

Dual Subsidy and Correcting an HQ-Initiated Move Out Due to Dual Subsidy

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. Specifically refer to Chapters 4 and 5.

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Dual subsidy occurs when a resident fails to move out of their current subsidized unit before moving in to a new subsidized unit. If the CA does not catch the situation or if there is no CA, the TRACS System creates an HQ move-out transaction when the following occurs:

- A resident lives in subsidized property A
- The resident is considered "active" in property A
- A move-in certification is received in TRACS
 - For the same resident
 - In property B
- TRACS automatically moves the resident out of property A
 - Effective the day before the move-in for property B
 - Also sends message to property A

A Headquarters (HQ) move-out can be corrected. Often a user wishes to change the 'Move-Out Date' for an HQ Move-Out to replace the TRACS determined Move-Out Date with another value. Please note that TRACS 202B did not allow the new Move-Out Date to be greater than the Headquarters (HQ) move-out date.



If an **HQ123** message is generated an existing resident has moved in to another subsidized property. OAs should investigate immediately. If the resident is still living in the apartment, determine the facts.

- If the resident has given notice, the OA should submit a move-out effective on the actual move-out date (not the date indicated on the notice unless they are the same)
- If the resident has not given notice, the OA must determine whether they are dealing with a skip or whether the resident is planning to move but has not given notice.

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In all cases, the move-out record should record the actual move-out date or the date on which the OA gains possession of the unit in the case of a skip. Under 2.0.2.C the new owner-initiated move out:

- Will be accepted
- Will override the HQ MO and
- The new property will be notified
 - Must charge market rent from the original property move-in date through the move-out date from the old property



If an **MA003** message is returned, it indicates that a recently moved-in resident had to be moved out from another subsidized property in order for the MI to work; OAs must perform the following:

1. Verify with the other property, that the move-out date is correct and in agreement with the examples in the specification document.
2. Charge the resident market rent starting with the original move-in date and through the move-out date indicated in the MA003 message.
3. Terminate the resident effective on the move-in date using the new DS termination code to indicate that no subsidy is earned for the termination day.
4. Create an initial certification effective the day after the effective date of the move-out from the former property to establish the start of subsidy in the new property
5. Check the voucher adjustment, on the next voucher, refunding subsidy from the original move-in effective date through the day prior to the initial certification effective date.

The new property must terminate the resident effective on the move-in date using the new **DS termination code**. It is not clear what penalty would apply to a household moving in to a PAC or PRAC property.

To avoid these situations, use the EIV “Existing Tenant Query” to see if an applicant is living in another subsidized property.

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