EIV To Become Mandatory for Project Based Section 8

Recently HUD published for comment their final rule on EIV implementation and rent determinations. The final rule was originally released but then pulled back for a 60-day comment period at the request of the new administration in Washington. Most important to owners is the change in the implementation date. Effective September 30, 2009 use of the EIV system by owners for recertification activities becomes mandatory. To use the system, two different types of access must be granted. The first is Coordinator Access Authorization and the other is User Access Authorization.

EIV Coordinators and Users should read the updated External (Non-HUD Coordinator/User) Instructions for Applying for EIV Access for Multifamily Housing Programs for complete guidance on application submission and processing requirements. This document can be accessed at the website listed at the end of this article.

Owners who have not already gained access to the program must complete the following between now and September 30, 2009:

For Coordinator Access Authorization

Staff in this role manage access to the system for the properties in the owner’s portfolio. The person(s) in this role is responsible for giving access to staff who will be running reports from the system as well as terminating staff access to the EIV system when it is no longer needed. The steps to get Coordinator Access Authorization are:

1. Apply for access to the EIV system. In order to do so, O/A MUST have a WASS User ID. If O/A does not have a WASS User ID, going to http://www.hud.gov/offices/reac/online/reasyst.cfm provides instructions.
2. EIV Coordinator access must be established first. In order to do so, owner authorization is required. This authorization will be checked at every Management and Occupancy Review conducted by your PBCA. An O/A failing to produce this authorization will be issued a finding on the report. To get EIV Coordinator access, the individual must complete and submit a hardcopy by:
   - Emailing the form in a PDF format or in a compressed picture format such as GIF or JPG to mf_eiv@hud.gov
   - Faxing the form to 202-401-7984
3. These forms can be downloaded from the EIV website at http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivapps.cfm. The property owner must complete, sign and submit the Coordinator Access Authorization Form (CAAF). A validation process will be completed by EIV and the applicant will be notified via email of application approval and assigned role.

(…..Continued on page 2)
4. The approved Coordinator must assign an appropriate EIV role to the properties/contracts listed on the approved CAAF then complete and submit an electronic CAAF request to HUD’s MF Helpdesk for certification to complete the process.

5. The approved CAAF will be signed and returned to the EIV Coordinator who must keep the approved CAAF, along with the written owner approval letters on file and make them available to HUD or the CA at the annual Management and Occupancy Review.

**For User Access Authorization**

Staff with this role enter the EIV system and search, find and run SS/SSI benefit, wage, unemployment compensation and new hire reports on individuals as part of the certification process for tenants.

To apply for an EIV user role,

1. A completed **User Access Authorization Form (UAAF)** in hardcopy must be submitted to a **Coordinator**.
2. The **Coordinator** will review and approve the EIV User access and follow the same process for validating the WASS ID and name before granting access.
3. The **Coordinator** will then assign access rights to EIV and the properties/contracts the user needs access to.
4. The **Coordinator** will sign and retain the original UAAF and return a copy to the EIV User who must keep the form on file and produce it for review during an annual Management and Occupancy Review.

**For those who already have access to EIV, it is important to note the following:**

Once staff have been given access to the system, Coordinators must perform ongoing activities related to security. User Access must be recertified **quarterly**. EIV Coordinators are required to certify the contracts/properties for all the users that they manage every quarter. Failure to do so within a 30-day grace period will result in Users losing their EIV access to uncertified properties/contracts.

Whereas Users are recertified quarterly, Coordinators are recertified **annually**. See the chart below for required recertification timeframes for those filling the USER role in the system:

<table>
<thead>
<tr>
<th>Quarter 1: Jan. 1 - Mar.31</th>
<th>(30-day grace period 04/01 thru 04/29)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 2: Apr. 1 - Jun.30</td>
<td>(30-day grace period 07/01 thru 07/30)</td>
</tr>
<tr>
<td>Quarter 3: Jul. 1 - Sept.30</td>
<td>(30-day grace period 10/01 thru 10/30)</td>
</tr>
<tr>
<td>Quarter 4: Oct. 1 - Dec.31</td>
<td>(30-day grace period 01/01 thru 01/30)</td>
</tr>
</tbody>
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2.0.2 C and iMAX

Article submitted by Peter Herrick: TRACS Analyst

On December 1st 2008 HUD released an implementation schedule for the iMAX system as well as TRACS version 2.0.2.C. According to the schedule, all Owner and Agents must have fully converted to iMAX no later than 3/1/2009. This date was later changed to 3/14/2009. As of 3/13/2009 the TRACSMail system has been disabled and all submissions must be received through iMAX. The schedule also called for the complete conversion to 2.0.2.C by 3/31/2009. Failure to convert by both of these dates may result in failure to receive or process certification and voucher files, which ultimately can lead to delayed voucher payment.

The integrated Multifamily Access eXchange (iMAX) system provides a replacement for the current TRACSMail system. Without losing any of the functionality of the TRACSMail system, iMAX enables the electronic submissions of certifications and vouchers into the TRACS system and stores all submission related data. In addition, it acknowledges Monthly Activity Transmission (MAT) file submissions in a real-time manner with a unique transaction ID, which can be used later for audit log searches. iMAX is a web-based communication system which can be accessed as long as the user has a web-browser, internet connection and a Web Access Secure Sub-systems (WASS) ID, a dialup connection is no longer mandatory. HUD has also released TRACS Version 2.0.2.C to further align the TRACS system with the HUD handbook. With the version came many changes, most notably a new HUD-50059.

Useful Links and Number
HUD has provided a number of useful links to aid in this transition. A few are listed below.
- General Question – tracs@hud.gov

Multifamily Helpdesk phone number – 1-800-767-7588

Special Claims Webinar. Question/Answer follow-up

The New York State Housing Trust Fund Corporation (HTFC) and our contractor, CGI, are pleased to announce that two separate on-line Special Claims workshops were held for owners and representatives of contracts in the Performance Based Contract Administration (PBCA) portfolio. Topics covered included: Preparing a Vacancy Claim, Preparing an Unpaid Rent/Damage Claim, Tips on submitting Special Claims, The Special Claims Review Process, and Re-Submitting an Incomplete or Denied Special Claim.

Slides of the presentation can be found on the PBCANY web page. Below is a compendium of the Questions and Answers that arose during this presentation. For more information contact the Contract Specialist assigned to your portfolio.

General
Q: What happens if the move-in 50059 is unavailable?
A: A MI 50059 is a required document to substantiate the amount of Security Deposit to be collected. If you believe you should be entitled to a vacancy claim without the ability to submit this required document then you must explain the extenuating circumstance which resulted in the missing 50059 and include it along with the claims submission. A determination of acceptability will be made upon receipt.

Q: Do we enter each individual unit on the voucher or lump all together?
A: Lump together based on type of claim submitted and claim approval number.
Q: Regarding forfeiting the deposit, the security deposit is applied first to unpaid rent, second to damages and third to vacancy - regardless if the notice was given properly to vacate, right?
A: The security deposit should be applied first to rent; second to other charges allowed under the lease; and third to vacancy loss, if there is a balance after rent and other charges were deducted and the security deposit was forfeited due to the tenant’s failure to fulfill his/her obligations under the lease. A copy of the security deposit disposition statement must be submitted with the Vacancy Loss Claim to show if there are any security deposit funds available to be applied to vacancy loss (i.e. the security deposit was either refunded, applied to unpaid rent and damages, and/or forfeited).

Q: What is difference between incomplete or denied submission?
A: An incomplete package requires resubmission and occurs when a special claims package is missing elements or documentation. A claim can be denied at either original submission or resubmittal. A denial occurs when the support submitted with the claim is missing elements or doesn’t agree to the claim (i.e. amounts, dates, etc.). Denial can also occur if a resubmitted claim package is still incomplete. If an owner disagrees with a denial or reduction he can request a review of his package through an appeal. If there is pertinent information that would cause the CA to reconsider their decision it should be submitted at this time. Per the Special Claims Guide, Section 1-5G (1) “The owner is allowed one original submission, one resubmission, and one appeal.”

Q: Do you know the date when the security deposit changed from tenant rent to total tenant payment?
A: Collection of the minimum of $50 or the TTP amount went into effect for New Construction with an AHAP executed on or after November 5, 1979, and for Substantial Rehab with an AHAP executed on or after February 20, 1980.

Note: If the security deposit held by the owner met the rules in effect at the time the deposit was collected, or if the owner was not previously required to collect a security deposit under program requirements, the special claim will not be reduced because a security deposit wasn’t collected or where the deposit does not match the current rules.

Vacancy Claims

Q: When verifying the move out date, do we have to submit any documentation with the claim?
A: The Specialist will verify the Move Out date as noted on the submittal with the Move Out date as reported in TRACS. However, keep in mind that a required element of the Security Deposit disposition notice is the Move Out date, so this document, at least, must contain the Move Out date. Moreover, any other documentation that is submitted with the claim, such as reconditioning log or maintenance record should support the Move Out date as stated in TRACS.

Q: Must the example reconditioning log be utilized? Or may we use a "work order" or "make ready" form generated by software that is in use on-site acceptable?
A: The form that was shown in the presentation and offered in the special claims guide is an example, however, whatever form is utilized should at least contain similar elements so CGI can process the claim appropriately.

Q: Do we have to provide documents to prove the move-out or transfer is in TRACS?
A: No. CGI will verify the information is in TRACS as per HUD Processing Guide as it is required for approval.

NOTE: If the unit was rented within the 60 day claim period, the move-in or unit transfer for the new tenant must be viewable in TRACS. If the unit is re-occupied by a non-subsidized tenant, the move-in will not be viewable in TRACS; therefore, a hard copy of the form HUD-50059 for the market rent tenant must be submitted.

Q: Our software shows the m/o date is actually the date after the move-out. The adjustment page shows no subsidy for the move out tenant was requested on the above mentioned date. Will this affect the claim?
A: Yes, this will affect the processing of your claim and could result in a denial as the move-out date on the special claims forms needs to agree with TRACS and the move-out date on the supporting documents. Additionally, as the move-out date is the day after the move-out date in TRACS, the number of days to make ready will be understated by 1 day. We suggest that you contact your Software Vendor to have your system generated reports corrected. Until the system generated reports are corrected, we suggest that you adjust the two fields that contain the move-out date and the number of days to make ready.

Q: What types of explanations are acceptable for taking more than 30 days to rehab an apartment?
A: The following are examples that would be considered: A large number of vacancies at one time, rehabbing the unit, extenuating circumstances that are well documented.
Q: So, if a property has a long wait list, and turnovers are very quick (several days from time of ready to move in) it may not be worth doing special claims, correct?
A: This is a difficult question for CGI to respond to as this is a management decision. However, what is important to keep in mind is that regulations allow you to collect a special claim in these situations.

Q: When we have an unpaid rent/damages claim we must apply the security deposit. So how can we use the security deposit on Line #11 for regular vacancy claim? We can’t use same money twice.
A: You would not need to list this money twice. A main function of the inclusion of the Security Deposit disposition letter is to document how the SD was exhausted if an unpaid rent/damage claim is not submitted. If there is no unpaid rent and no damages but you have kept the SD, then you would need to list the amount in box 11. (Typically this is due to non-compliance of the lease.)

**Unpaid Rent / Damage Claim**

Q: We have a tenant that owes retro rent back to 2006 as a result of unreported income which we discovered as a result of EIV. She is refusing to pay. Can we submit a claim for unpaid rent?
A: No. According to the 4350.3, “a special claim for unpaid rent, other charges, or tenant damages is reimbursement to a property owner for a former tenant’s failure to pay the monthly rent or other charges or for damages caused by the negligence or abuse of the former tenant.”
Therefore, while the tenant is in residency you will need to work out a repayment agreement with the tenant. If the tenant still refuses, we recommend you contact your legal counsel for guidance. Based on your counsel’s advice, if eviction is determined and completed, then you will then need to send the issue to collections and, if not collected, ultimately request on an unpaid rent claim.

Q: So if it has been turned over to legal counsel, it is not REQUIRED that it also be turned over to a collection agency?
A: A point of clarification: The legal counsel in question would need to act AS the collection agency. If a property’s legal counsel is not equipped to handle collection agency issues than a separate collection agency would be required.

Q: Is there a minimum amount that triggers the need to file with a collection agency? In other words even if it is a small amount of $200.00 +/- and cost to collect is greater than amount in arrears?
A: According to the claims guide any amount will trigger the necessity to turn over to a collection agency. Moreover, in section 5-3 (C)(2)(d) of the Claims Guide states: “Documentation must be submitted that the matter was turned over to a collection agency for collection and that the collection agency has attempted to collect the debt (i.e., copy of the agency’s first demand letter).”
However, the issue is in many cases, due to cost, the collection agency cannot or will not pursue collection because the debt is either uncollectible or too expensive to pursue. The attempt to collect the debt is often an analysis of the cost of collecting the debt and a determination is made that the collection of such debt is unreasonable. In these cases, to satisfy the Guidebook requirement, this collection agency denial letter must be attached to the claim submission.
In cases where the collection agency takes time to attempt to collect or that the owners are backed against the 180 day rule, The owner must demonstrate that they in good faith and in a timely nature turned the matter over to the collection agency to collect and that the owner has done everything under their control. The Specialist will make a determination upon review of the submission.

Q: What is the time line that we must allow between submitting to a collection agency to submitting for the claim?
A: It is difficult to offer an exact timeline to address all possible scenarios. We direct you to the 4530.3 chapter 9 Paragraph C.2.e which states, “The owner must provide evidence that the tenant was billed for unpaid rent and/or damages and that all reasonable steps were taken to collect the debt.” Therefore, the claim request must be able to demonstrate that all reasonable steps were taken to collect the debt and the collection agency has made an attempt to collect. (See the above answer.)
NYHousingSearch.gov: A Free Search Service

NYHousingSearch.gov is a FREE public service provided by the New York State Division of Housing and Community Renewal (DHCR), the New York State Department of Health (DOH) and Office of Mental Retardation and Developmental Disabilities (OMRDD). NYHousingSearch.gov is a free on-line housing registry for affordable, special needs and accessible housing throughout New York State. This new service will assist renters, property providers, housing professionals and social service providers with accessing real-time rental housing information throughout New York.

NYHousingSearch.gov allows people to locate available housing that meets their individual and family needs at a rent they can afford. It can be accessed online 24-hours a day and is supported by a toll-free, bilingual call center M-F, 9-8 Eastern Time. The fast, easy-to-use FREE search lets people look for rental housing using a wide variety of criteria and special mapping features. Housing listings display detailed information about each unit. The service also provides links to housing resources and helpful tools for renters such as an affordability calculator, rental checklist, and information about renter rights and responsibilities.

Property owners and managers, including housing authorities and private landlords, can use this service to manage their property listings FREE of charge. Listings can include pictures, maps, and information about nearby amenities. Property owners and housing authorities can register and manage their listings online or via phone and fax. Socialserve.com, a national non-profit provider of housing locator services, is responsible for maintaining the site and providing toll-free call center support. For additional information, contact Socialserve.com at 1-877-428-8844 or info@socialserve.com.

Social Security Number Verification: Now for ALL Applicants and Tenants

Keep in mind that the final rule of The Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs requires all individuals applying for or participating in HUD’s rental assistance programs to have a valid social security number.

- All social security numbers for an applicant’s household must be verified using appropriate documentation before the household may be admitted into the project.
- For current tenants, all social security numbers must be provided and verified at the next interim or regularly scheduled recertification. All efforts should be made to ensure current tenants and those on the waiting list are aware of this new requirement.
Automatic OCAF Rent Increase: HUD NY City Portfolios selected by HUD to take part in Pilot Project.

The Department of Housing and Urban Development (HUD) has streamlined the amend rents process for multi-year contracts that have been renewed under the Multifamily Assisted Housing Reform and Affordability Act (MAHRA) and are eligible to receive an Operating Cost Adjustment Factor (OCAF) rent increase. The new process is called the Automatic (Auto) OCAF Rent Increase process and is being launched on a pilot basis in a few areas of the country to test the features of the process before it is launched nationwide in approximately six (6) months. The HUD New York City Portfolio has been selected to take part in this pilot study and processing began Monday, March 16. Please keep in mind that the HUD Buffalo Portfolio will begin using the Automatic OCAF process once it is rolled out nationwide.

The Auto OCAF Rent Increase process eliminates the requirement for the Owner to calculate its own OCAF rent increase and submit an OCAF Worksheet and a cover letter to the contract administrator (CA) during amend rents years to obtain an OCAF rent increase. Contract renewals and certain contracts that are not eligible to receive an automatic OCAF annually will not be a part of this automated process. Renewal and rent increase packages for those projects should be submitted to us as in the past.

If your project is eligible for an Auto OCAF rent increase, at approximately 150 days prior to the contract anniversary date, we will send you a letter advising you of your project’s new OCAF increased rents, a new Exhibit A, and a request that you certify the accuracy of the debt service and non-section 8 rent potential amounts used. Once you have accepted the Auto OCAF rent increase, you will need to complete and execute three (3) Forms HUD-92458 Rent Schedules and return those to us with your signed certification within ten (10) days. Once we receive these items, the HUD-92458 Rent Schedules will be executed and one will be returned to you immediately at which time you will complete your Gross Rent Change through TRACS. The entire process can be easily completed within two (2) weeks and can provide you with your rent increase in time to process by your project’s contract anniversary date.

We and the Department of Housing and Urban Development are excited about bringing this streamlined process to you and welcome your feedback during the pilot phase of this process. Please submit any comments you may have to us so that we may pass them along to HUD. To find out if your project is eligible for the Auto OCAF process, or If you have any questions relating to the Auto OCAF process, please contact your Contract Specialist.