

Late Annual Certifications



The industry, as a whole, has been searching for specific, consistent guidance regarding payment when an annual certification is submitted after the effective date. It is important to understand the rules surrounding late ARs.

Scenario 1: If a resident submits appropriate paperwork and signs the AR on or before the effective date, the AR is on time. The AR does not have to be completed a month in advance.

Scenario 2: If a resident submits information after the deadline (10th day of the 11th month) and before the AR effective date, the AR will still be effective on the anticipated AR effective date, but the resident has no right to a 30 day notice. The owner/agent should make every attempt to complete the AR no later than the effective date, but verification may force the owner/agent to complete the AR after the effective date. In this case, the AR is still effective on the original date and changes are retroactive to that date. Let's take a specific example.

Example – Late AR

- The Ford household is required to complete an AR every year in September.
- The Ford's should submit information no later than July 10th.
- The Ford's actually come in for their AR interview on August 20th. They submitted information late but the OA will still complete the AR with the same effective date. Changes in rent (up or down) will be effective on the AR effective date.
- In August, the OA billed, on the September voucher, for the old subsidy.
- It takes 35 days to obtain adequate verification of the information.
- In September, the OA billed, on the October voucher, for the old subsidy.
- The Ford's sign their AR on September 24.
- In October, the OA bills for the new subsidy amount and includes appropriate adjustments for September and October.

In this scenario the OA should be paid on the vouchers, even though the AR is late.

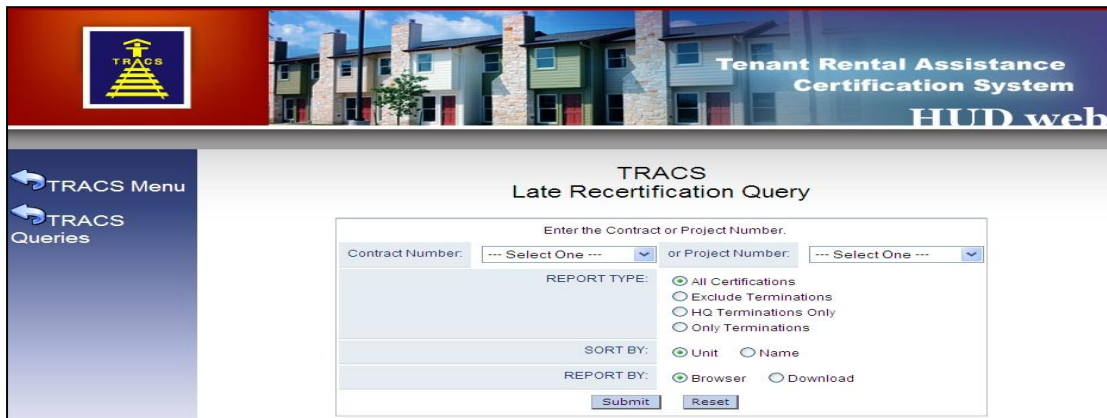
If, for some reason, the AR is more than 3 months late (September, October and November have been paid), the Contract Administrators must adjust the vouchers down and the assistance paid for September, October and November will be returned to HUD.

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Checking for Late Annual Certifications

The TRACS system provides a query to give you information about certifications that are late.



After 90 days, HUD automatically terminates assistance. This is indicated with an HQ under the "Termination Reason". Keep in mind that, when an HQ termination is recorded, the household is no longer considered "active". Not only does your compliance percentage go down, no information is transmitted to EIV therefore no income information is provided.

**U.S. Department of Housing and Urban Development
 TRACS Late Recertification Report**

Contract Number: GA1111 **Report Type:** All Certifications

Total Number of Late Recertifications: 7 **Sorted By:** Unit

Project Number	Unit	Tenant Name	Tenant SSN	Effective Date	Next Recert Date	Number of Days Late	Termination Date	Termination Reason
010101	01	FORD, F	XXXXXX	7/1/08	7/1/09	214	6/30/09	HQ
010101	08	GREEN, S	XXXXXX	5/1/09	11/1/09	91		
010101	32	NELL, J	XXXXXX	1/1/09	1/1/10	30		
010101	55	QUIRK, M	XXXXXX	1/1/09	1/1/10	30		
010101	92	PATEL, I	XXXXXX	6/1/08	6/1/09	244	5/31/09	HQ
010101	93	JONES, A	XXXXXX	9/1/08	4/1/09	305	3/31/09	HQ
010101	06	SMITH, B	XXXXXX	1/1/09	1/1/10	30		

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If the AR has been submitted to a CA, you should contact the CA to find out why the certification has not been forwarded to TRACS. If the CA already has the certification, and there are no compliance issues, then the CA must forward that certification to TRACS.

If you do not have a contract administrator and the certification has been sent, but has not been recorded in TRACS, you must figure out what happened. Usually, a Fatal Error has been generated and a correction must be submitted. However, sometimes it is impossible to figure out why a transaction was not recorded. In those cases, access the certification and correct it as a “administrative resubmission”. Then re-send the certification. Be sure to check TRACS to make sure the AR is recorded successfully.

Scenario 3: If the owner/agent has complied with all of HUD’s notification requirements and a resident submits information **on or after** the AR effective date, the household **MUST** be terminated effective the day before the AR effective date. No subsidy will be provided for that month. If the resident still qualifies for assistance, and the resident subsequently submits their information, an IC is created and the effective date is the first of the month after information was submitted. Subsequent annual certification effective dates will be based on the IC **not** the original move in.

See HUD Handbook 4350.3, Revision 1, Chapter 7, Paragraph 7-8-D-2

As always, in this kind of situation, you must consider requests for reasonable accommodation and other extenuating circumstances when information is late.

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