ATTACHMENT 7

Steps for Reconfiguring Section 8 Contracts in Unit Conversions

These steps will be used primarily for converting efficiency units of a Section 8 HAP Contract to one bedroom units. For the purpose of this Unit Conversion Policy Memorandum, the there will be no increase to the existing Budget Authority available to the project.

Step 1
Determine the new unit rents in accordance with the requirements of Section E of the Unit Conversion Policy.

Step 2
Amend Exhibit A to the existing Section 8 Contract to reflect the revised unit configuration. Funding notification letter with Exhibit A must be sent to the Owner.

Step 3
Amend the reconfigured one bedroom units in TRACS. Once TRACS is updated with the new unit distribution, it will take approximately 72 hours to download into REMS.

Step 4
REMS (Occupancy Screen, Subsidy Screen, etc.) must be reviewed to verify that all unit, rent and contract data was downloaded from TRACS properly. Once all required data has been verified in REMS and TRACS, the owner can start billing HUD for subsidy payments for the reconfigured one bedroom units.

Step 5 - Owner Responsibility
The Owner/Agent must establish the appropriate tenant data in TRACS before payments can be made and the 95% threshold requirement must also be met. New baseline information will apply for reconfigured existing contracts.

Step 6
Annotate REMS Problem Statement with the specifics of the transaction.

***Note: Process subject to change with program and/or system updates.**