

FASTFact - Repayment Agreements HUD MFH Programs



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The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry.

The majority of the instruction provided in this workbook is based on interpretation of HUD Handbook 4350.3 Rev 1 Change 4 released in December 2013 and various HUD Question & Answers Documents.

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RBD FASTFacts – HUD Repayment Agreements (TRACS v 202D)

Month	Unit Rent	Amnt. Resident Paid	Amnt. on Voucher	Total	Correct Voucher Amnt.	Voucher Adjust	Total Received by OA	Total In Repayment
March	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
April	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
May	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
June	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
July	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Aug	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Sept	\$600	\$25	\$575	\$600	\$80	\$495	\$105	\$495
Oct	\$600	\$520	\$575	\$1,095	\$80	\$495	\$600	\$0
Nov	\$600	\$520	\$80	\$600	\$80	\$0	\$600	\$0
Total	5400	1215	4680	5895		3960	1935	3465

THE VOUCHER ADJUSTMENT & REPAYMENT AGREEMENT AMOUNTS

The repayment amount and the voucher adjustment will be different. Remember,

- ✧ Erin paid the old rent through September.
- ✧ On September 10, the October voucher was created and submitted to HUD
- ✧ Erin will pay new rent beginning in October.
- ✧ Erin will return assistance-paid-in-error March through September.

Erin’s Assistance Payment was incorrect because Erin failed to report income. When you create the November 2024 voucher (created 10/2024) it will include the 3/1/2024 IR and adjustments for March through October. Using Contract Rent of \$600.00, let’s illustrate.

When the owner/agent enters a Repayment Agreement in site software, that Repayment Agreement transaction will reverse the adjustment caused when you entered a retroactive certification or corrected previous certifications.

On the November voucher (created in October) the owner/agent will only request \$80.00 AP for Erin.

Erin must return the improper payment for March through September (since she started paying new rent in October. Site software will create a voucher adjustment for March through October (\$3960.00).

$$3465 \text{ (repayment due)} + 1935 \text{ (amount already received)} = 5400$$

Once the repayment agreement is executed and entered in to the site software, the site will remain financially whole.

REPAYMENT OPTIONS

Residents can repay amounts due:

- ✧ In a lump sum payment; or
- ✧ By entering into a repayment agreement with the OWNER/AGENT; or
- ✧ A combination of (1) and (2), above.

MONTHLY PAYMENT

The resident’s monthly payment must be what the resident can afford to pay based on the family’s income.

Unless the resident agrees, the monthly payment plus the amount of rent the resident/family pays at the time the repayment agreement is executed should not exceed 40 percent of the family’s monthly adjusted income. Owner/agents must not apply a resident’s monthly rent payment towards the repayment amount owed that would result in an accumulation of late rent payments.

RBD FASTFacts – HUD Repayment Agreements (TRACS v 202D)

The monthly payment due on the repayment agreement is in addition to the resident's monthly rent payment.

Owner/agents may not apply any Utility Allowance Reimbursements to the Repayment Agreement or to any other resident charges or fees.

REPAYMENT AGREEMENTS

When you send this information to HUD, there are two types of Repayment Agreements:

1. Tenant;
2. None.

Note: Previously, HUD allowed for an Owner Repayment Agreement, but they have since modified the process for owners to return funds to HUD when the error was caused by owner/agent action.

The next month, the voucher will appear as follows...

RBD FASTFacts – HUD Repayment Agreements (TRACS v 202D)

U.S. Department of Housing and Urban Development

OMB Approval No. xxxx-xxxx
(xx/xx/xxxx)

Repayment Agreements for Schedule of Tenant Assistance Payments Due

Before completing this form, read and follow the instructions in the Monthly Activity Transmission (MAT) for your project. Use the HUD-52670 information on public burden.

1. Asst. Pymts Due For (mm/yyyy): **12/2024** 2. Project Name: _____ 3. FHA / EHV / Section 8 / PAC / PRAC Contract No.: _____ 4. Section 8 / PAC / PRAC Contract No.: _____ 5. Type of Subsidy: _____

6. Head of Household Name (Last, First)	7. Unit Number	8. Agreement ID	9. Agreement Date	10. Agreement Type	11. Agreement Amount	12. Agreement Change Amount	13. Total Payment	14. Ending Balance	15. Amount Retained	16a. Amount Requested	16b. Approved (HUD/CA use only)
Evans, Erin	101	1431	9/28/2024	T	3465	0	133	3199	26	-107	
17. Totals for this page: _____											

Previous editions are obsolete. Page ___ of ___ form HUD-52670-A part 6 (10/2012) ref. Handbook 4350.3 Rev. 1

Agreement Amount is the total amount of assistance paid in error before any resident payment

Agreement Change Amount shows difference last month and this month

After the first month, the Agreement Change Amount is zero unless there is an adjustment and the total assistance paid in error changes for some reason.

Owner/agent continues to return assistance to HUD until repayment agreement is fulfilled or resident stops paying.
 $0 - 133 + 26 = -107$

RESIDENTS WHO REFUSE TO ENTER INTO A REPAYMENT AGREEMENT

In some cases, residents will sign appropriate certifications (50059/50059A) but will refuse to enter in to Repayment Agreement; the resident may move out or skip. In other cases, the owner/agent may initiate eviction.

Since the certifications are signed, there is really no way to avoid the adjustments on the voucher. If the certifications have been signed the owner/agent must transmit them to HUD. However, assuming OA compliance, the OA is not required to return the improper payment to HUD.

In this case, add a Repayment Agreement type “None” to create the appropriate reversal of those adjustments.

What happens if the resident finds out that the OA has reported her payment performance information to the credit bureau? In an attempt to improve his/her credit, she might contact the owner/agent and enter in to a Repayment Agreement to return the improper payment.

The Repayment Agreement in the system will be converted from Repayment Agreement type “None” to repayment type “Tenant.”

If she makes a payment, the payment amount can be returned to HUD via the voucher.

IN CLOSING

With the release of TRACS 202D, the Repayment Agreement Tracking process became automated. When HUD releases TRACS v 2.0.3.A additional information will be collected and submitted to HUD.

Additional FASTFacts can be found on our web site at <https://www.rbdnow.com/resources>.

RBD FASTForms



Ross Business Development's FASTForms library is one of the most comprehensive compilations of individual policies, forms, notices, checklists, and compliance packages available.

These forms have been designed for use on properties providing housing assistance through one of HUD's Multifamily Housing (MFH) programs.

Policies, Forms and checklists discussed in this class are available and can be downloaded from our web site. We offer complete [Packages, Bundles](#) or [Individual FASTForms](#).

What people are saying...

"YOU ARE A SAINT!!! I downloaded everything and it could not have worked out better. I have 3 MOR's to respond to and all were needing updated VAWA policies and forms. I really appreciate your efforts and I am not above taking the bows when the kudos come rolling in - HA! HA! Actually, I do share with the owner and contract administrators that I used RBD policies and forms as the foundation for our individual properties. It is only fitting that your labors be acknowledged, as the ultimate goal is to get the policies in place. Thanks again for your help." Mindy H.

Select the library type that most closely matches your need.

[FASTForms Packages](#)

When developing our FASTForms Packages, we designed a policy template and determined the documents necessary to support that policy. For example, the TSP FASTForms Package includes the TSP template, applications and pre-applications, notices, file checklists and much more.

[FASTForms Individual Forms](#)

For years, our customers have requested the ability to select an individual policy, notice or form without all of the related forms. FASTForms Individual Forms allows you to purchase individual forms ala carte. Hundreds of forms are available and can be viewed by "Area of Interest."