

Topic 1
Double Dipping Subsidy Payments

Roles: Tenant - Wanda
Previous Manager - Andrea
New Manager - Saleemah

Issue: A tenant moves-in to your building. You conduct a pre move-in interview. You go through the verification process completing the 50059 and the tenant moves-in on 4/23/2009. On May 1, 2009 you now process your voucher and transmit the move-in to HMFA. You are then notified by HMFA that the tenant is living in another subsidized building on that date.

Tenant: Hi Andrea I wanted to let you know I'm moving-out of ABC Towers.

Previous Manager: Thank you for notifying the management office Mrs. Kral. Please be advised that you are required to provide a 30 day notice.

Tenant: I am aware of that. Here is my move-out notice. (Wanda, hand the notice to the previous manager)

Tenant goes to the other side of the room to her new manager.

New Manager: Hi Mrs. Kral. Here are the keys to your new apartment at Shore Towers. (hand over keys)

Tenant: Thank you. I will be moving-in on April 23.

Tenant leaves area

Linda: Now it is May 1 and the tenant gets called back into the office.

New Manager: Mrs. Kral I have just been informed that you previously occupied a unit in ABC Towers and your move-out date was effective 4/30/2009.

Tenant: I gave the site manager at ABC Towers a written notice.

New Manager: Could you provide me with a copy of your move-out notice to ABC Towers.

Tenant: Sure here is a copy. (Wanda, hand her the copy)

New Manager: I see that your notice was given to ABC Towers and is dated 3/31/2009. You are required to provide 30 days notice. Therefore your move-out from ABC Towers is 4/30/2009.

Mattie

The Big Question: Which building is responsible for terminating the subsidy and collecting market rent for the overlapping days???

ABC Towers??? Yes/No

Shore Towers??? Yes/No

Solution: What the tenant failed to realize is that the notice given to ABC Towers took the occupancy of that unit to the end of the month. Therefore, the first date the tenant was eligible to occupy another subsidized unit was 5/1/2009. By overlapping days in the old and new buildings the tenant was actually receiving double subsidy. The building with the upper hand is the new building because the resident is actually residing there. Thus the new building will terminate the tenant using the Double Subsidy at move-in termination code. The tenant will then be required to pay market rent to the new building for the number of days that their occupancy overlapped. If the tenant can not pay the amount in full a repayment agreement can be implemented requiring the tenant to re-pay the pro-rated amount of market rent back on a monthly basis until the amount is paid in full. The manager of the new building will then have to process an Initial Certification to restore the tenant's subsidy which will be effective on the date the tenant became eligible to receive subsidy in the new building which in this case is 5/1/2009.

HUD Handbook Reference