1) New IPERIA Audit – Responses Due February 28, 2014

Rural Development (RD) Centralized Servicing Center (CSC) is again conducting audits of Rental Assistance (RA) payments as required by the Improper Payments Elimination & Recovery Information Payment Act (IPERIA). The audit letters were recently sent to companies and borrowers are required to submit the requested documents to CSC for review no later than February 28, 2014. Click here for a sample audit letter.

CARH urges management companies to inform your staff that, if they receive a letter from CSC indicating that an audit is being done on an RA payment, that all requested information should be completed in a thorough manner and within the time frames allotted by the CSC request. In addition, before returning requested information to CSC, it is highly recommended that someone in senior management review the response for accuracy and completeness prior to submission to CSC to ensure compliance.

These audits are used as the agency moves forward on budget requests for Rental Assistance and the results could be used by the Agency in determining management fees. Therefore, it is vitally important to ensure that all documentation is submitted timely and accurately.

If your property receives a letter from CSC, you are required to submit the following required documentation by February 28, 2014:

- Tenant Certification, Form RD 3560-8 (submit the tenant certification based upon the requested effective date).
- Verification of Income
- Verification of Assets
- Medical Expense
- Verification of Disability
- Verification of Citizenship (Farm Labor Only)
Also submit any supporting documentation. Supporting documents include all calculation tapes, internal worksheets and third-party verification used to complete the Tenant Certification. Examples of supporting document include:

- Verification of Employment
- Zero Income Persons
- Unemployment and Unemployment Benefits
- Regular, Unearned Income (e.g., Social Security, pensions, workers compensation)
- Public Assistance
- Alimony or Child Support Payments
- Support for Foster Children or Adults
- Income Tax Return

Before submitting your response to CSC, review carefully your documentation regarding the following top five causes of improper payments:

- Income Documentation/Calculation
- Medical Deductions
- Tenant Certification Dated
- Tenant Certification Current
- Award Letter Included

To assist on-site and property managers, in 2008 CARH created a Training Manual in response to past IPIA audits whose high error rates pose a threat to RD’s RA budget. The Training Manual includes a checklist of common errors and proposes solutions. It also references regulations made in Handbook 3560. The manual is a live document, so any questions or comments to improve the Training Manual are welcome.

2) Farm Bill Update

This afternoon, the Senate passed a $956 billion farm bill (H.R. 2642) which will authorize for five years, programs administered by the United States Department of Agriculture. (The House passed the bill on January 29th.) The bill will be signed into law by the President. As with most farm bills, housing programs are not authorized in this legislation. (Jurisdiction for Rural Development’s housing programs comes from the House Financial Services Committee and the Senate Banking Committee, not the Agriculture Committees.)

However, due to proposed changes in eligibility of communities due to the 2010 census, language was added to the farm bill which continues the rural housing eligibility definition provision from the Senate’s version of the bill. Click here to view the language added to the Senate’s version. The provision extends current law through the 2020 Census and increases the population threshold from 25,000 to 35,000. This will help ensure that low-income families--particularly those living in metro counties--will have access to critical USDA resources and programs, particularly those borrowers applying for the Section 538 Rural Rental Guaranteed program since the eligibility population level has been increased.

Please contact the CARH national office at carh@carh.org or 703-837-9001 should you have further questions.
Don’t miss CARH’s 2014 Annual Meeting & Legislative Conference
June 8-10, 2014, at the Ritz Carlton Pentagon City in Arlington, Virginia!

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