HUD Issues Changes to the Occupancy Handbook 4350.3

On August 7, 2013, HUD published Change 4 to the HUD Handbook 4350.3 REV-1 which was effective on that day. Change 4 includes guidance that was previously issued through HUD Notices regarding: The Violence Against Women Act, Enterprise Income Verification (EIV), Final Rule regarding Individuals Subject to State Lifetime Sex Offender registration, the Supplemental Information to Application for Federally Assisted Housing, and the Rent and Income Determination Requirements in Public Assisted Housing.

Change 4 included a few noteworthy changes: (click for HUD transmittal page)

- Removal of the old Chapter 9 which discussed “50059 and 50059-A and Subsidy Reporting”. This was replaced by a chapter discussing EIV. Please note that the requirements of the old Chapter 9 are still in existence and are in the process of being integrated in the MAT User Guide.

- Chapter 4, 4-4 C.9 states that “The plan [Tenant Selection Plan], as well as House Rules where applicable, must include policies and procedures covering the VAWA protections. Owner policies must support or assist victims of domestic violence, dating violence or stalking and protect victims, as well as members of their family, from being denied housing or from losing their HUD assisted housing as a consequence of domestic violence, dating violence or stalking.

- Chapter 5 5-16.B.1 and 2 - Added language

  1. Verifications are valid for 120 days from the date of receipt by the owner, *not the effective date of the 50059.*

  2. If verifications are more than 120 days old *from the date of receipt by the owner*, the owner must obtain new verifications.

- Exhibit 5-3- Language removed in reference to Household Help. "Also, certain maintenance or personal care services provided for long-term care can be included in medical expenses."

- Removal of language regarding foster children or foster adults found in Chapter 3, 3-6. E. 3. b. The removal of this language inherently means that you must now count foster children and adults when determining income limits and family size for the purpose of eligibility. Foster children however, are not dependents and do not qualify for the $480 allowance.

Update to Change 4  (click for HUD transmittal page)

On December 11, 2013, HUD issued a revision to the previously published Change 4. The implementation date has been extended until December 15, 2013. Owners/management agents will also have until March 1, 2014, to implement any change that requires modifications to TRACS software.

……Continued on following page
In addition to the revised implementation period, the revised transmittal identifies the removal of all appendices associated with Chapter 9 of HUD Handbook 4350.3 REV-1, Change 3. Specifically, the following appendices found in Change 3 have been removed: Appendix 7-A, Appendix 7-B, Appendix 7-C, Appendix 8, Appendix 9, Appendix 10 A, Appendix 10 B, Appendix 10 C, Appendix 10 D, Appendix 11, Appendix 12, and Appendix 13 (the old Appendix 14 is now Appendix 7).

Further, small clarifications to verification techniques were made in paragraphs 5-13.B.2 and 9-10.A, Appendix 3 has been updated to match the verification requirements found in the rest of the handbook, and typographical errors identified by the industry have been corrected.

Here are some changes to be aware of:

- Chapter 5, 5-13 B. 1.a (2) (b) (2) Note: See Paragraph 9-10 for situations when this method of verification must be used prior to verifying through (1) above.*
- Chapter 9- 9-10 A, added the verbiage, “Owners must request and obtain independent third party verification directly from the source which is used to complement EIV data when the below occurs (Please see 9-10, A 1-4) In these situations, the owner must not use tenant-provided documentation even if generated from a third-party source.”

The Handbook update include the previously issued HUD guidance noted below:

- The Violence Against Women Reauthorization Act Housing Notice 2013-23
- Enterprise Income Verification Housing Notice 2013-06
- State Lifetime Sex Offender in Federally Assisted Housing - Housing Notice 2012-11
- Supplemental Information to the Application— HUD Form 92006

The complete Handbook 4350.3 REV-1 CHG 4 can be found here.

**HUD Issues Changes to the Occupancy Handbook 4350.3 (continued)**

HUD Publishes 2014 Income Limits

HUD has posted the new 2014 Income limits [http://www.huduser.org/portal/datasets/il/il14/index.html](http://www.huduser.org/portal/datasets/il/il14/index.html)

The 2014 income limits were posted on 12/18/2013 and became effective immediately.

Read the entire notice [here](http://www.huduser.org/portal/datasets/il/il14/index.html).
Multifamily Housing EIV System 9.6 Release Summary

EIV system update 9.6 was successfully released on December 8, 2013, and has had full functionality since December 15, 2013. Below are the new functionalities that have been added to Multifamily EIV. Any questions related to Multifamily Housing in EIV should be directed to the Multifamily Helpdesk at 1-800-767-7588 or by email at mf_eiv@hud.gov.

<table>
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<th>Function</th>
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<tr>
<td><strong>EIV — Search Option</strong></td>
<td>EIV has added the ability to obtain data by utilizing Property ID search option along with Contract or Project numbers for user rolls HQA, HDK, HFU, HFC, CAC and CAU in select reports.</td>
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<td><strong>EIV — HQs Management Reports</strong></td>
<td><strong>Verification Report</strong>&lt;br&gt;Multiple Subsidy Summary Report&lt;br&gt;<strong>NO HSC or HSU Role Assigned Report</strong>&lt;br&gt;• Link for HFU Users added to get the list of properties receiving Multiple Subsidies in alphabetic order.&lt;br&gt;• No HSC or HSU Role Assigned Report added under HQ Management Reports menu with HQ, State and Field office search criteria. Has printable PDF reports and downloadable to Excel capability.</td>
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<td><strong>EIV — Verification Reports</strong></td>
<td><strong>Existing Tenant Report</strong>&lt;br&gt;• Existing Tenant Report was modified to populate the Owner/Management Agent column with the Management Agent information as opposed to TRACS data, with a printer friendly version option.</td>
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<td><strong>Multiple Subsidy Report</strong>&lt;br&gt;• Two additional columns, Total Number of Properties with Tenants receiving Multiple Subsidy in MF, and MF and PIH were added to Multiple Subsidy Summary Report with printable PDF reports and downloadable to Excel.&lt;br&gt;• Search capability by Property ID added to Multiple Subsidy Report. Has printable PDF reports and downloadable to Excel capability.&lt;br&gt;• Multiple Subsidy Report is modified to populate the Owner/Management Agent column with the Management Agent information as opposed to TRACS data.</td>
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<tr>
<td><strong>Identity Verification Report</strong>&lt;br&gt;• Additional search capability added by Property ID for Identity Verification Report’s with a printer-friendly version.</td>
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<tr>
<td><strong>Deceased Tenant Report</strong>&lt;br&gt;• Provides the search capability for Deceased Tenants Report by Property ID with a printer friendly version.</td>
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HUD CHARGES NEW YORK HOUSING PROVIDER WITH DISCRIMINATING AGAINST RESIDENT WITH DISABILITIES WHO NEEDED A SUPPORT ANIMAL

HUD No. 13-170
Shantae Goodloe
(202) 708-0685

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) announced today that it is charging the East River Housing Corporation in New York, NY, with violating the Fair Housing Act by denying a request from a tenant with disabilities to reside in her apartment with a medically-prescribed support animal. HUD's charge alleges that East River employees ignored the woman's many requests to keep her emotional support dog in her apartment and moved to evict her when she refused to get rid of the dog.

The Fair Housing Act requires housing providers to make reasonable accommodations in their rules, policies, practices, or services when needed to provide persons with disabilities an equal opportunity to use or enjoy a dwelling. This includes waiving pet limitation policies for persons who need emotional support animals.

“Support animals provide the comfort and stability that many people with disabilities need,” said Bryan Greene, HUD’s Acting Assistant Secretary for Fair Housing and Equal Opportunity. “The Fair Housing Act requires housing providers to grant reasonable accommodations to persons with disabilities and HUD will continue to take action when they fail to comply with that obligation.”

HUD brings this charge on behalf of a tenant living in a 1672-unit housing cooperative owned by East River Housing Corporation. The tenant allegedly submitted a reasonable accommodation request to keep a dog in her apartment with a letter from her doctor explaining that she was disabled and needed a support animal to alleviate symptoms associated with her disabilities. Nonetheless, the East River Housing Corporation allegedly refused to grant the woman’s request. HUD’s charge further alleges that even after receiving multiple requests and documentation from multiple doctors, East River repeatedly told the woman to remove her support dog and eventually took action to evict her.

HUD's charge will be heard by a United States Administrative Law Judge unless any party to the charge elects to have the case heard in federal district court. If an administrative law judge finds after a hearing that discrimination has occurred, he may award damages to the woman for the harm caused her by the discrimination. The judge may also order injunctive relief and other equitable relief, as well as payment of attorney fees. In addition, the judge may impose fines in order to vindicate the public interest. If the matter is decided in federal court, the judge may also award punitive damages.
Cost-of-Living Adjustment (COLA) for 2014

Social Security Announces 1.5 Percent Benefit Increase for 2014

Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 63 million Americans will increase 1.5 percent in 2014, the Social Security Administration announced today.

The 1.5 percent cost-of-living adjustment (COLA) will begin with benefits that more than 57 million Social Security beneficiaries receive in January 2014. Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2013.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to $117,000 from $113,700. Of the estimated 165 million workers who will pay Social Security taxes in 2014, about 10 million will pay higher taxes as a result of the increase in the taxable maximum.

Information about Medicare changes for 2014 is available at www.Medicare.gov.

The Social Security Act provides for how the COLA is calculated. To read more, please visit www.socialsecurity.gov/cola

TAP Update: Winter Webinar Series Will Commence in January

In October 2011, HTFC and CGI launched the complimentary Technical Assistance Program. The first stage of this program included the TAP Onsite Review Service. These services (based on determined needs by the owner) range from occupancy and operational reviews to information sharing on topics. For clarity, assessments are not MOR's. They are for informational purposes and CGI staff is providing their professional opinions only. The reviews are not endorsed by nor affiliated with HUD. Feedback from those who have participated in an onsite review has been overwhelmingly positive.

We are excited to announce an additional webinar for the continuation of the Winter Webinar series.

- **HUD Handbook 4350.3 - Change 4** an overview tutorial in dealing with the most pertinent changes to HUD handbook 4350.3 Change 4. The workshop will step through an explanation of the updates and focus on how these changes may affect your next MOR. There will be time for questions and answers.

To take advantage of this service, available to staff only if you have a property in the PBCA portfolio, visit the home page of www.pbcany.com for registration details.
Utility Allowance Effective Dates

This article updates the guidance provided in the Fall edition of the Newsletter. Generally the NY PBCA and HUD will be setting the Utility Allowance effective date to coincide with the effective date of the contract rent (anniversary date). This change or clarification in policy is being done to align the process with the update to HUD Handbook 4 350.3 Change 4 effective 8/17/2013.

Per HUD Handbook 4350.3 Change 4 Chapter 7-18.C:

C. Owners must make changes to the Utility Allowances effective the same date as the rent effective date for the annual analysis submitted at the time of the rent adjustment. In cases where the Utility Analysis is completed mid-year due to a 10% or greater rate increase, the effective date of the Utility Allowance must be the first day of the first month following approval by HUD or the Contract Administrator.

Timely Owner submissions along with PBCA processing will allow for completion of the process well in advance of effective dates and any required tenant notification period due to a reduction in the utility allowance and increase in tenant rent.

Submitting the UA timely ensures the PBCA’s ability to process the Utility Allowance analysis in a timely fashion.

What about Retroactive Effective Dates?
Delays in processing as a result of late OA submissions will result in the effective dates being effective on the same date.

- **For increases in the UA** – The OA will be required to “refund” the excess payments (tenant payment) back to tenants

- **For reductions in UA** - The OA may not raise contract rents until the proper 30 day notification of rent increase is complete. The O/A is responsible for and will be required to “make up” the difference in the old and new reduced UA for the duration between the effective date of the UA until the completion of the proper 30 day notification period.

Keep in mind however, if the delay in processing is out of the control of the Owner and the Owner has done everything within his or her power to submit and process in a timely fashion, they will be given the opportunity to be made “whole”. This will be accomplished via an Owner appeal to the PBCA. Please direct any questions on this matter to your Contract Specialist at CGI.
Reminder on the Transmission of Social Security Numbers

Over the past few months the NY PBCA has seen an increase in the number of owner submissions containing complete social security numbers. This issue has been particularly evident during the Special Claims process. Owners and Agents are reminded of HUD’s updated guidance on the transmission of SSN’s.

Per HUD Notice 2013-06:

XII. SECURITY OF EIV DATA
   G. Safeguarding EIV Data
      3. Physical Safeguards
         Physical safeguarding of EIV data refers to steps that must be taken to help ensure the data is safe when stored electronically or in hardcopy and when transmitting data electronically.
         a. Storing and Transmitting of Electronic EIV Data
            (2) The full nine-digit SSN for a tenant must not be included in emails or other electronic communications

While this guidance is being issued in the discussion on the use and security of EIV data, the overall directive applies across the board.

HUD systems also follow this guideline going back to 2008. In June of 2008 TRACS sent out the following announcement changing the format of reports obtained in the TRACS system -

On June 27, 2008, in an effort to comply with the Office of Inspector General in protecting the privacy of each individual, TRACS will implement an enhanced version of Tenant and Voucher queries. Social security number (SSN), taxpayer identification number (TIN), and date of birth (DOB), currently displayed in full format on both the web query page and the download file, will now be partially blocked from view through use of the display format below:

SSN - XXXXXNNNN
TIN - XXXXXNNNN
DOB - XX/XX/NNNN

Finally, HUD has also addressed this issue with its latest update to the Occupancy Handbook in August 2013. (Note the final sentence in the citation.)
Reminder on the Transmission of Social Security Numbers (continued)

**HUD Handbook 4350.3 Change 4 – 9-11A.3.b.**

**NOTE:** To minimize the risk of exposing a tenant’s SSN, owners may remove and destroy, at the time of recertification, copies of verification documentation received from the tenant at the time of disclosure of their SSN once the Identity Verification Status shows “Verified”. Owners are encouraged to minimize the number of tenant records that contain documents that display the full nine digit SSN. Owners must not include the full nine-digit SSN for a tenant in emails or other electronic communications.

The NY PBCA does not need nor does it require the submission of the full SSN to process any special claim or voucher. All that is required for tenant identification is the last 4 numbers of the SSN. We appreciate your continued efforts to ensure the privacy and security of your tenants’ personal information.

Should you have any questions or concerns on any of these new policies noted above, please contact your Contract Specialist at CGI.

**What’s New on HUDClips**

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<td>HUD Form 9832 Management Entity Profile</td>
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<td>11/13/13</td>
<td>HUD Form 9839-B Project Owner’s and Management Agent’s Certification</td>
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<td>HUD Form 9839-A Project Owner’s Certification for Owner-Managed Multifamily Housing Projects</td>
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<tr>
<td>12/10/13</td>
<td>4350.3 REV-1 CHG4 Occupancy Requirements of Subsidized Multifamily Housing Programs (Change 4) Revised</td>
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