

The CA Quarterly Review



Fall, 2003

Welcome to *The CA Quarterly Review!*

Welcome to the Fall 2003 edition of the Assisted Housing Services Corporation (AHSC) quarterly newsletter, the *CA Quarterly Review*. The purpose of the newsletter is to familiarize owners and agents with AHSC and to provide information on upcoming compliance and policy changes. Our mission of providing owners, agents and residents with superior customer service is ever evolving, and the newsletter is another step in fulfilling that mission. We welcome your comments and suggestions for future newsletters by sending an e-mail to: AHSCnewsletter@ahscoho.org.

2 Special
Claims
Updates

3 New
4350.3
Rev. 1
Updates

If you are not already receiving this publication via e-mail or would like to change an e-mail address, please send an e-mail to: AHSCnewsletter@ahscoho.org.

A Word About Special Claims

Special Claims Processing: What Every Owner Should Know

AHSC pre-approves special claims requests from owners and pays claims when submitted with a valid claim ID number. Over the years AHSC has developed a standard protocol for processing claims that are submitted. Guidance from the Columbus HUB, issued in November 1999 serves as the basis for approving, adjusting and denying claims from properties in our portfolio.

Vacancy claims and unpaid rent claims are processed using very specific, standard guidelines. If required paperwork is submitted timely and calculations for payment are correct, the claim is approved. Tenant Damage claims have guidelines too, but these require informed judgments to be made as to the appropriateness and reasonableness of charges, and the acceptability of supporting documentation. AHSC reviews several items on Tenant Damage submissions before approving. These are:

- Whether or not the monies being requested are part of line items from the property budget. If they are part of the budget, the claim will be reduced.
- Whether or not the item should be taken from the Reserve for Replacement account.
- Whether or not the cost of the repair is typical of other properties in our portfolio.
- Whether or not the supporting documentation is adequate. For example, an owner may ask for \$300 to fix a hole in the wall. The owner may even have submitted a picture of the damage showing a hole in the wall, but does not provide any indication of the size of the hole. HUD holds AHSC to a high standard for payments to owners; therefore, if AHSC staff cannot clearly conclude that the hole in the wall is big enough to cost \$300 to repair, we cannot approve that amount.

If the item has been adjusted or denied, the owner/agent always has the option to provide, within 30 days, more adequate documentation/explanation of the amount. AHSC, if given appropriate support, will approve the original amount.

NEW HUD HANDBOOK 4350.3 REV. 1

HUD Handbook 4350.3 has revised the way special claims are handled. Under this new guidance, claims **MUST** be submitted no later than 180 days after the event initiating the claim occurred. The approved claim must be submitted for payment no **LATER** than 60 days after notification. This applies **ONLY** to claim events happening after August 31, 2003. All provisions of the handbook which detail submission requirements and processing steps also apply to these claims.

Any claim event that happened on August 31, 2003 or **PRIOR** will be processed under the rules that AHSC has been using up to this point. For example, a claim event from August 15, 2003 can be submitted to AHSC no later than August 14, 2004 and will be processed.

4350.3 Rev.1

HUD Handbook 4350.3 Rev. 1 has an effective date of June 12, 2003; however, certain portions of the handbook are being phased in at different times during the year. Guidance on the implementation of different provisions of the handbook can be found on the “Occupancy Handbook 4350.3 Rev. 1 Frequently Asked Questions page at <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

In addition, HUD has provided helpful accessing tools. At the same website, owners and agents can find the “Crosswalk Between Old & Revised Handbook 4350.” This document identifies topics/chapters in both the old and new handbooks. Another resource provided at this site is the “New Policies of the Occupancy Handbook 4350.3 Rev. 1” link. This is a brief description of what has changed in the handbook. It clearly lists the “Old” handbook guidance and the “New” handbook guidance by topic.

As a result of the new handbook, AHSC has updated some of its policies and procedures when conducting Management Reviews and processing voucher submissions.

To get a clear understanding of how AHSC will implement the new handbook in its operations, carefully review the table on the following pages. NOTE: Only those handbook issues that have resulted in a change to AHSC policy or procedures are listed on the following pages. For a complete list of changes, access the website listed above.

Cameo: Jerry Totin

Jerry Totin works as a Contract Specialist in the Trumbull Region. He currently works with owners and managers of 34 properties to process vouchers, contract renewals, and special claims. Before joining the AHSC staff, Jerry worked as a Section 8 and Tax Credit property manager, mainly in Special Needs Housing properties. He is certified in Property Management, Affordable Housing Tax Credit, and Affordable Housing. Jerry is originally from Sharpville, PA. Before relocating to Cleveland several years ago, he also resided in Florida and Connecticut. When he is not working, Jerry says he enjoys staying physically active by exercising and participating in sports.



Handbook Issues	New Version	AHSC Implementation
Medical Expenses	1) Owner may use expenses the family anticipates to be paid during the 12 months after re-certification. 2) Owner may use medical expenses paid during the past 12 months to estimate medical expenses. 3) Past "one-time" nonrecurring medical expenses that have been paid in full may be used in the calculation of the medical expense deduction.	At an MOR, any file reviewed where medical expenses were calculated after 6/12/03 must follow this guidance. If not, issue a finding.
Tenant Trigger for Interim Re-certification	\$200.00	If tenant is on a year lease, they must sign a new lease no later than the next certification date. For those on a month to month lease, owners may execute a HUD approved addendum.
Re-certification Timeline for Notifying Tenants	120 Days	Effective with all recertification dates of May 1, 2004 and after. This means the 120 day letter must start being sent in January 2004.
Tenant Selection Plans	Requires owner to develop and make public a tenant selection plan that includes certain required contents.	AHSC will start reviewing immediately per instructions in the new handbook.
Affirmative Fair Housing Marketing Plan	Requires owner to update AFHMP every 5 years as needed to ensure compliance.	AHSC will begin checking at next MOR. Remind owners of upcoming expirations.
Unborn Child	Owners must include unborn children for determining family size for income limits as well as determining unit size.	At MOR, if a file is reviewed where MI was after 6/12/03, this will apply in determining income and unit size.

Handbook Issues	New Version	AHSC Implementation
House Rules	House Rules are established at the discretion of the owner; however, new Handbook 4350.3 provides extensive discussion for establishing house rules and suggested "reasonable" and "unreasonable house rules.	AHSC will continue to review House Rules at MORs
Remaining Family Member	Outlines extensive guidance for defining remaining family member and defines under what circumstances assistance may or may not be provided that person.	If one of the tenant files reviewed at the MOR is a "remaining family member" whose status was determined on or after 6/12/03, the new handbook rules will apply.
5009 Data Requirements	Form must be signed by all adult members of the household.	Check for all signatures on 59's dated 6/12/03 or later.
Special Claims	Owner must submit claim within 180 days after the unit becomes available for occupancy. Use actual number of days in the month when determining monthly assistance for adjustments and the daily contract rent for special claims	New special claims rules from the handbook will be applied to all claims if the event generating the claim occurred after August 31, 2003. In cases where the event occurred before 6/12/03, the 1 year submission rule will still apply.
Tenant waivers for 202/811 Occupancy Eligibility	New Handbook incorporates old notice	No change in AHSC policy.
Termination Date	Needs clarification of the term "termination date." Termination dates were discussed briefly yesterday. Additionally, the TRACS HQ termination may be creating a problem, if the industry is relying on it instead of the re-certification or real termination that it should prompt.	AHSC will no longer suspend payments on units in the 13 th month. AHSC will continue to pay on unit until 15 th month, when unit will be terminated. Owner must submit an Initial Certification to resume subsidy on the unit. Initial Certification date CANNOT go back to original certification date.