

Q&A: Example of Escrow

DANIELLE GARCIA: So I'm just going to get you all an easy, basic example that was kind of given in addition by Melissa.

So if you think about if you're the owner, or say you're contract rent with no [? UAs ?], assuming there's no [? UA's ?] \$700. At that point, let's say that the tenant's TTP is \$200. That means your HAP payment is \$500. If the family get increased earned income, and their total tenant payment goes up \$100, so now they're paying \$300, as the owner, you will still get the full contract rent, and your HAP will be \$400.

Now, because track system does not accommodate FSS right now, what we'll have you do is you will submit a positive adjustment on your monthly HAP voucher to account for the money that's going to be getting escrowed.

So in this example, generally if the TTP goes up \$100, the tenant's still paying the higher rent. And on your voucher, you will do a positive \$100 dollar adjustment in your miscellaneous line item. And you'll put in a comment that it's an FSS participant, put in the unit number, and then your HAP payment, total HAP payment for that month will be increased by \$100. And that difference is what gets escrowed.