

# TRACS 2.0.3.A February 7, 2017

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## AGENDA

- Opening Remarks
- Review of MAT Guide Edits – Read Me
- Review of Impact 2.0.3.A Changes
- Review of Specific MAT Guide Changes
- Publication of MAT Guide
- Schedule Review

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## **MAT Guide Changes - Basic**

See the Read-Me File

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## The Specification

**203ATRACSIndustrySpecification.docx:**

The specification itself.

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## The MAT Guide Documents

- **203AMATChap01 Introduction.doc**
- **203AMATChap02 Understanding the MAT.doc**
- **203AMATChap03 New Release Enhancements.doc**
- **203AMATChap04.docx:** MAT Guide Chapter 4--TRACS Operating Tips. Revised and expanded.
- **203AMATChap05.docx:** MAT Guide Chapter 5 – Tenant System Record Formats and Definitions. Revised.
- **203AMATChap06.docx:** MAT Guide Chapter 6 – MAT Voucher/Payment System Record Formats and Definitions. Revised.
- **203AMATChap07.docx:** Incorporates Chapter 9 from HUD Handbook 4350.3 REV 1, Change 3. Revised

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## The Appendices

Appendix A –  
Multifamily Housing  
Hub and Program Center Structure  
Nothing There

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## The Appendices - Errors

### All Revised and Expanded

- Appendix B - TRACS Message Formats edit
- Appendix C - Tenant Voucher Error Messages-Codes
- Appendix D - Discrepancy Codes
- Appendix E - Fatal Error Messages-Codes
- Appendix F - Tenant Informational Messages
- Appendix G - Voucher Status Acknowledgement Messages

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## Appendices - Other

- **203AMATAppendixH.docx**: Mandatory calculation rules for certifications, voucher adjustments, noncitizen rule proration, imputed income proration, and special claims. Revised.
- **203AMATAppendixI.docx**: MAT15 Address Record Specification
- **203AMATAppendixJ.docx**: An appendix dealing with rules for the various types of baseline files. Revised.
- **203AMATAppendixK.docx**: An appendix dealing with rules for new subsidy types and sub-types (RAD, SPRAC, 811 PRA Demo). Revised.

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## Calculation Examples

- **203AAdjustmentCalculations.xls**: Example adjustment calculations and rules. Currently unchanged from 202D.
- **203ACalculatingTenantRent.xls**: Calculating tenant rent and assistance for each subsidy type. Revised to add calculations to be used for 811 PRA Demo and RAD.
- **203AImputedIncomeProration.xls**: Spreadsheet detailing how to prorate the imputed income field on the 50059 if the OA opts for that option.
- **203ACalculationsForRepayments.xls**: How to calculate Repayment Agreement and FSS Escrow field amounts. Revised.
- **203ANonCitizenRuleProration.xls**: Prorating subsidy under the noncitizen rule.
- **203ARelationshipRules.xls**: Summarizes the rules associated with each relation code—whether the member counts for income limit purposes, whether their income counts, etc. Updated for 2.0.3.A
- **203ASpecialClaimsRounding.xls**: Calculating special claims. Revised to include the rules for the 811 PRA Demo program.
- **203ARADPhase-In.xls**: Shows how to do rent phase-in calculations for RAD. Revised.
- **203ACertificationDataEntry.xls**: Revised.

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## Cross Reference

**203ACrossReference.xls:**  
Cross reference of  
50059 and 50059-A fields  
with MAT fields.

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## Other

<p><b>203AAdjustmentExamples.pdf</b> contains samples how adjustments for various scenarios should appear on the HAP Voucher.</p> <p>This is being packaged as a separate document to make it easier to update it frequently with new examples.</p>	<p><b>203AHUD52670APart6.pdf</b> contains the revised form for displaying Repayment Agreement and Family Self Sufficiency Escrow records.</p>
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## Forms Changes

50059: No change  
50059A: 2 Label Changes  
52670 part 6: Changed

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## Instructionals

The 50059  
and 50059-A  
Instructional documents  
will be updated prior  
to the 2.0.3.A implementation date.

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## The Plan

- Incorporate any New Guidance
- Review Final Edits
- Post and Release
- May add examples or clarifications as necessary before and after beginning of implementation

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**Summary of Changes**  
Update & Review of Clarifications

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## Purpose

- Explain how 2.0.3.A changes impact TRACS
- Review clarifications
- All current requests for clarifications have not been resolved and will be addressed shortly

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## The Rental Assistance Demonstration Program

### RAD

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## Section 8 RAD

- Background
- Asset Management & Monitoring
- Notices and Resources
- Unique Program Features
- Negative and Zero Assistance
- Vouchering for Negative Assistance
- Rent Phase-In
- Transition Rules

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## RAD Background

- Program has both PIH and Multifamily components
- Discussing MF only (reporting to TRACS v PIC)
- Conversions to MF Project Based Rental Assistance - Section 8 (PBRA)
  - Public Housing to MF S8
  - Rent Supp and RAP to S8
  - PIH Mod Rehab to MF S8

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## Possible Future Change

Congress is debating  
**adding**  
202 PRAC and  
811 PRACs  
to the program

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## RAD Goal

Approximately 60 Rent Supp and RAP contracts left	Goal is to convert all of these over the next few years
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## RAD Goal

RAD program  
enables financial restructuring  
to allow for  
rehab and modernization  
of ageing housing stock

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## RAD Notices

- PIH 2012-18 (March 8, 2012, superseded by PIH Notice 2012-32)
- PIH Notice 2012-32 (July 26, 2012)
- PIH Notice 2012-32 REV-1 (July 2, 2013)
- PIH Notice 2012-32 REV-1 Technical Correction (February 6, 2014)
- PIH 2012-32 Rev 2 (June 15, 2015)
- H-2017-03, REV-3, PIH-2012-32 (HA) (January 12, 2017)

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## RAD Notices

Terms and conditions that apply to a RAD conversion are those from Notice in effect at the time of the RAD closing

When in doubt, consult with HUD staff

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## TRACS Resources

- TRACS 203A Industry Specification
  - Paragraph 2.7 Changed Rules for RAD Certifications
  - Paragraph 2.13 Vouchers-Miscellaneous Accounting Requests
- Chapter 4 of the MAT Guide
  - 4.31 Rent Overrides
- 203ACalculatingTenantRent.xls
- 203ARADPhase-In.xls

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## Asset Management/Monitoring

Currently  
these are direct reports  
to HUD/TRACS

HUD intends  
to start moving these  
to the PBCA portfolio

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## Unique Program Features - EID

- If conversion is from PIH, **Earned Income Disregard (EID)** applies
  - Deal with as a data entry issue for now
  - **HOTMA repeals EID** so this feature will likely go away

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## Unique Program Features – Rent at Conversion

- All in-place tenants pay their prior PIH TTP at conversion
- If rent is lower than S8 rent, move to S8 rent calculation at first AR or IC **unless phase-in applies**
- If tenant is paying flat rent prior to conversion, flat rent is used as TTP at conversion

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## Unique Program Features – Rent at Conversion IC

Conversion IC  
retains the “Next AR Date”  
from the prior 50058

(Must check “Next AR Date” on 50059  
to make sure it matches 50058)

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## Unique Program Features – Rent Phase In

<p>Existing tenants whose TTP would increase more than threshold amount as a result of the conversion have rent increase phased in</p> <p>(Threshold amount is greater of 10% or \$25)</p>	<p>New MIs/ICs effective after conversion move immediately to the S8 rent calculation</p> <p>There is no phase-in</p>
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## Unique Program Features – Negative Assistance

Tenant rent is not capped

Assistance  
**can be zero or negative**

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## Negative and Zero Assistance

- There is no cap on TTP or TR including at MI or IC so long as the tenant qualifies
- Assistance can be zero or negative - Similar to a PRAC in this respect
- Tenant with zero or negative assistance still subject to usual recertification rules
- **Tenant is still considered assisted**

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## Vouchering for Negative Assistance

- Unlike PRAC, OA is permitted to keep any overage (amount of negative assistance)
- Voucher will bill for the negative assistance
- 203A includes a new **RADN Miscellaneous Accounting Request** so that OA can reverse negative assistance request

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## Example - RADN

- Unit Rent/UA = 800.00
- Household Adjusted Income = 36000.00
- $36000 / 12 = 3000.00$
- $3000.00 \times .3 = 900.00$
- $900 - 800 = 100.00$
- **HAP Request = -100.00 (appears on 52670 – Part 2)**
- **RADN = 100.00**

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## RADN Added Individually

For each **regular assistance (Section 3) record** for a certification with negative assistance and

For each **adjustment (Section 4) record** for a certification with negative assistance

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## RADN Reconciliation

Facilitates  
tying RADN requests to  
related assistance and adjustment records.

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## RADN Entry with Adjustment

### More complex case

is where there are  
adjustments  
(corrections)  
involving negative  
assistance certs

### Most complex case

is where  
both regular assistance  
and adjustments  
are involved

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## Important Note

Only regular assistance transactions and  
adjustment transactions  
involving certs with negative assistance  
are subject to the following rules

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## RADN Comment Field

- Comment field for **RADN Miscellaneous Accounting Request** has specific formatting rules to facilitate monitoring
- Information to be shown includes:
  - Unit Number
  - Head Last Name
  - Head First Name
  - Assistance/Adjustment
  - Cert Type
  - Cert Effective Date
  - Prior/New (applies only to adjustments)
  - Cert Assistance

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## RADN Requested Amount

The RADN requested amount always for same amount but the opposite sign of amount in record being reversed.

The requests are grouped

- By household and unit
  - With regular assistance first
  - Followed by any adjustment reversals,
- Prior before new and
- In effective date order within Prior/New

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## Format of RADN Comment Field

The periods are intended to help indicate field length

Would be replaced by spaces in a real record.

Note that there is a space as filler between fields.

```

12345678901234567890123456789012345678901234567890123456789012345678
Unit#..... LastName..... FirstName... ASSIST AR-I* MM/DD/YYYY . Assist
Unit#..... LastName..... FirstName... ADJUST AR-I* MM/DD/YYYY P Assist
UUUUUUUUUU VeryVeryLongLastName ABigFirstName ADJUST AR-I* 12/31/2017 N 999999
    UUU Smith                Dave                ADJUST IR      02/01/2017 N    99
    U VeryVeryLongLastName ABigFirstName ADJUST MI      12/31/2017 P    999

```

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## Format of RADN Comment Field

```

12345678901234567890123456789012345678901234567890123456789012345678
Unit#..... LastName..... FirstName... ASSIST AR-I* MM/DD/YYYY . Assist
Unit#..... LastName..... FirstName... ADJUST AR-I* MM/DD/YYYY P Assist
UUUUUUUUUU VeryVeryLongLastName ABigFirstName ADJUST AR-I* 12/31/2017 N 999999
    UUU Smith                Dave                ADJUST IR      02/01/2017 N    99
    U VeryVeryLongLastName ABigFirstName ADJUST MI      12/31/2017 P    999

```

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## Example RADN Request

For example, a RADN request for a tenant with a regular assistance amount would look like this:

3781 Smith	Amanda	ASSIST AR	01/01/2016	-120
------------	--------	-----------	------------	------

The amount for this RADN request would be +\$120.

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## Rule

You reverse the AP amount when the calculated assistance **for the certification** is negative

The rule doesn't necessarily apply to a negative adjustment

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## Adjustment Example

- Original AR AP = \$100.00
- AR is corrected and new AP is -\$80.00
- First adjustment is reversing the original AP request (-\$100.00)
- Second adjustment is billing for new AP at -\$80.00
- Only adjustment subject to the RADN reversal is the -\$80.00 because that is the negative RAD AP.

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## Spec

Adding examples to spec

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## Example RADN Request w Adjustment

- Assume 1/1 AR that is corrected 3 months after submission where assistance changes from -\$120 to -\$125
- Prior RADN adjustment would have been +\$120 each voucher month (total \$360-3 months at 120).
- When cert is corrected, requested amount for this **first RADN row** would be -\$360.

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## Example RADN Request w Adjustment (cont.)

The Corrected AR  
will have a new adjusted TTP  
for each of the 3 months:

3781 Smith	Amanda	ADJUST AR*	01/01/2016 N	-125
------------	--------	------------	--------------	------

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## Example RADN Request w Adjustment (cont.)

- New adjustment would be  $-\$375$  (3 months at  $-\$125$ ).
- Requested amount for the second RADN row would be  $+\$375$  to offset
- Net of the two transactions is  $+\$15$  ( $-360 + 375$ )

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## TTP & Rent for RAD w/ LIHTC

New HUD Notice clarifies  
when LIHTC and RAD are combined,  
tenant whose assistance is zero or negative  
pays the lesser of applicable LIHTC rent or RAD rent

This is treated as a rent override situation when the LIHTC rent wins

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## TTP and Rent for RAD + LIHTC

If LIHTC rent is lower,  
we force the TR to equal LIHTC Rent  
(Max LIHTC Rent less UA)  
and adjust TTP such that  $TTP - UA = TR$   
*as we do when forcing PRAC tenant  
to operating rent  
for failure to recertify*

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## TTP and Rent for RAD + LIHTC

HUD will not pay subsidy in this situation  
*(if the resulting subsidy is positive)*

Force subsidy to the lesser of calculated  
assistance and 0

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## TTP and Rent for RAD + LIHTC

If assistance  
calculates as positive,  
reduce it to 0

If assistance  
calculates as negative,  
leave it alone???

Zero stays zero

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## TTP and Rent for RAD + LIHTC

Assistance starts negative and ends negative			
	Normal Calculations		Force TR to LIHTC Rent
Gross Rent	600		600
TTP	650		605
UA	30		30
TR	620	TTP - UA	575
Assistance	-50	GR - TTP	-50
			-5
			Leave alone
LIHTC Rent	605		TTP is calculated to be in accord with TR
Less UA	575		
<b>Assistance changes from -50 to -5</b>			

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## TTP and Rent for RAD + LIHTC

Assistance starts negative and ends positive			
	Normal Calculations		Force TR to LIHTC Rent
Gross Rent	600		600
TTP	650		550
UA	30		30
TR	620	TTP - UA	520
Assistance	-50	GR - TTP	50
			0
			Force to 0
LIHTC Rent	550		TTP is calculated to be in accord with TR
Less UA	520		
<b>Assistance changes from -50 to 0</b>			

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## RAD Rent Phase Ins

- There are two changes to the 202D rules for 203A:
  - **No Change:** Covers ICs that are part of a conversion to RAD—not subsequent MIs or ICs.
  - **No Change:** Tenant pays prior TTP at IC
  - **Change:** Whether or not a phase-in is needed is determined at the time of the IC
    - If yes, then phase-in starts with first AR or IR post after conversion
  - **Change:** Phase-in calculations are not done on UTs or GRs
  - **No Change:** Phase-in calculations

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## RAD Rent Phase Ins

New Notice: H-2017-03, REV-3,  
PIH-2012-32 (HA): 1/12/2017

- Changes the rent phase-in percentages
  - 3-year from 33, 66, 100 to 33, 50, 100
  - 5-year from 20, 40, 60, 80, 100 to 20, 25, 33, 50, 100

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## RAD Rent Phase Ins

New Notice: H-2017-03, REV-3,  
PIH-2012-32 (HA): 1/12/2017

Notice states  
that rules applicable  
to a RAD contract  
depend on  
the Notice in effect  
at the time  
of the RAD closing

In the case of phase-ins,  
the phase-in  
percentages to use are  
those based on the  
notice in effect at RAD  
closing

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## RAD Rent Phase Ins

- If closing is subject to the old notice then use the old percentages (33, 66, 100 or 20, 40, 60, 80, 100)
- If closing is subject to the new notice, then use the new percentages (33, 50, 100 or 20, 25, 33, 50, 100)
- **The RADPhase-In spreadsheet has been revised** to cover both scenarios

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## RAD Rent Phase Ins – UT/GR

- Special rules apply to partial certs (UT/GR)
  - Go back to the prior full cert
  - Drop in the new rent and UA
  - Recalculate the cert based on the rules that applied at the time
  - Use the TTP, TR and Assistance that results as the values for the partial cert

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## Transition Rules

Rules described  
apply to conversions (new ICs)  
done using TRACS 2.0.3.A.

Any conversions/ICs done under TRACS 2.0.2.D  
use the 2.0.2.D rules.

ICs will be identical for both TRACS versions-  
tenant pays TTP in effect at time of the conversion

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## Transition Rules

What is different is  
the decision on whether  
to implement rent phase-in

is done **immediately under 2.0.3.A**

but only on the **first AR or IR**  
**post-conversion for 2.0.2.D**

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## Transition Rules

<p>Once the phase-in determination is done, the 2.0.3.A rules apply with respect to the treatment of partial certs executed under 2.0.3.A.</p>	<p>2.0.2.D rules apply to partial certs executed under 2.0.2.D</p>
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## Corrections to RAD Conversion ICs

Is Phase-In decision  
re-determined  
if IC is corrected?

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## Corrections to RAD Conversion ICs

Yes  
Phase-In is re-determined  
Only if OA is correcting an original  
Conversion IC  
and not a corrected IC  
done to implement an AR or IR  
effective on the same date

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## Corrections to RAD Conversion ICs

### AR or IR on the conversion date

This occurs in the odd (and rare) case  
of an AR or IR  
effective on the conversion date

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## Corrections to RAD Conversion ICs

- Conversions can be effective any day of the month
- Conversion date must be first of month for this problem to be an issue
- AR (50058) was previously scheduled for the conversion date and may have been complete/ signed
- On AR effective date/RAD conversion date, AR is invalid
  - PIH rules no longer apply and
  - Cert never takes effect

It is like the PIH AR never occurred

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## Corrections to RAD Conversion ICs

So the conversion IC  
uses the facts from the  
most recent 50058

prior to the conversion  
date

not the facts from the  
AR

The conversion IC  
is used to determine  
if phase-in applies

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## Corrections to RAD Conversion ICs

- Conversion IC is **immediately corrected** to reflect income calculation to be use for the AR
- Apply a rent phase-in calculation if necessary
- This is now considered the first AR post conversion
- Phase in determination is based on conversion IC and, if phase-in applies it begins with AR/corrected IC

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## Corrections to RAD Conversion ICs

If the conversion IC was corrected to implement AR/IR with an effective date that is the same as the conversion date, there may be a reason to correct it depending on the reason for the correction to the original IC (e.g. SSN correction) but that IC is not involved in a decision concerning phase-in

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## Example

- RAD Conversion 10/1
- Resident AR anticipated effective date 10/1
- Conversion IC effective 10/1 using data from 50058 in effect before 10/1 AR
- Determine whether Rent Phase In applies
- No Rent Phase In
- Submit Conversion IC
- Correct Conversion IC to show any changed information that should be included on 10/1 AR
- This is the first AR/IC post-conversion
- Submit the corrected IC
- AR income is found to have been incorrect
- The AR/IC is corrected to reflect new income
- No new phase-in determination is done

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# RADPhase-In Spreadsheet

The RADPhase-In spreadsheet  
now has a new tab  
giving examples  
of phase-in determinations  
and cert corrections

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## Phase In Calculations 1

### Typical Cases

Cert Sequence				Do Phase-In?	Phase-In Calcs
1	Conversion Cert	IC	1/1/2017	Yes	
2		AR	2/1/2017		Yes
3		AR	2/1/2018		Yes
4		AR	2/1/2019		Yes
Cert Sequence				Do Phase-In?	Phase-In Calcs
1	Conversion Cert	IC	1/1/2017	No	
2		AR	2/1/2017		No
3		AR	2/1/2018		No
4		AR	2/1/2019		No

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## Phase In Calculations 2

### Less Typical Cases

Cert Sequence				Do Phase-In?	Phase-In Calcs	
1	Conversion Cert	IC	1/1/2017	No		
2		IC*	1/1/2017	Yes		
3		AR	2/1/2017		Yes	
4		AR	2/1/2018		Yes	
Cert Sequence				Do Phase-In?	Phase-In Calcs	
1	Conversion Cert	IC	1/1/2017	Yes		
2		IC*	1/1/2017	No		
3		AR	2/1/2017		No	
4		AR	2/1/2018		No	

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## Phase In Calculations 3

### Very Rare Cases

The AR/IR effective on the same date is never used to determine phase-in

Cert Sequence				Do Phase-In?	Phase-In Calcs	
1	Conversion Cert	IC	1/1/2017	Yes		
2		IC*	1/1/2017		Yes	
3		IC*	1/1/2017	Yes		
4		IC*	1/1/2017		Yes	
Cert Sequence				Do Phase-In?	Phase-In Calcs	
1	Conversion Cert	IC	1/1/2017	No		
2		IC*	1/1/2017		No	
3		IC*	1/1/2017	No		
4		IC*	1/1/2017		No	

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**Repayment Agreements & FSS  
Escrow Tracking**

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## Repayment Agreements & Escrow Accounting

MAT30, Section 7 record  
being repurposed for TRACS 2.0.3.A  
to include information for  
**Repayment Agreements** and  
transactions related to **deposits and  
withdrawals for FSS Escrow Accounts.**

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## Repayment Agreements & Escrow Accounting

The Section 7 Record  
being renamed  
**Repayments and  
Escrows.**

In the future,  
additional  
escrow/agreement  
types may be  
reported in the  
Section 7 Record.

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## What's Behind the Change

HUD has discovered that  
Repayment Agreement data  
transmitted to TRACS  
is often of poor quality.

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## What's Behind the Change

As a result,  
fields are being added  
to the MAT30, Section 7 record  
to better tie a transaction  
to the ones previous to it  
and immediately after it.

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## Implement Family Self Sufficiency

- Promotes Self Sufficiency
- Family/Resident enters in to Contract of Participation (CoP) with OA
- Participates in training and employment programs
- When TTP increases, difference deposited in to an escrow account
- Once CoP is fulfilled, money goes to resident
- If resident defaults, money goes to HUD

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## Example – Very Basic

- Ben is unemployed and pays \$25.00 TTP
- Ben enters into FSS Contract of Participation (CoP)
- Ben gets a job in year one and earns \$24000.00
- Ben pays new TTP of \$600.00
- \$575 is deposited in to FSS Escrow Account
- This continues until FSS Agreement is fulfilled
- At the end, resident receives money in FSS Escrow Account

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## New Special Status Code

- New code F added
- **F = FSS-Family Self Sufficiency Participant** (such individuals have executed an ITSP-Individual Training and Services Plan. ITSPs are attached to, and incorporated as part of, the CoP-Contract of Participation)
- Not all household members might be participants.
- The Special Status Code, MAT10, Section 3 Field 10, widened to 10 characters
- Former “future code” of F for frail elderly has been dropped.

*Note that HUD Form 50059 is not being modified at this time to allow more space for printing codes. The existing space is adequate to handle an additional code.*

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## Family Self Sufficiency

- The Section 7 record will now be used to hold information about FSS escrow account transactions-- contributions to/withdrawals from escrow account as called for by FSS COP
- Withdrawals may be made when tenant fulfills COP requirements or when participation in program is terminated.
- Owner/agents supporting FSS program should follow HUD FSS guidance with respect to escrow account.

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## New Fields

**Added fields** include a  
**Record Type,**  
**Agreement End Date,**  
**Status,**  
**Beginning Agreement Amount** and  
**Beginning Balance.**

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## Changed Fields

The existing Agreement Amount Field  
has been renamed to  
**Ending Agreement Amount** and  
Agreement Type  
has been renamed to  
**Transaction Type.**

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## List of Fields--Reordered

<ul style="list-style-type: none"><li>• <b>Record Type</b></li><li>• Head Last Name</li><li>• Head First Name</li><li>• Unit Number</li><li>• Agreement ID</li><li>• Agreement Date</li><li>• <b>Agreement End Date</b></li><li>• <b>Transaction Type</b> (formerly Agreement Type)</li><li>• <b>Status</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Beginning Agreement Amount</b></li><li>• Agreement Change Amount</li><li>• <b>Ending Agreement Amount</b> (formerly Agreement Amount)</li><li>• <b>Beginning Balance</b></li><li>• Total Payment</li><li>• Ending Balance</li><li>• Amount Retained</li><li>• Amount Requested</li></ul>
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## New/Renamed Fields

<ul style="list-style-type: none"><li>• Record Type (R, F)</li><li>• Agreement End Date: Only for FSS-5 year term</li><li>• Transaction Type: O, D, W, C for FSS</li><li>• Status: Next slide</li></ul>	<ul style="list-style-type: none"><li>• Beginning Agreement Amount: from last transaction</li><li>• Ending Agreement Amount</li><li>• Beginning Balance: from last transaction</li></ul>
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## Status Field

- AV = Active = Tenant Is On Target With Repayment Agreement/Escrow Account Requirements
- IA = Inactive = Tenant has missed 3 consecutive payments. Set on month 4. (Repayment Only)
- RV = Reversed = Agreement/Escrow entered in error
- TE = Terminated = OA unable to enforce agreement. Court order. (Repayment Only)
- CO = Completed = Tenant Successfully Completed Repayment Agreement/Escrow Account Requirements
- SU = Suspended = Tenant unable to make payments due to reduced income (Repayment Only)
- MO = Moved-out Inactive = Former resident no longer making payments (Repayment Only)
- MA = Moved-out Active = Former resident making payments (Repayment Only)
- TR = Transferred to Another Property = Former resident still participating but in another property (FSS Escrow Only)

2/7/2017

## The Rules

Be familiar with how the rules work

For example, an active repayment agreement will appear on the voucher every month even if there is no payment (subject to the 3 month – no payment rule)

2/7/2017



## The Rules

<p>All Repayment Agreement Records and all Records for FSS Escrow Accounts <b>must have a status code.</b></p>	<p>See MAT Guide Chapter 4, Paragraph 4.9 <b>Repayments and Escrows</b> for the rules for what records to include on the first 2.0.3.A voucher transmission.</p>
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2/7/2017

## The Rules

<p>When description for a status indicates, <b>“Normally no further transactions are submitted for this ID”</b>, this assumes that status has been entered correctly and there is no cause to change status later on</p>	<p>However, situations may arise that result in a new transmission for the ID <b>with a new status</b> or <b>correcting numbers related to prior transaction</b></p>
--	--

2/7/2017

## Rules AV - Active

<b>Repayment</b>	<b>FSS</b>
<p>Current resident is in repayment and is making periodic payments.</p> <p>Must appear on the voucher each month.</p>	<p>Current resident is compliant with FSS requirements outlined in the FSS contract.</p> <p>Must appear on the voucher each month.</p>

2/7/2017

## Rules – CO Completed

<b>Repayment</b>	<b>FSS</b>
<p>Repayment Agreement fulfilled.</p> <p>All assistance-paid-in-error has been returned to HUD.</p> <p>Repayments with this status only appear on voucher one time when CO status is indicated.</p> <p>Normally no further transactions are submitted for this ID.</p>	<p>Resident has completed the agreement and Escrow funds have been distributed as appropriate.</p> <p>FSS Agreements with this status only appear on voucher one time when CO status is indicated.</p> <p>Normally no further transactions are submitted for this ID</p>

2/7/2017

## Rules – SU Suspended

(Repayment only)

Current resident is in repayment but income has been reduced and resident is unable to make regular periodic payments.

Resident returns to Active Status once a single payment is received.

Must appear on the voucher each month.

2/7/2017

## Rules – TE Terminated - Repayment

Do not use this code if income is reduced and the resident can no longer make payments. Use SU instead.

Use TE when OA is unable to enforce repayment agreement terms **due to outside decisions such as a court orders.**

Normally no further transactions are submitted for this ID.

*Note – if a judge throws out the agreement and says that the tenant does not need to pay, terminate the agreement but do not change the current balance reported to TRACS.*

This tells HUD that the OA cannot collect because of a judgement.

2/7/2017

## Rules – TE Terminated - FSS

Current resident has withdrawn or been removed from FSS Agreement/program and **escrow money is being returned to HUD.**

FSS agreements with this status **only appear on voucher one time** when TE status is indicated.

Normally no further transactions are submitted for this ID.

2/7/2017

## Rules - Reversed

### Repayment

Use when the resident (current or former) should not have been subject to repayment.

Resident was not responsible for returning any housing assistance to HUD.

Agreements with this status only appear on the voucher one time when the RV status is indicated.

Normally no further transactions are submitted for this ID.

### FSS

Use when the resident (current or former) is assigned an FSS Agreement in error (usually wrong resident).

Agreements with this status only appear on the voucher one time when the RV status is indicated.

Normally no further transactions are submitted for this ID

2/7/2017

## Rules - Inactive

(Repayment only)

Current resident is in repayment but has  
**missed three consecutive payments.**

2/7/2017

## Rules - Inactive

Fourth submission must include a payment  
or the Status Code must be changed to

**IA (Inactive),**  
MO (Moved out Inactive),  
**TE (Terminated)**  
SU (Suspended),  
**CO (Completed) or**  
RV (Reversed)

2/7/2017

## Rules – Inactive to Active

Current resident returns to Active Status  
once a single payment is received.

Must appear on the voucher each month.

2/7/2017

## Rules MA – Moved Out Active

Repayment only

Former resident **still making periodic  
payments.**

Must be displayed on the voucher each  
month.

2/7/2017

## Rules – TR Transferred

FSS only

**Former resident** is still participating in and fulfilling requirements under FSS program.

FSS Agreements with this status only appear on the voucher one time when TR status is indicated.

2/7/2017

## Rules – TR Transferred

Normally no further transactions are submitted for this ID.

Depending on circumstance (Transfer is to another **MF project** or to **PIH property**) transaction numbers will either follow rules for a Termination or a Completion.

Check with HUD for guidance when this situation arises

2/7/2017

## Rules – MO Moved Out Inactive

Repayment only

**Former resident** is no longer making periodic payments.

Use if MA record indicates three or more consecutive missed payments by former resident.

2/7/2017

## Rules – MO Moved Out Inactive

Resident returns to Active Status once a single payment is received.

Status **must** change to MA if payment is processed.

Repayments with this status only appear on the voucher one time **when the MO status is indicated**.

Normally no further transactions are submitted for this ID.

2/7/2017



## Submitting a Repayment Agreement/Escrow Baseline

- Required on the first 2.0.3.A voucher
- Submit **one record for every repayment agreement** (T/N/O) that has not been fully paid for:
  - Any current resident
  - Any former resident who continues to pay

2/7/2017

## Not Conditional

If resident is required  
to return assistance-paid-in-error,  
repayment baseline  
must be submitted

2/7/2017

## Not Conditional

True  
regardless of  
whether agreement type  
is T or N

True  
even if OA  
**never**  
**submitted anything**  
to show this  
assistance-paid-in-error

2/7/2017

## Inventory

- Basically, this is an inventory of
  - Current Residents **who owe**
  - Prior Residents who **continue to pay**

2/7/2017

## Open Question - Repayment

After tenant has made one or more repayment agreement payments and judge voids entire agreement, what is the correct procedure for returning funds to tenant and terminating agreement while still keeping OA whole?

2/7/2017

## Open Question - Adjustment FSS Escrow

What is proper method to account for retroactive adjustments to escrow contributions.

We believe these should be shown as a series of undo-new transactions on the MAT30-6 so that reviewers can follow and confirm the math.

2/7/2017



# Changes to the Specification

2.16 Reminders

2/7/2017

## MAT Guide Changes

- MAT Guide Chapter 4 Edits
  - Changes to address design changes or policy clarification
    - Added examples
    - Added explanations
  - Can modify as long as we do not change design
  - Edits changing design won't be included until 203B (with HUD approval)
    - Unless HUD wants the change

2/7/2017



2/7/2017

## New Errors

Errors have been modified

2/7/2017

## TRACS Errors

MAT Errors vs TRACS Errors

Certification and Voucher Edits (Compliance)

2/7/2017

## Still Visiting

- Hard edits on use of a T numbers when the SSN Exception is used
- Reducing the Fatal Error to a Discrepancy with an action code of 1 for multiple subsidy
  - Complies with current HUD guidance
  - Reduces risk of improper payment

2/7/2017



2/7/2017

## Miscellaneous

2/7/2017

## Race & Ethnicity Data

- **Note:** *if any of fields 27-30 are filled with "Y" then field 17 (Ethnicity) must be set to a value of 1.*
  - 27 = Puerto Rican
  - 28 = Cuban
  - 29 = Mexican, Mexican American, Chicano/a
  - 30 = Another Hispanic, Latino/a or Spanish Origin

2/7/2017



## Race & Ethnicity Data - Asian

- The following Race fields have been added:

**Note:** *if any of fields 31-37 are filled with "Y" then field 19 (Race – Asian) must be set to Y.*

- 31 = Asian India
- 32 = Japanese
- 33 = Chinese
- 34 = Korean
- 35 = Filipino
- 36 = Vietnamese
- 37 = Other Asian

2/7/2017

## Race & Ethnicity Data – Native Hawaiian or Other PI

**Note:** *if any of fields 38-41 are filled with "Y" then Field 21 (Race – Native Hawaiian or Other Pacific Islander) must be set to Y.*

- 38 = Native Hawaiian
- 39 = Samoan
- 40 = Guamanian, Chamorro
- 41 = Other Pacific Islander

2/7/2017

## Race & Ethnicity Data - 50059

- Reporting of Race and Ethnicity on printed 50059 is unchanged from 2.02.D
- None of the new Race and Ethnicity values are to be printed on the form.
- New Race and Ethnicity values are to be transmitted as part of the MAT record
- See MAT Guide, Chapter 5, for revised instructions

2/7/2017

## New Bills

### US HR 482 and SB 103

Would stop the collection, storage, and distribution of data on racial disparities in communities and with access to affordable housing

Text of the bill, "Local Zoning Decisions Protection Act of 2017," would nullify HUD's 2015 "Affirmatively Furthering Fair Housing" report to have "no force or effect" by taking away the data needed to complete AFHMPs accurately

2/7/2017

## Previous Housing Code

**Code 2 = Without or Soon to Be Without Housing.**

May not be the value in the Previous Housing Code field for any MI effective 10/1/2015 or later

TRACS 2.0.2.D  
Two new codes

5 = Lacking a Fixed Nighttime Residence  
and  
6 = Fleeing/Attempting to Flee Violence

2/7/2017

## Streamlining – SSN Minor at MI

- New Rule
- CAs should be familiar with 202D to 203A requirements
- CAs should be familiar with certification requirements
- Extensive language included in the spec

2/7/2017

## ELI Calculations for > 8 Members

- Since definition of ELI has changed from 30% of median income to **greater of 30% of median or the poverty threshold**, our old calculation rules no longer apply to ELI
- Income limit to be used for any family size is the **greater of 30% limit and poverty threshold** for family size.
- The result is **capped at Very Low Limit**

2/7/2017

## ELI Calculations for > 8 Members

Poverty Thresholds  
are published  
in **mid- to late January**  
and the HUD limits are posted in March

2/7/2017

## ELI Calculations for > 8 Members Question

Do we start using the January Poverty  
Thresholds immediately when determining  
ELI limits for more than 8 household  
members?

2/7/2017

## ELI Calculations for > 8 Members Question

**NO:**  
Poverty Numbers  
are baked into  
the ELI values  
that HUD publishes  
AND into  
the online tool  
for calculating limits  
for > 8 people

For ELI purposes  
the Poverty Thresholds  
become effective  
when the  
HUD Income Limits  
become effective

2/7/2017

## 811 PRA Demo Special Claims

### Vacancy Claims

- Under the 811 PRA Demo program, state agency administering program may allow vacancy claims or not.
- If they do, they can set payment percentage other than traditional 80%.
- Site/CA software needs to support whatever value state agency uses keeping in mind that value may differ from state to state.

2/7/2017

## History Baselines

There are situations where Floor Plan Identifiers (Unit Types) change over time.

Most typical case is where, in multiple building project, rehab causes different set of utility allowances in one or more buildings

This necessitates the addition of new Floor Plan IDs to accommodate the differences.

2/7/2017

## History Baselines

History Baseline calls for  
**one MAT91 Record**  
for each Floor Plan Identifier and  
the corresponding MAT15 records include  
the Floor Plan ID.

The MAT92 Unit Rent records also use the  
Floor Plan ID in reporting the rent history.

2/7/2017

## History Baselines

Because a Unit can only have a single Floor Plan ID, we  
will adopt the following convention for History  
Baselines:

The Floor Plan Identifier shown in the MAT15 record  
will be the current ID.

The MAT91 records will include all IDs used during the  
period of time covered by the baseline.

Similarly, the MAT92 records will report a rent for each  
ID active as of the Rent Effective Date.

2/7/2017

## History Baselines

CAs receiving a History Baseline from another CA will be required to make sure the data is valid and provides accurate information in relation to historical changes in a Floor Plan ID for a particular unit.

It may be necessary to manually link historical floor plans to specific units.

2/7/2017

## Adjustment Cert Types

- On voucher, certification types applicable for Adjustment Records (MAT30, Section 4) are now all mandatory.
- Codes for full certification/UTs (AR-O, AR-I, IR-O, IR-I, IC-O and IC-I) were added late in 202D design process and were considered optional for 202D.
- With 203A UT-O and UT-I are no longer permitted for a full certification/UTs.

2/7/2017



## Origination of Data – CA Changes

Added examples of “legal changes” to the spec document but please refer to Chapter 4, 4.39.12 for full details.

Legal changes include record numbers, version numbers, date/time stamps, voucher dates, correction and baseline flags.

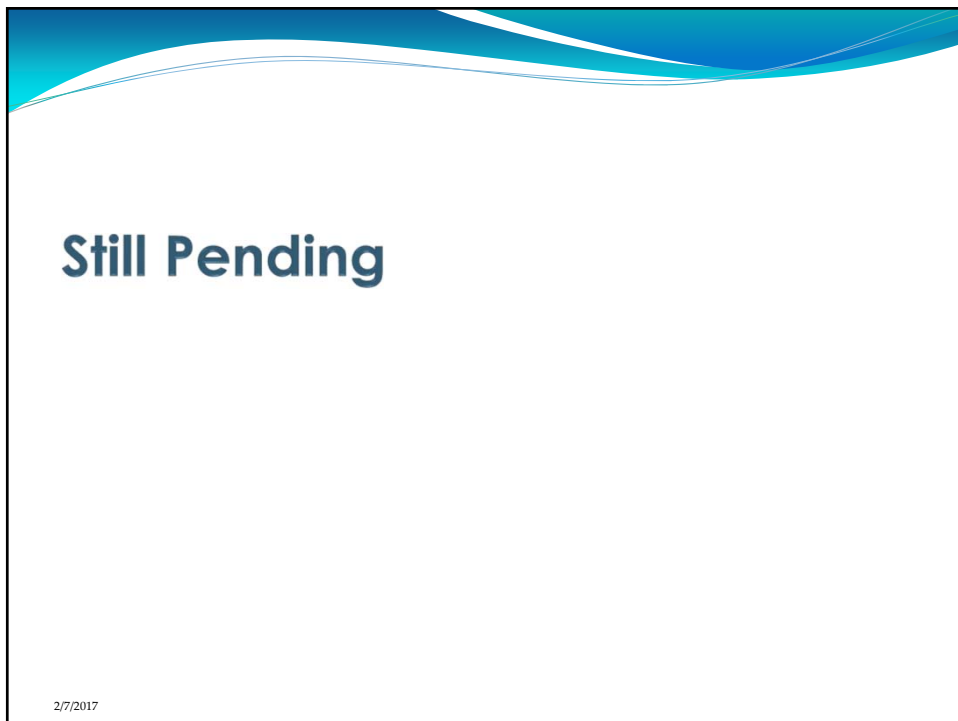
2/7/2017

## Use of Security and Pet Deposits

Tenant's **security deposit** may be applied against the balance in a repayment agreement, after first being applied to unpaid rent, damages and other charges.

However, a **pet deposit** may not be applied to a repayment agreement balance unless the tenant gives permission to do so.

2/7/2017



## Outstanding – Corrected Vouchers

- Voucher Hub asks for corrections to prior vouchers even after subsequent vouchers have been paid
- Note that this requirement is not limited to the immediately previous voucher.
- Proposed alternative

2/7/2017

## Caveat

If subsequent vouchers  
have been submitted but not paid  
then voucher corrections  
may be required

2/7/2017

## Proposed Alternative

- Voucher is suspended
- Subsequent voucher is paid
- OA is not required to correct suspended voucher
- Voucher should be released once data is corrected and transaction reflected as
  - Adjustments or
  - Miscellaneous Accounting Requests
- Caveat is still true

2/7/2017



2/7/2017

## Final Version

- This is the final version
- Clarifications don't equal "change" and will not reset the clock per se
- Forms approval (biggest risk)

2/7/2017

## New 203A Schedule

- The test region is up and running
- 203A Go Live Date = August 1, 2017
- Final date to submit 2.0.2.D files October 31, 2017
- CAs are required to implement at the same time TRACS
- Three-month transition period
- At the end of the transition (November 1, 2017), all files submitted by OAs to TRACS or CAs must be in 2.0.3.A format.

2/7/2017



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2/7/2017