



Sandstone Housing

6200 Seagull NE, Suite B

Albuquerque, NM 87109

Phone: 505-821-0193

What to Do When a Tenant Owes HUD

When you discover a tenant may owe HUD because they failed to disclose accurate eligibility, employment and/or income information you must take the following steps:

1. Meet with resident to discuss the issue. (The income discrepancy report will list all jobs the tenant has possessed.) If tenant agrees to the employment listed, you need verification of the tenant's income to find out how far back and the amount of money to calculate into the payback agreement. If tenant does not agree to the employment listed, you will need to obtain proof tenant was not employed with the reported company. Everything must be documented. If results show tenant did not make more than reported, no action is required EXCEPT to document the tenant's file of the findings as a result of the investigation.
2. Input an IR or AR, whichever is needed for the correction (and as many as are needed) from the date the income was more than what was reported. NOTE: Tenant must sign all IR and AR documents.
3. Prepare a "Return of HUD Housing Assistance Paid in Error – Repayment Agreement". (Sample is within your EIV handbook.) You must attach calculation reporting how your amounts were allocated. (These figures are for the monthly payback.)
4. Present the steps you took to calculate Repayment Agreement amount to the HUD Compliance Manager for approval.
5. Set up a meeting with the tenant to discuss the Repayment Agreement, and have them sign all paperwork. (Tenant must sign all IRs, ARs and payback agreement.)
6. Email approved, signed copy of agreement to Onsite/MINC Specialist and that person will forward information to appropriate HUD representative.
7. VERY IMPORTANT---WHEN SUBMITTING THE HAP INCLUDING THIS IR/AR YOU MUST INPUT A MISC. REQUEST (MANUAL ADJUSTMENT IN ONESITE)

FOR A POSITIVE TOTAL. This will zero out the total amount taken from our HAP request by the IR/AR. Therefore, we will receive our actual HAP request amount without the big deduction owed by the tenant.

When tenant makes a payment for payback it must be paid with a separate money order than what rent is paid with. **Each time** a payback payment is made you must: (At this point it is not something that is input in OneSite)

1. Put in a miscellaneous request (manual adjustment) on your next HAP. (i.e. If tenant makes a payment on the 1st-5th at Red Lake, please include the information on the HAP you input on the 6th. If payment is made after that months HAP date, please include the payment information on the next HAP.)
2. Fill in the name of resident and unit number.
3. Give what the balance is **AFTER** this payment is made.
4. Fax or e-mail payment information to Robin at home office.

If the tenant refuses to pay or vacates the property, let Robin know immediately.

You must document each payment and keep all records of such within the tenants file. You may keep this in a separate manila envelope within the tenant file, but all records must be within the tenant file.