

TRACS Industry Meeting Notes June 15 & 16, 2009

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Special thanks from Mary Ross at RBD –

It is our pleasure to provide these notes from the June 2009 TRACS Industry Meeting held at the HUD offices in Washington, DC. My heartfelt thanks go to Fred Hutchins of EPS in Burlington, VT who shared his meeting notes. Without his help, we would never have been able to provide this level of detail.

Happy reading!!

Introduction

Lanier Hylton

Lanier introduced Carol Galante, the new Deputy Assistant Secretary for Housing.

Carol Galante

Carol addressed the meeting and informed the attendees that she knows housing and has been there herself. She has had extensive experience in California, in the private sector.

Carol also emphasized that the Secretary of HUD, Shaun Donovan, also understands the need for Housing and has had extensive housing experience. He once served in the job Carol now holds. She further mentioned:

It is vital that rental housing have a robust platform on the HUD Agenda;

It is a priority to streamline the function of housing and tax credits, and achieve seamless integration between Tax Credits and deep subsidies;

Work should be done on the Policy side in order to bring investors back into tax credits;

HUD must do what can be done to enhance preservation of distressed properties and to integrate Housing's role with neighborhoods which have challenges;

That the Choice Neighborhoods program aims to build on HOPE 6 successes by providing special funding to revitalize developments. PIH and Assisted Housing will all be eligible;

That HUD has a goal of working as a "true partner and collaborator" with housing agencies and developing positive, transparent partnerships;

That one of the initiatives for improving Multifamily Housing is to identify and report on gaps in systems in order to optimize business practices. One of the benefits is that will pave the way for further developing TRACS.

Committed to ensuring that the federal gov't takes a leadership role in rental housing.
Robust platform on HUD's agenda

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See Carol Galante's Power Point presentation soon to be posted on the TRACS Home Page (<http://www.hud.gov/offices/hsg/mfh/trx/trxmeet.cfm>) for more detail.

HUD and LIHTC – part of her charge from the Secretary is to ensure that HUD programs work more seamlessly with TC programs. TC is the largest affordable housing program in the country aside from S8.

Some things that HUD can do and some things that the Treasury needs to do. Need to bridge the gap so we have more of a seamless system than what we have today.

TC industry has never been more challenged and part of the charge is to work on the policy side with Treasury to try to bring back the investor community. Need a more robust TC industry

Second major initiative. Has been a desire in Washington to create more of a preservation agenda. Need to work to make preservation transactions happen more readily.

Fiscal 10 budget is now being heard by congress – new program – choice neighborhoods will take some of the success of HOPE VI and will bring that to a broader classification of properties to challenged neighborhoods. Special funding to revitalize those developments. Working closely with PHA on crafting these programs. Will be available for both PH and MFH.

Major agenda item - very bent on insuring that HUD is working as a true partner to the community, the owners, in partnership and collaboration. As we proceed, process will be looked at through a lens to make sure they are creating transparent partnerships.

More specifically about the agenda and why we are here today. These meetings are intended to give insight on where we are going. New contractor to identify the gaps in the business practices...

Under HERA of 2008, concerning Tax Credits, the Working Group will continue to work on integrating tax credit reporting through iMAX and possibly TRACS.

Plans call for TRACS to be migrated off the mainframe. Starting with subsidy contracts including the Contract Renewal process. Everyone is desirous of having things move more efficiently and faster.

MAT process will be moved off the mainframe. Allows for up front edits and sets up real time process. Will be part of the iMAX phase II initiative.

Lanier and staff have completed statement of work for the Error Tracking Log. ETL will be reengaged and new contract will be awarded.

Need to meet OMB mandate for eliminating improper payment.

Requirement for capturing data from the PHAs for TC.

Implementing a portal to HUD systems so that industry partners can do business with HUD electronically rather than with paper.

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As a result of IG audit findings, there will be new standards set up for security of the data currently accessible through Secure Systems.

The DAS concluded her remarks with a question and answer period. One attendee commented on the extent to which openness in communication and partnership between the Industry and HUD TRACS staff had benefitted both system development and industry efforts.

Congress is incredibly interested in who we're serving and where we're servicing people.

Stakeholder Question: Are we thinking about APPS and going back to mandated automated transitions?

Answer – Understands that there are frustrations and they will be looking at what they need to be doing moving forward. Maybe mandating electronic submission or revising the process.

Contract Technology

The new budget contains \$433 million for systems automation funding, if passed. Concerning the Administrations' goal of leveraging and transforming technology, TRACS has been identified as a key priority. The team is now looking at development application processing and Housing is trying to align priorities with the Transformation Initiative. Once complete, Housing will get more focused with regard to the Transformation Initiative as we get closer to the end of the year –

Concerning funding, project-based Section 8 was made whole in the 2009 budget, the same for the FY 2010 budget, with an extra billion dollars for development.

Lanier hopes to use any funds available to redevelop the electronic voucher and expects changes to the voucher format within the next 4-6 months. The changes will involve addition of voucher detail, and the expectation is that will significantly add efficiency to voucher review.

A Statement of Work (SOW) will be going out to implement error tracking, with a goal of completion by the end of 2010.

Significant focus will also be applied to sharing paper resources through automation (electronic document storage and retrieval) and this sharing will also be designed to provide a portal for industry/HUD, for mutual access to necessary documents.

Disaster Housing Assistance – Fred Tombar

What he is doing – Since leaving HUD – 3 years – started own consulting firm – got the opportunity to go to LA to help with the recovery – “road home program” funded by Block Grant Program to assist homeowners who had damages to their homes. Served as first director.

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A year out – came back to the D.C. area and did some more consulting. Sec Donovan was confirmed and contacted Fred to come back. Special focus to disaster and recovery programs. Fred will be leading the effort. Since early Feb has been serving as Senior Advisor.

Last year there were 33 annual disasters. Under Bush – 33 B dollars spent on disaster recovery. Disaster Housing Assistance Program.

Disaster Lending Programs.

Work closely with DHHS and FEMA – focusing on doing a much better job. Long term challenges are recovery and revitalization. Housing is important to developing communities.

Challenge is to figure out how to strategically respond to challenges – and beyond housing is to bring back the local economy. Real concern about New Orleans, the housing is coming back, they need to get focused on making sure that the economy is coming back. Neveau blight where structures look good but no one lives there.

To help disaster areas achieve these goals, they realize that strategically, they have to be focused from the beginning. Begin with the end in mind.

Identify permanent tools that the department needs. In terms of immediate response is finding unit for families. Some bit of fortune in some areas of TX where there was a pretty high vacancy rate in some areas.

That is not always the case and will not always be the case. One of the systems is the national housing locator system. It is a system that pulls from various private sources like Apts.com as well as information submitted by management agents. Tells where there are vacancies. That information, is going to be helpful going forward and providing information for families in need.

Beyond that, there is the challenge to get the inventory back up and going.. Need to make sure that the residents are protected as they vacate and when they return. Extremely vital that we have good data about who is in the unit. Track where they are going.

People previously in housing were covered by a program KDHAP program. Provide information to FEMA and they will have that responsibility on an ongoing basis.

Need to communicate with partners in disaster response. If property is damaged, there will be methods to assist in getting the property back up as quickly as possible.

Challenge is figuring out how the dept can assist with Disaster Recovery.

LH – One of their discussions is going to be the submission of data – will include changing the voucher and what they are going to get.

Number of units available on site. Units are clearly available tenant to tenant.

Open Question and Answer

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Unit inventory – one of the biggest challenges was that there was no policy about how managers were supposed to handle the occupancy/resident selection side of the disaster recovers.

Fred – We have to figure out what types of things need to be relaxed during disaster recovery. There are a couple of senators who are keenly aware of the situation and there are currently discussions about rectifying the problem and providing the ability to collect necessary information.

We recognize that it is an issue.

Stakeholder – Another thing, we had to go through a number of properties and there is a systemic bias because owners do not have to report market rate units. Cannot tell what is going on with the unit. It is a policy issue. It would require a policy change.

Lanier – Right now, OA not required to send a MO for that tenant.

Fred – This is a challenge. HUD is hesitant to make onerous requirements and perhaps they could discuss doing this on a voluntary basis.

Stakeholder – I hope we are not providing a list of vacancy for disaster recovery residents that would supersede the needs of his target population (mentally ill). Their situation is a disaster for them as well. It all depends on how you define a disaster.

Fred – He appreciates that and you're right. One of the things that he has come to recognize is that, the resources that they might make available would place someone that has been waiting at a disadvantage. They are trying to consider all of the scenarios.

Stakeholder – Need to have a way to define units that are chronically available so applicants are not sent to units that are not vacant. Fred – There is a general concern about how one would be able to identify available units and also to be able to identify types of accommodations. Currently not providing data that is real time.

Lanier-Need to establish the goals. Then talk about how that impacts systems. How do we do the analysis and how does that affect systems from a budget standpoint. Then they have to define what the priorities are. Also need to determine if there are policy issues that need to be addressed.

Automated Voucher Reconciliation

Whip through this as quickly as possible.

Proposal has been around for many years. Bob Wilson proposed submission of detail and adjustment records two or three years before his retirement. It never went anywhere. Have been revived and the proposal will answer Fred H question

Idea is, if everything is included on a MAT 30: saves time and money for both CA and OA. Should have better accuracy on reconciliation, can achieve 100% audit and can eliminate paper/email transmissions.

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Activates that MAT 30/Section 3 and Section 4 records.

Also allows when CA returns approved records allows for an automated reconciliation of receivables. Push a button and compare CA voucher and OA voucher. Push a button and get an exception report explaining when there are differences.

Allows for an automated reconciliation of receivables at the site level when the CA adjusts the voucher and returns the voucher detail electronically.

Send detail for vacant and market units only – eliminates the need to send information about market tenants.

Goal is to automate reconciliation and save paper.

What is required is the two-way transmission.

What is sort of optional is a push button reconciliation. If you're a CA vendor, you would be under tremendous pressure to create this option. There will probably be pressure to site software vendors as well. But, that's a business decision for each vendor.

Technical details are simple. Modify MAT 30 Section 1 record, activate Section 3 and 4 and do some things with the Section 6 records.

S1 – Activate fields 6 and 7 which are counts of the records so that the number of regular payment records and the number of adjustments records this allows TRACS and MAT edits to verify the contents of the file.

The Section 3 detail...the idea here was to go minimal; for example, last name only. For a vacant unit, the last name would be VACANT. Lanier was also interested to know if a unit was in turnover and if the unit is a market rate unit, the name would be MARKET .

Given Colleen's comments before, there might be an interest in knowing if a unit has been offered.

Adjustment would have a record for every line reported on the adjustment page. Last name, unit number, prior new field, certification field, cert type effective date assistance, start/end date, amounts.

From this info, CA can check the calculation.

MISC Accounting Requests – this is a request from Lanier – with repayment agreements and some other situations, we specify a mandatory layout with specific comments. Want to standardize the reporting for certain things that show up frequently.

Specify a mandatory layout for the OARQ explanation field – standardize the reporting on the misc accounting request form. Free form now, may not be meaningful

Unclear if we will end up with much to do in a working group. We probably want to work toward a "go live" date no sooner than April.

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PBCA data processing efficiency might be improved using Voucher detail, allowing automated identification of differences between the Owner's voucher and the PBCA's voucher. *(Note: It is important to get input from the industry, including PBCAs who will have to revise their work processes and perhaps systems to accommodate the change in the MAT30 record, and PBCA software vendors, who will have to develop code to accept and make functional use of the new MAT30 record format).* Lanier is establishing a Working Group for that purpose and interested parties can volunteer at:

MFtracsworkinggroup@hud.gov

The idea is to save time and money for OA and CA
Gain faster and more accurate reconciliation.

Does not really help HUD KC Voucher staff because they do not have software that helps create a voucher. Could work up an application that would accept a full MAT 30 and display it for them. That would not be that different than getting an email or scanned voucher.

BTW – FMC in KC can accept PDFs and scanned vouchers.

Difficult to determine what tools would help HUD automate their procedure. Probably beyond the scope of this proposal.

Stakeholder – What happens when you have numerous families with the same last name. Problems with dual subsidy.

Jed – You have no choice but to rely on transmitted certifications. If people would transmit those transactions as they happen, it would alleviate a lot of the problems.

Stakeholder – We were wondering about the timeframe.

Jed – It's a question about HUD's priority and negotiations between HUD, SW vendors and CAs.

Lanier – We have to come up with a working group and then consider the budget and then come up with a date.

Stakeholder – What about a CA that still requires paper after the implementation?

Mary – OAs will still be required to produce and retain the paper voucher, what we're trying to eliminate is the need to send the paper voucher to the CA.

Stakeholder – Is there a way to set up a required format for the comments field.

Jed – That could be an earlier release as long as we don't add fields.

Stakeholder – 2nd question, with the duplication submission of vacancy data, he was not clear what the proposal is???

Stakeholder – Going back to the voucher, are you saying the OA would not have to sign.

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Jed – The voucher still has to be signed, the question is up to HUD whether that has to be sent to the CA. Much like the cert. Signed copies are not sent to the CA.

Stakeholder – there will be one voucher file type sent when going to the CA and a different voucher type sent when going to TRACMPROD?

Jed – In a sense. It's what records get sent.

Stake – So now you have to decide what files get sent based on who you're sending it to.

Jed – That would be the consequence unless Lanier is willing to accept all of it. Also, some of this may drive us to have iMAX accept zip files. Dumping it all in Lanier's lap would be ideal.

Stakeholder – Voucher reconciliation process while beneficial may introduce challenges such as cost to implement and train staff. This will be a change to a critical process.

Jed - Fred, I think that you are thinking of "automated voucher reconciliation" in a different way than intended in the talk--perhaps "automated voucher comparison" would have been a better choice of words. The automated part would give your voucher specialists a list of differences between the site and CA vouchers. No manual compare of site and CA vouchers. No paper to look at.

After that, you presumably do whatever you do now to decide what you will pay. When done, you create a final voucher as you do now.

If we ever wanted to enhance the proposal to incorporate more of what happens in the "whatever you do now" part, you would be correct.

Stakeholder - I do know concerns voiced at the meeting, which I share, include a clear recognition that even if it works entirely as promised, without any glitches (don't forget this is TRACS, after all), PBCA processes including reconciliation and QC to mention only two, will have to change to incorporate the new functionality.

Take it from someone intimately familiar with CA process: The new functionality is welcomed if done correctly but it's not the slam dunk you articulate. There's a lot of work associated with the change, and if I were you I would be careful not to over-promise the value.

TRACS Update

What we're trying to do is work with you guys to fine tune some of the issues that have come up with 202C. While everything looked good on paper, we have discovered some issues with the actual implementation of the update.

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Implementation was a success but there are some things that need to be tweaked.

Everything should be familiar with the 202 C Implementation Issues document.

When we talked about this presentation, they want us to come up with solutions to these problems and then create a spec.

We want to give you proposed solutions. Had a pre-meeting with OAs, SW vendors, consultants...

Moving through presentation. Identify areas of concern, decide if we need a maintenance release which introduces a budget concern and talk about potential enhancements to TRACS and the site software solutions.

First thing that we want to discuss is the certification submission requirements. Certifications should be submitted throughout the month as they are completed. This is a huge concern when discussing MI, MO and IR changing household composition. Messes up EIV, messes up vacancy information and creating work for OA and CA when dual assistance picks up.

Trainers are going to start focusing on this.

Question is, how easy can you make it for the OA to comply. Certs now have anticipated voucher reported on date which changed the thinking behind voucher submission.

One of the suggestions is to have an option to "send on close". This means when an OA ends a session, the SW would ask if they want to send signed certs.

Do we want to get in to sending every cert every day...I don't know.

Stakeholder – From his perspective he believes this will be a burden on the OA. No opportunity for anyone to review one more time. With regard to the issue sending on exit, it will depend on the program platform. There may be a way in some programs but not in others.

Also concerned about the amount of traffic that the CAs are going to get. He is not clear that this will solve the problem. He agrees that it provides some solution to the dual subsidy issue that we have.

Mary – It's not a dual assistance issue...it's a "fake" dual assistance issue. Another issue is IR certs with a change in household composition.

If we went back to the way we used to do this, TRACS would work much more effectively.

To be honest, to submit certs only when they appear on the voucher is what we term as "accepted industry non-compliance".

Stakeholder – Why did it become non-compliant

Mary – because a lot of CAs do not want to see certifications until they appear on the voucher and as a result, the industry has married certification submission and voucher billing processes when they are actually separate.

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Stakeholder – what you're really interested in is the boundary issues like MI and MO

Mary and Jed – and IR changing household composition, unit transfers, etc.

Stakeholder – So if you're trying to solve the dual subsidy issue, tell me how that would be affected.

Jed – MI, IC, UT, TM are all critical pieces of information that HUD wants for various purposes. Failing to report in a timely manner creates time consuming work when there are no resources to complete this work.

Stakeholder – Maybe I need to get in line...I always think this is Jed and Mary who are trying to get things in line, but is there anyone else who shares this sentiment?

Group – Not burdensome

Stakeholder – Some concerns with maintaining 90 % compliance when we are sending certifications on a daily basis.

Jed – That's a good point and you could be penalized for telling HUD what is really happening. CAs have widely different policies on what they do. Some CAs hold certs until the vouchers get approved. This creates a surge at the end of the month.

CAs can't monitor dual subsidy at the national data. Submission of data helps alleviate a lot of this problem.

Stakeholder – what happens when the OA wants a supervisor to look at the data before it's sent.

Mary – Can't we set up roles and rights to determine who can send files.

Jed – It's up to the OA to decide when to send. If the OA wants a higher level review before the certs are sent, then that can be implemented.

Mary – need to keep going...

The other thing we're looking at is CA edits and error messages. We're starting to get some confusion regarding the different types of messages that are coming back from CA.

Jed – Some CAs are making up new categories of error messages. There is no objection if we can all agree on what they are. Causing problems for those who are trying to prioritize errors. In some cases, site software vendors don't know what to do with them

Categories defined in the MAT guide, Fatal, Discrepancy, Informational. Unless we can agree on other categories, these are the ones that should be used. Would like to have the message code with a CA at the end of it.

The other thing we're seeing is Discrepancy ??? but there is no severity level (1-3).

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Also some CA software will escalate a discrepancy and make it a fatal. It is incumbent on the CA to give some indication of severity given the rules so the site knows how to respond.

Lanier – This is one of the biggest issues for owner/agents. This causes problems for the help desk, too. Sometimes sites are asking why TRACS has not processed a cert and it's because TRACS has not received it from the CA. Also, since OAs are getting messages from CAs that are not defined in the MAT Guide, the Help Desk is not able to answer questions.

This message handling may also affect future releases of iMAX so that standardized messages are sent to both the CA and the OA without CA intervention.

One other thing we're working on is acknowledging the receipt of the file...seen some responses from CA that says acknowledging successful receipt of file. A message only exists after a standard message. Anything you say before the @*@ signs is not recognized as a message. There has to be a standard format so the software vendors can convey the information to the right OA.

The spec allows for a custom addition to each message that can be defined by the CA. You can advise the OA about what they need to do. However, you should always start with the standard message header and the severity identifier. It will be far more understandable.

Additional discussion on specific errors.

Stakeholder – there is also an issue where SW vendors are helping OAs edit the data file. This causes problems in the systems because now the cert and the voucher are different. OAs are just messing around with the MAT files. Adding spaces, putting in the wrong numbers, etc.

Mary- We need to know about this. This is a concern for TRACS, the CAs and the sw vendors. We need to do some additional investigation about what is happening here.

Stakeholder – Had a goal not to say anything. The income limit issue has come up a lot recently. There is some issue about when a cert (IC/MI) is created before the income limit changes, but is not transmitted until after the income limit changes there is a timing issue.

Jed – There are some issues partly because there are no transition rules. We don't know how to deal with those. We have requested guidance from policy because no one really knows what to do.

Stakeholder – going back to submitting on a daily basis...we are getting a lot of phone calls. We are concerned that it will increase the number of calls.

Jed – The question for you is...if I send a transaction today, when does it get processed? If it gets processed in the day it is received and it does not fatal, then there should be no problem.

Stakeholder – We don't want to process the certs until we're ready to send the voucher.

Mary – We've got to separate the cert and voucher process. Certs should be submitted and corrected throughout the month.

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Stakeholder – OA with large portfolio and we're having a problem with what vouchers are really supposed to show on the voucher.

Jed – Regardless of when certs are sent, the voucher will include some transactions and not others based on the new 202C voucher process. If you keep correcting a cert because of errors, the most recent cert is still going to be the one that shows on the voucher. Each cert has an anticipated voucher date and the data used is the most current data.

CAs are not supposed to hold up certs that are fine. SW providers must fix any problems if the programs won't accept compliant certs. Split GRC is the most common area of concern.

Mary – OAs are also not allowed to change those anticipated reported on dates and we have seen examples where the OA is changing records as well. This issue is not exclusive to CAs.

Stakeholder – I'm a little confused about labeling things discrepancies as fatals. But you're saying that if TRACS will accept it we should pay it and follow up with the OA later.

Jed – That's not what we're saying. We're saying that the CA should return the message with some kind of CA indicator saying that the cert has fatalled the CA edit.

Stakeholder – It sounds like it a two-way swords

Jed – Lanier has said in the past that CAs have the authority to escalate errors. I think what would help is some revisions to the MAT Guide.

Stakeholder – We have some issues when you say that we should submit files when we know they will work.

Jed – It's not what we're saying. We're saying that if you think it won't work, but you don't know, then you should try it.

Stakeholder – but then things go through that shouldn't. We all know that TRACS accepts things it should not accept. What are we supposed to do? Send stuff that should not be in TRACS?

Mary – The problem is when the CA is wrong. Example of IR for change in household and CA telling the OA that the MI won't work.

Jed – We need to clarify some of these things with examples.

Mary – moving on to MO after death. This is being handled by different software packages but there is no consistency.

MAT Guide chapter 4 states that MO date is 14 days after the date of death or when the household actually moves out. Subsidy is only paid for 14 days.

If we send a bogus MO transaction it messes up Lanier's objective to accurately reflect vacant units.

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We're using the TI code which is not appropriate. The question is do we add a "deceased" termination code?

What do we do?

Stakeholder – since it affects special claims, we need the real MO date.

Mary – We agree.

Stakeholder – We can do it much cleaner with a termination. The question comes up with the MO for the market rate?

Mary – So what do I do for a PRAC? There is no termination? S8, we have one set of rules, other programs we don't?

Stakeholder – I have a situation where a tenant is moved to a nursing home, recert is due on 4/1. Moved out on June 5, but because of 202C they show up on the voucher.

Jed – We would suggest doing the AR with the tenant unable to sign indicator.

Mary – Moving on to contract combinations and terminations.

Jed – this will be coming up later because it is of special interest to the KC voucher HUB. One of the problems with contract combinations is "what happens to retroactive activity (corrections) after the combination?" the only way the OA is going to be able to bill is to put that activity on the new contract. There is no real guidance on how to do this. Grey area.

Mary – also have an issue with the cert selection policy that add the certs to a voucher created after the contract ends.

Jed – We also have an issue with a new PRAC. Cert selection rules are not working because they do not let MIs show up on the first voucher. Cert selection rules put them on the "next" voucher. Part of the IG audit indicates that this leave the Department open for fraudulent payment.

Whatever we do, we're in to special processing for first and last HAPs.

Stakeholder – Would it be possible to append the billing for one contract to another.

Jed – That used to happen, but that was de-implemented. There were problems doing that because you had to create the termination for all the existing residents on the old contract. There were a lot of problems. It wasn't an automation issue. It was dealing with transactions that could not appear on a dead voucher.

No process has ever been designed and everybody is kind of left to defend for themselves. The MAT guide just says you have to be flexible and creative.

Stakeholder – what about with the termination of a contract? Will TRACS let you submit the tenant data to show that the resident no longer has subsidy?

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Jed – We need to reconcile that there is a problem.

Stakeholder – What do we do when these people show up on EIV?

Jed – And some of this ties back to sending transactions as they occur.

Stakeholder – when we write the clarification documents we need an “as of” date to identify when the rules for voucher processing have changed. There are PRACS that are having problems getting their payments started.

Mary – Certification rules. Implementation Issues document gives examples about what is supposed to be on the voucher and what is not. We understand that there is a bit of a learning curve. But...

Split GRs should be paid. CAs are not authorized to change the voucher reported on date just because they do not like it.

Jed - “Mass” recertifications submission timing also comes in to play since the CA voucher is supposed to match the OA voucher.

We also have issues with mass AR that has a MI and an AR submitted at the same time.

The spec defines the earliest voucher but does not require that the cert appear on that voucher.

Mary – on to GRCs. One of the issues we’re dealing with is a policy issue. Everyone is familiar with the rules surrounding signature requirements for GRC. Right now, SW vendors are auto signing GRC and they are submitted regardless of whether there is a signature or not. This is another area of industry non-compliance but there has not been a big issue.

Jed – Except some of the CAs are hitting the OA with findings when there is no signature. This is actually correct. However, if that rule is followed the voucher processors would go nuts because the GRC would only be delivered when the resident signed.

Hopefully policy will agree to change the requirement.

Mary – Two different areas. What happens is the software auto-fills the signature date and the OA is stripping the date out so that the OA can monitor when the resident actually signs. We need the SW vendors to add a feature that helps the OA monitor the success of getting the tenant signature.

The other issue surrounds the ability for owner/agents to actually enter the GRC on or BEFORE the effective date. Most SW vendors have added a rule that will not allow OAs to enter the GRS until it is effective. Unfortunately, this prohibits the OA from producing a notice or MAT 70 which is commonly used to provide notice of the change in rent.

What are the recommendations?

Jed – There are two issues, when should the GR be executed and when should it appear on the HAP. OAs want to process the GR in a “one stop shopping” method.

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If you execute a GR early, there are lots of bad things that can happen.

Ideally OAs want to crank out the GR at least 45 days in advance. The earlier it is run, the more things that can happen between the entry date and the date the GR is effective.

Mary – Another option is to change the anticipated voucher reported on date rule for GR. People want a June 1 GRC that is approved before May 10 voucher submission deadline (for June) should appear on the voucher.

Jed – The deal is, the OA has to deal with the issues related to early entry of GR

Mary – This is an example of dealing with the devil that you know versus the devil that you don't.

Stakeholder – we want to keep the transactions as close to real life as possible. We would really like to keep things simple and this is a perfect example. We're dealing with a lot more problems using the new method than the old one.

Mary – We want to set up the GR rules like ICs. So a GR effective on the 1st shows on that month's voucher. But a GR effective after the first does not show up for two months.

Jed – what we're saying is that something that is effective on the first shows up on that voucher. We have not heard anyone disagree with that.

It's the issue with GRs effective after the first that seems to be causing some confusion.

Lanier – Why would it be effective after the first.

Jed – sometimes it is tied to the contract effective date

So back to the issue. What do we want to happen if the GR is effective after the first.

Stakeholder – he wants the GR to show up on the next available voucher regardless of the effective date. Group clapped so that seems to be the consensus. This is regardless of the effective date.

Stakeholder – He thinks that makes sense. We want to be able to process a rent increase regardless of the cleanup that may occur. He gets a lot of GRs 60 days in advance and he would rather enter them.

Stakeholder – Doesn't really see the problem

Mary – Example of when a June 15 GRC is entered on May 1. Then a new resident moves in on June 1 (old rent applies). SW does not ever apply the GR for that resident since it has already been done for the property

Stakeholder – Why not?

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Mary – Well, that's what we are trying to resolve. We thought we did that with the 202C spec, but we just made the problem worse.

So, now we want to put the burden on the SW vendors. While some vendors do this, most do not.

Stakeholder – why not

Jed – If we change the rules, they will have to.

Stakeholder – I just want to clarify. One suggestion was that if we make the GR an exception like the IC is an exception...

Mary – no, we seem to be agreeing that the stakeholders want the GR to show up on the next voucher regardless of the effective date.

Stakeholder – The GR should be entered in advance and the anticipated voucher reported date will have new rules that are an exception of the current rule.

Stakeholder – When do you collect the signatures in this scenario?

Jed – That depends on when you get your approval. Policy needs to address the signature requirements.

Stakeholder – How soon can we send it.

Mary – TRACS will accept anything up to 90 days in advance.

Do we have a consensus?

Group – Yes

Jed – There have been some complaints about the new adjustment model. The calculation of an individual line item is simple. However, there are opportunities for error.

This is a simple model. If the CA is not calculating correctly, then the CA has to pay. If the site software is not working, then the OA has to change the calculation.

We encourage CAs to make sure that they contact the sw vendors when there are issues so that they can get them resolved.

Mary – That brings up another issue regarding the CAs and the SW vendors. The request is that the SW vendors need a central person at the CA office to work with when there are issues. This helps coordinate the communication to various offices.

Just like the vendors posted a contact list, the vendors have asked for reciprocal contacts from the CAs.

Stakeholder – Can the CAs get a contact list as well?

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Also, if we know the problem exists, what is the acceptable way to address them now?

Mary – Recourse from a SW vendor point of view is that the SW vendor has to fix the problem.

Stakeholder – no, our problem is that some OAs are hacking MAT files or paper files just to make the numbers right. Then the next month it comes out wrong.

Mary/Jed – Have to request investigation from HUD for guidance.

Stakeholder – Gus will develop a contact list.

Jed – Appendix H is the bible in respect to the calculation.

Mary – We're going to break out Appendix H

Jed – it is already part of the document, but the underlying spreadsheets are not there. This will help people confirm that they are doing it right.

Mary – The dollar rounding corrections are supposed to be gone. If they are not, the site software is not rounding correctly or the CA software is not rounding correctly except in two instances.

Retroactive corrections to certs created in 202B.

Stakeholder – but this should all go away after all certs are created in 202C.

Mary – That is true but we are also still seeing transaction corrections that are wrong.

Stakeholder – is there ever a case where the OA/CA transaction does not agree with TRACS.

Jed – We haven't seen that in a long time, but if it comes up, we always have to go to Appendix H. If there is a problem in TRACS, we need to let Lanier know.

Mary – The last thing is the aesthetic changes to the voucher. Complaints about the voucher being too long. Hopefully some of the issue will be resolved with the GRC change.

There is also a situation where a vendor created the adjustment page that is double spaced.

Jed – This really was hard to reconcile. Single spaced line with a blank line between each tenant/unit

Site software should be showing all detail needed so that someone looking at the adjustment page can figure out what is going on.

MAT Guide needs more clarification specifically about starting and ending dates. We also want to add a line to come up with a net adjustment for the tenant/unit combination.

We do not want to add a new column to the voucher, but just to specify in which column the blank line the total should appear.

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Stakeholder – Is there going to be a standardized order

Jed – The standardized order is to show transaction in unit number order.

Mary – Another thing we want to do is indicate when a full cert contains a partial cert transaction. Much like TM-DS. This will help us determine if the full cert contains the information for a partial cert.

Stakeholder – will all corrections show?

Mary – They do now, but it has been requested that non-financial transactions are removed from the voucher.

Eliminating Improper Payments

Frank J. Murray
Assistant Chief Financial Officer for Financial Management

Integrated Subsidy Error Reduction System iSERS

Replaces the error tracking log

5 Topics

- Reporting Requirements
- Risk Assessment
- Measurement Results
- Correction Action Plans
- Reduction Targets

Reporting Requirements

4 Step process

Step 1 – Review all programs & activities and identify those that are susceptible to significant erroneous payments (\$10,000,000.00 and a specific percentage)

Step 2 – Obtain statistical valid estimate of the annual amount of improper payments in programs and activities

Step 3 – Implement a plan to reduce erroneous payments

Step 4 – Annually report on the results by looking at a sampling of files

Why do we do this? Required by Congress and OMB

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We would do this even if it were not required because we need to target resources to those areas that are most susceptible.

HUD's First Risk Assessment

10 At Risk programs

5 were below \$10m annual threshold so they did not require action

5 REQUIRED REPORTING ACTIONS

PH Capital Fund Program problem – all errors were driven by one PHA – took steps to eliminate risk

FHASAMS – documentation issue. Improved payment documentation and review requirements

3 Rental Housing Assistance Programs

Requires comprehensive multi-year strategy. This is continuing to this day.

Rental Housing Assistance programs 3 major programs

PH, TB and Project based assistance

Looking at 2009 Risk Assessment – risk has been reduced

Corrected problem with one PHA

Updated and enhanced documentation

Analyze income exceptions and billing issues that may require changes to documentation

\$29 billion 45% of HUD;s budget

Impacts 4.7 million households served by HUD.

Types of Improper Payments

- Have errors caused by owner/agent
- Errors caused by tenant under-reporting
- Errors in billing.

Corrective Action Plans That address Root Problems

- GAO removed HUD off high-risk designation list a couple of years ago.
- Secretarial priority
- Communication and intermediaries and industry groups
- Improved program guidance and training
- Increased on-site monitoring
- Enhanced computer matching and data sharing
- Program structure changes in the PH Operating fund and the Housing Choice Voucher Program

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EIV/HHS contract was renewed.

Real key is the upfront verification as opposed to the back end. Now get current information based on the data in the NDNH database. The version out there for the internet is the EIVS putting it in to a system that you can access so that you are not looking at the whole universe. Information should only be available for the clients that they are serving.

Online – getting the data from EIV

4.6 Billion dollars which minimizes the amount of work the OA has to do to report income. Can reduce improper payments on the front end. It is so evident because they are saving billions every year. Paying HHS for data to avoid errors.

When they get to full implementation of EIV, they expect further reductions.

When we started in 2003 – improper payment amount was 2.3 billion

Dollar amount and percentage rate

992 Million dollar error rate.

The question now is when do we go into maintenance mode and when do they stop focusing on how to drive the error number down.

Gail Williamson – HUD Update

Already June – Can't believe how time flies

Glad that Frank spoke first – leads in to her discussion regarding the elimination of the erroneous subsidy payments

Have been busy updating guidance.

Bring us up to date on other projects

Error reporting – implemented the interim ETL as a precursor. We hope to be able to integrate this in to the TRACS system but there have been funding issues.

OMB is still interested in what the errors are and what you're doing to eliminate those errors. Came up with the interim ETL – reports were due April 30. Only 5 PBCAs have not reported.

Four categories of errors, calculation errors are the most prevalent. Need to focus on training on this aspect of the program. Have issued some other guidance which will help reduce subsidy errors. Hope to be able to offer training next fiscal year.

This is not just an MFH issue. MFH and PIH are both reporting the calculation errors.

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With 2nd reporting it appears as if the errors are doubling or tripling. This is because HUD is getting a cumulative report. Not supposed to be doing that.

May be failing to limit reporting to the current period. Not to cumulate previous reports with new numbers. Need the report to be as accurate as possible

Rent Refinement Final Rule:

Notice asked anyone to comment on the final rule. Published in January of this year.

Notice asked anyone who wanted to comment to do so.

Department received 45 or 50 comments on the rule. Just had a meeting with PIH and office of general counsel and tried to decide what kind of things can or should be done to the final rule based on the comments.

Most of the comments centered on the annual income issue. Especially related to actual income and retroactive amounts. Commenter's are concerned that there would be a penalty.

Going to revise the final rule so everyone knows the intent of the change. (retroactive calculation not to be used when someone loses a job)

Concerns related to citizenship – clarified in the Feb notice that this rule does not apply to individuals who do not contest eligible status.

SSN – How will this play out and what is the documentation necessary. Does not impact mixed families. No SSN. 600 elderly people without SSN. 2.2 million households total.

Submitted some revised comments back to the office of general counsel. Cannot tell us any more than that. Based on responses, and what they want to do with the final rule they don't know what will happen.

EIV assume it will become mandatory on September 30 unless they tell you otherwise.

Wants to thank everyone for submitting questions and comments on the final rule because it helps to formulate implementation instruction.

Hope to have notice issued around the same time as the final rule becomes effective.

Section 8 Renewal Guide

The other thing is that they have issued page changes to the Section 8 renewal guide in February and April.

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In October she said the Americ lease would be published, leases were published in the 12 languages. Translated versions are for informational purposes only. Except for Puerto Rico where the Spanish lease can be executed. Will be issuing guidance. OA can add the signature lease.

Stakeholder – there are some problems with the Spanish lease

Gail – Let her know so they can get those corrected. This is the first she is hearing of it.

Resident Rights and Responsibilities brochure in alternative languages will be posted and will be available from the distribution center.

Housing Notice 09-03 – Deferred VA disability benefit

One time \$250 payment were authorized by American Recovery Act. Those funds are not counted as income.

Do not count income for census income

Application for Federally Assisted Housing – Supplemental

Part of application for contact purposes. Getting OMB approval for the data collection form. Requires HUD to require housing providers to actually add a supplemental piece to applicant to provide an alternative contact which could be used as an alternative contact during application and tenancy.

Have a notice in clearance to explain these requirements.

SAVE

SAVE – Used to verify citizenship status who contest eligible non-citizen status. Got a notice re: RHIP ListServ in May. One time opportunity to get all OAs uploaded in to the system to obtain access to the new hierarchy. Extended the date once. And, will be allowed to extend the date again. Will not be complete until July or August. 5000 properties currently covered. If you know of anyone who has not submitted information, get them signed up on the mailbox.

5000 properties are currently covered. This is not the extent of all the required properties. While PRACs and PACs are exempt, still need the rest of the properties.

Change 3

Change 3 to 4350.3 – One of the things they need to do is keep the guidance current. Has gone through clearance. Going to Asst Sec for sign off in the next few days. Change 3 – majority of the changes are corrections and clarifications to existing text.

Updated SAVE access information.

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In Change 2 talked about federal pension assigned to spouse through a court order. Change 3 has applied that policy for any pension.

Added information on the deployment of military for active duty.

Also added OAs that can develop rules for incidental businesses in their units. Previously this was in a memo to field offices and now is in the handbook.

Updated the Handbook with 202C update.

Another change that you will appreciate is the removal of the requirement of the signatures for the GRC. Have indicated that signatures must be obtained within 60 days of the submission. Signatures for a UT still must be obtained.

Removed 7-A with 50059 data requirements. Instructions posted on HUDClips not need to have part of the handbook.

Asked them to clarify that when HUD or the CA terminates assistance payments at the 15 month mark and that money will have to be returned.

When a new cert is not received within 15 months of the recertification date, the OA must refund assistance paid for the 3 months after the expected effective date of the AR.

Currently working on Change 4.

EIV

On to EIV – before we get to the ListServ. Data retention requirements for NDNH are now consistent with SSA. The other thing is that recertification of users with EIV is now bi-annual and is no longer quarterly. Woo hoo.

Coming in September

Independent auditor issue – not part of the matching agreement and could not see printed reports in the tenant files. Did convince them that auditors really are a subset of people in the agreement. Did say that they have to sign a non-disclosure oath. Rules of behavior being developed for auditors and for people who do not have access to the system but who do have access to the reports.

Will be posted to the EIV web site.

HHS did audit multi-family and she is pleased to announce that the results of the audit and there were no findings. A couple of recommendations but no findings. Means that the OAs are taking security seriously.

Still assuming that EIV will become mandatory in September. Putting that message out weekly.

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Stress on EIV that you need to have the multi-family forms on the site. Sometimes the CAAF is not there, letter from owner, and observation will be written up if that is the case and access will be temporarily terminated until the documents are obtained.

9887 and 9887A must be on file.

If EIV is being used, the tenant files should contain the reports and documentation to report any EIV discrepancies.

If not following data retention requirements, finding can be written up as well.

Comprehensive slides from the training webcast have been published. Under training on the EIV web site.

Q&As have finally been finished and posted.

October 21 & 22 – EIV training webcast.

New Tenant EIV brochure – answers the questions from the tenants. There will be implementation documentation regarding the notification to tenants.

Revising EIV Notice 08-03 is going in to clearance next week and should be issued toward the end of July or in August. Current notice expires in June. Current notice still in effect until

April release

April 24, 2009 – Made the failed verification report now accessible via the Identify Verification Report.

Confirmation of 3rd Party Verification Page

Additional changes

EIV Coord can now sort online UAFs by date received.

Existing Tenant Search – updated the confirmation page

What's coming:::

Release 9.0 – September 14, 2009

No additional major released planned

Next release in April 2010

Testing will be going in to effect in the early part of July.

BRD for April needs to be received by the end of October. Any changes that you want to occur in April 2010 needs to be submitted by September.

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User certification will change from quarterly to semi annual for HSU and CAU

OAs and CAs will be able to search for UA information by User ID

On OA cert report CA will be able to view the certification status of HSC and HSU users. This will help the CAs to determine whether an OA has access

OA user session and activity audit report will be able to view HSC and HSU usage roles. Will be able to do this by contract and by project

Security Awareness Training Questionnaire will be a module in EIV. Needs to pass the test once a year. As a result of putting this module in EIV, the checkbox will no longer be necessary. Contents will be similar to the downloadable version available now.

Passing grade is 9 of 10 for external users.

14 of 15 for external coordinators

Test results stored for one year.

HSC Users starting Sept 14 with release

CAC Dec 1

HSU before March 1

CAU before June 1

Adding link to SAVE (DHS)

Enhancements to multiple subsidy report for new filters

By all household

By all adults

Only members under the age of 18

EIV Legal warning page – 9887 referring to income information. Don't need 9887 to run the EIV existing tenant report.

Deceased tenant report includes date received by EIV

For foster adults – income information will be displayed.

Questions – Wanted to address the idea of signing the non-disclosure oath

If using EIV person should be aware of all of the rules of behavior and how the systems work.

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Jed – Thank you for the SSN signature issue. Annual cert completed and signed and run a GRC that affects TTP.

Layers of Section 8 and Tax Credit – Huge burden on an elderly site. This issue has been discussed many times.

15 month rule – subsidy should go back if the tenant has not recertified. Adjustment should be done through terminations.

Day 2

Nasim Saab: iREMS Data Sharing

Nasim presented a Power Point on iREMS Data Sharing:

The purpose of the effort is to expand and enhance industry access to iREMS, to expand access and data sharing and to expand system to system, bi-directional data sharing.

HUD and Working Group accomplishments to date include a prioritized project plan:

Phase I: Sending data most needed by Partners

Phase II: Reports to be made available to Partners for an increased number of data sets.

IT support is being provided to the data sharing project (Lanier is providing budget support for the effort).

A dedicated website for iREMS went live:

www.hud.gov/offices/hsg/mfh/remms/remms.cfm

The Power Point presentation may be viewed on the TRACS home page of the HUD web site.

Wes MacAfee: iREMs Data Sharing

Hud is working to implement web services (user-initiated requests for computer-to-computer data sharing) for:

MOR's;
Physical Inspections;
Project Actions (workload management)

The "SOAP" protocol will be used. SOAP is essentially an email request, with data pertinent to portfolio.

The iREMS team is also designing way to grab only the data items which have changed over past 30 days.

iREMS is currently designed to support either batch processing or real-time processing.

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Phase II data sharing may include:

Participant data;
Contract/Renewal data;
Financing;
Financial submissions;
Occupancy/Address info;
Additional data

Phase III:

Phase III will consist of participants sending, and iREMS capturing, data using web services.

Nasim Saab thanked the Working Group, particularly:

Ann Gass: Southwest Housing
Thomas Prorock – CGI Federal
Beverly Jackson – Quadel
Terrell Graham – HDS

Q: Will O/A's have access to the iREMS system?

A: Yes, the iREMS team is building the foundation for ultimate access by Owners and Agents.

Deborah Lear, Office of Housing Assistance Contract Administration Oversight

Deb's office is making progress in resource utilization and the office staffing has been stabilized. Her team's principals include:

Marceea Cooper, Financial Operations Director; Kerry Hickman; Bob Barrick; Steve Martin.

Marceea Cooper, Financial Operations Division

(pardon any misspelling!)

The Financial Operations Division has expanded from 3 to 28 employees, and now incorporates what was formerly the FMC. The FMC still oversees 2,000 TCA developments.

Additionally, the Office has responsibility for all Project-based funding.

Good news – the 2009 budget is sufficient to fund all Section 8 contracts for 12 months. The Recapture process will be happening early in the fiscal year.

There are also sufficient funds in the 2010 budget to fund the renewal of Section 8 contracts through September and to fund PRACS through August. RAP and Rent Supp contracts will be funded through September.

The Office will also be monitoring other payment problems as well.

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Tamby Kenslow and Joan Nalley of the Kansas City office will be getting help reviewing the 5,000 RAP, Rent Supp, PAC and PRAC projects still reporting directly to HUD. 18 new employees will assist them. They can be contacted at Voucherprocessing @HUD.gov

Deborah Lear, continued:

Upcoming items in the PBCA program include:

The ACC revisions, which Deb hopes are completed by end of this fiscal year.

The PBCA Recompete:

Deb explained that the Recompete is the Secretary's initiative. It will probably be issued in the form of an RFP and/or an RFQ; Deb expects "true competition"; eligible applicants will enter in a bid process. The length of contract may be 5 years, but the term has not been decided yet. HUD is looking at issues of aligning the expiration of all PBCA contracts in anticipation of the Recompete process. To accomplish that, one year extensions are now being awarded to PBCA's whose contracts expire. Depending on a PBCA's contract expiration date, HUD may award a 13 month, or whatever duration, contract in order to accomplish alignment.

The general concepts of the new ACC will include a move away from IBPS; a move away from incentive fees; looking at critical activities which bring value to HUD. There will be five functional areas, and HUD is assessing the materiality of what department wants under each of the five "umbrellas". Other pieces of the ACC include financial statements and reporting. Deb has heard Industry on the redundancy of reporting, and changes will be made. Deb is also looking to the CAOMS and Field Offices to find out what reporting will be effective for them.

Currently, some of the PBCA Annual Reports include very interesting sections on risk assessment and other information which HUD may not know. Deb will coordinate with Lanier on efforts to automate the reporting processes.

Streamlining the ACC: What is it that the department wants to accomplish, and how would measurement take place? Activities under the ACC will be grouped into five "umbrellas". The five groups consist of MOR's, Vouchers (collectively HAP Administration services), and Tenant Services & Reporting.

The entire pricing structure will be changed ("flat-lined"), to eliminate incentive fees by rolling those into the base fees. The AQL will then be set for each task, with disincentives if the AQL is not met. The pricing structure will work as follows, using the example of MOR's: The PBCA would want to achieve 90% of the AQL in order to get the full base fee. Reporting will also change: reports would have to be complete and mailed within 30 days; the summary report would abide by 4350.1. Conduct of the MOR will comply with best practices.

Fee structure: changing structure; 16 IBPS; pct. Fees; base fee: for 4 of the HAP Administration services, 20%. Tenant services will count for 15% and financial tasks and reporting will count for 5%. In revising the ACC, HUD is trying to avoid having to change the ACC every time a new requirement such

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as EIV comes along. That is good practice and is also hopefully responsive to the IG comments on the previous (the current) ACC.

Deb said that the revised 4350.1 handbook is now in clearance; PBCA's should review Chapter 6 and get any comments in as soon as possible.

HUD considers the PBCA initiative a success, and that program remains critically important. PBCA is a major reason that HUD is off of the high-risk list. HUD needs to continue considering how to continue to leverage that program.

The Department has been slow to define some lagging policy pieces; for example, the 4350.1 chapter 6 guidebook. But progress is being made and the 4350.1 should be aligned with 9834, with consistent changes to the 9834 renewal guide. There may also be a piece on Utility Allowances.

HUD is seeking input on the new ACC and would be happy to hear from NCSHA on it.

Frank Shofner encouraged HUD to allow the FMC in Kansas City to begin using private sector Contract Administration TRACS software, for thoroughness and accuracy.

Jed Graef raised the issue of inconsistency between PBCA's in their approach to Voucher Processing, using the example of treatment of \$1 rounding issues. Deb responded that the ACC will be much more prescriptive on acceptable methods to process vouchers.

Bonnie Wilpon encouraged HUD to consider consequences to PBCAs, if a PBCA does not operate within the established guidelines.

Tara Appleby encouraged HUD to include Field Offices and Hubs in discussions of current industry changes.

Marian Cody, Chief Information Technology Office for HUD:

TRACS Security Awareness

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Marian emphasized the importance of Security Awareness. Security attacks have moved from the realm of teenaged kids sitting in their basement, to organized efforts associated with organized crime and rouge elements in possibly unfriendly countries.

Last summer, the FEMA phone system was breached; the hackers wanted to use the system to collect money.

Security goals include maintaining confidentiality; Data integrity – data is not changed; accessibility to good systems, with access only by authorized users.

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Good security = risk management.

Security controls are essential but no system is 100% secure. Do not be the easy targets. Threats will generally go for easier sources.

Security was and to a large degree is not the primary consideration when software is being developed. That's why Microsoft is always going back to add security patches, and the same applies to most of the major developers including Adobe. Exploitation is much simpler, when security is not built as one of the stated development goals.

There is also insufficient information on security threats, going out to a broad user base.

Threats can be active or passive. Passive typically things such as weather, earthquakes, etc.

Active threats are caused by individuals with impure motives. Hackers, who are progressing from some kid in a basement, to organized communities. Cyber warfare: During the military action between Russia and the former USSR country Georgia, Russia targeted attacks in conjunction with warfare, in an attempt to disrupt Georgia's ability to communicate. Malicious code: there should be an effort to build security outward, to prevent infection to begin with. Information gathering: Phishing, social engineering, data mining, etc. Identity theft: must turn on basic security.

If anything suspicious or untoward happens when you are on a HUD system, call HUD Call Center at 888-297-8689

Vulnerabilities include weak credentials; program installation; peer-to-peer software; file transfers; removable media.

Single sign-on for all HUD systems is probably years away from being resolved. Make sure that you protect passwords.

Hacker's primary access is through software vulnerability.

Five recommendations:

Know what the data upon which your mission relies;

Know where the data resides;

Know who has access;

Know reliability

Know back-up plan in the event of unavailability.

Lanier

Each entity associated with HUD (PBCA's, communities) will have to take the HUD Security training, and pass the program. There will be record-keeping requirements and users in each organization will have to do the same. Security will end up in MOR. The Security Questionnaire will have to be done annually.

Gail Williamson Auto OCAF pilot: (presented by Gail's assistant)

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HUD issued a notice on the VA Income Exclusion and later retracted the notice. HUD has now retracted the retraction, so the intent of the original notice should be in effect. The notice will be corrected to specify exactly which deep subsidy programs are and which are not covered by the notice. The clarification will be posted on the listserv.

The Auto OCAF Pilot began 2009. Under the pilot, new OCAF rent rates are calculated "at the push of a button". (note: does this presume the underlying rents are correct?)

MAHRA renewals are required to receive an OCAF renewal adjustment annually. Using the auto OCAF significantly reduces the administrative burden. The system automatically generates notices 150 days prior to renewal. Users receive an event notification; user can open their contract and amend rents. A record is generated, and the record awaits approval. The user (presumably HUD) validates the record, then the system generates the rent adjustment letter and Exhibit A. The Owner receives the letter and Exhibit A, signs the certification and completes the Rent Schedules. That is a look at the best scenario.

There is an anomaly in the regulations concerning fifth year OCAFs for Mark-to-Market contracts. The Auto OCAF system will adjust to comps on Mark to Market contracts with terms of less than 20 years.

Mike Hollar, HUD Economist: Tenant reporting for Tax Credits

HERA 2008 requires HUD to collect info on LIHTC tenants. The information to be collected is statistical data, and not at this time for compliance purposes. (Note: that was also the original plan for TRACS).

Significant effort has been expended to define the universe of data and identify the specific data items in that universe, which are to be collected. Two forms have been developed: the NCSHA "TIC" form and a project-specific form generated by Housing Authorities: HUD's LIHTC Project form.

One of the major issues was collection of Social Security numbers, which is necessary for matching LIHTC tenants to Section 8 tenants. HUD thinks that an accurate match will be possible using the last 4 numbers of the SSN and the Date Of Birth.

Disability questions might be embarrassing so the OMB has signed off on different (non-standard) questions, which might be less embarrassing.

Race, ethnicity & disability: States can add to the form, and provide only the common data elements to HUD.

Information will be collected on Household members by age & family composition (relationship to HOH). Given the data forms, data cannot be collected by age group.

Rent will not be collected by the various elements which may make up the rent.

The initial data collection will consist of a baseline of all tenants in low-income units, and of all projects.

Annual updates will be done for new projects and buildings, and new and recertified tenants.

Data will be collected for all properties which are monitored for compliance.

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HUD anticipates that the final rule will be published in November, 2009. The target date for the complete data repository is the first quarter of 2010, and HUD will begin collecting data from states in the second quarter of 2010.

There will be a dataset available to Congress and the public, and a public use dataset. There will be no data collection on market rate units.

Lanier:

Possible June dates for voucher meetings; looking for dates for the next Industry Conference.