount Approved
a. Regular Tenant Assistance Payments for (mo./yr.):			
b. Adjustments to Regular Tenant Assistance Payments			
c. i. Section 8 Special Claims for Unpaid Rent			
ii. Section 8 Special Claims for Tenant Damages			
iii. Section 8 Special Claims for Vacancies			
iv. Section 8 Special Claims for Debt Service			
d. Miscellaneous Accounting Requests			
e. Repayment Agreements			
f. Total Subsidy Authorized under instructions in Handbook 4350.3 Rev. 1			

Part V - Owner's Certification I certify that: (1) Each tenant's eligibility and assistance payment was computed in accordance with HUD's regulations, administrative procedures, and the Contract, and are payable under the Contract; (2) all required inspections have been completed; (3) the units for which assistance is billed are decent, safe, sanitary, and occupied or available for occupancy; (4) no amount included on this bill has been previously billed or paid; (5) all the facts and data on which this request for payment is based are true and correct; and (6) I have not received and will not receive any payments or other consideration from the tenant or any public or private source for the unit beyond that authorized in the assistance contract or the lease, except as permitted by HUD. Upon request by the Department of Housing and Urban Development, its duly authorized representative, or the Comptroller General of the United States, I will make available for audit all books, records and documents related to tenants' eligibility for, and the amount of, assistance payments. **Warning:** HUD will prosecute false claims & statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. Sections 1001, 1010, 1012; 31 U.S.C. Sections 3729, 3802).

Part IV - Distribution of Subsidy Earned (HUD/CA Use Only)

12. Applied to HUD-held mortgage	Amount Approved
13. Applied to debts owed by mortgagor	
14. Paid to Project	
15. \$ _____ of the amount in item F, part III was released from the Residual Receipts Account.	
Printed Name, Date, Title & Phone No. (include area code) & Signature:	

Schedule of Tenant Assistance Payments Due

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0182
(Exp. 06/30/2016)

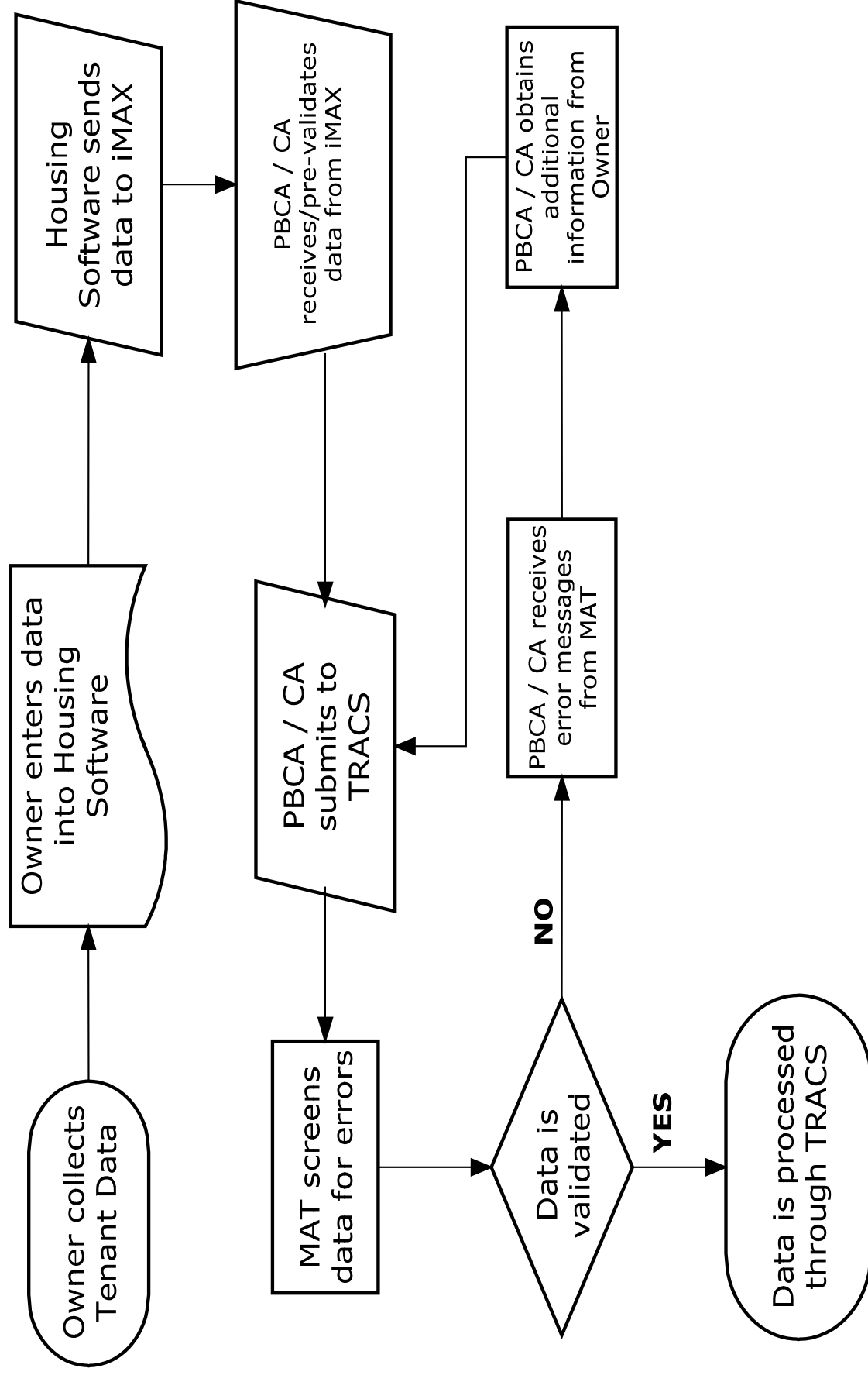
Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on the form HUD-52670 for information on public burden.

1. Asst. Pymts Due For (mm/yyyy):		2. Project Name:			3. FHA / EH / Non-Insured Proj. No:			4. Section 8 / PAC / PRAC Contract No:			5. Type of Subsidy:		
6. Head of Household Name Last, First, Initial	7. Unit Number	8. Unit Size	9. Contract Rent	10. Util. Allow.	11. Gross Rent	12. Income Code	Turnover Data		Recertification Data		15. Change Code	Tenant Assistance Payment	
							13a. Code	13b. Mo./Day	14a. Effective Date	14b. First Reminder Notice Date		16a. Requested	16b. Approved (HUD/CA use only)
17. Totals for this page													

Most Common Errors

Error	Recommended Solution
F0102 Temporary ID (T-ID) submitted does not exist in TRACS	Confirm the T-ID or make certain the correct name and birth date are used in the resubmission.
F0231 MAT 10 not processed. MAT 10 Unit Number is different from the TRACS Unit Number	If this is a MAT 10 Unit Transfer, then submit the MAT10 with a “Y” in the MAT 10 unit transfer code AND A different unit number for the tenant. If this is not a Unit Transfer and you want to change the Unit Number for the tenant, submit the new Unit Number in a MAT 10 as a correction, or submit a baseline certification.
F0096 Move-Out exists on the TRACS Database	The Move-Out transaction submitted is apparently a duplicate submission.
F0200 MAT 70 not processed. The Gross Rent Change already exists in TRACS.	Confirm that the Gross Rent Change was submitted for the correct tenant.

Information Flow Through TRACS



TRACS vs PIC

TRACS

Multifamily Properties

Must be submitted by the 10th of each month

Generally sent to CA instead of directly to HUD

Billing avenue to receive monthly HAP

PIC

PH, HCV, PBV

Must be submitted by the last day of the month in which the certification is effective

Sent directly to HUD

Reporting tool, does not prompt monthly payment

- **Technical submission instructions for transmitting 50059 data electronically to TRACS**
 - Written for computer programmers, however, does give definitions concerning TRACS errors that can be helpful when correcting discrepancies
- **MAT User Guide describes:**
 - TRACS and MAT error codes; how to correct
 - Format MAT record layouts
 - Field characteristics
 - HUD-form data locations



Tips for TRACS

Send tenant files more than once a month- this will cut down on errors. At a minimum, send all move outs, terminations, and unit transfers as they occur.

Ask HUD or your CA any questions you might have, they are there to help and may have resources that are beneficial!

Check sign dates on certifications in your software, ensure sign dates are entered and correct.

Double check your voucher for accuracy before submitting.

Have the MAT guide bookmarked or printed so you can easily review. The MAT guide is a great tool and will help you determine errors and get them corrected.

Be on time or ahead with your recertifications.

Know your software and how to correct any issues that may arise.

Read TRACS messages as they arrive from HUD or the CA, these may help you avoid future issues.

Check the TRACS database regularly to ensure all information is current and matches your records.

Contract Renewal Overview



Overview

- **Section 8 Renewal Policy Guide**
 - Updated August 2015
 - **NEW!** The Policy Guide has been rewritten, and is effective for all renewal packages and rent changes received by HUD after 7/28/17 (nmareferences.com)



Overview

- Rents must be comparable to market rents of unsubsidized properties in the area
- Contract rents may increase or decrease at renewal
- Rent Comparability Study (RCS) required in many cases



Renewal Option Determination

- HUD Notice H 2011-01 requires owners of PBRA or Section 202 or 811 PRACS to obtain and maintain an active Data Universal Numbering System (DUNS) number for their project
- The Central Contractor Registry (CCR) referenced in this Notice has been replaced by the System for Awards Management (SAM)s, where DUNS numbers can be registered and renewed each year



Renewal Option Determination

- DUNS numbers are assigned and maintained solely by Dun & Bradstreet
- To get your DUNS numbers registered and renewed go to the SAM website, there is a link at nmareferences.com



Renewal Option Determination

- Again, HUD requires an active DUNS number in order to renew these contracts, and the DUNS number needs to be renewed annually to stay active
- As of 12/1/17 vouchers that do not contain an active DUNS number will not be paid.
 - The “Quick Start Guide for Updating/Renewing an Entity” provides guidance for renewing your DUNS number in SAM



**RAD PBRA: Mandatory Contract
Renewal**

- Initial term of the HAP contract is 20 years
- After the initial term of the HAP contract and at each contract renewal, HUD must offer the PHA, and the PHA must accept a contract renewal
 - Subject to appropriations



Utility Allowance Analysis



Utility Allowance Analysis

- Notice H 2015-04 amended methodology used to complete an annual Utility Allowance Analysis (UAA)
- Full UAA only required once every 3 years
 - Was required annually
 - For 2 years thereafter, may perform a factor-based utility analysis
 - HUD publishes Utility Allowance Factor annually, by state



Sample Size Methodology

- Baseline utility analysis for each bedroom size must be performed every 3rd year
 - Request utility data for sample size for each bedroom size in the property from
 - Local utility company or
 - Resident households
 - May include more than minimum required units, but not less



Sample Size Methodology

Figure 1	
Number of Units *	Minimum Sample
1-20	All
21-61	20
62-71	21
72-83	22
84-99	23
100-120	24
121-149	25
150-191	26
192-259	27
260-388	28
389 and above	29

Sample Size Methodology

- If property consists of multiple identical buildings, sampling may be performed at the property level for each bedroom size
 - If the buildings are not identical, sampling must be done for each bedroom size for each building



Factor-Based Utility Analysis

- **Utility Allowance Factor (UAF)**
 - Used for two years after baseline UAA
 - State-specific
 - Published by HUD
- If UAF is significantly different than actual paid utilities over previous 12 months, owner should complete a baseline UAA



Questions



RAD Program Differences From Regular PBV Rules

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Cap on PBV units in a project	The greater of 25 units or 25% of units in a project	REV-2: 50% of units in a project REV-3: No cap	24 CFR § 983.56, as modified by HERA is waived	1.6.A	1.6.A
Choice Mobility (Right to Move)	After 12 months of occupancy	PBV rules	N/A	1.6.D.9	1.6.D.9
Contract Extension	Optional, up to 20 year extension	Mandatory contract renewals	24 CFR 983.205(b)	1.6.B.2	1.6.B.2
Contract Format	PBV HAP contract forms	PBV HAP contract with RAD Rider	N/A	1.6.B.4	RADBlast! 11/17/17
Contract Rent Adjustments	Same as initial rents	OCAF on contract anniversary date No decrease below initial contract rent with exceptions	24 CFR §§ 983.301 (as amended by HERA) and 983.302	1.6.B.6.	1.6.B.6.
Contract Rents—Initial	Except for certain tax credit units, lowest of: (a) reasonable rent; (b) up to 110% of applicable FMR (or exception rent), minus utility allowance; or (c) the rent requested by the owner	Lowest of: (a) current funding; (b) reasonable rent; (c) up to 110% of applicable FMR (or exception rent), minus utility allowance; or (d) rent requested by owner	24 CFR 983.205(a) as modified by HERA	1.6.B.5.	1.6.B.5.

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Contract Term—Initial	Minimum: 1 year Maximum: 20 years	Minimum: 1 years Maximum: 20 years	24 CFR § 983.205 (a) as modified by HERA	1.6.B.1.	1.6.B.1.
Earned Income Disregard (EID)	Only disabled individuals are eligible	Participating individuals are grandfathered in and continue EID participation until maximum time frame elapses, even if they are not disabled	24 CFR §960.255	1.6.C.8.	1.6.C.8.
Family Self-Sufficiency	PHA may no longer withhold or terminate assistance, if family does not complete FSS contract [FR Notice 12/29/14].	Continuation of participation in HCV FSS program. PHA must establish a program, if one does not exist. Families may not be terminated if they do not complete FSS contract	FR Notice 12/29/14	1.5.H. 1.6.C.5.	1.5.H. 1.6.C.5.
Income Limits	50% or 80% AMI based on admin plan	Do not apply to in-place families For new move-ins, standard PBV rules apply	24 CFR § 982.201	RAD FAQs	RAD FAQs

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Income Targeting (existing tenants only)	75% of new admissions for HCV (including PBV) must be at or below 30% AMI	Does not apply to existing tenants For new move-ins, standard PBV rules apply	24 CFR § 982.201(2) is waived for existing tenants only	1.6.C.1.	1.6.C.1.
Informal Hearing	Same as HCV	Same as HCV Plus evictions and any dispute about resident's rights, obligations, welfare, or status.	24 CFR § 982.555 24 CFR § 982.555(b) is waived in part	1.6.C.7.ii.	1.6.C.7.ii.

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Lease Termination Notices	Notice in accordance with State and local law	<p>Additional requirements for public housing only:</p> <ul style="list-style-type: none"> • 14-day notice for nonpayment of rent • Reasonable period but not more than 30 days for activities that threaten others or for drug related or violent criminal activity and felony convictions <p>30 days or period required by State or local law for other lease violations</p>	24 CFR § 983.257 applies, with additional RAD requirements	1.6.C.7	
Mandatory Insurance Coverage	Flood Insurance required for new construction/rehab properties if in flood zone	Mandatory flood and liability insurance	N/A	1.6.D.5	

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Overhoused Existing Tenants	Families must be offered appropriate size unit at project, a comparable assisted unit or a voucher to move. Family must move within time frame established by PHA	At conversion, existing families must be allowed to return to the project but may be right-sized at the project if appropriate unit size is available For all new admissions, PBV rules apply	24 CFR §983.259(b)(1)(2) and (c).	3.5.K.	
Parties to Contract	PHA and Owner	PBV rules	N/A	N/A	
Phase-In of Rent Increases for Existing Tenants	N/A	If at conversion, tenant rent increases more than 10% or \$25, must be phased in over 3 to 5 years per PHA policy.	CFR § 983.3 and 983.353(b)(1) waived for this purpose only	1.1.6.C.4e.	
Resident Organizations	N/A	PHA must budget \$25 per occupied unit per year, \$15 of which goes to legitimate resident organizations.	N/A	1.6.C.6.	

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Screening of Existing or In-Place Tenants	PHAs and owner cannot project-base units where existing tenants are over-income. PHA may screen in-place tenants.	No rescreening	24 CFR § 982.201 waived for existing tenants	1.6.C. 2.5.F.	
Security Deposit	An amount consistent with the private market.	Same as PBV, except for existing tenants, the security deposit paid at move-in transfers and no additional payments are required.	N/A	RAD FAQs	
Special Fees	None	None	N/A	RAD FAQs	
Supportive Services	HOTMA provides that a family can no longer be required to participate in supportive services as a condition of living in a unit in order for that unit to meet the supportive services exception.	Existing tenants at the time of the conversion must be given option to receive supportive services. If declined, existing tenants may not be terminated.	24 CFR §§ 983.56, 983.257(c), 983.261(a) and (d) PIH 2017-21—Attachment E	1.6.A.2. 2.5.C. 3.5.C.	

Topic	PBV Rules	RAD PBV Rule	PBV RAD Regulation Waivers	RAD Citations in Notice PIH 2012-32, Rev. 2	RAD Citations in Notice PIH 2012-32, Rev. 3
Vacancy Payments	Optional HAP contract provision; up to monthly rent to owner for up to 2 months if requirements are met.	Same as PBV	N/A	N/A	

RAD Demonstration Program Differences from Regular PBRA

Topic	PBRA Requirements that are Waived	RAD PBRA
Length of Contract	<ul style="list-style-type: none"> Maximum term of 15 years for an existing structure Section 8(d)(2)(A) of the Act 	Initial HAP term of 20 years
Contract Renewal	HUD required to renew at the request of the owner	Mandatory contract renewals
Contracts	N/A	RAD Use Agreement runs concurrently with the HAP contract
Contract Rents—Initial	<ul style="list-style-type: none"> Section 8(c)(1) of the Act governs rent setting Section 8(c)(5) of the Act and 24 CFR 880.503(b) governs the project account 	<ul style="list-style-type: none"> HUD calculates initial contract rents and establishes on HAP contract Capped at 120% of the FMR minus any UA Exceptions may be made for: <ul style="list-style-type: none"> PHA request MTW fungibility Rent bundling Future Replacement Housing Factor (RHF) funds
Contract Rent Adjustments	Section (8)(c)(2) of the Act and 24 CFR 880.609	<ul style="list-style-type: none"> Adjusted annually at anniversary date of HAP contract by HUD's OCAF Maximum Rent is higher of 140% of FMR (minus UA) or market rent as determined through an RCS
Distributions	24 CFR 880.205 establishes limitations on distributions for profit-motivated owners and authorizes HUD to require owners establish a residual receipts account	Projects not subject to any limitation on distributions
Transfer of Assistance	N/A	May transfer part or all of rental assistance contract to unassisted units owned or controlled by a public or non-profit entity

Topic	PBRA Requirements that are Waived	RAD PBRA
Screening (Existing Tenants)	Owner screens for program and project eligibility and suitability	No rescreening
Income Limits (Existing Tenants)	Either 50% or 80% depending on when the HAP contract was initially executed	Existing tenants may remain in the unit if over-income
Income Targeting (Existing Tenants)	40% of units vacated to families at or below 30% of AMI	Does not apply to existing tenants
Rent Increases	24 CFR 880.201 defines total tenant payment (TTP)	If a resident's rent increases by more than the greater of 10% or \$25 as a result of the conversion, rent increase phased in over 3 years (may be extended to 5 years)
PH Family Self-Sufficiency	N/A	Current participants continue to be eligible after conversion May not enroll new participants Must provide service coordinators and payments to escrow until end of the Contract of Participation
Resident Organizations	N/A	PHA must provide \$25 per occupied unit annually for resident participation, \$15 of which goes to legitimate resident organizations

Topic	PBRA Requirements that are Waived	RAD PBRA
Termination Notices	24 CFR 880.607 and 880.603 (additional requirements under RAD)	<ul style="list-style-type: none"> • Follow regular PBRA provisions and add: • Adequate written notice of lease termination, not less than: <ul style="list-style-type: none"> - A reasonable period of time, not to exceed 30 days <ul style="list-style-type: none"> • If the health or safety of other tenants, owner employees, or person residing in the immediate vicinity of the premises is threatened; or • In the event of any drug-related or violent criminal activity or any felony conviction - 14 days in the case of nonpayment of rent (30 days when HUD determines that there is a national emergency)

Topic	PBRA Requirements that are Waived	RAD PBRA
Grievance Process	Notice requirements for covered actions under 24 CFR Part 245 (additional requirements under RAD)	<ul style="list-style-type: none"> Follow regular PBRA provisions and adds: Residents provided with notice of the specific grounds of proposed owner adverse action and right to an informal hearing Informal hearing with an impartial member of PHA's staff within a reasonable period of time Opportunity to be represented by another person, to ask questions of witnesses, have others make statements at the hearing, examine any regulations or evidence relied upon, copy any documents or records related to adverse action Written decision within a reasonable period of time stating grounds for action and evidence relied upon PHA bound by decision unless hearing concern matter that exceed authority of impartial party conducting hearing or decision is contrary to HUD regs/requirements or federal, state or local law
Earned Income Disregard (EID)	N/A	Participating individuals continue EID after conversion unless they undergo a break in employment, cease to use the EID or it expires
Capital Fund Education and Training Community Facilities (CFCF) Program	N/A	Continues to qualify
Access to records	N/A	PHAs must agree to any reasonable HUD request for data to support program evaluation
Davis-Bacon Act and Section 3	N/A	Applies to all initial repairs to the extent they qualify as construction or rehabilitation

Topic	PBRA Requirements that are Waived	RAD PBRA
Waiting List	24 CFR 880.603 regarding selection and admission of assisted tenants does not apply to the initial waiting list, but applies thereafter	<ul style="list-style-type: none"> • Project-based lists: Must use list that existed at the time of conversion. If PHA transfers assistance to another neighborhood, must notify applicants of transfer and how to apply for assistance. Existing applicants have priority on new waiting list • System-wide lists: Offer applicants placement on converted project's initial list. Follow 24 CFR 903.7(b)(2)(ii)-(iv) in establishing waiting list
Mandatory Insurance Coverage		Mandatory liability insurance
Choice-Mobility (Right to Move)	Project-based assistance	<ul style="list-style-type: none"> • Right to move with a tenant-based voucher (HCV) at later of 24 months from date of execution of HAP contract or move-in date <ul style="list-style-type: none"> - Optional turnover cap of one-third of vouchers in any year - Optional project turnover cap of 15% of assisted units in project in any year