



Portage Metropolitan Housing Authority

February 5, 2014

Dear Section 8 Landlords:

On behalf of Portage Metropolitan Housing Authority, I deeply apologize for the inconveniences and turmoil our delay in issuing Housing Assistance Payment (HAP) checks for February 2014 has caused you. Please allow me to explain what has happened and what is going on to resolve the issue to get you your February payment from PMHA.

In January, the software system that manages all aspects of PMHA operations, including those that handle the payments system for Section 8 experienced technical difficulties that required substantial repair. Repair efforts included obtaining the backed-up computer data, ensuring the file data was accurate and usable, and working with our software provider to re-load that data into a computer system that allowed us to move forward with restoring the operations with the best integrity possible for both the February 2014 checks and the Form 1099s. Each of the 1,800 households assisted in this program have had their files reviewed to make sure paper records and electronic records are consistent and accurate.

We anticipate having the February 2014 HAP payment issued this week, and Form 1099s next week. After completing these two projects, we will return to reviewing files to determine late fee payments to be made by PMHA to you for the February. Under HUD regulation, the following circumstances must apply:

1. The first two calendar months of the HAP contract term must have passed;
2. The amount of fees must be in accordance with generally accepted local rental market practices and law governing penalties for late payment of rent by a tenant;
3. It must be the owner's normal business practice to charge such penalties for both assisted (Section 8) tenants and market rate tenants, and;
4. The owner must also normally charge such penalties against the tenant for late payment of family rent to owner. For this, we will reference the lease as evidence of this practice.

At this point in time, our most important task is the regular monthly payments and the late fee will not be included in the next payment. Any fees that are owed will be issued in a check run at later date, possibly in conjunction with the March HAP payments.

PMHA has, to my knowledge, has a long history of prompt payments to landlords, including during times when the Department of Housing and Urban Development has been tardy in their provision of funds to PMHA. I am very sorry that this event has occurred to blemish our record and our relationship with you.

Sincerely,
Fred Zawilinski
Executive Director