

March 14, 2008

To: Owners and Agents of Section 8 Housing

From: Idaho Housing and Finance Association Compliance Department

Date: November 1, 2007

Re: Program Tips and Suggestions

As there have been some significant developments in the section 8 arena over the past few months, we felt it prudent to issue another memo outlining some of the more affected areas. They are as follows:

❖ **HUD Handbook 4350.3 REV-1 Chg.2:**

- As of July 2007 HUD has issued the final version of change 2. Please insure that this is printed and in use at all section 8 properties. Please note that items that do not affect TRACS were effective immediately. The handbook, as well as a listing of the changes can be printed at HUD clips: http://www.hudclips.org/sub_nonhud/cgi/newsdoc_run.cgi

❖ **New Fact Sheet and leases:**

- The issuance of change 2 brings 2 new versions of forms that will need to be put into use. The first is the Fact sheet for how rent is determined. The new version is dated June 2007. It can be obtained from the 4350.3 RV-1 chg 2 or from this site: <http://www.hud.gov/offices/hsg/mfh/hsgrent.cfm> Please insure that this is the form in use from this point forward.
- The second form is a new version of the lease. HUD is requiring that all residents sign this new version no later than their next annual recertification and no sooner than the 60 day notice requirement discussed in 6-12 of the 4350.3. Please ensure that you read this section (in its entirety) to ensure the lease change is implemented correctly. IHFA recommends that the 60-day notice be sent with the 120-day notice of recertification. Please ensure that no other lease attachments or addendums are in use unless prior HUD approval for the changes has been obtained. The new leases can be found in appendix 4 of the 4350.3 please be sure to use the lease applicable to your development.

❖ **Notarized Statement or signed affidavit:**

- There have recently been some questions regarding what constitutes a signed affidavit. IHFA has sought guidance from HUD on the definition of this term. Diane Hotten, Department of Housing and Urban Development Project Manager has stated "... the definition of affidavit calls for a notarized signature..." Please insure that where the 4350.3 calls for a notarized signature or affidavit, (this would be in relation to obtaining self certifications when third party verifications can not be obtained.) the documentation in the file meets this definition. Please refer to appendix 3 for more information on when this would be required.

❖ **Updated FAQ's:**

- The Final Multifamily Mailbox: 4350.3 REV-1 Summary of Questions has been reposted to the Multifamily Housing's RHIIP website at: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>. The Summary of Questions was

removed temporarily while the questions and answers were revised to comply with Change 2 to the Handbook. A listing of Frequently Asked Questions pertaining to the revisions contained in Change 2 to the Handbook is being prepared and will be released at a later date.

❖ **Income from Parents:**

- If a resident is receiving income from a third party such as parents paying their car insurance or other bills, even if the money is going directly to the third party, this is considered income into the household and must be third party verified and counted as income. Please insure that this is the practice at your properties. Please refer to FAQ #75 for further clarification.

❖ **Nutritional supplements and over the counter medications:**

- Prior to change 2 HUD stated that nutritional supplements were not an allowable medical expense. With the change, it now clarifies that if they have been prescribed to treat a specific medical condition, they will now be allowed. The documentation that will be needed in the file is a prescription for the item and documentation that it is for a specific medical condition. Please note that it will not be allowed if prescribed for general health reasons and the file will need to document such. This is also true for over the counter medications. Remember, you cannot ask what condition the resident has, only if the supplement/ medication is to treat a specific diagnosed condition. Please refer to FAQ #91 and 4350.3 Chapter 5 exhibit 5-3 for further clarification.

❖ **Interim recertifications:**

- There is new verbiage in change 2 in regards to when to process interim recertifications. It now states “ **If a tenant reports a change in income that does not increase the households cumulative income by \$200 or more per month the owner should not process an interim recertification...**” This is true even if there is another change that would merit an IR such as a new baby. The baby would be added but not the income if under the \$200.00 threshold. Please note that the tenant must still report any change in income and the change must be verified even if the increase is less than \$200.00. The file will just need to be documented that the increase was less than \$200.00 and therefore no IR was processed. Also remember that it is a cumulative total of the household.
 - For example: the head of household got a raise that equaled \$150.00 per month. This would be verified but no IR would be done, as the total is less than \$200.00 2 months later the spouse reports that they have gotten a raise as well. This is verified and the raise equals \$100.00 per month. As the cumulative total is over the \$200.00 threshold, the IR would now be completed. Please refer to section 7-11 of the 4350.3 REV-1 Chg 2 for further clarification.

❖ **EIV:**

The first annual re-certification of an EIV Coordinator's contract(s) and/or properties within EIV is due by October 31, 2007. EIV Coordinators must complete an updated Coordinator Access Authorization Form (CAAF) requesting re-certification of their contract(s) and/or properties and submit it to HUD's Multifamily Helpdesk according to the following schedule, which is based upon when they submitted their initial CAAF for access to EIV. Please refer to <http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm> for additional information.

❖ **Wait list and Application content:**

- Per section 4-20 of the 4350.3 RV-1 chg 2 the owner must document removal of any names from the wait list with the **time** and date of the removal. This time does not have to be a category on the wait list. If you are using an application tracking log or some other similar

document, as long as it is documented on this form, that is sufficient. Please refer to section 4-20 for additional information.

- When noting the date and time an application is received, the 4350.3 REV-1 Chg.2 states that you must use a date and time stamp or by writing **and initialing** the date and time received. Please insure that the on site personnel are initialing this information. Please refer to section 4-16 A for additional clarification.

❖ **Funding of Section 8 contracts:**

- As you know, from time to time HUD has had problems funding Section 8 contracts in a timely manner due to the budgetary process. Additionally, some payments for August and September 2007 were delayed due to a legal interpretation from the Appropriations attorneys causing changes as to how HUD funds HAP contracts.

As a result, HUD will continue to issue one and multi-year HAP contracts. New contracts have been revised, however, such that Part 2-Term and Funding of Renewal Contract will include a specific dollar amount and approximate number of months of funding obligated to the contract at the time of execution. As additional funding becomes available, HUD will issue notifications to the owner that specific dollar amounts have been dedicated to the contract. If you have questions regarding the funding situation of a particular contract, please contact Jennifer Rogers at (208) 331-4764 or via email at jenniferr@IHFA.org

❖ **Housingidaho.com:**

- IHFA has a new resource available in the form of a website. We encourage all owners and agents to go and list their properties there. It is a free service for owners and agents as well as anyone looking for housing in Idaho. You can contact Steve Rehn with any questions on the functionality of the site.

If you have any questions or concerns regarding any of these reminders, please feel free to contact Steve Rehn at 208-331-4707 or e-mail at stevenr@ihfa.org.

Thank you for all your hard work and assistance this year.