

Appendix 5A

Special Claims for Unpaid Rent / Damages

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0182 (04/30/2009)

Instructions Follow guidelines in HUD Handbook 4350.3, Rev. 1 Chapter 9	Project name	FHA project no.	Section 8/PAC/PRAC contract no.
		Vacated Tenant name	Unit No.
		Tenant vacant date	New Tenant's move-in date
Total amount collected from tenant	1. Enter the security deposit you collected. Warning: If you did not collect the required security deposit from the tenant that caused this claim, stop! You cannot file this special claim.		
	2. Enter the interest you earned on the security deposit		
	3. Enter the money you collected for unpaid rents & damages (from tenant, insurance, etc.)		
	4. Total amount collected. Add lines 1-3		
HUD's maximum liability	5. Enter monthly contract rent at move-out for Section 8 or PAC units; or the monthly operating rent for Section 202/811 PRAC		
	6. Subtract line 4 from line 5 (equals maximum HUD liability). If this amount is 0 or negative, stop! You have exceeded HUD's maximum. You cannot file a claim for unpaid rent or damages.		
Unpaid rent claim	7. Enter rent charged but unpaid at move-out		
	8. Subtract line 4 from line 7 (not less than 0)		
	9. Enter the lesser of lines 6 & 8. Also, enter in column 3 on HUD 52670-A, Part 2.		
HUD's remaining liability applicable to damages	10. Subtract line 9 from line 6. If this amount is 0 or negative, stop! You have exceeded HUD's maximum. You cannot file a claim for damages.		
	11. Enter cost to repair damage		
	12. Enter the remaining amount of the security deposit (line 4 minus line 7) This cannot be less than 0		
	13. Amount of damage exceeding the remaining security deposit (line 11 minus line 12) This cannot be less than 0		
	14. Enter the lesser of lines 10 & 13. Also, enter in column 4 on HUD 52670-A, Part 2.		
<p>I certify: (a) I collected the appropriate security deposit according to Chapter 6, Section 1, page 6-11, figure 6-3. (b) I billed tenants for unpaid rent or damages and took all reasonable steps to collect the debt. (c) I determined the damage claim was due to the tenant's negligence or abuse. (d) All documentation will be retained in the project's file for 3 years.</p> <p>Owner's printed name, signature, & date</p>		<p>HUD Contract Administration Review</p> <p><input type="checkbox"/> Claim approved.</p> <p><input type="checkbox"/> Claim adjusted. Reason:</p> <p><input type="checkbox"/> Claim denied. Reason:</p> <p>Official's name, signature, & date</p> <p>Claim ID: _____</p>	
<p>HUD will prosecute false claims & statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. Sections 1001, 1010, 1012; 31 U.S.C. Sections 3729, 3802).</p>			

Previous versions obsolete
Submit an original and two copies

form HUD-52671-A (10/2002)
ref. Handbook 4350.3 Rev. 1

This form must be completed so HUD can pay owners an amount to offset losses due to unpaid rent and/or tenant damages.

Regulations require that owners complete this form using statutory formulas to determine unpaid rent and/or tenant damages.

The statutes requiring the submission are Section 8, United States Housing Act (42 U.S.C. 1437f); Section 202 of the Housing Act of 1959 as amended by Section 801 of the National Affordable Housing Act (12 U.S.C. 1701(g)); and Section 811 of the National Affordable Housing Act (42 U.S.C. 8013). The regulations stipulating the submission are: 24 CFR 880, 881, 883, 884, 886, and 891. The administrative requirements for these forms are provided in HUD Handbook 4350.3, Rev. 1 Chapter 9.

HUD does not promise confidentiality but will not disclose data on a specific project or tenant. No questions of a sensitive nature are asked in this form.

The Department of Housing & Urban Development is authorized to collect this information by the U.S. Housing Act of 1937, as amended. The owner/agent must provide all this information. The information provided will be used by HUD to review accuracy of funds requested by owner/agent for special claims payments for unpaid rent and/or tenant damages.

HUD may disclose this information to Federal, state, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Otherwise, it will not be disclosed or released outside of HUD, except as permitted or required by law. Providing all information is mandatory, and failure to provide information will affect participation in HUD programs.

Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to a collection information unless that collection displays a valid OMB control number.

Appendix 5B

SAMPLE CHECKLIST

Special Claims for Unpaid Rent/Damages

1. Project Name: _____
2. Contract Number: _____
3. Unit Number: _____

Attach the following required items to the claim submission:

A. For all claim submissions:

1. _____ Completed form HUD-52670-A, Part 2.
2. _____ Completed form HUD-52671-A.

B. If claim is for both unpaid rent and other charges and tenant damages are for the same unit and tenant, the claim for tenant damages must be calculated on the same form HUD-52671-A and filed as one claim.

C. Unpaid rent and other charges:

1. _____ Documentation, such as a copy of the original lease or a copy of a security deposit receipt indicating the amount of the security deposit collected from the tenant.
2. _____ A copy of the signed form HUD-50059 completed at move-in
3. _____ A certified letter sent to the tenant detailing the unpaid rent and other charges, the disposition of the security deposit, demanding payment, and advising the tenant that failure to pay the sums due will result in the owner/agent hiring a collection agency to collect the debt.
4. _____ Documentation that the matter was turned over to a collection agency and that collection agency attempted to collect the debt.
5. _____ Documentation for other charges that were due under the lease that demonstrates the charges were approved by HUD.

D. Tenant damages: In addition to documentation for unpaid rent and other charges:

1. _____ Copies of the signed and dated move-in and move-out inspection reports.
2. _____ Itemized list of damages.
3. _____ Breakdown of costs to repair the damages, which may include invoices, receipts, copies of work orders or maintenance records supporting dates work was completed.
4. _____ A copy of the security deposit disposition notice provided to the tenant.
5. _____ The owner/agent must certify the submitted claim is not the result of normal wear and tear or routine maintenance.

Appendix 5C

EXAMPLES (Not all inclusive) of TENANT DAMAGE versus “NORMAL WEAR AND TEAR”

Normal costs of turning over an apartment after a tenant vacates may not be included on a claim to HUD for tenant damages. The costs an owner incurs for the basic cleaning and repairing of such items necessary to make a unit ready for occupancy by the next tenant are part of the costs of doing business. The following is a list of items typically attributable to routine use or “normal wear and tear”.

Normal Wear and Tear

- Fading, peeling, or cracked paint
- Slightly torn or faded wallpaper
- Small chips in plaster
- Nail holes, pin holes, or cracks in wall
- Door sticking from humidity
- Cracked window pane from faulty foundation or building settling
- Floors needing coat of varnish
- Carpet faded or worn thin from walking
- Loose grouting and bathroom tiles
- Worn or scratched enamel in old bathtubs, sinks, or toilets
- Rusty shower rod
- Partially clogged sinks caused by aging pipes
- Dirty or faded lamp or window shades

Tenant damages usually require more extensive repair, and at greater cost than “normal wear and tear”, and are often the result of a tenant’s abuse or negligence that is above and beyond normal wear and tear.

Tenant Damage

- Gaping holes in walls or plaster
- Drawings, crayon markings, or wallpaper that owner did not approve
- Seriously damaged or ruined wallpaper
- Chipped or gouged wood floors
- Doors ripped off hinges
- Broken windows
- Missing fixtures
- Holes in ceiling from removed fixtures
- Holes, stains, or burns in carpet
- Missing or cracked bathroom tiles
- Chipped and broken enamel in bathtubs and sinks

- Clogged or damaged toilet from improper use
- Missing or bent shower rods
- Torn, stained, or missing lamp and window shades

Appendix 5D

SAMPLE LIFE EXPECTANCY CHART *

Many major items have a predictable life span. A list of items and their life expectancy are listed below:

Hot Water Heaters	10 years	All units
Plush Carpeting	5 years	Family
	7 years	Elderly
Air Conditioning Units	10 years	All units
Ranges	20 years	All units
Refrigerators	10 years	All units
Interior Painting - Enamel	5 years	Family
	7 years	Elderly
Interior Painting – Flat	3 years	Family
	5 years	Elderly
Tiles/Linoleum	5 years	Family
	7 years	Elderly
Window shades, screens, blinds	3 years	Family, Elderly

* If these items were in good condition at the time of move in, and it can be shown that damage, above the normal wear and tear has been sustained, then a damage claim can be submitted.