Industry Best Practice Instructions for form HUD-50059 A (09/2008)

(Move-outs, Terminations, Gross Rent Changes and Unit Transfers)

Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures

TRACS Release 2.0.2.C MAT User Guide   Updated 08/2008

Partial Certification

Item 1 Name of Project   Enter the project name that appears on the regulatory agreement or subsidy contract. This will be the current project name in the Contracts database.

(MAT TENHR Field 20)

Note: TRACS will use this project name for all Items under this TENHR.

Item 2 Project Number   Enter the 8-digit FHA, Elderly Housing, or State Agency noninsured project number. This field is mandatory for Section 236, BMIR, Rent Supplement, RAP, PAC, and PRAC subsidy types. It is also required for those Section 8 contracts for which an FHA project number applies.

Sample entries are as follows: FHA Insured Projects – 12144026
                                       Elderly Housing Projects – 121EH001
                                       Other noninsured Projects – 121001NI

(MAT TENHR Field 23)

Note: Do not use "0000FMHA" as a project number for an FMHA/RHS property. There should not be a project number for these properties.

Item 3 Subsidy Type   Enter the code for the type of subsidy the tenant was receiving at the time of this Transaction. Acceptable codes are as follows:

1- Section 8	4- Section 236	7- Section 202/PRAC
2- Rent Supplement	5- BMIR	8- Section 811 PRAC
3- RAP	6- Reserved	9- Section 202/162 PAC
0- Market Rent Tenants not covered by Section 236 or BMIR		

(MAT TENHR Field 21)

Item 4 Contract Number   This number is mandatory for Section 8, 202/162 PAC, 202 PRAC, and 811 PRAC subsidy types. This number will be used for all transactions under this TENHR. Enter the 11-digit subsidy contract number. Do not enter dashes in this Alphanumeric field (e.g., AK123456789)

(MAT TENHR Field 24)

Item 5 Transaction Type   Enter the code that best describes the main reason for preparing this form.

MO = Move-out   (MAT 40 Field 4)
TM = Termination (MAT 65 Field 4)
GR = Gross Rent   (MAT 70 Field 4)
UT = Unit Transfer (MAT 70 Field 4)

Item 6 Head of Household (Last, First, Initial)

List the name (Last, First, Middle Initial) of the Head of Household.

(MAT 40 Fields 6, 7 and 8 for Move-out)
(MAT 65 Fields 6, 7 and 8 for Termination)
(MAT 70 Fields 6, 7 and 8 for Gross Rent Change or Unit Transfer)

Item 7 Unit Number

For a Move-out, Termination, or Gross Rent Change, enter the Unit Number in which the tenant was residing at the time of this Transaction. For a Unit Transfer, enter the Unit Number into which the tenant is moving.

(MAT 40 Field 11 for Move-out)
(MAT 65 Field 14 for Termination)
(MAT 70 Field 11 for Gross Rent Change or Unit Transfer)

Item 8 No. of Bedrooms

Enter the number of bedrooms in the unit.

(MAT 10 Section 2 Field 71)

Item 9 Effective Date

Enter the date this Transaction is to be effective. Enter the Transaction date as MMDDYYYY.

(MAT 40 Field 10 for Move-out)
(MAT 65 Field 10 for Termination)
(MAT 70 Field 10 for Gross Rent Change or Unit Transfer)

Item 10 Head ID Code (SSN)

Enter the 9-digit Social Security Number for the Head of Household.

Note: If the Head does not have an SSN, enter the TRACS ID (T-id) number that was assigned by TRACS to a previous full certification. However, an SSN for **all** individuals, applying for or participating in HUD's rental assistance programs, will be required in the near future.

(MAT 40 Field 5 for Move-out)
(MAT 65 Field 5 for Termination)
(MAT 70 Field 5 for Gross Rent Change or Unit Transfer)

Item 11 Head Birth Date

Enter the Birth Date for the Head of Household

(MAT 40 Field 9)
(MAT 65 Field 9)
(MAT 70 Field 9)

Note: Enter date as MMDDYYYY.

Item 12 Building ID   Enter the REAC-assigned Building Number.

(MAT 40 Field 12 for Move-out) Future Field
(MAT 65 Field 13 for Termination) Future Field
(MAT 70 Field 12 for Gross Rent Change or Unit Transfer) Future Field

Note: TRACS is not edit-checking information for this field at this time.

Item 13 Anticipated   Enter the voucher period (MMDDYYYY) for which this Transaction
Voucher Date   will first appear. Not required for Section 236 and BMIR.

(MAT 40 Field 15 for Move-out)
(MAT 65 Field 15 for Termination)
(MAT 70 Field 21 for Gross Rent Change or Unit Transfer)

Note: When entering the date, "DD" will always be "01"

Move Outs

Item 14 Move Out Code   Enter the valid code which best describes the main reason for the Move-out.

       1 - Owner initiated for nonpayment of rent
       2 - Owner initiated - other
       3 - Tenant initiated - other
       4 - Death of sole family member

(MAT 40 Field 13)

Item 15 Date of Death of
Sole Member   Enter as MMDDYYYY. Required if Move-Out Code is "4".

Note: The tenant's subsidy (assistance payment) must end no more than 14 days from the date of death of the sole family member. However, the actual Move-out date may be after the 14-day period.

(MAT 40 Field 14)

Terminations

Item 16 Termination   Enter the valid code which best describes the reason for the termination.
Code

       TI = TTP equals/exceeds the Gross Rent or tenant is moving to
          Market Rent (Section 236 and BMIR)
       TC = Did not supply citizenship/eligible alien documentation
       TR = Did not re-certify on time. Tenant required to pay market rent.
       TF = Tenant refused to transfer as agreed or submitted false data

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CE = Subsidy contract expired – not renewed   Note: Not for use
when renewal is delayed

ST = Ineligible student   For PRAC properties, a household with an
ineligible student has to move out.

DS = Double subsidy at move-in   Note: Termination effective date
is the move-in or IC date. When the code DS is used, subsidy is
given back for the termination effective date

**Note: All termination codes, except for DS, allow subsidy for the
effective date of the termination**

(MAT 65 Field 11   4350.3; Paragraph 8-5)

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Item 17 Description   Provide any other details as they relate to the termination of a
       (optional)   tenant's subsidy.

Gross Rent Changes and Unit Transfers

Note: If a Gross Rent Change or Unit Transfer has the same effective date as a full certification for the
       tenant, include the new GRC and/or UT information on the full certification instead of this form.

Item 18 Previous Unit No.
       (UT's only)   For a Unit Transfer (MAT70 record), enter the Unit from which the tenant
                    transferred.

                    (MAT 70 Field 22)

                    Note: If this unit transfer includes changes in family composition and/or
                    annual income, assets or expenses, complete a full certification, (HUD-
                    50059) instead of this form.

Item 19 Contract Rent   For a Gross Rent Change, enter the rent HUD or the Contract Administrator
                    has approved for this unit type**. For a Unit Transfer, enter the Contract
                    Rent for the Unit into which the tenant is moving.**

                    The Contract Rent is the Section 8/RAP Contract Rent, the Section 236
                    Basic Rent, the Section 221 (d) (3) BMIR Contract Rent, or the Rent
                    Supplement Unit Rent, as applicable.

                    For the Section 202 PAC or PRAC and Section 811/PRAC projects, if the
                    tenant pays utilities separately, enter the operating rent (operating cost)
                    minus the HUD-approved utility allowances. If all of the utilities are
                    included in the rent, enter the operating rent (operating cost)

                    (MAT 70 Field 14)   Note: The amount cannot be zero.

Item 20 Utility Allowance   If all of the utilities are included in the rent, enter zero in this field. If not, enter the amount HUD or the Contract Administrator has approved for this unit type.
For a Unit Transfer, enter the Utility Allowance for the Unit into which the tenant is moving.

(MAT 70 Field 18)

Item 21 Gross Rent   Enter the sum of Item 31, Contract Rent (CR), plus Item 32, Utility Allowance (UA).   CR + UA = GR
For a Unit Transfer, enter the Gross Rent for the Unit into which the tenant is moving.

(MAT 70 Field 17)

Note: This Item is also known as PRAC Operating Rent and PAC Operating Cost.

Note: If the TTP, TR, AP, and/or UR for a tenant need to be prorated, please follow the Pro-ration Procedures listed after Item 26, "Security Deposit". Otherwise…

Item 22 Total Tenant
            Payment

The Total Tenant Payment (TTP) is the amount a tenant is expected to contribute for rent and utilities. The TTP for Section 8, PAC, PRAC, RAP, and Rent Supplement properties is based on the family's income. For BMIR and Section 236 Tenants, enter zero.

For Section 8, RAP, PRAC, PAC the Total Tenant Payment (TTP) is the greater of:
 −   30% monthly adjusted income;

 −   10% monthly gross income;

 −   Welfare rent (welfare recipients in as-paid localities only); or

 − $25 minimum rent (Section 8 only).

For Rent Supplement:

The Total Tenant Payment (TTP) is the greater of:

 −   30% of monthly adjusted income; or

 −   30% of gross rent.

(MAT 70 Field 16   4350.3; Paragraph 5-25, Figure 5-6, Paragraph 7-16 and 7-17, Exhibit 5-8)

Item 23 Tenant Rent

For Section 8/RAP/Rent Supplement/Section 202 PAC, Section 202 PRAC and Section 811 PRAC tenants: Tenant Rent (TR) is the portion of the TTP the tenant pays each month to the owner for rent. When utilities are paid by the property, the Tenant Rent (TR) will equal the Total Tenant Payment (TTP). If they are not equal, the TR equals the TTP minus the Utility Allowance. If the Utility Allowance (UA) is greater than the TTP, enter zero and calculate the Utility Reimbursement.

For Section 236 and BMIR tenants: Refer to HUD Handbook 4350.3, Exhibit 5-8 for calculating Tenant Rent

(MAT 70 Field 15   4350.3; Paragraph 5-26A)

Item 24 Utility
Reimbursement

If the Utility Allowance exceeds the Total Tenant Payment, subtract the TTP from the Utility Allowance and enter the difference.
For Section 236 and BMIR tenants, enter zero.

(MAT 70 Field 19   4350.3; Paragraph 5-26C)

Item 25 Assistance
Payment

Enter the amount the owner bills HUD on behalf of the tenant living in a Section 8, RAP, Rent Supplement, 202/811 PRAC, or PAC property. To determine this amount, subtract the TTP (Item 108) from the GR (Item 33). $GR = TTP + AP$. If the TTP is greater or equal to the GR, enter zero in this Item, except for a PRAC tenant. The assistance payment (AP) for a PRAC tenant is the Operating Rent minus the TTP. Enter the AP amount, even if the amount is a negative number (e.g.: -75). For Section 236, BMIR and Market tenants, enter zero or leave this Item blank

(MAT 70 Field 20   4350.3; Paragraph 5-26B)

Item 26 Security Deposit

The amount collected from the tenant when they moved into the project. If a Unit Transfer, include any amounts transferred from the previous unit.

Note: The security deposit amount was determined at move-in and should not change, unless a Interim/Unit Transfer 50059 (IR/UT) determines a new amount.

(MAT 70 Field 13   4350.3; Chapter 6 Section 2; Figure 6-6)

NOTE: The Owner/Agent must sign and date the completed HUD-50059 A. The Head of Household must sign and date the completed HUD-50059 A, **IF** this form indicates a change in the Total Tenant Payment, Tenant Rent or Utility Reimbursement, the tenant has transferred to a different unit, or state/local law requires a signature.

Pro-ration procedures for tenants whose Household Assistance Status code is "P", Prorated Assistance (Item 96 of the form HUD-50059)

Refer to Exhibits 3-12 through 3-14 for guidance.
(Item numbers refer to the form HUD-50059 (12/2007)

CR = Contract Rent (Item 31)   BR = Sec. 236 Basic Rent (Item 29)
GR = Gross Rent (Item 33)   MR = Sec. 236 Market Rent (Item 30)
UA = Utility Allowance (Item 32)   UR = Utility Reimbursement (Item 110)
TR = Tenant Rent (Item 109)   TTP = Total Tenant Payment (Item 108)
                   AP = Assistance Payment (Item 111)

Section 8, RAP, and Rent Supplement programs (Exhibit 3-12)

A) Calculate TTP and resulting AP without pro-rations

      1) _____ Enter GR (Item 33 of HUD-50059)

      2) _____ Determine TTP, per HUD-50059 instructions

      3) _____ Subtract TTP from GR. This is AP amount that family would receive if no pro-ration was involved.

B) Calculate **prorated AP**

      4) _____ Number of eligible Family members who are citizens or non-citizens with eligible immigration status

      5) _____ Enter the fraction that represents the number of eligible family members and the number of family members in the tenant household. (e.g., five(5) family members and only three(3) family members eligible for assistance Fraction is 3/5

      6) _____ Multiply Line 3 by the fraction is Line 5. This amount is the Prorated AP for this family. Enter amount in Item 111 of HUD-50059

C) Calculate **prorated TTP**

      7) _____ Enter GR (Item 33 of HUD-50059)

      8) _____ Subtract Line 6 from Line 7. This amount is the Prorated TTP for this family. Enter amount in Item 108 of HUD-50059

D) Calculated **prorated TR** and any UR (if applicable)

      9) _____ Enter UA (Item 32 of HUD-50059)

     10) _____ Subtract Line 9 from Line 8. This amount is the Prorated TR for this family. Enter amount in Item 109 of HUD-50059

If Line 10 is zero and in Item 109 of HUD-50059, complete Line 11

     11) _____ If Line 9 is greater than Line 8, enter the difference in Item 110 (Utility Reimbursement) of HUD-50059 Otherwise, leave blank

Section 8, RAP and Rent Supplement Programs in a Section 236 project (Exhibit 3-14)

A) Calculate difference between MR and BR for unit without pro-rations

      1) _____ Enter MR (Item 30 of HUD-50059)

      2) _____ Enter BR (Item 29 of HUD-50059)

      3) _____ Subtract Line 2 from Line 1 and enter difference

B) Calculate prorated difference between MR and BR

      4) _____ Enter number of people in the family who are Ineligible Persons (i.e., not a citizen or not an eligible non-citizen)

      5) _____ Enter the fraction that represents the number of Ineligible Persons and the number of family members in the tenant household, (e.g., five (5) family members of which two(2) are Ineligible Persons) Fraction is 2/5

      6) _____ Multiply Line 3 by the fraction in Line 5. This amount is the prorated difference between MR and BR

C) Calculate the assistance adjustment for Rent Supplement, RAP or Section 8 assistance the tenant would otherwise receive

      7) _____ Enter GR (Item 33 of HUD-50059)

      8) _____ Determine TTP (Item 108 of HUD-50059) without pro-rations

      9) _____ Subtract Line 8 from Line 7. This amount is AP (Item 111 of HUD-50059) family would receive without being subject to pro-ration requirements

      10) _____ Multiply Line 9 by Line 5. This amount is the Assistance Adjustment for the family.

D) Calculate the **prorated TTP**

      11) _____ Add Line 6 + Line 8 + Line 10.   Enter in Item 108 of the HUD-50059

E) Calculate the **prorated AP**

    12) _____ Enter GR (Item 33 of HUD-50059)

    13) _____ Subtract Line 11 from Line 12. This amount is the Prorated Assistance Payment. Enter in Item 111 of the HUD-50059

F) Calculate the **prorated TR** and any UR (if applicable)

    14) _____ Enter the UA (Item 32 of HUD-50059)

    15) _____ Subtract Line 14 from Line 11. This amount is the Prorated Tenant Rent. Enter in Item 109 of the HUD-50059

If Line 15 is zero and in Item 109 of HUD-50059, complete Line 16.

    16) _____ If Line 14 is greater than Line 11, enter the difference in Item 110 (Utility Reimbursement) of the HUD-50059. Otherwise, leave blank.

Section 236 without Benefit of Additional Assistance (Exhibit 3-13)

A) Calculate difference between MR and TR without prorations

1) _____ Enter MR (Item 30 of HUD-50059)

2) _____ Determine TR, per HUD-50059 instructions

3) _____ Subtract Line 2 from Line 1 and enter result.

B) Calculate prorated difference between MR and TR

4) _____ Enter number of people in the family who are
Ineligible Persons (i.e., not a citizen or not an eligible
non-citizen)

5) _____ Enter the fraction that represents the number of
Ineligible Persons and the number of family members in
the tenant household. (e.g., five (5) family members
of which two (2) are Ineligible Persons) Fraction is 2/5

6) _____ Multiply Line 3 by the fraction in Line 5. This amount
is the prorated difference between MR and TR

C) Calculate the **prorated TR**

7) _____ Add Line 2 and Line 6 and enter result. This amount is
the Prorated TR for this family. Enter amount in Item
109 of HUD-50059.