

Optimum Tenant Compliance (90%)



While HUD extends efforts to enforce the Optimum Tenant Compliance percentage for property managers submitting to TRACS, many owner/agents are scratching their heads trying to figure out exactly what the compliance percentage is.

HUD takes the number of active certifications in TRACS and divides that number by the number of units receiving subsidy on the last voucher.

So, let's say a property has 120 units under contract and 10 of the units are vacant and 10 of the units are occupied by market renters. Line 6b (units receiving subsidy) and line 10 (units in regular billing) of the last voucher should reflect 100 units receiving subsidy.

To reach 90% Optimum Tenant Compliance, TRACS would have to have recorded 90 active certifications. This is the extent of the TRACS calculation; there is no match against household names or subsidy. Under the current TRACS design, the objective is to determine if it is reasonable to pay the voucher, not determine if the information is an exact match to the site.

Active Certifications

Now, you ask, "What is an active certification?" An active certification is a MAT 10 (Move-in certification, Initial certification, Interim certification, Annual certification) that was effective within the last 15 months – to the day. The household must be considered an existing resident receiving subsidy. Future certifications do not count.

There are certain allowances for households that appear to be in two units because of unit transfers. In this case, a secondary filter ensures that the household is only counted once.

A household will also appear twice if an upcoming annual has been submitted but has not become effective yet. The current certification is considered active and will disappear once the new annual certification becomes active.

In addition, if there are multiple certifications for one household, for example, an annual with one head of household will appear even if a subsequent interim certification changed the head of household name. As long as the former head of household information was completed on the interim certification, the household will only be counted once.

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The Contract Administrator's job is to perform a voucher audit comparing the information transmitted to TRACS against the information they have transmitted for the site. The owner/agent is ultimately responsible for the quality of the data in TRACS.

RBD recommends that site managers check the TRACS Certification Query after each voucher has been submitted (directly by the site or through the Contract Administrator) to ensure that all transactions have been recorded correctly. Active certifications will be highlighted in blue. A property should shoot for between 95% and 110%.

Why would you be under 100%?



There are several reasons why a property falls under the 100% Optimum Tenant Compliance. The most common seems to be failed annual certifications. If an annual certification is sent to TRACS, and that annual is not recorded within 3 months of the effective date, the household becomes inactive. That means the compliance percentage has just dropped. This also indicates that HUD has initiated a termination transaction.

Why would you be over 100%?

We see a lot of properties that are over 100%. In these cases, the most common problem is a failed or reversed move out. If a move out does not work or is masked in TRACS, and the household's last MAT10 was within 15 months, the database still considers this an active household.



If you move someone in to the same unit, TRACS will send a Discrepancy error indicating that the MAT10 Move in was submitted was for an occupied unit. The move in will work, but now it appears as if two households are receiving subsidy which can inflate the compliance percentage. Failed terminations can have the same effect.

The key is to perform a monthly voucher audit to ensure that the data in TRACS matches what happens at site. If this is not the case, you should know why. (Ex: your CA is holding a certification because of the need for additional information).

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