

TRACS 2.0.3.A
Voucher Changes
Current State of the
MAT Guide DRAFT

Purpose of this Call

Review Voucher Changes

With Special Attention Paid to
52670 Part 6

Suggestions

Suggestions & Edits
Are Welcome
At this Point
&
Until the MAT Guide is Finalized.

The Voucher Process

Owner/ agents are required to submit a request for the
Housing Assistance Payment (HAP Request) using *HUD*
Form 52670. MAT 30 record.

When voucher is submitted between first and 10th of
month (*as required*) the owner/ agent receives payment
as of first business day of following month.

Let’s look at some of the changes to the voucher
process.



HSG Notice 2023-01

In HUD HSG Notice 2023-01 Unique Entity Identifier Replaces Dun & Bradstreet Data Universal Numbering System for Identification of Federal Awards
HUD explains that all federal agencies must report information about awards (contracts) to the Office of Management and Budget (OMB).

Information

Such information includes, but is not limited to, the following data:

- 1. The name of the entity receiving the award;
- 2. The amount and purpose of the award; and
- 3. The unique identifier of the entity.

The Web Site

Stakeholders can learn more about the transition to UEI at <https://sam.gov>.

The DUNS Number

Until recently,
the unique identifier
was the entity's
DUNS number.

On April 4, 2022, the
federal government
transitioned from
DUNS to implement
the Unique Entity
Identifier (UEI).

SAM

The UEI is generated and maintained
by the System for Award Management
(SAM.gov),
and is where owner/agents may
update, renew, or check the status of
an entity registration
at no cost.

The UEI

The UEI is a 12-character alphanumeric ID assigned to an entity at <https://sam.gov>.

Keep it Current

In addition to being registered in SAM and providing a UEI in its application for a federal funding award, owner/agents maintain an active SAM registration at all times during which the contract remains active.

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

Inclusion of All Units



Big, Big, Big

One of the biggest changes
owner/agents will notice,
in regards to the voucher,
is that every unit will be shown
on the 52670.

Comparison

Old 52670



New 52670



All Units

This will include:

- Total Units in Contract
- Number of Units Receiving Subsidy
- Number of Units Abated
- Number of Units Vacant
- Number of Units Market
- Number of Contract Units Undergoing Rehab

The Rules

Rules How Units Appear



Comparison

New 52670 Part 1



Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group



| Misc. Accounting Requests |
|--|
| <p>Resident transactions are automatically reported to TRACS on <i>HUD Form 52670 Part 1 Schedule of Assistance.</i></p> |

Adjustments to Regular Billing

In addition to automated transactions created by site software, the voucher may include:

1. Automated adjustments; and/or
2. Transactions that are manually entered by the owner/agent.

MARs

These are referred to as
Miscellaneous Accounting Requests.



TRACS 2.0.3.A – New Codes

When HUD releases
TRACS version 2.0.3.A,
the following
new
Miscellaneous Accounting Request Codes
will be available:

HOTM

HOTM (temporary code) =

Reversal of HOTMA
Assistance Payment Adjustment.

RADN

RADN = Used by an owner/agent to recover a *Negative Assistance Payment* for a RAD tenant.

The *Negative Assistance Payment* appears on the voucher in the Assistance Payment Detail record and the owner/agent is permitted to retain that money.

RADZ

RADZ =
Used to zero-out
the *Voucher Request*
during the *Contract Year*
of a PIH to PBRA RAD conversion

RADR

RADR = Used to request Rehab Assistance
under a RAD conversion under
Component 1 – Public Housing to PBRA RAD.

Each RADR request
is for a single month.

The comment field must indicate the
Month and Year being billed.

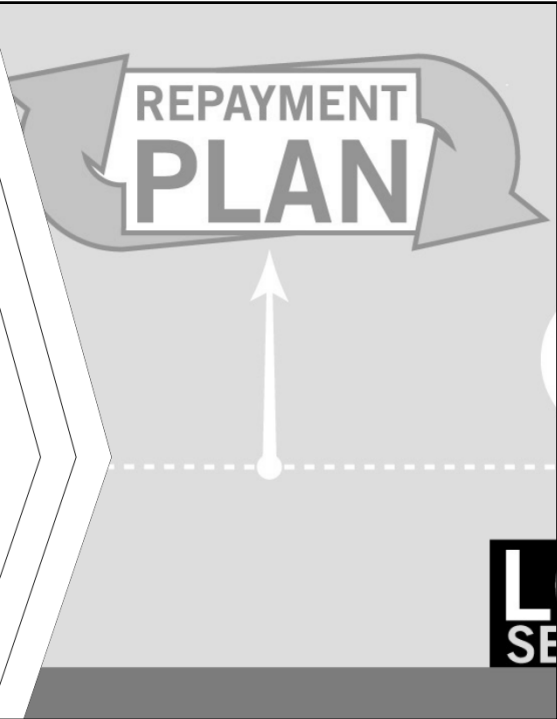
RDRV

RDRV =
Used to reverse
the portion of a unit/tenant
net adjustment attributable to
the Year of Conversion.

Questions?



HUD-52670-A Part 6 - Repayment Agreements for Schedule of Tenant Assistance Payments Due



Repayment Agreements

When resident or an owner/agent receives too much housing assistance, overpayment must be returned to HUD



Guidance is provided in

- HH 4350.3 Paragraph 8-21 and
- HUD Notice 13-06

Common to see such assistance returned to HUD via *Repayment Agreements*.

Reporting Improper Payments

TRACS version 202D
*HUD-52670-A Part 6 - Repayment
Agreements for Schedule of Tenant
Assistance Payments Due*
used to track repayments.

2.0.3.A Changes to Part 6

When you implement TRACS 2.0.3.A,
you will notice that the
HUD Form 52670 Part 6
was completely redesigned
for two reasons:

Reason 1

HUD has determined
that information
currently submitted
for *Repayment
Agreement* transactions
is not sufficient.

HUD will incorporate
the following changes
to *HUD Form 52670
Part 6* to provide
additional information.

Reason 2

Since participation in FSS program will require owner/agents to adjust the amount of the *Housing Assistance Payment (HAP) Request*,

HUD has decided to use the *HUD Form 52670 Part 6*

As the means to track FSS Escrow Account balances.

New Name

HUD Form 52670 Part 6
will now be entitled
*Repayment Agreements and FSS Escrows for
Schedule of Assistance Payments Due.*

7/24/2023 - Voucher
Presentation Industry
Working Group

The Lease

The HUD leases
require residents to
return, to HUD,
any
improper payment.

If a resident opts to
pay back subsidy,
immediately
and in full,
there is no requirement
to create a Repayment
Agreement.

When Repayment Applies

If the resident cannot
return the entire improper payment,
immediately and in full,
the owner/agent and the resident
enter in to a Repayment Agreement.

The CA Role

As long as
the adjusting transaction is correct,
Contract Administrators have no role in the
Repayment Agreement negotiations
other than to monitor
the owner/agent's compliance
when conducting the
Management & Occupancy Review.

Owner Repayment Agreements

When the improper payment
is caused by owner/agent action,
and when returning the
entire improper payment at once
could create a financial hardship
for the property,
the CA and/or HUD can negotiate
an Owner Repayment Agreement.

Something New

The initial Owner Repayment Agreement
is recorded on the voucher but will
eventually be transferred to LOCCS.

When O Repayment Transferred

When That Happens
The Status Should be
Changed to
LC - Transferred to LOCCS
(new)

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

FSS Escrow Accounts

This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

FSS Escrow Account

Information about
any existing *FSS Escrow Account*
and balances available
at time of implementation
of TRACS 2.0.3.A
are to be transmitted to TRACS.



OARQs

In TRACS 2.0.2.D,
FSS transactions
continue to be recorded as
OARQ Miscellaneous Accounting Requests.



TRACS 2.0.3.A

With the release of TRACS 2.0.3.A,
the 52670 Part 6
will now be used to transmit information
about FSS Escrow Account transactions
as called for by the
FSS Contract of Participation (CoP).

Start Preparing

When
preparing to implement
TRACS 2.0.3.A,
owner/agents gather information
about existing
FSS participants.

2.0.3.A

Will allow the owner/agent to:

- Include appropriate information on the next 50059
- Create and send an FSS Escrow Account Baseline
- Send subsequent FSS Escrow Account changes

Take A Look

New 52670 Part 6



Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

Repayment and FSS Status Codes



Status Codes

With 2.0.3.A,
Repayment Agreements and
FSS Escrow Accounts must
include
a *Status Code*.

RA/FSS Status Codes

Status Codes determine whether a *Repayment Agreement* or *FSS Record* appears on the voucher:

- Once,
- Periodically based on *Repayment Agreement* activity,
or
- Every month – regardless of whether resident makes
a payment.

AV – Active (R & F)

Resident Is on Target with Repayment Agreement/Escrow Account Requirements:

Appears on the voucher each month even if resident does not submit a payment.

After three consecutive missed payments, status must change to IA (Inactive) on the fourth voucher

CO - Completed (R & F)

Resident successfully completed *Repayment Agreement /FSS Agreement* requirements.

Rules – CO - Completed

Resident fulfilled
terms
of *Repayment
Agreement*
and
Balance Due is 0.00.

Resident fulfilled terms
of *FSS Agreement* and
FSS Escrow Funds
have been Disbursed.

Rules – CO - Completed

Once Status is Completed,
it is assumed there will be
no future transactions
for this Agreement ID.

However,
transactions are not
forbidden
in order to allow for
additional transactions
such as those required
if the final payment check
bounces.

IA – Inactive (R only)

Resident has missed 3 or more consecutive payments.



Set on month 4.

Appears on the voucher each month even if resident does not submit a payment.

LC – Transferred to LOCCS (R)

NEW

Used only for Owner Repayment.

Used when HUD negotiates an agreement that is recorded in LOCCS.

LC - Adjustments

The Balance Should be Reduced to Zero.

The Amount Requested Is \$0

Repayment Agreements and FSS Escrows for
Schedule of Tenant Assistance Payments Due

U.S. Department of Housing
and Urban Development
Office of Housing

OMB Approval No. 2502-0182
(exp. mm/dd/yyyy)

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on form HUD-52670 H-1 for information on public burden. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 31 U.S.C. §§ 3729, 3802)

Owner's Certification and Application for
Federal Civil Penalties, including

| | | | | | | | | | | | | |
|---|-----------------|------------------------|-----------------|--------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------|-------------------|---------------------|---------------------|----------------------|
| 1. Asst. Pymts Due for (mm/yyyy): | | 2. Project Name: | | 3. Project Number: | | | | 4. Contract # | | 5. Type of Subsidy: | | |
| 6. Head of Household Name (Last, First) | 8. Record Type | 10. Agreement Date | 12. Trans. Type | 13. Status | 14. Beginning Agreement Amount | 15. Agreement Change Amount | 16. Ending Agreement Amount | 17. Beginning Balance | 18. Total Payment | 19. Ending Balance | 20. Amount Retained | 21. Amount Requested |
| 7. Unit Number | 9. Agreement ID | 11. Agreement End Date | | | | | | | | | | |

MO - Moved-out (R & F)

Used to be only Repayment

Former resident.

Used when residents
moves out and no participants continue to live
on the property.

MO - FSS

For FSS, treated like TE.

Owner/agent remains
in possession of Escrow Account funds.

Balance reduced to zero with no
adjustment?????

Rules – MO - Moved-out Repayment

Once
Repayment Agreement
is set up with
Status Code of MO,
assumed there will be
no future transactions
for this Agreement ID.

If a former resident
begins making
payments,
they are applied to this
Repayment
Agreement.

Rules – MO - Moved-out Repayment

Tenant Name
Not included.

MO, MO
Moved-out, Moved-out

RV – Reversed (R & F)

Repayment Agreement/FSS
Agreement
entered in error

RV - Reversed - Example

Use if Repayment Agreement was entered for Rose Garcia instead of Jose Garcia

Use if OA entered in error.

Rules - RV – Reversed (R & F)

Once a repayment or FSS record has been reversed, it is assumed there will be no future transactions for this Agreement ID.

SU – Suspended (R only)

Resident unable to make payments due to reduced income

This code is used when household income is so low that it is not reasonable to expect payment.

Appears on voucher each month.

TE = Terminated (R & F)

For Repayment
Used when OA is no longer able to enforce repayment.

(Court Order)

TE = Terminated Repayment ???

Can be used to reduce Repayment Amount but is best to create new Repayment when balance is still due.

Does not usually create an adjustment to the voucher.

TE = Terminated (R & F)

For FSS
Current resident has withdrawn or been removed from the FSS Agreement/program.

Per the FSS Final Rule the escrow money stays with the owner.

TE = Terminated

Does not usually create
an adjustment to the voucher.

TE = Terminated

Appears on
voucher once.

Not expected
to appear on
subsequent vouchers

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

Repayment
Agreement Baseline
Submission

Selection

The Baseline

The first voucher submitted, after applying the TRACS 2.0.3.A update to site software, will include both the

- FSS baseline record and the normal record for that Status Code; and the
- Repayment Agreement baseline record and the normal record for that Status Code.

Contract Administrators

OA should work with CA to ensure that all active *Repayment Agreements* have been submitted and recorded.

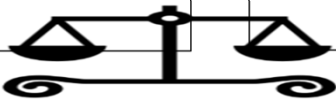
OA should also make sure that the site balances and CA balances match.

Beginning Agreement Amount

Ending Agreement Amount

Beginning Balance

Ending Balance



Get in Sync

If there is *Repayment Agreement*,
but the amounts do not match
the CA amounts,
then OA will need to work with the CA
to correct appropriate certifications
and adjust the *Agreement Amounts*
so that they are correct.

RA Not Reported

If OA reports to a CA and
if the owner/agent never created
Repayment Agreement voucher transactions
for existing residents
who received an improper payment,
and if there is still a balance due,
CAs need to provide guidance to owner/agents
to determine what steps need to be taken
in order to report this information to HUD.

Let’s Take a Look at a Baseline



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

| Repayment Agreements and FSS Escrows for Schedule of Tenant Assistance Payments Due | | | | | | | | | | | | | | U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner | | | | OMB Approval No. 2502-0182 (Exp. 00/00/0000) | | | | | | | | | |
|---|--|------------------|--|------------------------|--------------------|-----------------|--|---------------------|--|--------------------------------|---------------------|-----------------------------|--|---|--|-----------------------|--|---|--|--------------------|--|---------------------|--|----------------------|--|--------------------------------|--|
| Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) User's Guide. See the statements on the form HUD-52670 information on public burden. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Asst. Pymts Due For (mm/yyyy): | | 2. Project Name: | | | 3. Project Number: | | | 4. Contract Number: | | | 5. Type of Subsidy: | | | | | | | | | | | | | | | | |
| 8/2024 | | The Arbor | | | 123456789 | | | GA123456789 | | | 1 | | | | | | | | | | | | | | | | |
| 6. Head of Household Name (Last, First) | | 8. Record Type | | 10. Agreement Date | | 12. Trans. Type | | 13. Status | | 14. Beginning Agreement Amount | | 15. Agreement Change Amount | | 16. Ending Agreement Amount | | 17. Beginning Balance | | 18. Total Payment | | 19. Ending Balance | | 20. Amount Retained | | 21. Amount Requested | | 22. Approved (HUD/CA use only) | |
| 7. Unit Number | | 9. Assistant ID | | 11. Agreement End Date | | | | | | | | | | | | | | | | | | | | | | | |
| Roberts, Rachel | | RB | | 1/15/2022 | | T | | AV | | 1475 | | 0 | | 1475 | | 975 | | 0 | | 975 | | 0 | | 0 | | | |
| 108A | | 987654 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Roberts, Rachel | | R | | 1/15/2022 | | T | | AV | | 1475 | | 0 | | 1475 | | 975 | | 25 | | 950 | | 0 | | 0 | | | |
| 108B | | 987654 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 112A | | 987650 | | | | T | | IA | | 2200 | | 0 | | 2200 | | 2100 | | 0 | | 2100 | | 0 | | 0 | | | |
| Smith, Sam | | R | | 11/10/2023 | | | | | | | | | | | | | | | | | | | | | | | |
| 112B | | 987650 | | | | T | | SU | | 240 | | 0 | | 240 | | 240 | | 0 | | 240 | | 0 | | 0 | | | |
| Thomas, Trevor | | RB | | 7/20/2021 | | | | | | | | | | | | | | | | | | | | | | | |
| 201B | | 987550 | | | | T | | SU | | 240 | | 0 | | 240 | | 240 | | 0 | | 240 | | 0 | | 0 | | | |
| Thomas, Trevor | | R | | 7/20/2021 | | | | | | | | | | | | | | | | | | | | | | | |
| 201B | | 987550 | | | | T | | SU | | 240 | | 0 | | 240 | | 240 | | 0 | | 240 | | 0 | | 0 | | | |
| Thomas, Trevor | | RB | | 6/15/2020 | | | | | | | | | | | | | | | | | | | | | | | |
| 201B | | 987590 | | | | T | | SU | | 412 | | 0 | | 412 | | 412 | | 0 | | 412 | | 0 | | 0 | | | |
| Thomas, Trevor | | R | | 6/15/2020 | | | | | | | | | | | | | | | | | | | | | | | |
| 201B | | 987590 | | | | T | | SU | | 412 | | 0 | | 412 | | 412 | | 0 | | 412 | | 0 | | 0 | | | |
| King, Karl (Adjusted) | | RB | | 8/10/2021 | | | | | | | | | | | | | | | | | | | | | | | |
| 510D | | 874540 | | | | T | | AV | | 3890 | | 0 | | 3890 | | 3290 | | 0 | | 3290 | | 0 | | 0 | | | |
| King, Karl (Adjusted) | | R | | 6/10/2021 | | | | | | | | | | | | | | | | | | | | | | | |
| 510D | | 9874540 | | | | T | | AV | | 3890 | | 500 | | 3390 | | 3290 | | 100 | | 2690 | | 20 | | 580 | | | |
| Melton, Maria (Fixed) | | R | | 6/25/2024 | | | | | | | | | | | | | | | | | | | | | | | |
| 630B | | 9876210 | | | | T | | AV | | 0 | | 850 | | 850 | | 0 | | 50 | | 800 | | 10 | | 810 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

Repayment Agreements & PBRA RAD



Repayment Agreements & RAD

Special Rules Apply to RAD

Year of Conversion & Before

For Component 1 PH to PBRA RAD, Repayment Agreement transactions, or portions thereof, related to PIH funding are never to appear on the PBRA RAD voucher.

Year of Conversion & Before

There are five scenarios to consider
when addressing
Repayment Agreements for
Component 1 PH to PBRA RAD.

Scenario 1 – Component 1

Repayment Agreements executed
prior to conversion to PBRA RAD.

Scenario 2 Component 1

Repayment Agreements executed
after conversion to PBRA RAD
but affecting YOC or housing assistance
paid before conversion.

Scenario 3 Component 1

Repayment Agreements executed
after conversion to PBRA RAD and
after YOC but
affecting only Year of Conversion or
housing assistance paid
before conversion.

Scenario 4 Component 1

Repayment Agreements executed
after conversion to PBRA RAD and
after Year of Conversion and
affecting housing assistance paid
during Year of Conversion and
housing assistance paid
after Year of Conversion.

Scenario 5 Component 1

Repayment Agreements executed
after conversion to PBRA RAD and
after Year of Conversion and
affecting housing assistance paid
after Year of Conversion.

The Rules for Component 1

For Component 1 PH to PBRA RAD,
owner/agents must
treat Repayment Agreement transactions,
created to address improper payments
made prior to conversion or
during the Year of Conversion (YOC) (PIH funds),
separate from
Repayment Agreement transactions,
created to address improper payments
made after YOC (MFH funds).

Existing Repayment Agreements

No Repayment Agreements transactions
for any Repayment Agreement
executed prior to the
PBRA RAD Contract Effective Date
are ever reported
on a PBRA RAD voucher.

Repayment Agreements YOC

No Repayment Agreements transactions
for any Repayment Agreement
executed after PBRA RAD
Contract Effective Date
and during YOC
are ever reported on
a PBRA RAD voucher.

It Goes On...

No Repayment Agreements transactions
for any Repayment Agreement
executed after the Year of Conversion
are ever reported on a PBRA RAD voucher
if all of the improper payments were made
before conversion to PBRA RAD and/or
during the YOC
but no improper payments
were made after YOC.

Mixed PIH and MFH

If a Repayment Agreement is executed after the Year of Conversion and the Repayment Agreement addresses improper payments made before conversion to PBRA RAD and/or during YOC and also addresses improper payments made after YOC, only Repayment Agreement transactions amounts attributable to improper payments made after YOC may be included on the PBRA RAD voucher.

MFH Funds

If a Repayment Agreement is executed after the Year of Conversion and the Repayment Agreement addresses only improper payments made after YOC all Repayment Agreement transactions may be included on the PBRA RAD voucher.

Negative AP

For Component 1 PH to PBRA RAD,
after the YOC and in cases
where a Repayment Agreement
includes certifications that have negative HAP,
the Repayment Agreement is calculated
as the amount of overpaid subsidy.

It does not include the amount of underpaid
Tenant Rent in excess of Contract Rent.

Owner/agent's Money

Owners/ Agents may enter into a
separate agreement with the household
to collect amounts due in excess of
Contract Rent.

Example:

In July of 2023, the O/ A discovers tenant misreporting that dates back to 03/2023.

A 04/2023 IR is created

The Numbers

| Month/Year | Gross Rent | UA | Original HAP | New HAP | Original TTP | New TTP | Repayment Agreement Total | Excess owed to O/A |
|------------|------------|-----|--------------|---------|--------------|---------|---------------------------|--------------------|
| 07/2023 | \$1,000 | \$0 | \$200 | -\$300 | \$800 | \$1,300 | \$200 | \$300 |
| 06/2023 | \$1,000 | \$0 | \$200 | -\$300 | \$800 | \$1,300 | \$200 | \$300 |
| 05/2023 | \$1,000 | \$0 | \$200 | -\$300 | \$800 | \$1,300 | \$200 | \$300 |
| 04/2023 | \$1,000 | \$0 | \$200 | -\$300 | \$800 | \$1,300 | \$200 | \$300 |
| TOTALS: | | | | | | | \$800 | \$1,200 |

As Stated

The adjustments created by the certifications would create a RADN Miscellaneous Accounting Request of \$1200 to offset the portion of the adjustments in excess of Gross Rent.

The Repayment Agreement total – equal to the overpaid subsidy – is \$800.

The Owner Agent may enter into a separate agreement for \$1,200 which is the total Tenant Rent in excess of the Gross Rent.

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group



| C2 Mod Rehab to PBRA RAD |
|--|
| <p>For Component 2 Mod Rehab to PBRA RAD, Repayment Agreement transactions, or portions thereof, related to PIH funding are never to appear on the PBRA RAD voucher.</p> |

Four Scenarios Mod Rehab to PBRA RAD

There are four scenarios to consider when addressing Repayment Agreements for Component 2 Mod Rehab to PBRA RAD.

Scenario 1 Mod Rehab to PBRA RAD

1. Repayment agreements executed prior to conversion to PBRA RAD.

Scenario 2 Mod Rehab to PBRA RAD

2. Repayment agreements executed after conversion to PBRA RAD but affecting only housing assistance paid before conversion.

Scenario 3 Mod Rehab to PBRA RAD

3. Repayment agreements executed after conversion to PBRA RAD and affecting housing assistance paid before conversion to PBRA RAD and housing assistance paid after conversion to PBRA RAD.

Scenario 4 Mod Rehab to PBRA RAD

4. Repayment agreements executed after conversion to PBRA RAD and affecting housing assistance paid after conversion to PBRA RAD.

PIH Funds & MFH Funds

For Component 2 Mod Rehab to PBRA RAD, owner/agents must treat Repayment Agreement transactions, created to address improper payments made prior to conversion to PBRA RAD (PIH funds) separate from Repayment Agreement transactions, created to address improper payments made after conversion to PBRA RAD (MFH funds)

Rule 1 Mod Rehab to PBRA RAD

1. No Repayment Agreements transactions (debit/credit) for any Repayment Agreement executed prior to the PBRA RAD Contract Effective Date are ever reported on a PBRA RAD voucher.

Rule 2 Mod Rehab to PBRA RAD

2. No Repayment Agreements transactions (debit/credit) for any Repayment Agreement executed after conversion to PBRA RAD are ever reported on a PBRA RAD voucher if all of the improper payments were made before conversion to PBRA RAD but no improper payment were made after conversion to PBRA RAD.

Rule 3 Mod Rehab to PBRA RAD

3. If a Repayment Agreement is executed after conversion to PBRA RAD and the Repayment Agreement addresses improper payments made before conversion to PBRA RAD and also addresses improper payments made after conversion to PBRA RAD, only Repayment Agreement transactions amounts attributable to improper payments made after conversion to PBRA RAD may be included on the PBRA RAD voucher.

Rule 4 Mod Rehab to PBRA RAD

4. If a Repayment Agreement is executed after conversion to PBRA RAD and the Repayment Agreement addresses only improper payments made after conversion to PBRA RAD all Repayment Agreement transactions may be included on the PBRA RAD voucher.

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

Repayment
Agreements &
Component 2 Rent
Supp/RAP to PBRA
RAD & RAD for
PRAC



Component 2 MFH Repayments

For Component 2 RENT SUPP/RAP to PBRA RAD & RAD FOR PRAC, owner/agents will transfer the Repayment Agreement transactions to the PBRA RAD Contract.

All Repayment Agreements

Repayment Agreement transactions stemming from misreporting occurring both prior to and after the PBRA RAD Contract Effective Date are reported on the PBRA RAD voucher following the standard Repayment Agreement rules.

Four Scenarios

There are four scenarios to consider when
addressing Repayment Agreements
for Component 2 Rent Supp/RAP to
PBRA RAD
and RAD for PRAC.

Scenario 1 C2 Rent Supp/RAP/RAD

1. Repayment agreements executed
prior to conversion to PBRA RAD.

Scenario 2 C2 Rent Supp/RAP/RAD

2. Repayment agreements executed after conversion to PBRA RAD but affecting only housing assistance paid before conversion.

Scenario 3 C2 Rent Supp/RAP/RAD

3. Repayment agreements executed after conversion to PBRA RAD and affecting housing assistance paid before conversion to PBRA RAD and housing assistance paid after conversion to PBRA RAD.

Scenario 4 C2 Rent Supp/RAP/RAD

4. Repayment agreements executed after conversion to PBRA RAD and affecting housing assistance paid after conversion to PBRA RAD

MFH Funds

Because the improper payment on the former contract and the new contract represent funds provided through HUD’s Multifamily Housing programs, these Repayment Agreements appear on the PBRA RAD voucher.

Transfer Existing Repayment Agreements

For Component 2 PBRA RAD,
owner/agents will transfer the
Repayment Agreement Transactions
to the New Contract.

Existing Repayment Agreements

Repayment Agreements transactions
(debit/credit)
for any Repayment Agreement
executed prior to the PBRA RAD
contract Effective Date
are reported on the PBRA RAD voucher
when the balance due is greater than zero
and the resident still resides on the property.

Already Reported

If the Repayment Agreement has already been reported to HUD either using an OARQ (202C) or the HUD 52670-A Part 6 (2.0.2.D) the Repayment Agreement must be entered as an existing Repayment Agreement or a baseline to ensure that the requested amount reflects only any new change to the Repayment Agreement amount or any payment made by the resident or owner/agent.

After Conversion

Repayment Agreements transactions (debit/credit) for any Repayment Agreement executed after conversion to PBRA RAD are reported on the PBRA RAD voucher even if all of the improper payments were made before conversion to PBRA RAD and no improper payments were made after conversion to PBRA RAD.

Pay Attention!!!

If a Repayment Agreement is executed
after conversion to PBRA RAD
and the Repayment Agreement addresses
improper payments made
before conversion to PBRA RAD
and also addresses improper payments
made after conversion to PBRA RAD,
all Repayment Agreement transactions
may be included on the PBRA RAD voucher.

These Repayment Agreements require special attention.

Special Attention – Old Contract

The owner must calculate
the amount due from the tenant
under the old contract
either manually or
using owner/agent software.

Special Attention OARQ

The owner/agent
must enter an
OARQ Misc. Accounting Request
reflecting the improper payment
received by the resident prior to
conversion to PBRA RAD.

Special Attention OARQ

The description should be something similar
to – Ross Unit 101 – Adjustment for
Improper Payment Prior to Conversion to
PBRA RAD

and the amount should be entered as a
negative amount when the resident received
too much housing assistance due to
misreporting.

Correction to Prior

The owner/agent must
correct existing certifications –
effective on or after
the PBRA RAD Contract Effective Date
or, if appropriate,
insert new certifications –
effective on or after the
PBRA RAD Contract Effective Date –
thus generating correlating adjustments
on the voucher.

Ending Agreement Amount

For the new Repayment Agreement,
the Ending Agreement Amount
(on the first voucher)
is equal to the entire improper payment
(from both the old and new contracts)
less any payments made by the resident.

Amount Requested

Adding this new Repayment Agreement
will cause a positive request on
the HUD 52670-A Part 6
(assuming the resident received too much
housing assistance due to misreporting).

The OARQ Rules

The OARQ Miscellaneous Accounting Request added
to the total adjustments for the resident/unit
may not reflect the total of the Repayment Agreement
amount because of timing issues,
but will create the appropriate “offset” for the
requested amount
for the new Repayment Agreement transaction on the
HUD 52670-A Part 6.


Improper Payment – All RAD

If a Repayment Agreement is executed after conversion to PBRA RAD
and the Repayment Agreement addresses only improper payments made after conversion to PBRA RAD
all Repayment Agreement transactions may be included on the PBRA RAD voucher

Questions?



FSS Provisions That
Will Affect the Voucher
After Conversion -
Component 1 PH to
PBRA RAD &
Component 2 Mod
Rehab to PBRA RAD



At Time of Conversion

At the time of conversion,
the owner/agent is required
to continue to service all active FSS CoPs.

Self-manage or Partner

All Project Owners will be required
to administer the FSS program
or partner with another agency
to administer the FSS program
in accordance with the requirements of
24 CFR part 984,
the participants' contracts of participation (CoP),
and future guidance published by HUD.

Under PBRA RAD

The owner is not required
to enroll new participants,
but may choose to do so in accordance
with HSG Notice 2016-08 Family Self
Sufficiency Program in Multifamily.

Current Guidance

Current guidance can be found in
HSG Notice 2016-08 Family Self
Sufficiency Program in Multifamily.

Existing FSS Funds for FSS Transactions Made Prior to and During the Year of Conversion - Component 1 PH to PBRA RAD

This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

At Conversion

Upon conversion, funds escrowed under the Public Housing program for FSS participants shall be transferred into the PBRA escrow account and be considered PBRA funds, thus reverting to PBRA if forfeited by the FSS participant.

The Deposit

The owner/agent shall deposit the FSS account funds of all participating families into a single depository account.

The Regulations

The Escrow Accounts
for households participating
in the program
must be calculated in accordance
with the PIH regulations
at 24 CFR Part 984.

Notification to HUD

To ensure that HAP payments
are processed correctly,
and until TRACS 2.0.3.A
is fully implemented,
the owner/agent must notify
MF_FSS@hud.gov
that there are current FSS participants
residing in the Covered Project.

CoP Goals

The owner/agent
has latitude
in rewriting
interim and
final goals.

The statutory
requirement remains
that the HOH seek and
maintain appropriate
employment; and that all
participant family
members be free of
welfare for a year.

Servicing the CoP to the End

Until the goals are met
and the participant
graduates, or the
participant voluntarily
leaves the program, the
owner must continue to
service the active CoP.

The term of the CoP
is up to five years
from the
Effective Date
of the CoP.

| | |
|--|---|
| | |
| <p>The owner/agent may make the determination that the FSS family in not in compliance with the CoP.</p> | <p>If the FSS family fails to comply (without good cause) with the terms and conditions of the contract, the owner may terminate the family's participation in the FSS program.</p> |

| | |
|--|--|
| <p>202D & 2.0.3.A</p> | |
| <p>Under TRACS 2.0.2.D, owner/agents used the OARQ Miscellaneous Accounting Request to create an offset to the Assistance Payment requests for those residents participating in the FSS program.</p> | |
| <p>With the release of TRACS 2.0.3.A, these transactions must be recorded on the HUD 52670-A Part 6.</p> | |

Existing FSS

Existing FSS Escrow Accounts must be set up with a baseline record on conversion to 2.0.3.A software.

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

**FSS Transactions Made During
the Year of Conversion -
Component 1 PH to PBRA RAD**

This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

During YOC – Component 1

During the Year of Conversion,
owner/agent will
continue to deposit appropriate funds
into the FSS Escrow Accounts.

FSS Transactions & the Voucher YOC

These FSS transactions
are created
before the voucher is
reduced to zero.

The funds used to
make these deposits
are PIH funds and the
PHA provides FSS
Escrow Account
deposit funds.

Tracking the Funds

Owner/agents of Component 1 PH to PBRA
RAD properties should be sure to track the
contributions to the FSS Escrow Account
prior to submission of the first Year 1
Voucher.

The owner/agent must arrange with the
PHA to provide funds accrued for the FSS
Escrow Account.

Funded by PIH During YOC

The FSS Escrow Account is not funded by MFH during the Year of Conversion, but these amounts must be deposited and included in the FSS annual review with the resident.

Once CoP is Complete

If the resident successfully achieves the goals of the FSS CoP, funds are distributed to the resident based on the guidance provided by HUD.

If CoP is Terminated

If the FSS agreement is Terminated because the resident opts out or fails to achieve documented targets, the owner/ agent may keep the funds, but use of those funds is directed by HUD.

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group

This material is part of a DRAFT and is subject to change at any time.

85

Completed Mod Rehab

If the resident
successfully achieves the goals
of the FSS CoP,
funds are distributed to the resident.

Terminated Mod Rehab

If the FSS agreement is Terminated
because the resident opts out or fails to
achieve documented targets, the
owner/agent may keep the funds, but
use of those funds is directed by HUD.

Questions?



This material is part of a DRAFT and is subject to change at any time.

7/24/2023 - Voucher
Presentation Industry
Working Group