



**Special Claims:  
Understanding Vacancy and Claim Periods Part II**  
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In part one of Special Claims: Understanding Vacancy and Claim Periods, we discussed vacancy and claim period calculations for unpaid rent/damages and special claims for vacancies during rent-up. In this article, we'll look at vacancies after rent-up (regular vacancy) and debt service losses.

Let's review some of the terminology often used for calculating vacancy and claim periods.

- **Claim period** – The period for which payment can be received on a special claim. The number of days a unit is vacant may actually exceed the number of days in a claim period. Payment can only be received for vacancies during the claim period. Generally, a special claim cannot be submitted until after the claim period has ended.
- **Vacancy period** – The period during which a unit is vacant. As previously noted, payment may not be received for the entire vacancy period if it exceeds the claim period.
- **Available for occupancy** – Sometimes referred to as “Ready for occupancy,” “Date of permission to occupy,” or “Rent ready,” this is the date a unit is available for occupancy and a new tenant can actually move in. The date cannot be the same as the move-out date or the time during which a unit is being made ready for renting, such as when it is undergoing repairs or cleaning.
- **Tenant vacant date** – Sometimes referred to as the “Move-out date,” this is the date a unit was vacated.
- **New tenant move-in** – Sometimes referred to as just “Move-in date” or “Re-rent date,” this is the date a unit was occupied by a new tenant.

## **Special Claims for Vacancy Losses After Rent-Up**

**Form: HUD-52671-C**

*“The claim period begins the day the unit is available for occupancy by another tenant...The claim period cannot exceed 60 days.”*

The maximum number of days that can be claimed on a special claim for a vacancy after a rent-up is 60 days. The claim period will begin on the day the unit is rent ready and available for occupancy by a new tenant.

*“An owner must submit a vacancy-loss claim within 180 days of the date the unit was available for occupancy...Claims should be submitted only after the claim period has ended.”*

A special claim for vacancy losses after rent-up must be submitted to HUD or a contract administrator for approval within 180 days from the available for occupancy date. The claim period ends when the unit is occupied by a new tenant or when the vacancy has exceeded 60 days, whichever is the earlier date.

### *Vacancy losses after rent-up example:*

If Unit A and Unit B were both vacated on March 1 and the units underwent cleaning and repairs on March 1 and March 2, the units became available for occupancy on March 3. This is the ready for occupancy date. The submission deadline for the claims would be August 29, which is 180 days from the ready for occupancy date.

Unit A was occupied on March 31, so a total of 28 days could be claimed as a vacancy loss. The claim could be submitted anytime after the new tenant move-in date of March 31, but before the submission deadline of August 29.

Unit B was occupied on May 7; it was, therefore, vacant for more than 60 days. The total number of days that could be claimed as a vacancy loss would be limited to 60 days since the unit had exceeded the 60-day claim period. The claim could be submitted anytime after the 60-day claim period of May 1, but before the submission deadline of August 29. Even if Unit B had remained vacant, a claim could have been made after the 60-day claim period had passed; a new tenant move-in date would not have been required.

## **Special Claims for Debt Service Losses**

**Form: HUD-52671-D**

*“Units must have been vacant for over 60 days....Claims are limited to 12 months.”*

The maximum number of days that can be claimed on a special claim for debt service losses is 365 days. The claim period would begin on the sixty-first day from the day the unit was available for occupancy. An owner cannot receive both vacancy and debt service



payments for a unit at the same time; a unit is not eligible for debt service claim until the 60-day vacancy period has passed.

*“The owner must submit the claims on a semi-annual calendar basis beginning 6 months after the initial 60-day vacancy period.”*

A special claim for debt service losses must be submitted to HUD on a semi-annual calendar basis—six months from the day of the initial 60-day vacancy period.

*Debt service losses example:*

If Unit A was vacated on March 1 and the unit underwent cleaning and repairs on March 1 and March 2, the unit became available for occupancy on March 3. The unit was occupied on June 1. A debt service payment could not be received for the initial 60-day vacancy period, which in this case would be any days from March 3 to May 1. For Unit A, the total number of days that could be claimed would be limited 30 days. Following the semi-annual calendar schedule, the claim could be submitted, with the appropriate documentation materials, on November 1.

If Unit B was vacated on March 1 and the unit underwent cleaning and repairs on March 1 and March 2, the unit became available for occupancy on March 3. The unit remained vacant until May 15 of the following year. A debt service payment could not be received for the initial 60-day vacancy period, which in this case would be any days from March 3 to May 1. For Unit B, the total number of days that could be claimed would be limited to 365 days. Following the semi-annual calendar schedule, the claim could be submitted, with the appropriate documentation materials, on November 1 and again on May 1 of the following year.