



The CA Quarterly Review

Fall 2011

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North Tampa Housing Development Corporation

A Message From the NTHDC Team

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Recently there have been many changes made to the PBCA program. As a result of HUD's decision to withdraw the PBCA contract awards in most states, including Florida, HUD has made the decision to re-evaluate the award process and plans to issue a NOFA in the coming months.

Until such time, HUD has issued, and NTHDC has accepted, a six month contract extension effective October 1, 2011.

Under the new terms of the ACC Contract extension, NTHDC will no longer be under contract to perform or monitor Management and Occupancy Review activities or HAP contract opt outs.

However, NTHDC will continue to pay monthly HAP vouchers, monitor tenant concerns, adjust contract rents, and renew HAP contracts. Owner/Agents should continue to send information and requests pertaining to any of these tasks in the same manner as usual.

HUD has not informed NTHDC as to how open MORs will be handled after October 1, 2011. As a result, NTHDC strongly recommends that you work to close out all open items on your MOR report with NTHDC prior to October 1, 2011.

NTHDC is committed to supporting our owners and agents and therefore we will continue to provide quality technical assistance and customer service.

Please [contact](#) NTHDC if you have any questions.

Regards,
The North Tampa Housing Development Corporation

HUD Issues Notice 11-20 - Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing

Housing Notice 2011-20, Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing, was issued August 19, 2011.

This Notice provides information and references to best practices regarding the prevention and control of bed bug infestations. It also provides guidance on the rights and responsibilities of HUD, Owners and Management Agents (O/As) and tenants with regard to bed bug infestations.

The notice clarifies that the costs of eradicating bed bugs is a project expense and consequently HUD can approve withdrawals from Residual Receipts and Reserve For Replacement or reimbursement of owner loans to the project.

O/A develop an Integrated Pest Management (IPM) Plan---details of requirements are provided
As part of the IPM plan:

- Provide training for staff
- Engage residents in efforts to prevent bedbugs
- Provide orientation for new tenants

O/A should respond with urgency to any report of bedbugs, if an owner cannot attain the services of a licensed pest control company within 3 calendar days of the reported infestation, the O/A is required to retain documentation of efforts to obtain services.

Prohibited Actions by an O/A:

- Denying tenancy to a potential resident on the basis of a previous infestation
- Give a preference to any tenant based on responses to questions regarding prior exposure to bedbugs
- Charging a tenant to cover the cost of bedbug treatment
- The Hub/PC Director may honor requests for releases from the Reserve for Replacement or Residual Receipts accounts to reimburse an Owner for bed bug treatment.
- HUD may also consider an increased pest control line item in the project's operating budget, if the Section 8 Housing Assistance Payments (HAP) contract allows for budget-based rent setting in accordance with the Section 8 Renewal Policy Guide. However, any request for a rent increase should be part of an ongoing pest prevention program.

The CA may allow this expense on the budget, IF the property has demonstrated that they have an ongoing pest prevention program. Evidence of the program would need to be submitted in addition to other supporting financial documents, such as an invoice, in order to be eligible for approval.

Are Social Security Cents Counted?



HUD has received requests for further clarification to RHIP Listserv messages #229 and #231 on how to calculate Social Security income and/or Medicare when the amounts in the EIV system differ from the amounts represented on the SSA Award Letter. Specifically, which document do you use when the Social Security Award Letter indicates a “cents” amount being received and the EIV Income Report does not.

Housing Notice 2010-10 states the Income Report identifying the Social Security benefit information in EIV must be used as third party verification of the tenant’s income and will be used to calculate the tenant’s income. Additionally, the O/A must confirm with the tenant that the current benefit amount in EIV is correct. If the tenant agrees that the Social Security benefit information reported in EIV is correct, the O/A must use the gross benefit amount reported in EIV for calculating the tenant’s income by annualizing the gross benefit amount projected forward for the next 12 months. This requirement allows the O/A to use the amount represented in EIV (even if no cents are included) to calculate income. Social Security Award Letters are not required to be viewed or included in the tenant’s file if the EIV Income Report is being used to verify and calculate benefits.

The SSA award letter should be used to calculate income and included in the tenant’s file only if the tenant disputes the amount(s) on the EIV Income Report. Having the SSA Award Letter in the file is not in itself an indication that the tenant disputes the amount(s) on the EIV Income Report. The O/A should make a note on the EIV Income Report that the tenant disputes the amount and then use the Social Security Award Letter to calculate income. The award letter must not be older than 120 days. Please refer to Notice H 2010-10 for instructions when the tenant does not have his/her Social Security Award Letter or when the letter is older than 120 days.



What's New on HUDClips?

HUD Notice 11-21- Bed Bug Control and Prevention	Posted 8/19/2011
HUD Notice 11-20- EIV	Posted 8/19/2011
HUD Form 9250- Funds Authorization Form	Posted 8/5/2011
HUD Form 935-2 - AFHMP(<i>Replacement</i>)	Posted 8/3/2011
FY 2012 Income Limits (<i>Proposed</i>)	Posted 8/19/2011
HUD Form9887/9887A - Document Package for Applicant's/Tenant's Consent to the Release Of Information (<i>Corrected spacing</i>)	Posted 8/31/2011
HUD Notice 11-22- Extension of Housing Notice 2010-17, Revised Procedures for Requesting Inspections from the Real Estate Assessment Center	Posted 8/24/2011
HUD Notice 11-18- Updated Processing Guidance for the Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs	Posted 8/17/2011
HUD Form 90106 - Move-In/Move-Out Inspection Form - (<i>Formatting corrections</i>)	Posted 8/12/2011
HUD Forms 928.1- Fair Housing Poster (Title VIII /63Act) English	Posted 8/5/2011

Clarification of Utility Allowance Regulations

Per HUD memorandum dated June 20, 2011, Owners of multifamily housing properties that receive subsidy assistance, and for which HUD provides a utility allowance, are required to adjust their properties utility allowances every year at the time of the annual adjustment of contract rents be it OCAF, AAF, Special Adjustment or Budget Based .

The adjustment, which may result in an increase or decrease (or no change) from the current utility allowance, must be supported by an analysis with the rent adjustment submission. NTHDC will withhold the rent adjustment until receipt of the utility analysis and all other required submissions. Once the required documents are received, NTHDC will make the rent effective date retroactive.

Effective immediately, NTHDC will require a Utility Analysis for complete package submissions for all properties where the tenants receive a Utility Allowance.

If you have any questions concerning this policy, please [contact](#) your Central Contract Specialist.

Fiscal Year 2012 Proposed Fair Market Rents

On August 19, 2011, HUD issued a notice in the Federal Register with the Proposed Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program for Fiscal Year 2012.

The primary uses of FMRs are to determine payment standards for the Housing Choice Voucher (HCV) program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serve as rent ceilings in the HOME program. HUD's notice proposed FY 2012 FMRs for all areas that reflect the estimated 40th and 50th percentile rent levels trended to April 1, 2012. The FY 2012 FMRs are re-benchmarked using five-year, 2005–2009 data collected by the American Community Survey (ACS). These data are updated using one-year ACS data in areas where statistically valid one-year ACS data is available. The Consumer Price Index (CPI) rent and utility indexes are used to further update the data from 2009 to the end of 2010.



DATA SETS [Home » FMR Documentation](#)

FMR Documentation

Proposed FY 2012 Fair Market Rent Documentation System

This system provides complete documentation of the development of the Proposed FY 2011 Fair Market Rents (FMRs) for any area of the country selected by the user. After selecting the desired geography, the user is provided a page containing a summary of how the FY 2012 FMRs were developed and updated starting with the formation of the FY 2011 FMR Areas from the [metropolitan Core-Based Statistical Areas \(CBSAs\) as established by the Office of Management and Budget](#), the 2000 Census benchmark, the newly available 2008 American Community Survey (ACS) 1 year data and the newly available 2006-2008 3 year data, incorporating information from Final FY 2010 FMRs, and updating to FY 2011 including information from local Random Digit Dialing (RDD) survey data. The tables on the summary page include links to complete detail on how the data were developed.

[Click Here for Proposed FY 2012 FMR Documentation](#)

HUD Issues Revised EIV Notice 11-21



Housing Notice 2011-21, Enterprise Income Verification (EIV) System, was issued August 19, 2011. This Notice supersedes Notices H 2008-03, H 2009-20, and H 2010-10. The Notice is posted on HUDCLIPS at: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-21hsgn.pdf>. The revised notice:

- Clarifies that IPAs may use printed EIV documents when auditing an owner's compliance (An IPA is an Independent Public Auditor hired to audit a property's financial statements)
- Clarifies the requirement on resolving discrepancies between TRACS and the current form HUD-50059
- Indicates the following reports must be run by selecting the "All" recertification month:
 - No Income Report
 - New Hires Report
 - Identity Verification Report
 - Deceased Tenant Report
- States the O/A must make sure that the income appearing on the EIV Income Report does not meet a regulatory income exclusion.
- Clarifies that a tenant's monthly repayment agreement payment may exceed 40% of the family's monthly adjusted income if the family agrees to the amount stated in the repayment agreement.
- Recommends that an O/A has the head of household and, if applicable, the family member who had the unreported income sign a repayment agreement.
- Indicates the comment field on the voucher must be completed when explaining payment and costs retained even if no costs were retained.
- Identifies an updated penalty for not using the EIV system. The O/A will now incur a penalty of a five percent decrease in the voucher payment for the month following the date the violation was found and each subsequent voucher payment until the MOR finding is cured.
- Indicates a new security training requirement. EIV users are now required to complete the online Federal ISS Awareness training program. The most recent HUD EIV webcast will no longer satisfy the security training requirement.
- Clarifies that when mailing EIV data, data must be sent to an office of the O/A and must not be mailed to Independent Auditor offices.

Vouchering Tips

As fall quickly approaches, the training department finds that it is time to update notices, realign goals, and make a plan for Owner/Agents and Contract Administrators to once again begin a harmonious season of vouchering, repayment agreements and everything else that goes along with processing paperwork so that tenants have affordable housing, and property owners and managers are paid in a timely manner. With that said, Voucher Training and Compliance have listed a few things to remember when vouchering.

The Contract Administrator routinely checks the TRACS mail box and Voucher Query to determine the status of vouchers submitted in TRACS. Any vouchers that have been “Suspended” or “Rejected” by TRACS sometimes require actions to be taken by the submitter. The Contract Administrator will work in with the Owner/Agent if necessary to resolve any vouchers that have TRACS submissions errors. HUD has published updated guidance to handle these types of vouchers. For further information access the following link. <http://portal.hud.gov/hudportal/documents/huddoc?id=announcements.pdf>

Repayment Agreements Notice H-2011-21

HUD has recently released HUD Notice H-2011-21 on August 19, 2011 which gives updated instructions on EIV as well as new requirements for Repayment Agreements. Highlighted below are the most recent changes related to the Repayment Agreement process.

The monthly payment plus the amount of the tenant’s total tenant payment (TTP) at the time the repayment agreement is executed should not exceed 40 percent of the family’s monthly adjusted income. The monthly payment may exceed 40 percent of the family’s monthly adjusted income if the family agrees to the amount stated in the repayment agreement.

New repayment agreements must be signed and dated by the tenant and the O/A. HUD recommends that O/A’s have the head of household and, if applicable, the family member who had the unreported or underreported income sign the repayment agreement.

As the tenant makes payments per the repayment agreement, the O/A must enter them as negative amounts on the voucher as OARQ Miscellaneous Accounting Requests with the comment field completed explaining payment and cost retained. Even if no cost has been retained by the Owner/Agent the Owner/Agent must include that comment as well in the comment field. See the example below.

Example:

The tenant pays \$50; the OARQ will be for -\$50. The comment field must be completed describing the transaction, e.g., “Repayment – Unit 1023- John Smith, **zero cost retained.**”

Multifamily Energy Innovation Fund



HUD's Office of Multifamily Housing Programs has issued a NOFA for the Multifamily Energy Innovation Fund. This fund provides a total of \$25 million in grants to be used for the purpose of energy efficiency upgrades at multifamily properties.

The goals of this NOFA are to:

- Demonstrate solutions to the primary and longstanding challenges to implementing energy efficiency and renewable energy improvements, in existing affordable multifamily properties.
- Leverage private capital and additional public funding to demonstrate "proof of concept" of specific models.
- Conduct applied research to document and disseminate mainstream, scalable approaches to retrofitting affordable multifamily properties.

The overall objective of the Energy Innovation Fund is to help catalyze a home energy retrofit market in the United States by accelerating private investment in cost-saving energy efficiency retrofits in the residential sector. Innovative and replicable strategies to improve the usefulness of existing HUD programs--as well as developing new financing tools--will lead to significant reductions in energy consumption, operating costs, and the carbon footprint of both affordable and market-rate housing.

HOW TO APPLY

Applications are required to be submitted through Grants.Gov. When applying for funding through Grants.Gov, registration is the first step. For more detailed information and instructions go to the Grants.Gov [website](#) and click on "Get Registered." To get instructions and access the application for the Energy Innovation Fund activity, go back to the Grants.Gov website and choose "Apply for a Grant." Download and follow all instructions. The NOFA is published here also and all required forms can be found here.

GRANT TERMS

The terms of any grant ultimately awarded under this NOFA will be controlled by a Cooperative Agreement to be executed when a grant is awarded. The document is provided here for examination, but is not a part of the application process.

APPLICATION DEADLINE DATE

As stated in the NOFA, the application deadline date is 11:59:59 p.m. on Thursday, October 20, 2011.