

POLICIES AND DIRECTIVES

January 22, 2008

Policy Clarification

This directive reiterates and provides policy clarification regarding financial management under the 9 b (1) and (2), Financial Management-Depository requirements set forth in the Performance Based Contract Administration Annual Contributions Contract (PB-ACC). The PB-ACC requires the deposit of Section 8 Housing Assistance Payment (HAP) funds into an insured account by either the FDIC or the NCUSI. The Depository Agreement also reiterates the requirement to establish an insured account. Additionally, the depository agreement requires the use of accounts that are interest bearing. Accounting of all interest earned for the HAP account will follow the reporting requirements set forth in the memorandum titled "Housing Assistance Payment Under/Over Payment Close out Procedures and Guidance for Annual Interest Earned Certification" dated May 11, 2007.

For any PBCA that received a depository agreement waiver, the requirement for establishing interest bearing accounts for Section 8 program funds remain in place in accordance with HUD regulations 24 CFR 84.22 (k).

June 12, 2002

Status of PBCA Guidebook Revisions

This is in follow up to our discussions regarding the status of the PBCA Guidebook revisions. During the last CAOM meeting held June 6, 2002, staff was advised that the PBCA Guidebook revisions were currently underway. The desk officers will be updating and providing clarification in the guide based on feedback from the CAOMs, PBCAs and industry groups as a result of the IBPS Working Groups. The final draft will be sent to the CAOMs for any final revisions prior to reposting.

To assist in consolidating and providing comprehensive PBCA guidance, the oversight and review directives in the Monitoring and Evaluation Guidebook will be incorporated in the revised PBCA Guidebook. Until this material is finalized, please continue to utilize the guidance as set forth in the Monitoring and Evaluation Guidebook which is currently posted to the Section 8 PBCA website at http://www.hud.gov/offices/hsg/mfh/rfp/ca_docs.cfm

February 11, 2002

Altering TRACS Messages

The TRACS message format is the Industry Standard and all PBCAs should forward the messages to their Owner/Agent (O/A) as received from TRACS. If reformatted messages are sent to O/As, they should be in addition to, not instead of, the TRACS message. PBCAs should not alter TRACS messages for the purpose of making them more user friendly. Vendor's software is set up to accept the TRACS message format and although many of these software packages may be set up to reformat the TRACS messages as a "value added" feature, experience has shown that the reformatted messages may be undecipherable by the O/As software. In addition, PBCAs are required to forward the TRACS messages to the O/A directly and not relay the problem by telephone-

December 19, 2001

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Policy Clarification

This directive establishes policy for the PB-CAs in complying with Frederick Tombar's

June 21, 2001, ***memorandum "Rent Adjustments for Non-Drug Related Crime Prevention for Multifamily Programs"***, to Hub and Program Center Directors, which provided guidelines for requesting funds to fight non-drug related criminal activity in eligible properties.

The memorandum cited the need to modify the regulations to properly reflect the statute regarding the term "similar costs." In the interim period, for all applicable properties, a request for a waiver of the current regulation for a special rent adjustment as previously permitted under extended HUD Notice H 94-27 must be submitted. The memorandum further states that all such waiver requests should be forwarded by the Hub /Program Center Director to Willie Spearmon in Headquarters. The PB-CA should submit all waiver requests in this category to the appropriate Hub/PC Director, with a copy to the Project Manager, for review and concurrence. Upon concurrence, the Hub/PC Director will forward the request to Headquarters.

November 30, 2001

The PB-CA will be responsible for the tasks listed below for "watch list" properties as a further clarification to the guidance issued on September 27, 2001, memorandum from Fred Tombar and Ira Peppercorn titled, "Revised Guidance on Monitoring OMHAR Watch List Properties":

- a) Review, verify and authorize monthly Section 8 voucher payments (IBPS 6);
- b) Notify owner of any corrective action needed relative to the voucher review process (IBPS 7)
- c) Respond to life threatening and non-life threatening health and safety issues (IBPS 9 and 10 respectively);
- d) Prepare and submit Section 8 Budgets and Requisitions for each HAP contract (IBPS 11);
- e) Complete year-end statement and annual audit (IBPS 12 and 13 respectively); and
- f) Prepare general reporting per the Annual Contributions Contract (IBPS 15).

All remaining tasks stated in the ACC become the responsibility of the Senior Project Manager in the respective field office until the property's designation is changed. Continued coordination between the PB-CA and the field office is essential.

October 18, 2001

Payment Of Accrued Annual Fees For Year End Settlements – IBPS Task #12

Due to the delay in issuing guidance and instructions for preparation of the Year End Statements to be submitted within 45 days of the PB-CA's fiscal year, we will not prohibit the PB-CA from receiving administrative fees for this task. An exception will be made to allow payment of annual fees accrued for IBPS task #12 at the end of the PB-CA's fiscal year. Once fees have been paid for the current year, monthly fees earned under this task will be accrued for the upcoming year. All PB-CAs will be grand fathered in under this exception until guidance is issued. However, once guidance and timeframes are established, HUD reserves the right, as stated in the PB-ACC, Fees and Payments, paragraph 4b(4), that HUD may reduce the amount of basic fee by assessing a disincentive where minimum acceptable quality levels have not been met. The PB-CA's should not submit these forms to their CAOM until guidance is issued.

June 19, 2001

Rental Adjustments on Partially Assisted Properties

Performance based contract administrators (PB-CAs) procedures for processing rent adjustments submitted by owners for partially assisted properties are as follows:

- Rent adjustment requests submitted for the entire property will be processed by the PB-CA.
- Rent adjustment requests submitted for only Section 8 units will be processed by the PB-CA.

- Rent adjustment requests submitted for only non-Section 8 units will be processed by the HUD field office staff.

While the Annual Contributions Contract (ACC) exhibits do not include the non-section 8 units included in calculating rent adjustments, the authority to request the PB-CA to process adjustments for partially assisted properties is based on the nature of the Section 8 contract wherein units under the Section 8 contract are not tied to the unit but to the property. Therefore, the Section 8 subsidy could be attached to any unit within the property. Based on this premise, processing of the rent adjustment is not viewed as a request to administer additional units without compensation but rather as part of performing one of the incentive based performance standards. As noted in the ACC, the contract does not provide specific details of regulations and requirements relative to specific tasks; however, for rent adjustments, the requirement does state that the PB-CA will analyze the project's operating budget and determine reasonableness in accordance with HUD guidance in HUD Handbook 4350.1.

Modification of Monthly Activity Transmission (MAT) Records

PB-CAs may not request additional information to be included in the software submission from the owner that is not otherwise prescribed in the current MAT User's Guide. The Department has stated that any PB-CA who need additional data elements in order to perform the tasks set forth in the ACC, should notify Headquarters. The OMB packages for both the 50059 and 52670 may be revised based on the data requested. PB-CAs need to identify the elements needed, why they are needed, size and other pertinent information so Headquarters can justify to OMB the necessity of modifying the current MAT records.

March 27, 2001

If your PB-CAs (PHA) fiscal year begins July 1st read the following carefully.

IBPS 11 states: "100% of all budgets and annual requisitions for all HAP contracts are submitted to HUD ninety calendar days before the PHA's fiscal year", however, it has come to our attention that current edits in LOCCS will not allow the PB-CA to submit the information at least 90 days before the beginning of the PHA fiscal year. Therefore, we are granting these PB-CAs a waiver for this requirement. The PB-CAs will be required to have this information entered into LOCCS by May 1, 2001.

March 26, 2001

There is to be no adjustment to the PB-CAs incentive fee payment year to align it with their (PHA) fiscal year.

It has come to our attention that PB-CAs may be requesting their CAOM to re-align their payment year to coincide with their PHA fiscal year. **HUD cannot honor this request because it would be in violation of the ACC.** The term of the ACC is defined as three years from the "start date", the first day of the month in which HUD assigns HAP contracts to the PB-CA.

As stated in the ACC, "Each month, HUD will evaluate the PHA's performance in providing contract administration services for all services for all covered units under the ACC to determine the amount of earned incentive fees paid quarterly". Therefore, any adjustment of the payment year to conform to the PHA fiscal year would result in certain payments being paid for less than a quarterly period and would likely alter the term of the ACC.