

## **Clarification Provided Regarding Mid-month Changes in Household Composition**

### **TRACS 202C Changes – Policy Clarifications in the MAT Guide**

While we're talking about computer generated forms, it's a good time to discuss a couple of changes driven by the release of TRACS 202C.

These changes are not discussed in the current HUD Handbook 4350.3 Revision 1, Change 3, but are discussed in HUD's Monthly Activity Transmission Guide which can be found on the HUD web site at [www.hud.gov/offices/hsg/mfh/trx/trxmatg.cfm](http://www.hud.gov/offices/hsg/mfh/trx/trxmatg.cfm) . Specifically refer to Chapters 4 and 5.

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Before we start this discussion, I want to clarify the situation this change is addressing. For interim certifications reflecting a change in household composition, there are two basic situations.

1. An interim certification removing a household member who **is** going to receive HUD assistance in another unit
2. An interim certification adding a household member who **was** receiving HUD assistance in their former unit

In order to resolve the conflict between the handbook rules for interim certifications and the prohibition against double dipping, HUD has clarified, in the MAT Guide, Chapter 4, when certifications should and should not be accepted. Let's look at some specific examples:

#### **Scenario 1– Interim Resulting in Rent Decrease**

1. Existing Section 8 elderly household consists of Sarah Smith (HOH) and Alma Adams
2. Last annual certification was effective 3/1/2009
3. Alma moves in to her own unit 5/10/2009
4. An interim is created for Sarah, removing Alma and Alma's income/expenses, and reducing rent effective 6/1/2008
5. The MI for Alma, effective 5/10/2009, must be accepted.

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### **Scenario 2– Interim Resulting in Rent Increase**

1. Existing Section 8 elderly household consists of Dan Davis (HOH) and Hal Harris
2. Last annual certification was effective 4/1/2009
3. Hal moves in to his own unit 6/10/2009
4. An interim is created for Dan, removing Hal. As a result, Dan's adjusted income actually increases because Hal had a number of medical expense deductions.
5. A 30-day notice is delivered to Dan on 6/10/2008
6. The interim is effective 8/1/2008 (first of month following 30-day notice)
7. The MI for Hal, effective 6/10/2008 must be accepted

Move in or interim certifications that result in a “split” household require careful monitoring. Additional verification documents may be required.

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