

HELPFUL HINTS FOR PROCESSING SPECIAL CLAIMS

Processing Overview

HUD timelines to note

- Minnesota Housing has 30 days from the date received to review
- O/A has 30 days from the date of the pending letter to resubmit materials for pending packets
- O/A has 90 days from the date of the approval letter to add approved/adjusted claim to their voucher
- Claims must be received within 180 days of unit ready date, including all resubmissions from pending packets

Claim Eligibility – for full details see HUD Special Claims Guidebook

- Household must have been receiving assistance at the time of move out
 - Except if the assistance was terminated due to tenant noncompliance with HUD rules, including recertification.
- Unit must be in safe, decent and sanitary condition. Claim period starts the day after the unit is rent ready (fully turned).
- O/A must show that all feasible actions were taken to fill the vacancy
- The O/A must not have rejected applicants, except for good cause per their Tenant Selection Plan
- Must have submitted the appropriate certifications through TRACS (move out, termination, unit transfer, move in, etc.)
- Claims can occur:
 - If a unit is re-rented OR
 - After 60 days of vacancy, after the unit ready date

Claim Status

Each claim will be reviewed and be assigned one of the following statuses. The O/A will be notified of the status of the claim by a letter.

- Approved - with Claim ID number(s)
- Adjusted - including the reason for adjustment and corrected amount, with Claim ID number(s)
- Denied - including the reason for denial
- Pending – including information on missing documents or clarifications needed, along with a deadline for resubmission

Approved or Adjusted – once an O/A is notified that the claim is approved they will have 90 days from the date of the approval letter to post the claim to a voucher using the specific claim number stamped on their HUD forms that were returned from Minnesota Housing.

Denied – once an O/A is notified that the claim has been denied they have 30 days from the date of the letter to submit an optional appeal. Instructions to appeal are found on the notification letter. Claims will automatically be denied for the following reasons:

1. If the claim is submitted or resubmitted outside of the 180 day timeframe
2. If the pending packet is not returned to Minnesota Housing within the stated 30 day timeframe
3. If the approved claim is not posted to a voucher within the stated 90 day timeframe

Pending – once an O/A is notified that the claim is pending they have 30 days to resubmit requested materials. If the resubmission is not received by Minnesota housing within the 30 day timeframe the claim will be denied.

IMPORTANT: *The claim period for all special claims is 180 days, there is no additional time provided with a re-submission of incomplete packages.*

Regular Vacancies

**Items in bold are required*

1. **Form HUD- 52670-A Part 2**
 - a. Submit one form that lists ALL units for which a claim is being submitted. The form must be signed and dated by the O/A. Claims vacancy and tenant damages/unpaid rent should be listed on the same form. If submitting by mail one original and one copy must be included.
2. **Form HUD-52671-C**
 - a. Submit one form for EACH unit for which a claim is being submitted. The form(s) must be signed and dated by the O/A. If submitting by mail one original and one copy must be included.
3. **Copy of the signed Move In 50059**
 - a. For the tenant that has vacated that shows the amount of the deposit required. Include both pages. If the original move in 50059 cannot be located, contact your TRACS analyst for acceptable alternate documentation.
4. **Documentation that the correct security deposit was collected.** This can be a copy of the original lease (Do not submit the full lease; submit first page, security deposit page and signature pages only.) OR a copy of the tenant rent ledger card OR a copy of the receipt(s) for security deposit.
 - a. *If the owner did not collect from the tenant the maximum allowable security deposit the Special Claim for Vacancy will be adjusted accordingly.* Example: \$200 security deposit should have been collected from tenant, \$50 was the actual amount collected. Any Special Claim for vacancy would be reduced by \$150.00 due to the difference between what should have been collected and what was collected. This is reflected on form HUD-52671-C Part A, field 11.
5. **Copy of the Security Deposit Disposition notice sent to the tenant** which should reflect:
 - a. Move out date
 - b. Amount of deposit collected
 - c. Amount of deposit returned
 - d. Any charges withheld for unpaid rent, damages or other approved charges.

Note on transfers: Please make note if this documentation is not available due to the transfer.
6. **Documentation to show the date the unit was ready for occupancy.** This could be a copy of the reconditioning unit log or other maintenance record or a report from the software. Provide one for **each unit** showing;
 - Move out date
 - Date unit is re-rented
 - Start date & finish date of each turnover task (painting, cleaning, maintenance, etc.)
 - Date the unit is ready for occupancy*

**The unit ready date must be the day after all work is completed.*
7. **Copy of the wait list** from which the new tenant was selected.
 - a. Do not send a copy of the entire wait list, only the pages that contain people that were next on the list for the unit and/or were contacted for the unit.
 - b. One copy is sufficient for the entire claim if there are multiple units

- c. The wait list must tell the story of the vacancy and substantiate the length of the claim through notes and dates of contact. We must be able to see that all efforts were made to fill the unit and that the wait list was properly managed.
 - d. The wait list should be sorted by bedroom size, and in order by application date.
 - e. The wait list must include:
 - i. Name of the new tenant
 - ii. Move in date of the new tenant
 - iii. Date and time of applications
 - iv. Dates of contact and outcomes for all applicants contacted for the unit*
 - * i.e., the unit number offered, applicants name, date applicant was contacted, response of applicant and the reason the unit was denied.
8. Documentation of marketing efforts. This is only required if there is no wait list or the wait list has been exhausted. One copy of materials is sufficient for the package of claims. Marketing materials must be:
- a. Dated and have occurred during the time the unit was vacant
 - b. Be for the correct unit size (if it was a two bedroom that was vacant, the advertising should be for a two bedroom unit)
 - c. In accordance with the Affirmative Fair Housing Marketing Plan
9. **A Regular Vacancy checklist.** The correct checklist for the claim type being submitted must be included to ensure all documents are included. Be sure to follow the checklist exactly; do not omit anything without explanation and do not include additional documentation such as pictures or recertification notices.

Other Items to Note:

- 1. If the former tenant was not receiving subsidy at time of move out check the special claims guidebook for eligibility. Terminations due to recertification noncompliance issues are eligible for special claims while terminations for TTP exceeding contract rent are not eligible.
- 2. If the unit is re-rented by a market rate renter provide a copy of the lease pages indicating the unit number and start date of occupancy. (This would apply only to regular vacancy claims)
- 3. If the unit is re-rented by a qualified Section 8 household the move in certification must be transmitted through TRACS prior to sending in the claim.
- 4. If the vacancy is caused by a unit transfer *out*, state the reason for the unit transfer – in most cases it will be for a reasonable accommodation or a change in household composition. Be sure to not include any medical information.
- 5. If the former tenant transferred out or the new tenant transferred in include the reason for the transfer – either a reasonable accommodation or a change in household composition. Be sure to not include any medical information.

If the former tenant transferred out or the new tenant transferred in, check the applicable reason:

Unpaid Rent and/or Tenant Damages

Unpaid rent claims must include:

- 1. **Form HUD- 52670-A Part 2**

- a. Submit one form that lists ALL units for which a claim is being submitted. The form must be signed and dated by the O/A. Claims vacancy and tenant damages/unpaid rent should be listed on the same form. If submitting by mail one original and one copy must be included.
- 2. Form HUD-52671-A**
 - a. Submit one form for EACH unit for which a claim is being submitted. The form(s) must be signed and dated by the O/A. If submitting by mail one original and one copy must be included.
- 3. Copy of the signed Move In 50059**
 - a. For the tenant that has vacated that shows the amount of the deposit required. Include both pages. If the original move in 50059 cannot be located, contact your TRACS analyst for acceptable alternate documentation.
- 4. Documentation that the correct security deposit was collected.** This can be a copy of the original lease (Do not submit the full lease; submit first page, security deposit page and signature pages only.) OR a copy of the tenant rent ledger card OR a copy of the receipt(s) for security deposit.
- 5. A copy of the certified letter** to the former tenant detailing the unpaid rent and other charges, the disposition of the security deposit, a demand for payment, and notice to the tenant that failure to pay the sums due will result in the owner/agent hiring a collection agency to collect the debt. The letter must include a notice to the tenant that they have a right to discuss the charges with the owner/agent.
- 6. Documentation that the matter was turned over to a collection agency.** This could be a copy of the collection agency's first demand letter.
7. Documentation that other charges that were due under the lease that demonstrates the charges were approved by HUD (if including other charges).
- 8. An Unpaid Rent/Tenant Damages checklist.** The correct checklist for the claim type being submitted must be included to ensure all documents are included. Be sure to follow the checklist exactly; do not omit anything without explanation and do not include additional documentation such as pictures or recertification notices.

In addition to the information required for unpaid rent claims, claims for damages must ALSO include:

1. **A copy of the Move In and Move out Inspection reports** for the former tenant. The forms must be dated and signed by both the O/A and the tenant.
2. **A copy of the Security Deposit Disposition notice sent to the tenant** which should reflect:
 - a. Move out date
 - b. Amount of deposit collected
 - c. Amount of deposit returned
 - d. Any charges withheld for unpaid rent, damages or other approved charges.

Note on transfers: Please make note if this documentation is not available due to the transfer.

3. An itemized list of damages. This should include the breakdown of the cost to repair the damages, including details if the life expectancy of the replaced item was taken into consideration. Clearly indicate each damaged item that is included in the claim. Documentation could include:
 - a. Invoices
 - b. Receipts
 - c. Owner/Agent certification

d. Other documentation acceptable by HUD or the CA.

4. The Owner/agent must certify the submitted claim is not the result of normal wear and tear or routine maintenance.

If claim is for unpaid rent and other charges due under the lease for the same unit and tenant the claim for tenant damages must be calculated on the same form HUD 52671-A and filed as one claim.