

TRACS New Security Deposit Logic
(Using Program Guideline Ids)
March 2005

I. Introduction

The HUD 4350.3 REV-1 Handbook, Figure 6.6 lists the amount of security deposit to collect from tenants at **MI** (move-in). Because the revision lists multiple Section 8 programs, current TRACS logic is being revised to comply with the guidelines and collect security deposits from Section 8 tenants by both subsidy and program type. The matrix chart, messages, and security deposit logic sections of this document have been updated to reflect the proposed modifications.

For Section 8, PAC, and PRAC units, collection of a correct security deposit amount is a prerequisite to receiving approval for special claims.

To inform the Industry that TRACS now collects security deposits, discrepancy CE131 will be generated if a MAT10 transaction other than an MI is submitted with a security deposit of \$0.

If the certification is an **MI**, use the matrix table to discern the amount of security deposit expected and the discrepancy code returned if the submitted deposit differs from the expected amount.

Logic for non-Section 8 programs will continue to use **subsidy type** to determine the security deposit amount for 202 PRAC (7), 811 PRAC (8), and 202 PAC (9) subsidy types. The logic, however, will be revised to be more specific in the amount requested.

Section 8 logic will be replaced by new logic that uses **program guideline id**, an attribute in the F87PTRENTASSTCNR table, along with **subsidy type** to determine the security deposit amount.

In order to comply with the guidelines of the 4350.3 Handbook and the more stringent requirements of collecting Sec 8 security deposits, each Sec 8 program is identified by a program guideline id (an attribute associated with each contract in the F87PTRENTASSTCNR table). To determine the security deposit collection amount for, TRACS will use the:

1. **Subsidy type** reported in the mat transaction to determine the security deposit amount for PACs and PRACs.
2. **Program guideline id** that is associated with the contract number stored in a TRACS reference table and identifies the Sec 8 program, which determines the security deposit amount.

II. Security Deposit Matrix

Security Deposit Matrix Chart for Move-In Certifications

Subsidy Type	Program	Security Deposit Amount	Discrepancy Code	Program Guideline id
1	Section 8 Loan Management Set-Asides	An amount up to, but not greater than, 1 month's TTP.	CE261	1
	Sec 8 New Construction (With AHAP executed before 11/5/1979)	1 month's TTP	CE259	*3*
	Sec 8 New Construction FmHA (RHS 515 with Section 8)	1 month's TTP	CE259	5
	Sec 8 Substantial Rehab (With AHAP before 2/20/1980)	1 month's TTP	CE259	*7*

Subsidy Type	Program	Security Deposit Amount	Discrepancy Code	Program Guideline id
	Section 8 Property Disposition	Greater of: 1) 1 month's TTP, or 2) \$50;	CE260	2, 15, and 16
	Provided with sale of HUD-owned property			
	Section 202 with Section 8 or PAC	Greater of: 1) 1 month's TTP, or 2) \$50;	CE260	4, 10, 11, 17, 18, and 21
	Sec 8 State Agency with AHAPs on or after 02/29/80	Greater of: 1) 1 month's TTP, or 2) \$50;	CE260	*6*
	Sec 8 State Agency with AHAP before 02/29/80	1 month's TTP	CE259	*9*
	Sec 8 New Construction (With HAPs executed on or after 11/05/1979)	Greater of: 1) 1 month's TTP, or 2) \$50;	CE260	*3*
	Sec 8 Substantial Rehab (With HAPs executed on or after 02/20/1980)	Greater of: 1) 1 month's TTP, or 2) \$50;	CE260	*7*
7	202 PRAC	Greater of: 1) 1 month's TTP, or 2) \$50;	CE252	None
8	811 PRAC			
9	202 PAC			

**** See Section IV. Security Deposit Amounts for programs 3, 6, 7, and 9 depend on AHAP/HAP effective dates.**

III. Messages

The following specifications mirror the security deposit matrix chart on the following page.

CE131 (Action Required Code of 3)

"Security Deposit is now being collected by TRACS"

CE252 (Action Required Code of 3)

"Security Deposit Should Equal the Greater of Total Tenant Payment or \$50."

Security Deposit: (MAT Security Deposit)

Subsidy Type: (MAT Subsidy Type)

Total Tenant Payment: (If **Subsidy Type** = 7, 8, or 9)

CE259 (Action Required Code of 3)

"Security Deposit for this Section 8 Program Should Equal One Month's TTP."

Security Deposit: (MAT Security Deposit)

Subsidy Type: (MAT Subsidy Type)

Total Tenant Payment: (If **Program Guideline ID** = 3, 5, 7, or 9)

CE260 (Action Required Code of 3)

"Security Deposit for this Sec 8 Program Should Equal the Greater of TTP or \$50."

Security Deposit: (MAT Security Deposit)
Subsidy Type: (MAT Subsidy Type)
Total Tenant Payment: (If **Program Guideline ID** = 2, 3, 4, 6, 7, 10, 11, 15, 16, 17, 18, 21)

CE261 (Action Required Code of 3)

"Security Deposit may not exceed TTP for this Sec 8 Program"

Security Deposit: (MAT Security Deposit)
Subsidy Type: (MAT Subsidy Type)
Total Tenant Payment: (If **Program Guideline ID** = 1)

IV. Business Security Deposit Logic

The Section 8 subsidy programs identified by program guideline ids 3, 6, 7, and 9 collect either of two security deposit amounts depending on whether the subsidy began before a specified date or on/after a specified date (see Program in the matrix chart).

IF certification type IS NOT EQUAL TO "MI"

IF security deposit = 0

Escape to logic for generating **CE131**

ELSE IF certification type IS EQUAL TO "MI"

IF **subsidy type** = 7, 8, or 9

(The security deposit amount = the greater of TTP or \$50)

IF Security Deposit is not the greater of TTP or \$50

Escape to logic for generating **CE252**

ELSE IF **subsidy type** = 1

(TRACS will look up the contract number in a table that identifies its program type.)

IF contract's **program guideline id** = 1

(The security deposit = an amount up to, but not greater than, 1 month's TTP)

IF Security Deposit Amount is greater than TTP

Escape to logic for generating **CE261**

ELSE IF contract's **program guideline id** = 3

IF AHAP **effective** date is filled

IF AHAP **effective** date IS LESS THAN OR EQUAL TO "1979-11-05"

(The security deposit amount = 1 month's TTP)

IF Security Deposit Amount is not equal to TTP

Escape to logic for generating **CE259**

ELSE IF AHAP **effective** date IS GREATER THAN "1979-11-05"

IF HAP **execute** date IS GREATER THAN or EQUAL TO "1979-11-05"

(The security deposit amount = the greater of 1 month's TTP or \$50)

IF Security Deposit Amount is not equal the greater of TTP or \$50

Escape to logic for generating **CE260**

ELSE IF AHAP **effective** date is blank

IF HAP **execute** date IS GREATER THAN or EQUAL TO "1979-11-05"

(The security deposit amount = the greater of 1 month's TTP or \$50)

IF Security Deposit Amount is not equal the greater of TTP or \$50

Escape to logic for generating **CE260**

ELSE IF contract's **program guideline id** = 5

(The security deposit amount = 1 month's TTP)

IF Security Deposit Amount is not equal to TTP

Escape to logic for generating **CE259**

ELSE IF contract's **program guideline id** = 6, 9

- IF AHAP **effective** date is filled
 - IF AHAP **effective** date IS LESS THAN OR EQUAL TO "1980-02-29"
(The security deposit amount = 1 month's TTP)
 - IF Security Deposit Amount is not equal to TTP
 Escape to logic for generating **CE259**
- ELSE IF AHAP **effective** date IS GREATER THAN "1980-02-29"
 - IF HAP **execute** date IS GREATER THAN or EQUAL TO "1980-02-29"
(The security deposit amount = the greater of 1 month's TTP or \$50)
 - IF Security Deposit is not equal the greater of TTP or \$50
 Escape to logic for generating **CE260**
- ELSE IF AHAP **effective** date is blank
 - IF HAP **execute** date IS GREATER THAN or EQUAL to "1980-02-29"
(The security deposit amount = the greater of 1 month's TTP or \$50)
 - IF security deposit amount is not equal the greater of TTP or \$50
 Escape to logic for generating **CE260**

ELSE IF contract's **program guideline id** = 7

- IF AHAP **effective** date is filled
 - IF AHAP **effective** date IS LESS THAN OR EQUAL "1980-02-20"
(The security deposit amount = 1 month's TTP)
 - IF Security Deposit Amount is not equal to TTP
 Escape to logic for generating **CE259**
- ELSE IF AHAP **effective** date IS GREATER THAN "1980-02-20"
 - IF HAP **execute** date IS GREATER THAN or EQUAL TO "1980-02-20"
(The security deposit amount = the greater of 1 month's TTP or \$50)
 - IF Security Deposit is not equal the greater of TTP or \$50
 Escape to logic for generating **CE260**
- ELSE IF AHAP **effective** date is blank
 - IF HAP **execute** date IS GREATER THAN or EQUAL to "1980-02-20"
(The security deposit amount = the greater of 1 month's TTP or \$50)
 - IF security deposit amount is not equal the greater of TTP or \$50
 Escape to logic for generating **CE260**

ELSE IF = contract's **program guideline id** = 2, 4, 10, 11, 15, 16, 17, 18, or 21
(The security deposit amount = the greater of 1 month's TTP or \$50)

- IF Security Deposit is not equal the greater of TTP or \$50
 Escape to logic for generating **CE260**