

QUADEL CONSULTING 

Special Claims
Maximize Your Approvals

2015 Owner Agent Update

HUD Conference

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Points We'll Cover

- HUD Resources
- Eligibility Requirements
- Avoiding Adjustments or Rejections
- Submitting to INQ
- Payment Reimbursement Requirements

Special Claims “Rule Books”

- Special Claims Processing Guide (HSG-06-01)
- Special Claims FAQ, dated 2/26/2007
- HH 4350.3 REV-1, Chg4, chapters 2, 4, 6
- Notice H 2014-16 re: Waiting List Administration
- HUD Memo, 9/22/14 from Ben Metcalf, Asst Secretary for Multifamily Housing Programs re: AFHMP Review and Approval Guidance

Resources to Bookmark

HUDClips

*Special Claims Processing Guide, Forms, Notices,
Memorandums*

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips

TRACS Home Page

Documents, Discussion Forum, Announcements

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum

Resources to Bookmark

RHIIP Listserv

(Rental Housing Integrity Improvement Project)

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rhiip/mfhrhiip

Not signed up?

http://portal.hud.gov/hudportal/HUD?src=/subscribe/mailin_glist

Special Claim Forms

- HUD 52670-A part 2, Special Claims Schedule
- HUD 52671-C, Section 8 Special Claims for Regular Vacancy
- HUD 52671-A, Special Claims for Unpaid Rent/Damages
- *INQ Special Claims Checklists, per claim type*

Initial Eligibility Tests

Submit only those claims that pass

Initial Eligibility...Regular Vacancy

1. INQ receipt of claim will not exceed 180-days from unit's documented ready for occupancy (RFO) date
2. Household was section 8 recipient through vacancy, unless terminated for failure to recertify
3. Household's move-out data is viewable in TRACS
4. Unit is ready for occupancy (RFO) with required records to support

Initial Eligibility...Unpaid Rent

1. Fulfills items 1-4 of Regular Vacancy test
2. Have certified letter to tenant with inclusion requirements from HSG-06-01, Section 5-2,D(2a)
3. Taken all reasonable steps to collect debt per HSG-06-01, Section 5-2, D(2b)
4. *If damage charges exist for same unit/tenant, must submit on single form HUD-52671-A filed as one claim*

Initial Eligibility...Damages

1. Fulfills items 1-4 of Unpaid Rent test
2. Damages due to tenant negligence or abuse. ***We'll cover in more detail later***
3. If unpaid rent exists for same unit/tenant, must submit on single form HUD-52671-A filed as one claim

Basics of Preparing the Claim

- Complete appropriate INQ checklist for each claim request
- Sign and date all HUD forms (*only list units/tenants with eligible claim request*)
- *Include two (2) copies of all HUD forms*
- *Provide one complete copy of property specific data per HUD 52670-A part 2 where possible, such as waiting list or advertising*

Helpful Reminders

Common causes for adjustments and/or rejections

Ready for Occupancy (RFO) Dates

RFO Date = date unit first available for occupancy. Do not include date with work completed. Provide documentation for all phases of unit prep. (*HUD sample, Appendix 3-C*)

HSG 06-01, Section 3-4, B

Example: A unit was vacated May 5, cleaned May 5 through May 8, and available for occupancy on May 9. The claim period would begin on May 9.

Contract Rent & Claim Calculation

Contract Rent (CR) in effect at time of move-out

- Seeing use of “post Unit Transfer” CR
- Don’t forget about retro-active Gross Rent changes

Claims for Unit Transfers

1. Security Deposit Disposition/Final Settlement of Account still required (no exclusions in HSG-06-01)
2. Documentation Security Deposit transferred to new unit or new deposit was collected

Incomplete Security Deposit

Claims are reduced by the amount of the security deposit not collected prior to vacancy

- Special Claims Processing Guide FAQs, chapter 3, Q/A 17 and chapter 5, Q/A 24
- HSG-06-01, Section 3-3, C(3), Section 5-2, D(1)
- HH 4350.3, REV-1, Chg4, chapter 6, figure 6-7

Waiting Lists & Unit Transfer Lists

Same Guidelines and Requirements

Waiting List Compliance

HSG-06-01, Section 3-2, B(5)

The owner/agent has taken and continues to take all feasible actions to fill the vacancy, including contacting any applicants on the waiting list and/or advertising the availability of the unit in accordance with Fair Housing and Equal Opportunity requirements in HUD Handbook 4350.3 REV 1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, chapters 2 and 4.

Waiting Lists (WL) & UT Lists

Every Action/Activity? YES

- Notation must be made for each change, action, or activity related to the applicant (*beginning to end*)
- Auditable Record for independent reviewers
 1. Find applicant on WL or UT List
 2. Readily confirm applicant housed appropriately/timely
 3. **Trace various actions taken for applicant**

HH 4350.3 REV-1, Chg4, Section 4-18, A & B

Supporting All Those Actions

Standard Waiting List/Unit Transfer List format frequently doesn't provide space for every action per applicant

- *Individual contact logs for applicants provide necessary documentation. Include with Waiting List/Unit Transfer List*

Unpaid Rent & Damage Claims

Unpaid Rent vs. Damage Costs

Unpaid Rent includes:

- **Keys not returned**
- Late fees, if allowable under lease & State/Local law
- Damage charges during residency & previously billed, but unpaid at move-out

Charges NOT Allowed in Claims

Do not include in calculation

- Unpaid Utility Bills
- Routine unit prep/turn costs; not “extraordinary”
We’ll discuss in detail a bit later
- Legal Fees
- Collection Agency Fees
- Photography Costs to prove tenant damage

Itemized Charges

Failure to provide tenant with itemized listing of damages results in denial of claim (HSG-06-01, Section 5-2, E(5))

Unpaid rent claims must clearly identify all charges by period, type and amounts due

HH 4350.3, REV-1, Chg4, 6-18,C(2)

Collection Agency

Time to Collect Debt

Property must allow sufficient time for Collection Agency to work the account *before* submitting Special Claim

Life Expectancy

Must determine useful life expectancy of replaceable items damaged by the tenant. Adjust claim calculation accordingly

HSG-06-01, Appendix 5D for sample chart

Routine Costs of Unit Prep *Not “Extraordinary”*

Billing Resident vs. Special Claim Reimbursement

Charges NOT Allowed in Claims

Do not include in calculation

- Normal costs of unit prep for reoccupancy. Includes basic/customary cleaning, painting, unit repairs for bedroom size
- Must be extraordinary, specific tenant damage/abuse and must be clearly supported with documentation
- Only amounts exceeding customary charges eligible

HSG-06-01, Section 5-2,E(2), Section 5-5, F, and Appendix 5C

Supporting Damage Charges

- Charges itemized & clearly defined
- Invoices showing dates, unit address, summary of item/work
- In-house work must include detailed service tickets/logs, supply orders to support initial purchase costs, time, etc...
- Standard Charge Lists – if using must be signed by resident. If not, provide evidence of how & when charge was disclosed to them prior to vacancy

General Special Claims Process

- Owner/Agent is allowed one original submission, one resubmission, and one appeal
- 30 day timeline applies to all phases of submission-review-determination between O/A and INQ

Payment Reimbursement

- Must request payment for approved special claim within 90 calendar days from date of approval determination. Failure to do so, results in denial and no appeal option
- IF appealing a portion of special claim, must delay billing for other approvals/adjusted approvals on same Special Claim ID until Appeal Determination is received.

Special Claims to INQ

Three options:

1. Mail – address on all INQ Checklists
2. Email
3. Fax – dedicated Voucher Dept only (317) 656-8830

INQ Special Claims Email

specialclaims@inquadel.com

- Dedicated email for optional email of smaller Special Claim submissions
- Use delivery & read receipt (follow-up timely if questions)
- Subject line clear: property name, contract #, special claims
- Large and/or several attachments in single email (photos, etc...) not successfully transmitted
- Maximum 3 emails/single submission: part 1, part 2, etc...



How to Reach Me...

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