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Date: October 20, 2010

To: Property Owners / Management Agents
TRACS/Voucher Personnel

From: Minnesota Housing (MHFA)
Multi Family Division
Section 8 Contract Administration PBCA and TCA

Subject: EIV Notice 10-10 and Repayment Agreements

IF YOU ARE NOT THE PERSON IN YOUR ORGANIZATION WHO WORKS WITH THE TRACS/VOUCHER PROCESS, PLEASE GIVE THIS IMPORTANT INFORMATION TO THE APPROPRIATE STAFF IMMEDIATELY.

Repayment Agreements are required when a tenant has been found to have unreported income, which causes over payment of subsidy that then must be returned to the Department of Housing and Urban Development (HUD). Minnesota Housing would like to assist you with the process of Repayment Agreements with the following tips and reminders.

If you have not already read the EIV Notice H 2010-10, please do so at this time. This notice contains important information on the requirements for the use of EIV as well as the requirements of Repayment Agreements. The requirements for Repayment Agreements are found on pages 39 through 44 of the EIV notice.

The notice can be found at:

http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/notices/hsg .

A "SAMPLE" repayment Agreement is included with this memo, and can also be found on Minnesota housing website at:

http://www.mnhousing.gov/housing/management/section8/MHFA_003512.aspx

For Initial set up of a Repayment Agreement:

Upon completion of ALL 50059's and a repayment agreement being implemented, the following should be submitted to your TRACS Data Analyst.

ALL 50059's associated with the repayment agreement must be received via TRACS error free.

The pages of your HAP Voucher that show the adjustments for this unit, including any manual adjustments, via FAX.

Signed Repayment Agreement, can be sent via FAX.

TRACS Data Analyst will review the repayment agreement for all requirements as stated in the EIV Notice and

Will determine that the amounts, (specifically that the adjustment) match the amount of the repayment agreement.

If there is a discrepancy, the TRACS Data Analyst will contact you.

Adjustments will be made to the HAP Voucher approved for payment by Minnesota Housing only after all steps outline above are completed.

Monthly Adjustments:

You will make manual adjustment to your HAP Voucher in the amount of the payment made by the tenant.

Description of the adjustment should include, tenant name, unit number and reason for adjustment.

Upon receipt of the above information, the manual adjustment will be entered to the Minnesota Housing approved HAP Voucher.

Frequently Asked Questions:

What happens if the tenant is at \$0 zero income?

A repayment agreement should be signed, even though the monthly payment amount will be \$0.00. Having a signed repayment agreement will allow the necessary adjustments to the voucher, the tenant will have acknowledged that they are aware of owing the monies, and the tenant is aware that when their income changes by more than \$200 a month, the repayment agreement will be renegotiated.

How should it be handled if the tenant is on a repayment agreement, and a second repayment agreement become necessary?

The suggested manner in which to handle this would be to start a "new" repayment agreement, combining the remaining amounts from the first agreement to with the second.

Make a distinction on the repayment agreement form that the revision to the terms is due to combining the amounts remaining from the first agreement, and the new amount. Identify the balance of the existing agreement and the amount of the new agreement clearly, so that if there is question in the future on the figures used in the new agreement they can be easily tracked. This will avoid confusion in the future. Notify your TRACS Data Analyst.

How do I stop a repayment agreement if the tenant vacates or skips?

Notify your TRACS Data Analyst.

Submit the move out as soon as possible.

Once notification is received and move out is accepted via TRACS, the repayment agreement will be stopped.

How do I handle a payment to a repayment agreement, AFTER someone has moved out?

Any payments made to the repayment agreement after the tenant has vacated, will still be listed as a manual adjustment to the voucher.

Notify your TRACS Data Analyst of the payment.

If you have any questions pertaining to repayment plans that have not been addressed in this memo, please feel free to contact your TRACS data analyst.

Thank you.