

Processing Special Claims – Step by Step Processing Guide

Claims must be submitted within 180 days (6 months) of the date the unit was available for occupancy. All claims will require the unit ready date to be documented. If further documentation is needed to process a claim, you will be contacted by phone or e-mail and be given 3 days to submit the additional information. If missing information is not received the claim will be rejected and ineligible for resubmission. Processed claims not requested on a voucher within 90 calendar days of the approval date are expired/denied and not eligible for payment on a future voucher or for resubmission.

Regular Vacancy

Units occupied by a police officer or a tenant that has been a Market Renter for over 60 days are not eligible for vacancy claims. All information on the claim form and all documentation should be thoroughly reviewed prior to submission. The waiting list and advertisement should cover the dates of the vacancy.

1. Tenants move out (MO) date (MO must be submitted to and visible in TRACS).
2. No. of days taken to clean/repair unit: This is the number of days maintenance took to get the unit ready for occupancy. 1 day is the minimum.
3. 3. This date is the MO (1) date plus # of days to ready unit (2) This is the unit ready date (3) plus 59 days.
4. Date unit was re-rented (unless the claim is for 60 days or more). A MI must have been submitted to and be visible in TRACS. If the new MI was a Market Renter, a copy of the Market Renter's 50059 should be submitted with the claim in lieu of transmitting it to TRACS.
 - a. Unit Transfers (UT): If the claim is for a UT, the transfer waiting list and reason for the transfer should be included with the claim.
 - i. If the UT was due to a medical circumstance or a family composition change, payment up to 60 days will be made on *each* unit.
 - ii. If the UT was not due to a medical circumstance or family composition change, payment up to 60 days will be made on *both units combined*.
 - b. If the vacancy is over 30 days on a UT, documentation must be submitted for the transfer delay.
5. No. of days vacant (not to exceed 60 days) – if exceeds 60 days, please only write 60.
 - a. If the claim is for more than 30 days, a copy of the waiting list that covers before, during, and after the vacancy period, should be included with the claim. It should clearly note the contact date(s) of each person on the list and the outcome of the contact.
 - b. Proof of advertising that covers before, during, and after the vacancy period, should be included with the claim. If the waiting list is closed or the vacancy was filled from the waiting list, advertising efforts are not required.
6. Contract rent at MO. This should match all forms submitted with the claim.
7. Contract rent divided by the number of days in the MO month.
8. Daily contract rent times the number of days vacant.
9. The result of line 9 times .80%.
10. Enter amounts paid by other sources: If the full security deposit was not collected, the claim is to be reduced by the security deposit that should have been collected. If the uncollected security deposit has already reduced an unpaid rent/damage claim, it will not have to be applied on the vacancy claim. If any of the security deposit was retained by the owner (not fulfilling lease requirements or not giving a 30 day notice to vacate) the claim must be reduced by the amount retained.
11. The results of line 11 from line 9.
12. The claim amount is the lesser of line 10 or line 12.

Claims schedule and Regular Vacancy form must be signed, name printed, and dated for acceptance.

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Unpaid Rent/Damage Claims

Fill in Tenant Vacant Date and New Tenant's Move-In Date (at top of form).

1. Security deposit that is required or should have been collected at MO.
2. Security deposit collected. The security deposit disposition should include detailed information on what amount should have been collected and what actually was collected. If the full security deposit was not collected, the amount of the full security deposit that *should have been collected* will be shown on the claim as the security deposit collected. If the uncollected security deposit has already reduced a vacancy claim, the amount of the security deposit actually collected will be used on the unpaid rent/damage claim.
3. Enter whatever is highest – the required deposit (1) or collected security (2).
4. Enter any interest earned on the security deposit.
5. This amount would be completed if the tenant paid any of the unpaid items at, after or before MO.
6. Total of lines 3-5.
7. Contract rent at MO.
8. The results of line 6 minus line 7. If this amount is zero or a negative amount a claim cannot be filed.
9. Unpaid rent at MO. Check this amount against the rent card or rent roll. The documentation must clearly show the amount of unpaid rent, reasonable late charges, previous damage to the unit still unpaid, and failure to return keys. If the late charges appear not reasonable, submit a copy of the section of the lease that pertains to how late charges will be assessed. If the claim is requesting more than 60 days unpaid rent, submit eviction documentation. Legal fees, collection fees, and unpaid utility bills can not be included in the claim amount. Note: damages that occurred during the occupancy and left unpaid at MO are to be included with the unpaid rent amount/claim.
10. The result of line 6 minus line 9.
11. The lesser of lines 8 or 10.
12. The result of line 11 minus line 8, if this amount is zero or a negative amount a claim cannot be filed for damages.
13. Cost to repair damages. Only extraordinary repairs and/or replacements should be claimed. Normal wear and tear such as nail holes repaired, carpet shampooing, replacement of drip/broiler pans, light bulbs/ice trays, door stops, and routine cleaning should not be included in this amount. **All damages being claimed must clearly show as tenant damage on the MO inspections.** The MI inspection form must also be included to compare the condition of the unit at the time of MI.
14. The result of line 6 minus line 9.
15. The result of line 13 minus 14.
16. The lesser of lines 12 or 15.

Claims schedule and Unpaid Rent/Damages form must be signed, name printed, and dated for acceptance.

Additional documentation required for unpaid rent/damage claims:

It must be documented that reasonable steps were taken to collect the debt from the tenant. A certified letter must be sent to the tenant detailing the unpaid rent and damages, disposition of the security deposit, demand for payment and advising the tenant that the debt is being turned over to a collection agency.

Submit invoices, receipts and/or owner certifications for items needing removal, repair or replacement. Items such as painting, carpet and flooring tiles/vinyl are prorated using the Life Expectancy Chart (Appendix 5D of the HUD Special Claims Processing Guide). When requesting payment for these items, the date the item was put in use must be documented.

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Sample of Life Expectancy calculation:

Carpeting was installed 6/04 in a family property, tenants damaged the carpet beyond repair and moved out 6/06. The new carpeting cost \$700 to replace. $\$700$ divided by 60 (5 years life expectancy times 12) equal $\$11.67$ times 36 (three years remaining life) equal $\$420$ which is the total amount can pay for the carpet replacement.

KHC will return the Special Claims Schedule indicating whether the claim is approved, adjusted, or rejected, and will provide an explanation. If a claim is adjusted or rejected, you have the right to appeal the decision. This appeal must be submitted in writing within 30 days from the date the response was received.