



New Security Deposit Logic and TRACS Discrepancies

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On Thursday March 3, 2005, and Friday March 4, 2005, HUD held its quarterly TRACS industry meeting in Washington, D.C. Representatives from HUD and the TRACS team, vendors for affordable programs, contract administrators, and site staff came together to discuss upcoming changes to the HUD Handbook 4350.3 REV-1, TRACS 2.0.2B, TRACS 2.0.2C, and current industry-related issues. One of the topics discussed encompasses the security deposit logic that is currently in place. Pat Machogu, a business analyst with the TRACS team, discussed several new alterations to the security deposit logic and amounts currently in place. She also relayed several new changes to the security deposit TRACS discrepancy codes.

Current and New Logic

Currently, TRACS security deposit errors and business logic do not differentiate between Section 8 programs; however, this is about to change. With the revisions set to be implemented, TRACS will begin to differentiate between Section 8 programs with regard to security deposit collection amounts. TRACS will also expect a specific amount of security deposit collection based on the subsidy type and/or program guideline ID. The new revisions will make collecting security deposits a prerequisite for any kind of special claims approval processing as well.

In this article, I will outline all new security deposit discrepancy codes and any revised discrepancy codes currently in place.

Revised TRACS Discrepancies

- [CE131](#)
This error affects all transaction types other than a move-in for Section 8, PAC, and PRAC contracts. The error suggests that the submitted security deposit **equals** \$0, and the error description reads “Security deposit is now being collected by TRACS.” Previously, the error was an action required 1 item and now it is an action required 3 item. You will need to correct the security deposit amount collected on the tenant and resubmit the transaction as a correction.
- [CE252](#)
This error affects only a move-in transaction type for 202 PAC and 202/811 PRAC contracts. The error suggests that the submitted security deposit does not equal the **greater** amount of the TTP or \$50, and the description reads “Security deposit



should equal the greater of Total Tenant Payment or \$50.” This error maintained an action required 3 status. You will need to correct the security deposit amount collected on the tenant and resubmit the transaction as a correction.

New TRACS Discrepancies

- CE259

This error affects only transaction types **equal** to a move-in for Section 8 contracts with the following program types:

- New Construction (with AHAP executed before November 5, 1979)
- New Construction FMHA (RHS 515 with Section 8)
- Substantial Rehab (with AHAP executed before February 20, 1980)
- State Agency (with AHAP executed before February 29, 1980)

The error suggests that the submitted security deposit amount does not **equal** one month’s TTP, and the error description reads “Security deposit for this Section 8 program should equal one month’s TTP.” This discrepancy will be an action required 3 item. You will need to correct the security deposit amount collected on the tenant and resubmit the transaction as a correction.

- CE260

This error affects only transaction types **equal** to a move-in for Section 8 contracts with the following program types:

- Property Disposition (with sale of HUD-owned property)
- Section 202 (with Section 8 or PAC)
- State Agency (with AHAP executed on or after February 29, 1980)
- New Construction (with AHAP executed on or after November 5, 1979)
- Substantial Rehab (with AHAP executed on or after February 20, 1980)

This discrepancy code suggests that the submitted security deposit amount is not the **greater** of one month’s TTP or \$50, and the description of the code reads “Security deposit for this Section 8 program should equal the greater of TTP or \$50.” This discrepancy will be an action required 3 item. You will need to correct the security deposit amount collected on the tenant and resubmit the transaction as a correction.

- CE261

This error affects only transaction types **equal** to a move-in for Section 8 contracts with a program type of loan management set-aside. This discrepancy code suggests that the submitted security deposit amount is **greater** than one month’s TTP, and the error description reads “Security deposit for this Section 8 program may not exceed TTP.” This discrepancy will be an action required 3 item. You will need to correct the security deposit amount collected on the tenant and resubmit the transaction as a correction.



The edits to the errors, the new security deposit errors, and the new business logic became effective immediately following the TRACS meeting that took place in March. For a complete copy of the TRACS meeting notes for March 2005, please visit our affordable web site at www.realpage.com/affordable and select the TRACS Meeting Notes link.

HUD will be holding the next TRACS industry meeting in June. For more up-to-date information, visit the HUD web site at <http://www.hud.gov>.

For the full specifications for the security deposit logic and the TRACS discrepancy edits, go to <http://www.hud.gov/offices/hsg/mfh/trx/trxdocs.cfm> and click on the Security Deposit Logic document.

