MANAGEMENT OCCUPANCY REVIEW

Presented by:

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Who is CMS?

- Located in Bremerton, WA ,Contract Management Services (CMS) is a division of the Bremerton Housing Authority since 2000, CMS serves as the Performance Based Contract Administrator (PBCA) for the Department of Housing and Urban Development (HUD) for Project Based Section 8 properties in Washington, Utah, Nebraska and sub-contractor for Hawaii.

- CMS currently has oversight responsibility for over 700 contracts, representing approximately 30,000 project-based Section 8 units throughout the states of Washington, Utah, Nebraska and Hawaii.

- CMS's philosophy in fulfilling its duties as HUD's PBCA is to maintain a service-oriented approach designed to assist property owners and agents in understanding and complying with the many complex federal housing regulations pertaining to their properties.

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Contact Information

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COMMON MOR FINDINGS

- ❑ Overview
- ❑ Application
- ❑ Tenant File
- ❑ EIV Reports and Security Documents
- ❑ Tenant Selection Plan
- ❑ Other Common Findings

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Findings Overview

- All findings are required by HUD to include:
  - **Condition:** The problem description
  - **Criteria:** The statutory regulatory or HUD Handbook requirements that were not met
  - **Cause:** Why the condition occurred
  - **Effect:** What happened or what may happen as a result of the condition/finding
  - **Corrective Action:** How to address the cause to prevent re-occurrence, with a time-frame for the O/A to respond

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Findings Overview

- Discussion of potential findings during exit interview does not mean those same findings will show on final MOR Finding Summary Report
- Corrective action most often does not need to begin until receipt of final MOR Report

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Application

- Questions relating to gender must be optional, if it is not removed
- Application Reject Letter has no explanation of why a household was rejected

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Tenant Files

- Citizen forms are not updated when a status or HH composition is changed or information reported to TRACS does not match
- Documents are not completed entirely (blank fields)
- Missing Date and Time an application was received by OA
- Incorrect address(es) on 9887
- Race and/or Ethnicity Codes do not match info reported on 50059
- Income, Asset, and/or Expense Calculation errors
- Security Deposit amounts in tenant files do not match
  - Watch out for transferred households!

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EIV Reports and Security Documents

- Pull your monthly and quarterly reports no more and no less than what your policy states, but never less than HUD requirement
- Income Report must be pulled within 90 calendar days (not 3 months)
- Resolve any discrepancies that show up on any reports within 30 days

EIV User versus Non-User Documents – What do you need?
- Owner's Letter for HSC
- Original and Current CAAF/UAAF (including hard copy original user request)
- Rules of Behaviors – who needs it and how often?
- Security Training Certificate – who needs it and how often?

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EIV Master File Reports

- Minimum Master File Report Requirements:
  - New Hire Report   Quarterly
  - Multiple Subsidy Report   Quarterly
  - Failed EIV Pre-Screening Report   Monthly
  - Failed Verification Report   Monthly
  - Deceased Tenant Report   Quarterly
  - No Income Report   Per OA's Policies and Procedures

Documentation that was obtained to verify a discrepancy must be in the tenant file.

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EIV Income Discrepancy Report

- For discrepancies, owner **must:**
  - Print the Income Discrepancy Report at the same time they print the Income Report
  - Review and Resolve any discrepancies at time of certification or within 30 days of the EIV Income Report date
  - Retain the Income Discrepancy Report and detailed information on the resolution of the discrepancy and whether or not it was found to be valid.
  - Ensure information in TRACS agrees with 50059 in tenant file – 50059 must be corrected and retransmitted if differences is noted.

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Tenant Selection Plan

- Be specific about what income limit(s) apply to your project
  - Pre-1981 Universe versus Post-1981 Universe
  - Extremely Low, Very Low, and Low Income Limit
- Streamline SSN Rules
- Equal Access Language

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Other Common Findings

- AFHMP is older than 5 years old or not updated with new OA info
- Recertification Notices are missing or not given to households timely
- Initial Lease Term is less than 1 year
- Move-In inspection was signed after the household's move-in date.
- Policy vs Addendum – which one requires HUD approval?
- Can we tell how old a verification document is?
- Tenant Files do not have current version of important documents:
  - House Rules
  - Pet Rules

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HOW TO CORRECT MOR FINDINGS

- ❑ Timeline & Basic
- ❑ Desk Review Items
- ❑ Corrections to Previous/Current Certifications
- ❑ Refund due to a Household
- ❑ Balance due to the Project
- ❑ 5% EIV Penalty

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Timeline & Basic

- 30 days from the date an MOR report is provided
- Respond using item numbers
- MOR remains in an "OPEN" status until all findings are closed

Who needs to provide responses?

Everyone!

No matter how good or bad your MOR score is, if there are any findings listed, they must be addressed!

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Desk Review Items

- If you received findings for onsite documents, such as TSP, House Rules, EIV Policies and Procedures, etc:
  - Update the form according to the HUD 4350.3 and bring them to compliance
  - Submit the updated document

> *If you received a finding for failure to provide required document, simply provide it along with other corrected items. The document will be reviewed in accordance to HUD 4350.3. If it is determined that the document is not in compliance, you will be required to make necessary updates.*

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Correction to Previous/Current Certs

- Obtain necessary document to clarify any missing information
- Complete a corrected 50059 and re-submit the certification to TRACS
  - Updated Income Information
  - Updated Asset Information
  - Updated Household Member Information, such as Citizenship Status, DOB, etc.
  - Adjusting a MO Date submitted to TRACS and make adjustment to upcoming Voucher Request

What do you do for time-sensitive items?

You cannot do anything about what already happened in the past. Examples include a rejected application or a missing application in a current tenant file.

To close these types of findings, certify as to what the policy is going forward to ensure that these issues will not be repeated.

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Refund Due to a Household

- Provide information as to how and when the refund was processed

> ***FAQ:***
> *Can the O/A make adjustment to the upcoming voucher to collect the differences after the corrected 50059 is submitted to TRACS?*

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5% EIV Penalty

- What causes it?
  - Not having access to EIV
  - Not using the EIV system in its entirety
- What happens next?
  - Once all EIV findings are closed, the voucher team will be notified that your property is no longer subject to the penalty
  - You can get your money back…for now

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EIV DOCUMENTATION

- ❑ EIV User Types
- ❑ EIV Reports
- ❑ Example EIV Documentation
- ❑ TRACS Rules of Behavior
- ❑ EIV Rules of Behavior
- ❑ Security Awareness Training

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EIV User Types

- User Administrator (EIV Coordinator)
  - Grants Access & Assigns Roles to EIV
  - Approves EIV User's electronic UAAF
  - Request User re-certification bi-annually
- User (EIV User)
  - Access to view Tenant Income & extracts reports
  - Reviews property reports at MOR (CA)
  - Reviews property access roles & documents
  - User must Recertify Bi-annually

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EIV Reports

- Existing Tenant Search
  - Identifies applicants already listed as a tenant in HUD databases
  - Run report at time of application for admission
  - Retain search results and supporting documentation for 3 years
    - If admitted, retain this documentation for term of tenancy plus 3 years
- Household Summary Report
  - Provides summary of current, active certifications in TRACS
  - Shows whether each member is Verified, Failed, Not Verified, or Deceased
  - Run report at time of recertification
  - Retain report with supporting documentation in tenant's file for term of tenancy plus 3 years

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EIV Reports

- Income Report
  - Provides employment and income information for each household member from HHS and SSA
  - Identifies household members who may not have reported complete and accurate income information and may be receiving multiple subsidies
  - Serves as third-party verification of employment and income
  - Run report within 90 days after move-in is transmitted to TRACS, at each annual and interim recertification, and as needed according to your EIV policies
  - Retain with applicable 50059 for term of tenancy plus three years

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EIV Reports

- Failed EIV Pre-Screening Report
  - Identifies household members with missing or invalid personal identifiers such as last name, date of birth, or SS number in TRACS
  - Follow up with household if new documentation needs to be obtained to update TRACS
  - Note exemptions from SSN requirements on the report
  - Run report on a monthly basis
  - Retain report in master file for 3 years and related documentation in in each applicable tenant file for term of tenancy plus 3 years

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EIV Reports

- Income Discrepancy Report
  - Identifies households where there is a difference of $2,400 or more between what was reported in EIV and TRACS
  - Discrepancies must be reviewed and resolved at time of recertification or within 30 days of income report date
  - Run report at same time as income report and for every annual and interim recertification, at minimum
  - Retain report and any documentation related to resolution of discrepancies in tenant file for term of tenancy plus 3 years

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EIV Reports

- New Hires Report
  - Identifies household members who have new employment within last 6 months and helps ensure changes in income are being reported properly
  - If report shows new employment, contact identified member to provide supporting documentation of income
  - Run report on a quarterly basis
  - Retain report in master file for 3 years along with notes as needed
  - Retain New Hires Detail Report in applicable tenant file and correspondence with member, third-party verifications, and 50059(s) for the identified households for the term of tenancy plus three years

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EIV Reports

- Multiple Subsidy Report
  - Identifies household members who may be receiving rental assistance at more than one location
  - Unlike the Existing Tenant Search, this report provides ongoing checks of current tenants
  - If a match is found, obtain more information and give member opportunity to explain the situation and take action where needed
  - Run report on quarterly basis
  - Retain report in master "Multiple Subsidy Report" file for 3 years
  - Retain Multiple Subsidy Detail Report for the identified households for term of tenancy plus 3 years in applicable tenant file

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EIV Reports

- Deceased Tenant Report
  - Identifies members reported by SSA as being deceased
  - Confirm status of any identified members in writing with head of household, next of kin, or contact person provided
  - If confirmed, complete recertification for household within 30 days or a move-out dated to the earlier of 14-days after date of death or date unit was vacated
  - Correct all discrepant information in TRACS including overpayment of subsidy within 30 days from date of report
  - Run report on quarterly basis
  - Retain in master EIV file

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EIV Reports

- No Income Reported in 50059
  - Identifies household members who passed identity match against SSA's records but do not have income in TRACS
  - Run report according to site policy requirements
  - Retention of this report is not required
- No Income Reported by HHS or SSA
  - Identifies household members who passed SSA identity test but no income was reported by HHS or SSA
  - Owner must verify each individual list discloses income and obtain written third-party verification
  - Run report according to site policy requirements
  - Retention of this report is not required

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Example
UAAF Hard
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EIV DOCUMENTATION

Example UAAF Hard Copy

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EIV DOCUMENTATION

Example UAAF Hard Copy

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EIV DOCUMENTATION

Electronic Approved UAAF

Action Page

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Slide 34:

Electronic Approved UAAF

Action Page (continued)

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Slide 35:

Certification Report

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Slide 36:

Documents Onsite

- CAAF (Coordinator Access Authorization Form)
  - Hard Copy Request Form
  - Electronic Approval
  - http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/coordinatoraccess.pdf
- UAAF (User Access Authorization Form)
  - Hard Copy Request Form
  - Electronic Approval
  - http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/useraccess.pdf
- EIV Application and Online Access for Multifamily Housing Programs
  - http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rhiip/eiv/eivapps

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EIV DOCUMENTATION

TRACS Rules of Behavior

- Tenant Rental Assistance Certification System (TRACS)
  - HUD's database for storing tenant information originating from the 50059 form.
- integrated Multifamily Access eXchange (iMAX)
  - Software system used to transmit tenant 50059s and HAP Payments (Vouchers) to TRACS.
- Acceptable TRACS Rules of Behavior Forms
  - Rules of Behavior for Tenant Rental Assistance Certification System
  - Rules of Behavior for Use of Enterprise Income Verification (EIV) Information (for individuals without access to EIV Systems)

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EIV DOCUMENTATION

TRACS Rules of Behavior

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EIV DOCUMENTATION

TRACS Rules of Behavior

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EIV Rules of Behavior

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Security Awareness Training

TRACS Rules of Behavior and Cyber Awareness Certification must be completed within 30 days of each other

- Cyber Awareness Challenge Federal Version
  - http://iase.disa.mil/eta/index.html#onlinetraining

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VAWA FINAL RULE

- ❑ Summary
- ❑ Forms
- ❑ Timeline

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Summary

- Final rule published November 16, 2016
- Protects housing for survivors of domestic and dating violence, sexual assault, and stalking
- Makes new emergency transfers available for survivors
- Includes Low-Barrier Certification:
  - Under most circumstances, survivors only need to self-certify
  - Ensures third party documentation does not create a barrier for a survivor expressing their rights
- Requirements must be completely implemented by December 16, 2017

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Forms

- VAWA - Appendix A (HUD Form 5380) Notice of Occupancy Rights
  - Must be customized by property
  - Replaces HUD Form 91066
- VAWA - Appendix B (HUD Form 5381) Model Emergency Transfer Plan
- VAWA - Appendix C (HUD Form 5382) Certification Forms
  - Must be attached to HUD 5380 Notice
- VAWA - Appendix D (HUD Form 5383) Emergency Transfer Request
- HUD Form 91067 Lease Addendum
  - HUD plans to provide further written guidance this year to include a sample lease addendum before updating the current form

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Timeline

- Between December 16, 2016 - December 15, 2017:
  - O/As must provide Notice (Appendix A) and Certification forms (Appendix C) to each household during the annual recertification or lease renewal process or through other means during first year rule is effective
- After December 16, 2017:
  - Appendix A and Appendix C must be provided to all tenants at move-in or when assistance is being denied

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