Ready?

Set…

# Race to the MOR Finish Line!

- Presented by Lisa Santiago
- PHFA Assistant Housing Management Representative

# Race to the MOR Finish Line

## Sight Lap

**Overview of the 9834**

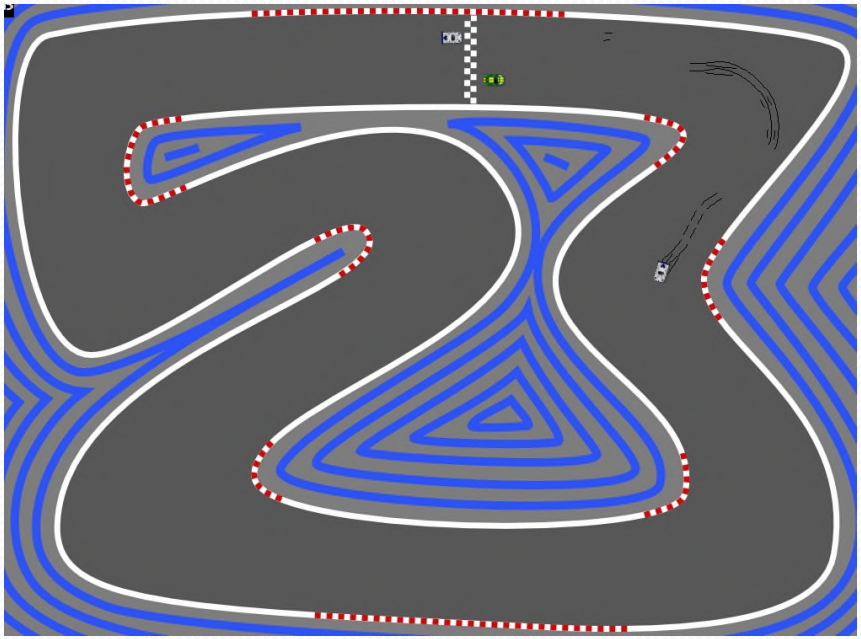
## Pit Stop

**Curb appeal and maintenance procedures**

## Speed to the Finish Line

**Preparing with organization tips and checklists**

# 9834 Sight Lap



PHFA.org > Partners > Multifamily Housing Professionals > Asset Management > Property Management > Non Performance Based Section 8 > Additional Links

# Reviewing the 9834

- Part I- Desk Review
- Part II- On Site Review
  - Categories A-G
  - Addendum A- Tenant File Review

# Reviewing the 9834

- Breakdown of Scoring

| | Category | Weight |
|---|---|---|
| A | General Appearance & Security | 10% |
| B | Follow-Up & Monitoring of Project Inspections | 10% |
| C | Maintenance & Standard Operating Procedures | 10% |
| D | Financial Management/Procurement* | ■ |
| E | Leasing and Occupancy | 25% |
| F | Tenant/Management Relations | 10% |
| G | General Management Practices | 10% |

# Curb Appeal and Maintenance Procedures

# Curb Appeal and Maintenance Operating Procedures

- Top Tip: Walk the common areas of the property 3 times with your maintenance staff and possibly Regional
  1. Upon receiving the Notification Letter
  2. A week prior to the audit
  3. The day before the audit

# Category A
## General Appearance & Security

- Walk common areas and ensure property is in decent, safe and sanitary condition
- Be prepared for REAC unit follow up

- **3 Top Tips: A little TLC**
  - **Trash, Lawn cut and Common areas clean!**

# Category A
## General Appearance & Security

- Survey Security measures
  - How many cameras do you have?
  - How many incidents happened on site over the last 12 months? (vandalism, break ins, assaults, etc.)

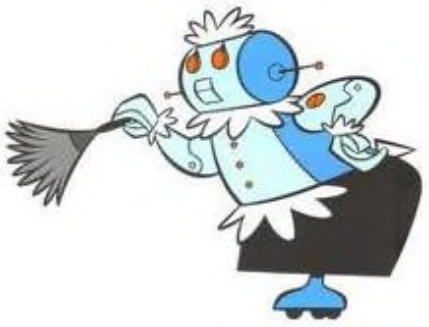
- Top Tip: Track and log incident information on spreadsheet and retain police reports

# Curb Appeal and Maintenance Operating Procedures

Who else to notify of the review?

- Landscaping crew

- Janitorial company



# 9834 Category B
## Follow-Up & Monitoring of Project Inspections

- Follow up on EH&S (Exigent Health and Safety) items on most recent REAC inspection
- Lead Based Paint Inspection-certified free of lead based paint or hazards
  - Reports pertaining to abatement, inspection, training, etc.
- (Not so) Common Findings
  - Not repairing EH&S items!

# 9834 Category C

## Maintenance & Standard Operating Procedures

- Maintenance Procedures being checked:
  - Preventive schedules
  - Inventory system for supplies and theft prevention
  - Inspection procedures
  - Vacancy and Turnover (Average turnover time <30 days)
  - Work order procedures- standard and emergency
    - Outstanding work orders- expected date of completion
  - Documentation of assets
- Possible Findings: Vacancies >30 days with no justifiable reason

# Curb Appeal and Maintenance Operating Procedures

- Top Tip: Check that you have these **written** procedures for maintenance:
  1. Preventive Maintenance Procedure
  2. Emergency After Hours Call Procedure
  3. Work Order Procedure

# 9834 Category D

## Financial Management/Procurement

- Not monitored by PHFA
- Moving on…

# Where to Focus?

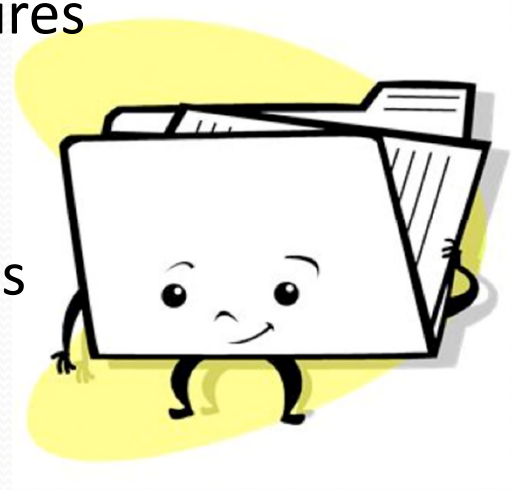
## Leasing and Occupancy!

# 9834 Category E

## Leasing and Occupancy

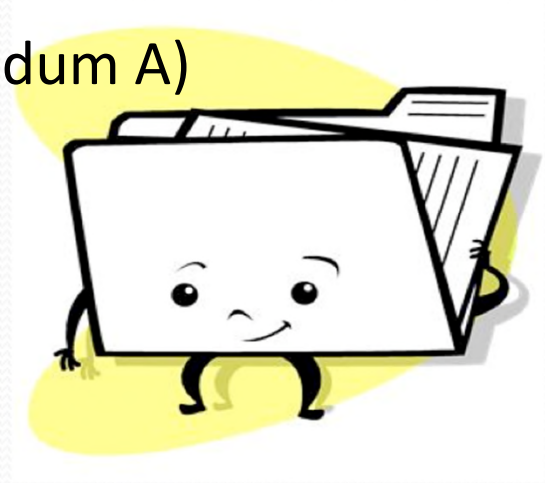
**Biggest weight! 25% of score**

- Application Processing/ Tenant Selection
- Leases and Deposits
- Eviction/ Termination of Assistance Procedures
- EIV System Access and Security Compliance
- Compliance with Using EIV Data and Reports



# 9834 Category E
## Leasing and Occupancy

- TRACS Monitoring and Compliance
- TRACS/EIV Security Requirements
- Tenant File Security
- Tenant File Review Summary (From Addendum A)



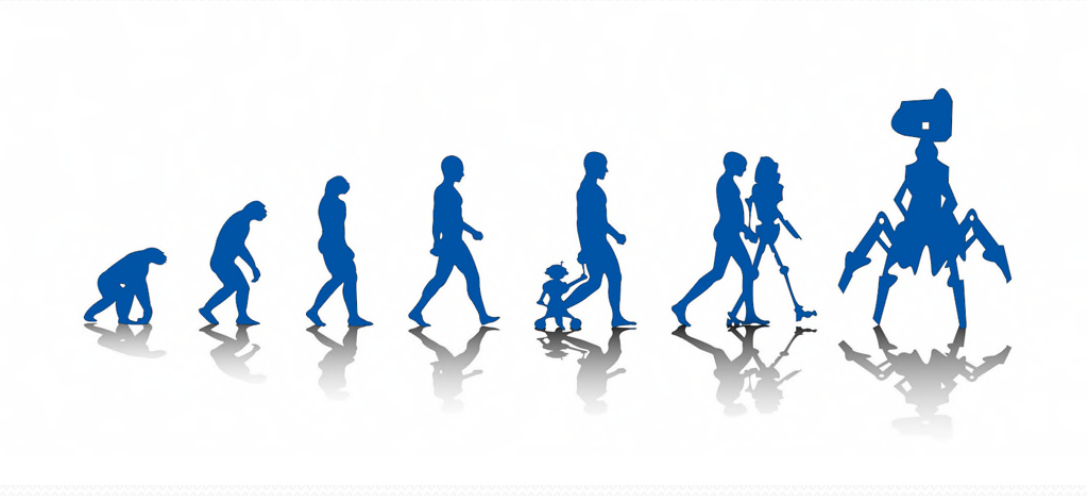
# 9834 Category F
## Tenant/Management Relations

- Tenant Concerns (Written Grievance Procedure)
- Provision of Tenant Services
  - Social Services from neighborhood or site (Social Services Coordinator, Area Agency on Aging, Food Banks, etc.)

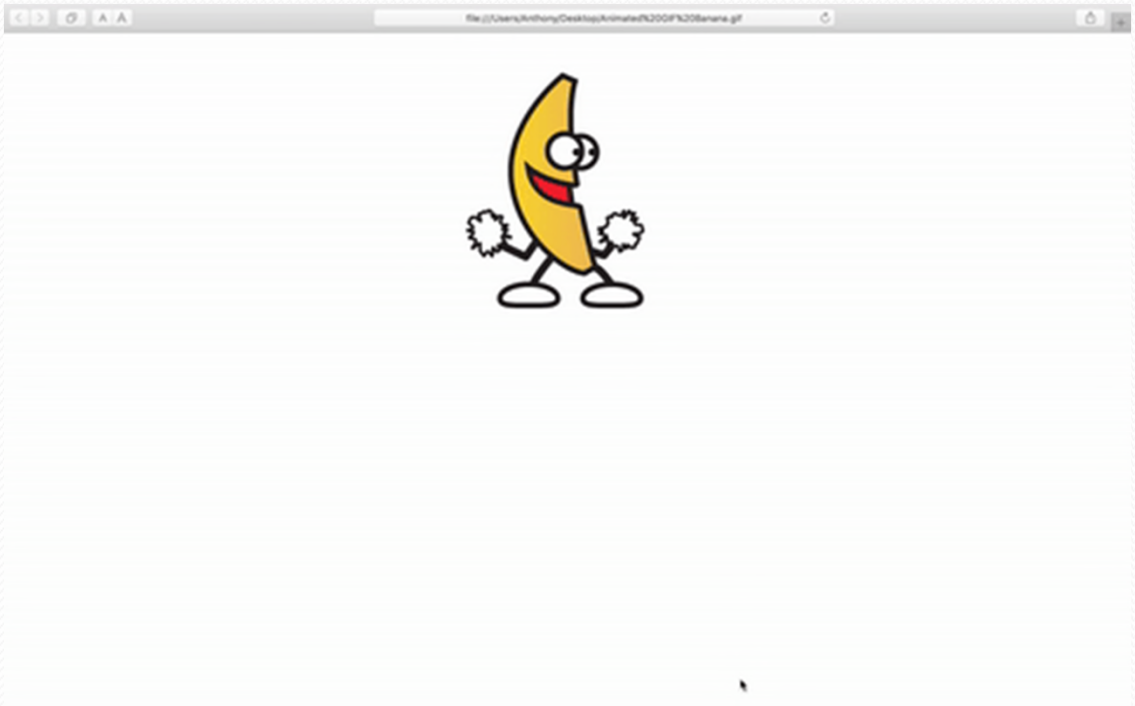
# 9834 Category G
## General Management Practices

- Management training and how changes in policies are kept up to date

There will always be changes!



# Get up and Stretch!



# Addendum A

## How many files are being reviewed?

| Number of Units | Minimum File Sample |
|---|---|
| 100 or fewer | 5 files plus 1 for each 10 units over 50 |
| 101-600 | 10 files plus 1 for each 50 units or part of 50 over 100 |
| 601-2000 | 20 files plus 1 for each 100 units or part of 100 over 600 |
| Over 2000 | 34 files plus 1 for each 200 units or part of 200 over 2,200 |

# Addendum A: Tenant File Review

## Which files are being reviewed?

- Move Ins last 12 months
- Units on EIV Reports
- Move Outs from last 12 months
- Rejected applicants from last 12 months
- Remaining are random Annual Recertifications

**ALL DOCUMENTS SHOULD BE SIGNED**

- Express Top Tip: Go through these files to check for signatures!

# Addendum A

## Household Information

- Application ✓Checklist ideas!!
  - Not completed or not signed, no date/time stamp
- EIV
  - Existing Tenant Search for all Move Ins after Jan 31, 2010 ✓
- Transfers: Over/Under Housed ✓
- Income eligible at move in ✓

# Addendum A

## Household Information

✓Checklist ideas!!

- Race and Ethnicity certification ✓
- 9887/9887A Consent forms ✓
- Acknowledgement of forms/brochures ✓
  - Why? Smaller files and allows residents to take brochures home.

# Addendum A

## Verification

✓Checklist ideas!!

- Proof of SS number ✓ *exemptions apply
  - EIV Summary Report to validate them
- Following Screening Criteria in the TSP ✓
  - i.e. Landlord verification, credit checks, criminal background
  - Tracking Tip for Landlord references: have a form to list residences, landlords, dates and certify accuracy.
- Verification of :
  - Disability status when under 62 ✓
  - Student Status
  - Age

# Addendum A
## Lease- General

- All leases and addenda signed and dated by household members 18+ and Owner/Agent
- Pets- (62+) proper deposit with payment plan option
- Security deposit- check that it is the correct amount
- Move in/ annual inspections: Fill them out and DATE THEM!

MORE DETAIL!

# Addendum A
## Lease- VAWA

- Use the 91067 OMB Exp- 6/30/2017 ✓
- Fully complete and provide the 5380/5382 ✓ at:
  - Move In or Annual Recertification
  - Rejection
  - Termination of Assistance
  - Eviction
  - TIP: Add “Attachment: Form HUD-5380 and Form HUD-5382” to Rejection letter and Notice to Quit
- Make sure VAWA protections are included in the TSP and House Rules

# Addendum A
## Certification/ Recertification Activities

- Recertification notices sent 120/90/60 days out
- Certifications should be signed/dated by all parties
- Certifications completed on time, providing a 30 day notice of increase in rent

# Addendum A

## Certification/ Recertification Tips

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Benefits Older Pennsylvanians. Every Day.

- For income and asset calculations: "**Show your work**"
- Use tools to clarify:
  - **Clarification Record** for any unusual circumstances
  - Use **calculator tape** to show how calculations were made for multiple types of income from the same source
  - **Highlight**!
- Place documentation in **same order** as listed on the Summary sheet/50059

# Addendum A
## Income Calculation Reminders

- **Wages**: 4-6 STUBS- Use gross pay total to ensure additional pay rates are factored in- i.e. shift differentials, OT, etc. Make sure to find out if bonuses are awarded!
- **Social Security**: Use gross amount (with cents!)
  - Careful if deductions are being made for overpayments…
- **Annuity as Income**: When any amount is being received, whether monthly or annually as a Required Minimum Distribution, it is counted as **income**. The value of the account as an asset is **NOT** included on the certification.
- **Gift Income**: paying for utilities, car payment, phone plan, etc.
- Reference **4350.3 Appendix 3** for Acceptable forms of Verification

# Addendum A
## Asset Calculation Reminders

- **Checking balance calculation:** 6 month average; if account is new, take an average based on the age of the account:
  - 3 months opened=3 month average

- **Cash value of property**: Even if house isn't on the market, it must be counted.
  - Cash value=current value-costs of converting to cash
    - Costs can include mortgage balance, settlement costs, etc.

- **Annuity**: Receiving Fixed or Variable rate interest, typically has surrender or withdrawal fees and possibly tax penalties.
  - The asset transforms into an income source once **ANY** scheduled distribution begins- monthly, quarterly, annually, etc.

# Addendum A
## Asset Calculation Reminders

- **Direct Express cards-** applicable for all federal benefits- so if they are not direct deposited into a bank account they are claiming that is how they get them! Treat like a savings account listed as Other Asset and request a recent ATM slip as verification.

- **Disposal of Assets**: If applicant/tenant gives/sells something for less than full value, take the difference between the value and what was received.
  - House valued at $150,000 and received $50,000=$Disposed?
    - Count **$100,000**.

# Addendum A

## Allowances/Expense Reminders

View Section 2 of 4350.3 Chapter 5 for Adjustments to Income

- **For move ins**: Past one time bills not allowed, only recurring/ payment plan type expenses allowed
- **Medicare**: Verify on EIV report- if Gross and Net are the same, under Medicare "Buy-In" it says Y means that someone else (typically the state) is paying for their Medicare premium and it is not counted as a medical expense.
- **Nutritional Supplements**: need to be recommended by a medical practitioner to treat a specific medical condition. Get a Rx or letter with the practice's information/letterhead.
- For Medical Expenses also Reference Exhibit 5-3 of Handbook

# Addendum A

## EIV and Unreported Income

4350.3 Chapter 9 for EIV Policies and Procedures

Management Company's EIV Policy

- Were discrepancies investigated, resolved and **documented**?
- Are there any repayment agreements?
- Ensure all 18 YOs are signing the 9887/9887A promptly
- 90 day Move In Income Report
  - **Identify** report at top, have on **calendar** to track

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# Addendum A

## EIV and Unreported Income

- For EIV discrepancies- 4350.3 Chapter 8 Section 4, 8-20
  - **Document** the discrepancies- **write on the report** if resident is no longer employed, they had an increase in pay that is verified, etc.
  - Discrepancies are required to be **resolved within 30 days** of the Income Report date so contact your resident ASAP!
  - **Use a Clarification Record** to document sequence of correspondence and information being gathered.
- Repayment agreements are covered 8-21 through 8-23
- If you have a discrepancy discovered through other means than EIV, see the 4350.3 Chapter 8 Section 4, 8-18

# Addendum A
## EIV and Unreported Income

- Tenant File Report Requirements:
  - Existing Tenant Search- Upon Screening for ALL Household members
  - Income Report
    - 90 days within Move In transmission, AR, IR
  - Summary Report- AR, IR
  - Discrepancy Report-AR, IR

*Certification Page is not required

AR=Annual Recertification
IR=Interim Recertification

# Addendum A

## Billing (HAP request)

- Simple- Ensure all your certifications are completed in your software program and they are showing on your HAP request!

# Addendum A
## Move-Out File

- Do Move Out Inspection, complete with some detail (do not leave blank!) and DATE THEM!
- Damages and charges should be itemized and provided to tenant
- Was the disposition notice provided within 30 days?

MORE DETAIL!

# Addendum A

## Applicant Rejection

- Applicant rejection notices should:
  - Be clear in reason for rejection
  - Provide the right to appeal (appeal should be conducted by someone other than the original person deciding)

- Appeal decision should be provided within 5 days of the meeting

- HUD 5380 and 5382 must be included as Enclosures on your letters (and send it!)

# Addendum D

## State Lifetime Sex Offender Statistics

- Complete all questions, ensure if any documentation is required and **attach it**!

# 5 minute break

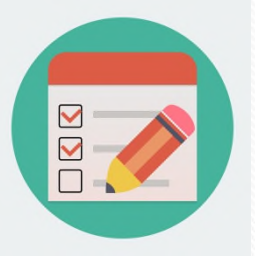
# Race to the Finish Line!!

## Organization Tips and Checklists

# Preparation Step 1: Use the 9834

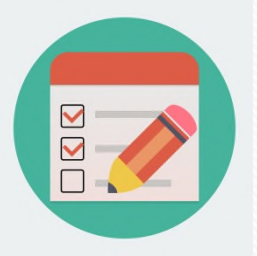
- Best way to prepare: Start reviewing the 9834 NOW- go through it to ensure there are no glaring issues.
- Use the Addendum A when completing your recertifications!

# Checklists and Binders



- Make checklists of all your documents pertaining to the program and your site for each segment of your processing
  - Applicant screening
  - Move In
  - Annual Recertification
  - Interim Recertification
  - Adding Household Member
  - Transfer
  - Move Out

# Checklists and Binders



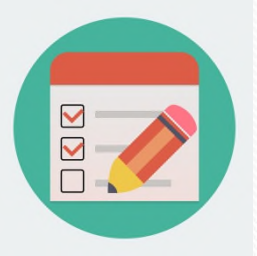
Let’s take a look at an example!

# Ch ts and Binders

## Big tips to help your auditor

- Have files set up consistently
- Does your software provider give a Summary page itemizing each source of income, asset and expense? Print the summary and place documents in the file in the **same order** as the summary lists them.
- Attach those calculator tapes, clarification sheets and highlighter!

# Checklists and Binders

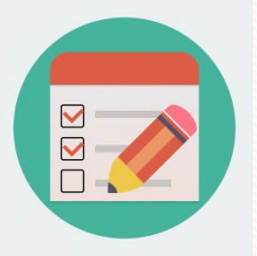


## Big tips to help yourself

- Pre-fill forms leaving only name, date and signatures blank
- Make a PDF packet and save on your Desktop
- Make a hard copy for the inevitable technology challenge
- Compile binders for required documents the auditor will need to review per the 9834. Needed documents will be listed on Addendum C which will be sent by your auditing agency.

# Checklists and Binders

## EIV Data and Reports 3 Ring Binders



- EIV Master File for principal documents:
  - EIV Owner Approval
  - Original and current CAAF and UAAF for EIV users
  - Cyber Awareness Training Certificates for Coordinator, Users and Viewers
  - Rules of Behavior (one page) for staff, independent auditors
- **Top Tips**
  - **Use Dividers!**
  - **Write Name of Document**
  - **Write Name of Report and when to pull it!**
- Yearly EIV Master Reports File for quarterly and monthly reports.
  - New Hires Summary: Quarterly
  - Deceased Tenant: Quarterly
  - Multiple Subsidy Summary: Quarterly
  - Failed Pre-screening-Monthly
  - Failed Verification Report-Monthly
  - No Income Report (as per owner's P&P)

# Response to Follow Up Letter

- Respond to the letter with the resolutions in the same order as the findings.

- If items are still outstanding at end of 30 day timeframe, note they are still open and in process of being resolved- i.e. large maintenance repair needing quotes/ scheduling etc.