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**RBD FASTFACTS – GROSS
RENT CHANGE –
SIGNATURE
REQUIREMENTS**

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FASTFacts
Gross Rent Change – Signature Requirements

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Disclaimer

The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry. In addition, the handbook guidance is derived from The HUD Handbook 4350.3 Rev 1 Change 4 released in August 2013 and in December 2013 and subsequent notices and memos from HUD.

These materials were updated 1/2021.

The reader should understand that these materials are not designed for, nor should be relied upon, as a source of legal guidance or as a final authority with respect to any particular circumstance.

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Owners and management should seek competent legal advice in developing and carrying out housing policies and procedures.

We have been diligent in our efforts to provide comprehensive and accurate regulatory instruction; Ross Business Development shall not be responsible for errors or inaccuracies.

FASTFacts Gross Rent Change – Signature Requirements

GROSS RENT CHANGES

When new Contract Rent (CR) and/or new Utility Allowances (UA) are approved, Gross Rent Change (GR) transactions are entered in to site software. Site software creates either a 50059A Gross Rent Change or, if a full cert (AR/IR/MI) is effective on the same day as the GR, the new CR/UA is included on that full cert.

Currently, Gross Rent Change transactions are submitted using HUD Form 50059A when the Gross Rent Change is a “stand-alone” transaction.

Gross Rent Change transactions are submitted using HUD Form 50059 when the Gross Rent Change has the same Effective Date as a full certification (MI, AR, IR or IC).

GRC 50059A

If you are submitting the Gross Rent Change as a partial certification (HUD Form 50059A), the following signature rules apply.

The owner/agent must sign all 50059A certifications before transmission to TRACS.

No Change To Tenant Rent: If the tenant portion of the rent does not increase or decrease (UA change), the HOH is not required to sign unless required by state law. These certifications may be submitted without tenant signatures. Make a note to the file that the HOH signature was not provided because it is not required.

A copy of the certification must be provided to the resident and a copy is maintained in the tenant file.

Tenant Rent Goes Up or Down: Residents (HOH) must sign if the tenant portion of the rent increases or decreases (UA change). Owner/agents have 60 days from the date the GR appears on the voucher to obtain the tenant signature. For example, if the GR appears on the 5/1 voucher created 4/1, you have until 6/1 to get the signatures.

Owner/agents must notify residents if there is a rent change. If the tenant rent increases, owner/agents must provide a 30-day notice.

A copy of the certification must be provided to the resident and a copy is maintained in the tenant file.

When You Cannot get HOH Signature. During the COVID-19 pandemic many residents are “sheltering in place”. If you cannot get the resident signature, make a note to the file explaining that the HOH signature will be collected the later of 1) within 60 days from the date the GR appears on the voucher or 2) no more than 90 days after the date the federal government recommends commencing business as usual.

GRC Creates a Correction to a New Full Certifications (MI, IC, AR, IR)

If you are submitting the Gross Rent Change as part of a full certification (MI, IC, AR, IR - HUD Form 50059), the following signature rules apply.

The owner/agent must sign all 50059 certifications before transmitting to TRACS.

Sometimes an approved GR effective date is the same as the effective date of a new full certification that has not yet been signed.

When this is the case, the GR must be included on the 50059 and the 50059 signature rules apply; all adult household member sign the certification.

FASTFacts Gross Rent Change – Signature Requirements

If the certification has never been submitted to HUD, all adult household members must sign the 50059.

Signatures for GR Generated Corrections to Existing Full Certifications

If a GR effective date causes your software to generate a correction to a full certification (AR/IR/MI/IC) that has already been signed and submitted to TRACS and **if there is no change to the Tenant Rent**, no tenant signature is required (unless required by state law), you may submit the 50059 correction without a resident signature. Use *Extenuating Circumstance Code 8 No Signature Required*. Make a note to the file saying that Extenuating Circumstance Code 8 was used because no signature is required.

A copy (electronic or paper) of the certification must be provided to the resident and a copy (electronic or paper) is maintained in the resident file.

If a GR effective date causes your software to generate a correction to a full certification (AR/IR/MI) and there is a change to the Tenant Rent, tenant signature is required within 60 days. If you prefer to send all GRC transactions together, owner/agents may send these transactions, *Use Extenuating Circumstance Code 9 No Signature Required For 60 Days*. The owner/agent must make a note to the file saying that Extenuating Circumstance Code 9 was used and that the required signatures (original or electronic) will be obtained within 60 days.

When you Cannot get Signatures for Adult Household Members. Currently, since many residents are “sheltering in place” make a note to the file explaining that the signatures for all adult household members will be collected the later of 1) within 60 days from the date the GR appears on the voucher or 2) no more than 90 days after the date the federal government recommends commencing business as usual.

Owner/agents must notify residents if there is a rent change. If the tenant rent increases, owner/agents must provide a 30-day notice.

A copy (paper or electronic) of the certification must be provided to the resident and a copy (paper or electronic) is maintained in the tenant file.

COVID-19

In order to ensure that 50059 transactions can continue to be submitted, HUD provided clarification re: signatures for 50059s during the COVID-19 crisis.

1. Owner/agents may collect original signatures from residents before submitting certifications
2. Owner/agents may accept esignatures and collect original signatures later
3. Owner/agents may submit certifications using Extenuating Circumstance Codes 1 - Medical, 2 – Late AR Due to Reasonable Accommodation or Extenuating Circumstances or 10- Other and collect original signatures later