

MEMORANDUM

TO: Property Owners, Management Agents and Site Staff

FROM: Jeffery K. Wirrick, Chief Asset Management Officer

DATE: May 29, 2008

RE: **RECENT HUD CHANGES THAT ARE IMPORTANT TO YOU!**

On May 14, 2008, the U.S. Department of Housing and Urban Development (HUD) informed PBCAs, along with HUD staff, of recent changes in FHEO procedures and HUD forms, pursuant to conducting the Management and Occupancy Review (MOR). These changes are effective **immediately** and are described below. Starting June 2008 and thereafter, Management and Occupancy Reviews completed by Georgia HAP Administrators, Inc. (GHA) will be conducted in accordance with these changes.

HUD-9834, ADDENDUM B, Part A – Checklist for On-Site Limited Monitoring and Section 504 Review

As currently required, the owner is responsible for completing and certifying Part A, Sections I, II and III of ADDENDUM B. This form is forwarded to the owner prior to conducting the MOR and is collected by GHA staff/auditor while on site.

This overall data collection procedure has not changed – GHA is still required to collect this form. What has changed is that in cases where the form has not been accurately or fully completed (blanks, missing or incorrect owner signature, etc.), GHA is now required to issue a 10-day notice, informing the owner that the form must be accurately completed and forwarded to the local HUD office. ***Sample GHA scheduling letter and HUD 10-day notice are attached.*** Owners/agents will begin receiving this new correspondence for the ***July 2008 MOR*** and thereafter.

GHA's role remains as previously designated in that our responsibility rests entirely in assessing the general accuracy and completeness of the form and forwarding it to the local HUD office for Title VI compliance and submission to FHEO. All corrective actions will be handled by HUD/FHEO.

The reason for this change is to ensure HUD maintains at all times an inventory of all housing units that are designated in whole or in part for elderly families, disabled or both. Therefore, accurately completing all sections of Part A is vital to this endeavor and now hereafter carries adverse administrative actions by HUD when not satisfactorily completed.

Updated HUD Forms from Handbook 4350. 3 REV-1

The following HUD forms have been updated and can be found at <http://www.hud.gov/offices/adm/hudclips> under *What's New*, May 15-19, 2008:

- HUD-50059: new OMB expiration date
- HUD Model Leases: assigned HUD form number, OMB approval number and OMB expiration date
- HUD-9887/HUD-9887-A Consent Forms: includes OMB approval number; expiration date not required
- HUD-27061-H Race & Ethnic Data Reporting Form: new OMB expiration date
- Sample Forms, as described below

The effective date and HUD implementation procedures are outlined below in the attached **RHIIP Listserv Posting #102#**.

While conducting the Management and Occupancy Review, GHA staff will verify that these new forms have been implemented pursuant to HUD instructions. The overall expectation is that owners/agents are aware of these new forms and have begun implementation, particularly with respect to new admissions and the annual recertification process. Again, GHA evaluation of these changes will begin June 2008.

It is not GHA's intent to assess findings in these areas, but rather evaluate the good faith effort of owners/agents in each situation. In principle, these new forms must be used where the applicant's/resident's signature is dated on or after June 1, 2008.

Of special note, the revised HUD model lease must be used for all new admissions and for existing tenants beginning with annual recertifications effective January 1, 2009 and later (beginning with the September 1, 2008 120-day recertification process).

Any modifications, whether prior-HUD approved or those requiring current/future HUD approval, **must be incorporated into an addendum**. Modifications subject to or pending HUD approval require proper notice to the tenants. Modifications having prior-HUD approval are not subject to tenant notification requirements. The addendum **should not** include the OMB number or expiration date.

As we receive additional guidance from HUD, we will post this information on our website: www.ghaca.org. In the meantime, if you have any questions or need further assistance or clarification, you can contact our Atlanta staff at 770-939-3939 or our Illinois Field Office staff at 773-304-0431. Thank you!

**FORM NUMBERS, OMB APPROVAL NUMBERS AND OMB EXPIRATION DATES
ASSIGNED**

TO FORMS FROM HANDBOOK 4350.3 REV-1

The following forms from Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, have now been assigned HUD form numbers, OMB approval and/or OMB expiration dates. **There are no changes to the language in any of the forms other than the addition of the public reporting burden paragraph.** The forms are now posted on HUDCLIPS at <http://www.hud.gov/offices/adm/hudclips/>. Not all forms are currently available in a pdf fillable format at this time, but will be soon.

HUD-50059, *Owners Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures* - **new OMB expiration date**

Effective Date: Until such time as the O/A's computer software is updated to incorporate the new expiration date on the HUD-50059, after printing out the form HUD-50059 from their software, O/As must cross out the old expiration date and write in the new expiration date of 3/31/2011. The expiration date should be changed prior to obtaining tenant signatures. If for any reason the O/A does not use a computer generated form as the certified/signed HUD-50059, the O/A must use the form HUD-50059 posted on HUDCLIPS that includes the revised OMB expiration date of 3/31/2011.

HUD Model Leases

Assigned HUD form number, OMB approval number and OMB expiration date

- HUD-90105a – Exhibit 4-A, Model Lease for Subsidized Programs (Family Model Lease)
- HUD-90105b – Exhibit 4-B, Model Lease for Section 202/8 or Section 202 PAC
- HUD-90105c – Exhibit 4-C, Model Lease for Section 202 PRAC
- HUD-90105d – Exhibit 4-D, Model Lease for Section 811 PRAC

NOTE: The four HUD model leases are currently posted on HUDCLIPS under form HUD-90105-A – we are working on getting them separated into four separate documents.

Effective Date: O/As must begin using the new HUD Model Leases **for all new admissions immediately and for existing tenants beginning with annual recertifications effective January 1, 2009, or later.** Because forms that have OMB approval and OMB expiration dates cannot be modified, O/As who have lease modifications will need to develop lease addendums to incorporate the lease modifications. O/As who have had lease modifications approved by HUD or the Contract Administrator do not have to have the lease modifications included on the lease addendums approved again prior to implementation. **Only if the O/A has obtained approval from HUD or the Contract Administrator to incorporate additional lease modifications must the O/A provide notice to the tenants in accordance with Chapter 6, Paragraph 6-12 D of Handbook 4350.3 REV-1.** [Emphasis added by GHA]

HUD-9887/HUD-9887-A, Consent forms – reposted – inclusion of OMB Approval Number/Expiration date on the forms not required because it is not considered an information collection

Effective Date: O/As must continue to use these forms for new admissions and at annual recertification.

HUD-27061-H - Exhibit 4-3 – Race & Ethnic Data Reporting Form – new OMB expiration date

Effective Date: O/As must begin using this form immediately for new admissions and, when applicable, at the time of a tenant's interim or annual recertification.

Sample Forms

Assigned HUD form number, OMB approval number and OMB expiration date

- HUD-90100 – Exhibit 7-1 – Sample Initial Notice
- HUD-90101 – Exhibit 5-4 – Sample Certification for Qualified Long-Term Care Insurance Expenses
- HUD-90102 – Appendix 6-B – Sample Verification of Disability When Eligibility for Admission or Qualification for Certain Income Deductions is Based on Disability – Section 202/8, Section 202 PAC, Section 202 PRAC and Section 811 PRAC
- HUD-90103 – Appendix 6-B – Sample Verification of Disability When Eligibility for Admission or Qualification for Certain Income Deductions is Based on Disability – For use with all programs Except Section 202/8, Section 202 PAC, Section 202 PRAC and Section 811 PRAC
- HUD-90104 – Exhibit 3-1 – Sample Request for Exception to Limitations on Admission of Families with Incomes Above 50% of the Area Median Income
- HUD-90106 – Appendix 5, Sample Move-in/Move-Out Inspection Form

Effective Date: O/As using the sample forms listed above without any changes or modifications must begin using the forms immediately.

O/As not using the sample forms provided above and who have developed their own modified forms are not required to use the forms as posted on HUDCLIPS but may continue to use the forms they have developed. The modified forms they have developed **must not** include the HUD form number, OMB approval number or OMB Expiration date or Public reporting burden language. O/As must follow the guidance in Appendix 6-A of Handbook 4350.3 REV-1 for development of individual consent forms.

Please encourage others to sign-up for the Listserv, so they too can receive current RHIIP related information from HUD <http://www.hud.gov/subscribe/maillinglist.cfm>

You can view the RHIIP Tips Archives, under "Listserv-Multifamily RHIIP Tips" at <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>

SAMPLE SCHEDULING LETTER

May 29, 2008

SUBJECT: Management & Occupancy Review
HAP Contract No. GA06-XXXX-XXX
FHA Project No.
Property Name
Atlanta, GA

Dear Mr./Mrs.:

This letter serves as formal notice that Georgia HAP Administrators, Inc. (GHA) will conduct a Management and Occupancy Review of the subject property on May 5, 2008 at 8:30 a.m. Ms. Ada Holloway of the Atlanta Housing Authority, your assigned Field Office Asset Manager (FOAM), will conduct the review.

In preparation for this review, enclosed are two documents which require your careful attention. They are:

1. Addendum B, Part A, Sections I, II, and III, Occupancy/Accessible Units/Program Accessibility for your review and completion. This document will be retrieved during the on-site review. This information is used for the U.S. Department of Housing and Urban Development (HUD) monitoring of compliance with Title VI, Subtitle D of the Housing and Community Development Act of 1992 and data collection for HUD's Multifamily Inventory of Units for the Elderly and Persons with Disabilities. Therefore, the information provided in these sections must be accurate and complete, including the owner's signature and certification.

Addendum B, Part A, Sections I, II, and III, Occupancy/Accessible Units/Program Accessibility must be completed in its entirety. The form may not contain blanks; therefore, a response is required for each question/section. More specifically, Section II must contain a number and may not be left blank. If the number in any column is zero, a zero must be entered.

Failure to complete the form in its entirety (including signatures) may result in a determination of noncompliance with HUD's fair housing and civil rights nondiscrimination requirements. Noncompliance with HUD's fair housing and civil rights nondiscrimination requirements may result in a referral to HUD's Office of Fair Housing and Equal Opportunity for enforcement action **and** a flag entered into the Active Partners Performance System.

If someone other than the owner completes these forms, please ensure he/she has proper authority (power of attorney) and knowledge to accurately complete the forms on the owner's behalf.

SAMPLE SCHEDULING LETTER

2. If necessary, complete the Signature Authorization form included with this letter. The Signature Authorization form should be given to the Field Office Asset Manager at the time of the scheduled review and will be cross referenced with the FHEO forms referenced above. The Signature Authorization must be signed by the owner – no exceptions.
3. Addendum C, Documents To Be Made Available By Owner/Agent. This checklist is designed to assist you in organizing and preparing for the review. Items checked on Addendum C must be available at the property on the day of the review.

To minimize the time the FOAM will be required to spend at the property, we ask that you please forward the following documents within 10 days of the receipt of this letter:

1. Tenant Selection Plan
2. HUD-approved Affirmative Fair Housing Marketing Plan (AFHMP)
3. Application
4. Current lease being used
5. House Rules (if applicable)
6. Pet Rules (if applicable)

These items may be faxed, emailed, or mailed to:

Ms. Ada Holloway
Field Office Asset Manager
Atlanta Housing Authority
230 John Wesley Dobbs Ave. NW
Atlanta, GA 30303-2429
Email: aholloway@ghaca.org
Fax: (404) 880-9538

As part of this review, a random number of units will be visited as a follow-up on the Exigent Health and Safety (EH&S) deficiencies noted on your latest Real Estate Assessment Center (REAC) physical inspection. Therefore, please provide advance notice of our visit to all your residents to ensure access to your property's units.

While on site, the FOAM will also complete form HUD-9834, "Management Review Summary," and a Fair Housing questionnaire, as well as observe buildings, grounds, common areas, and a minimum of 2 vacant units (if any).

If you have questions or if I can be of any assistance, please contact me at (770) 939-3939, Ext. 2005, or by e-mail at dcrowder@ghaca.org. You can also find helpful

SAMPLE SCHEDULING LETTER

information regarding the Management and Occupancy Review on GHA's website:
www.ghaca.org.

Thank you for your cooperation and we look forward to working with you during the Management and Occupancy Review.

Sincerely,

Denise A. Crowder, COS, TCS
Senior Field Office Manager II

Enclosures:

- Addendum B, Part A, Occupancy/Accessible Units/Program Accessibility, with instructions
- Addendum C, Documents To Be Made Available By Owner/Agent
- Signature Authorization form (*blank*)

cc: Ms. Ada Holloway
Field Office Asset Manager
Atlanta Housing Authority
230 John Wesley Dobbs Ave. NW
Atlanta, GA 30303-2429

Property Address

MOR File



Georgia
HAP Administrators, Inc.

May 29, 2008

SUBJECT: Fair Housing and Equal Opportunity Limited Monitoring
Request for Part A of Addendum B
HAP Contract No. GA06-XXX-XXX
FHA Project No.
Property Name
Atlanta, GA

Dear _____ (owner):

We recently performed an on-site review of the above-referenced project. Prior to the on-site review, you were provided Addendum B, Part A of form HUD-9834 and you were asked to complete the document in its entirety for retrieval during the on-site review. The document was either not provided or it was provided and incomplete.

This information is used by the U.S. Department of Housing and Urban Development (HUD) to provide accurate information for HUD's Multifamily Inventory of Units for the Elderly and Persons with Disabilities (MF Inventory). The MF Inventory is used to assist potential applicants with locating units for which they are eligible to occupy and monitor owner compliance with HUD's nondiscrimination program requirements. Therefore, this information is critical and must be submitted.

Addendum B, Part A, Sections I, II, and III must be completed in its entirety. The form may not contain blanks; therefore, a response is required for each question/section. More specifically, Section II must contain a number and may not be left blank. If the number in any column is zero, a zero must be entered.

Within 10 days from the date of this letter, submit Part A of Addendum B (completed in its entirety) to the local HUD Office of Multifamily Housing to the attention of:

_____, Project Manager
Atlanta Multifamily Hub, 13th Floor
U.S. Dept. of Housing and Urban Development
40 Marietta St. SW
Atlanta, GA 30303

2296 Henderson Mill Road, Suite 306
Atlanta, Georgia 30345-2739

Telephone: 770/939-3939 · Fax: 770/939-3886
TTY (Hearing Impaired): 877/349-8100 · Toll Free: 888/530-8266 · www.ghaca.org

Equal Opportunity Employer

-OR-

_____, Project Manager
Chicago Multifamily Division
U.S. Dept. of Housing and Urban Development
77 West Jackson Boulevard, 23rd Floor
Chicago, IL 60604-3507

Failure to complete the form in its entirety (including the owner's signature) will result in a determination of noncompliance with HUD's fair housing and civil rights nondiscrimination requirements. Noncompliance with HUD's fair housing and civil rights nondiscrimination requirements will result in a referral to HUD's Office of Fair Housing and Equal Opportunity for enforcement action **and** a flag entered into the Active Partners Performance System. Your assistance in this matter would be appreciated.

I acknowledge receipt of this letter.

Print Name (*Owner/Agent*)

Signature of Owner/Agent

Date

Signature of MOR Reviewer

Date

cc: U.S. Dept. of Housing and Urban Development

GHA Field Office Asset Manager - _____

GHA MOR File