

KHHC

Kentucky
Housing
Corporation

Investing in quality housing solutions.

Tenant Assistance Programs

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Management & Occupancy Review (MOR)

According to the HUD Handbook 4350.1, Chapter 6:

- Contract Administrators are responsible for assessing the management and oversight of housing projects and for ensuring that owners comply with the requirements of the HAP contract.
- Refer to HUD form-9834 for complete review checklist

Management & Occupancy Review (MOR)

Federal Register January 14, 2015 –

- HUD is proposing to revise the regulations that govern MORs for Section 8 HAP projects to provide consistency across programs and allow HUD the flexibility to set a schedule that is more in line with the needs of the program.

Management & Occupancy Review (MOR)

- Per the FR 1/14/15 - MOR Schedule to be based on:
 - A HUD risk-based management model

HUD may independently inspect project operations and units at any time.

Equal Opportunity reviews may be conducted by HUD at any time.

Still waiting for final ruling to be released.

Management & Occupancy Review (MOR)

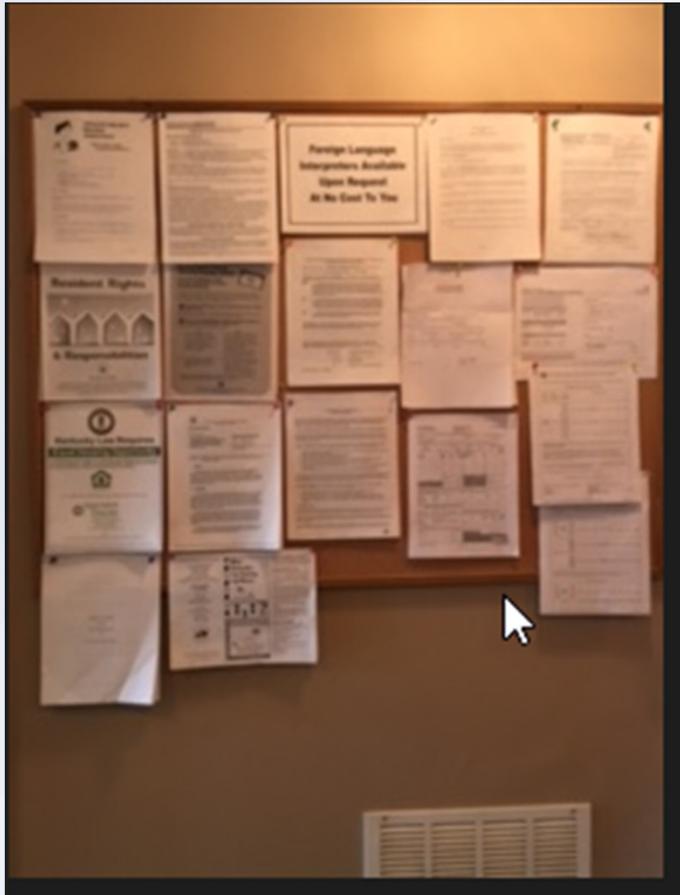
- 2016 – In May HUD reinstated MORs and KHC has agreed to conduct a limited number of reviews from June to December.
 - HUD staff are still conducting reviews as well.
- 2017 – No plan has been approved by HUD at this time. We expect this to happen in the fall of 2016.

What do you need to be prepared?

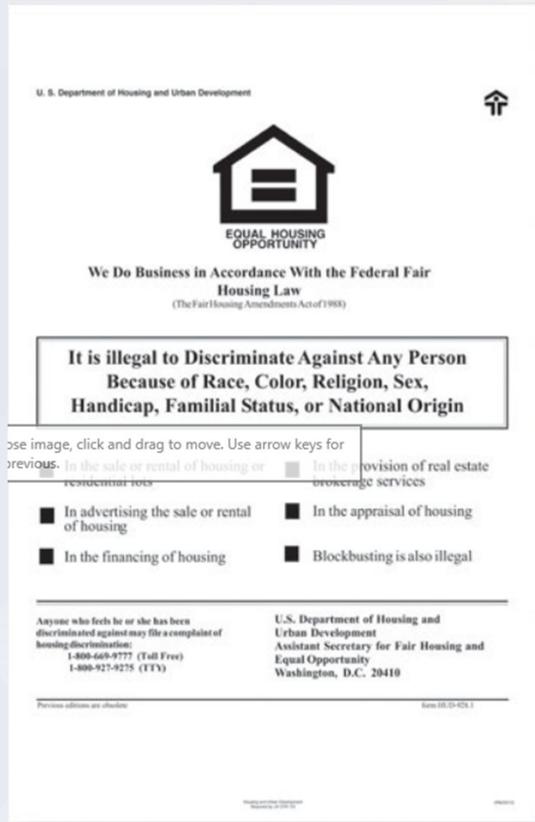


What you need to get prepared

- Check your bulletin board to ensure that all required information is posted.
 - Fair Housing Poster
 - AFHMP (up to date?)
 - Hours of Operation and Emergency Numbers
 - TSP
 - KHC Contact Poster



Fair Housing Poster



- HUD-9834 page 8 of 18:
Section 14 question o and p.
Is the fair housing sign posted in the rental office? Is the FH logo included in advertising?
- HHB 4350.3 Chapter 2-5E

AFHMP

- HUD-9834 page 8 of 18, Section 14n. Does the advertising comply with existing AFHMP?
- HHB 4350.3 Chapter 2-5 and Chapter 4-12
- HUD Memo issued 9/22/14

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancerreaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity OMB Approval No. 2529-0013 (exp. 12/31/2016)

| | | | |
|---|--|--|------------------|
| 1a. Project Name & Address (including City, County, State & Zip Code) | | 1b. Project Contract Number | 1c. No. of Units |
| | | | |
| | | 1d. Census Tract | |
| | | 1e. Housing/Expanded Housing Market Area Housing Market Area: Expanded Housing Market Area: | |
| 1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address | | | |
| | | | |
| 1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address | | | |
| | | | |
| 1h. Entity Responsible for Marketing (check all that apply) | | | |
| <input type="checkbox"/> Owner <input type="checkbox"/> Agent <input type="checkbox"/> Other (specify) _____ | | | |
| Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address | | | |
| | | | |
| 1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address. | | | |
| | | | |
| 2a. Affirmative Fair Housing Marketing Plan | | | |
| Plan Type <input type="text" value="Please Select Plan Type"/> Date of the First Approved AFHMP: <input type="text"/> | | | |
| Reason(s) for current update: <input type="text"/> | | | |
| 2b. HUD-Approved Occupancy of the Project (check all that apply) | | | |
| <input type="checkbox"/> Elderly <input type="checkbox"/> Family <input type="checkbox"/> Mixed (Elderly/Disabled) <input type="checkbox"/> Disabled | | | |
| 2c. Date of Initial Occupancy | | 2d. Advertising Start Date | |
| | | Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects. Date advertising began or will begin <input type="text"/> | |
| | | For existing projects, select below the reason advertising will be used: | |
| | | <input type="checkbox"/> To fill existing unit vacancies <input type="checkbox"/> To place applicants on a waiting list (which currently has <input type="text"/> individuals) <input type="checkbox"/> To reopen a closed waiting list (which currently has <input type="text"/> individuals) | |

Emergency Numbers

- Section 25 General Management:
 - f. Are there signs enabling persons to locate the office?
 - g. Are after hours and emergency telephone numbers posted?



TSP

- HUD-9834 Section 14, Application Processing and Tenant Selection Plan, page 7 of 18 question g. Does the o/a have a written TSP? contain all required criteria from Chapter 4?
- HHB 4350.3 Chapter 4

Section 1:
Tenant Selection Plan

4350.3 REV-1

Figure 4-2: Written Tenant Selection Plan - Topics

A. Required Topics

1. Project eligibility requirements:
 - Project-specific requirements (see Chapter 3, Section 2);
 - Citizenship requirements (see Chapter 3, Section 1); and
 - Social security number requirements (see Chapter 3, Section 1).
2. Income limits (including economic mix requirements for Section 8 properties) (see Chapter 3, Section 1).
3. Procedures for accepting applications and selecting from the waiting list:
 - Procedures for accepting applications and pre-applications (see Chapter 4, Section 3);
 - Procedures for applying preferences (including income-targeting in Section 8 properties) (see Chapter 4, Sections 1 and 4);
 - Applicant screening criteria (see Chapter 4, Sections 1 and 4);
 - Required drug-related or criminal activity criteria *including State lifetime sex offender registration check in all states where applicant household members have resided or using a database that checks against all state registries, e.g., the Dru Sjodin National Sex Offender Database.
 - Procedures for using the EIV Existing Tenant Search;*
 - Other allowable screening criteria; and
 - Procedures for rejecting ineligible applicants (see Chapter 4, Section 1).
4. Occupancy standards (see Chapter 3, Section 2).
5. Unit transfer policies, including selection of in-place residents versus applicants from the waiting list when vacancies occur (see Chapter 7, Section 3).
6. Policies to comply with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and other relevant civil rights laws and statutes (see Chapter 2, Section 3).
7. Policy for opening and closing the waiting list for the property (see Chapter 4, Section 3).
8. Eligibility of students (see Chapter 3, Sections 1 and 3).
9. *Policies for applying Violence Against Women Act (VAWA) protections (Section 8 only).*

B. Recommended Topics

KHC Contact Poster

- In 2015 we changed our phone number for the Project-Based Contract Administration staff:

(804)-797-5078 Toll Free in KY Only

(502) 564-4577

Need a copy? Call extension 701 or email us at sbrown@kyhousing.org





Kentucky Housing Corporation (KHC) is the Contract Administrator (CA) assigned to administer the Section 8 Rental Assistance program for this property under a long standing contract with the U.S. Department of Housing and Urban Development (HUD).

Any questions or concerns you have regarding property management, calculation of rent or repairs needed in your unit should be directed to the on-site manager, maintenance or the owner/management agent prior to contacting KHC.

Per your lease agreement and House Rules, you are required to report any maintenance issues you have to on-site staff. However, if you have reported concerns that are not addressed or left unresolved, please contact:

Tenant Assistance Programs
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, KY 40601
502-564-4577
844-797-5078 (toll-free in Kentucky)
TTY 711
www.kyhousing.org

You must provide your name, property name, address, reason for your call, and a valid contact number. This will ensure your call is addressed in an efficient manner.

What you need to be prepared

- Inspect the property for trash/debris.
- Consider closing the office for the day.
- Prepare a space for KHC staff to work while reviewing files.
- Have documentation ready for review (refer to the notification letter and the attached Addendum C).

MOR Notification

- KHC staff will contact you by phone or e-mail to schedule review.
- You will also receive a formal notification Letter noting the date/time.
- Letter will include a list of information that must be made available and will also include the HUD-9834.
 - Owner must completed & sign the Addendum B prior to the review so that this document can be turned in to the KHC reviewer the day of the MOR.

On the Day of the Review

- KHC staff will:
 - Arrive at the property at the agreed upon time.
 - Request that the required documents provided with the notification letter be made available for review.
 - Provide staff with list: Items Needed Today for Review and Addendum C.
 - Provide staff with a list of current tenant files and move-out files that will be reviewed for compliance.

Documents Requested for Review

| Kentucky Housing Corporation 2016 Management and Occupancy Review Items Needed Today for Review |
|---|
| 1. The completed / signed Addendum B of the 9834 form |
| 2. All documents listed on the Addendum C |
| 3. List of Active Tenant Files - Provided by KHC reviewer today |
| 4. List of Move-out Files - Provided by KHC reviewer today |
| 5. Work Order System - review of process, written procedures and review of any outstanding |
| 6. List of units that are vacant as of today (identify #ready / # not ready and # of days vacant |
| 7. Master key for vacant units and available staff member to assist with review of units with level 3 |
| 8. Written procedure for inspecting units and documentation of all appliances per unit. |
| 8. EIV Policies and Procedures - Including master files |
| 9. KHC contact poster made available |
| 10. Property Contact Information - Please review and note any changes for the KHC review |
| 11. List of major improvements made recently or any that are planned |

File Sampling Requirement

see section 22 Summary of Tenant File Review page 11 of 18

| EIV File Review | |
|---|--|
| 1. Tenant Files | KHC will be reviewing tenant files to ensure the following EIV reports are maintained in the tenant files: Existing Tenant Search, Multiple Subsidy Report, Income Report, No Income Report, EIV Summary Report and Income Discrepancy Report |
| 2. EIV Master Files | KHC will be reviewing the EIV master files to ensure the following reports have been completed and issues resolved: Failed EIV Pre-Screening, Failed Verification Report, Multiple Subsidy Report, Deceased Tenant Report and the New Hires Summary Report |
| | |
| Tenant File Sampling Required by HUD -- Minimum 5 files up to 50 units then 1 additional per 10 units for over 100 (10 for 100 and 1 more for every 50 thereafter) | |

HUD-9834 – Desk Review

- Question 42: Are monthly rental subsidy vouchers submitted on time?
- Question 43 Is the o/a submitting tenant certification data to TRACS so support the voucher billing?
- Question 47 Does review of the EIV reports include info that needs a resolution?
 - This is just the first of many question regarding EIV!
- Question 51 Review complaints, congressional inquiries etc.
 - New Initiative at HUD regarding Tenant Inquiries – watch for this.

Tenant Selection Plan

| 2016 Management and Occupancy Review Packing Documents | | |
|--|-----|----|
| Tenant Selection Plan Review: 9 required topics and 11 recommended HUD 9834 - Page 8 of 19g. On-Site Review | YES | NO |
| 1. Project Eligibility Requirements | | |
| <i>Ch. 4, para. 4-4 & 3-15 (project designation, unit sizes, etc.)</i> | | |
| a. Project Specific Requirements (Ch. 3, Section 2) | | |
| b. Citizenship Requirements (Ch. 3, Section 1, Para. 3-12 & Section 4, Para. 4-31) | | |
| c. SSN Requirements (Ch. 3, Section 1, Para. 3-9) | | |
| 2. Income Limits (including economic mix for Section 8 properties) | | |
| <i>Ch. 3, Section 1, Para. 3-6 & Figure 3-3</i> | | |
| 3. Procedures for Accepting Applications and Selecting from WL | | |
| a. Procedures for accepting applications and pre-applications (Ch. 4, Para. 4-3a.) | | |
| b. Procedures for applying preferences *including income targeting (Ch. 4, Para. 4-3b & c. & 4-6) | | |
| c. Applicant screening criteria (Ch. 4, Para. 4-3d.) | | |
| 1. Required drug-related or criminal activity including state life-time sex offender registration check in all states where applicant household members have resided. (Ch. 4, Para. 4-7C) | | |
| 2. Procedures for using the EIV Existing Tenant Search (Ch. 4, Para. 4-7D) | | |
| 3. Other allowable screening criteria (Ch. 4, Para. 4-7 and 4-7F) | | |
| d. Procedures for rejecting ineligible applicants (Ch. 4, Para. 4-3E & 4-9) | | |
| 4. Occupancy Standards (Ch. 3, Para. 3-23) | | |
| 5. Unit Transfer Policies (Ch. 4, Para. 4-4 C5 & Ch. 7, Para. 7-16C) | | |
| 6. Policies to comply with Section 504 and FH Act (Ch. 2, Para. 2-8 & FH language 2-14) | | |
| 7. Policy for Opening and Closing the WL (Ch. 4, Para. 4-16B) | | |
| 8. Eligibility of Students (Ch. 3, Para. 3-13) | | |
| <i>1. 24 or older; 2. veteran; 3. married; 4. have dependants; 5. has maintained separate household from parents for one year AND not claimed as a dependent on parent's tax return; 6. parents of the student are income eligible AND the student is income eligible; 7. meets U.S. Dept of Education definition of independent student; 8. already receiving assistance as of 11/30/05 and disabled.</i> | | |
| 9. Policies for Applying VAWA protections | | |
| <i>applies to Section 8 units only (Ch. 4, Para.4-4 C9 and HUD Notice 2015-??)</i> | | |
| Recommended Topics Include: 1. Applicant Notification; 2. Identifying applicant needs for accessible unit features; 3. Updating of WL; 4. Policy on notification of TSP changes; 5. Procedures for assigning units with specific design; 6. Charges for facilities and services; 7. Security deposit Requirements; 8. Unit Inspections; 9. AR requirements; 10. IR reporting; 11. Implementation of house rule changes. | | |
| Comments: | | |

Rental Application

| Rental Application - Content - Chapter 4-14B HUD 9834 form - Page 8 of 19a-f. On-Site Review | YES | NO |
|--|-----|----|
| The application should include the following: (Ch. 4, Para. 4-14B) | | |
| Name & Birthdate of all Household? | | |
| Household characteristics - name, sex, age, disability status, (only where necessary to establish eligibility)? | | |
| Assets / Including Assets Disposed of w/in 2 years? | | |
| Income? | | |
| Race & Ethnicity of HOH? | | |
| Statutory Preference (Gov. action or Presidentially Declared Disaster)? | | |
| Citizenship declaration and verification consent forms | | |
| w/TSP) | | |
| The application MUST include the following: (Ch. 4, Para. 4-14 B2.) | | |
| Whether the applicant or any member of the applicants household is subject to State | | |
| Listing of states where the applicant and members of the household have resided. | | |
| Disclosure of SSN for the applicant and all members. | | |
| Owner must include as an attachment to the application form HUD-92006. | | |
| Comments: | | |
| <i>It is strongly recommended that owners include statements about the right of individuals with disability to request reasonable accommodations in all written notices given to applicants and tenants.</i> | | |

AFHMP

|  Affirmative Fair Housing Marketing Plan & Fair Housing Poster <small>HUD 9834 - Page 9 of 19n-p. On-Site Review</small> | YES | NO |
|---|-----|----|
| Does the advertising program comply with existing AFHMP? (Ch.2-5 Para. D1. and Ch. 4-12 A3.) | | |
| Does the AFHMP need to be updated/approved by HUD? (Ch. 4-12F) must review every 5 yrs. | | |
| Is the fair housing sign posted in the rental office (Ch.2-5E) | | |
| Is the fair housing logo included in published advertising materials? (Ch.2-5) | | |
| Comments: <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | | |

Waiting List Master Log & Applications

| Waiting List - Chapter 4-16 HUD 9834 - Page 8 of 19h-m On-Site Review | | YES | NO | |
|---|----------------|-----------------|--------------|--------------------------|
| Date and Time Application Received? | | | | |
| Name of Head of Household? | | | | |
| Income Level? ELI / VL / L | | | | |
| Identification of the Need for Accessible Unit/Features? | | | | |
| Preference Status? (statutory) | | | | |
| Unit Size? | | | | |
| Comments: | | | | |
| <p>Waiting List Review: HAP Contracts PRE 10/1/1981 = ELI, VL and L POST 10/1/1981 = ELI and VL only</p> <p>FY _____ Master Log documents income levels correctly and meeting 40% target? Status Changes and notes included?</p> <p>Processing TOWL packets? Obtaining Student verifications, Citizenship and HUD 9887 forms? Processing applications in order? Updating status and purging routinely?</p> <p>1BR - Total Units _____ # vacant today _____ # applications _____</p> | | | | |
| Name: | Date/Time Rcvd | Preference? Y/N | ELI / VL / L | Obtaining verifications? |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| Comments: | | | | |

HUD-9834 On-site Review

- KHC staff will walk the property to observe general appearance and will ask about:
 - REAC follow up
 - Property Security, any concerns?
 - Conduct tenant interviews and visit units with level 3 findings and visit a minimum of 2 vacant units (per an MOR - FAQ issued by HUD).
 - Ask about LBP and obtain copy of certification

HUD-9834 On-site Review

- Preventive Maintenance & how often completed
 - Review a list of inventory or review system.
 - Review a written procedure for inspecting units.
 - Review a written procedure for completing work orders including written procedure for emergency work orders.
 - Review documentation by unit with information on appliances.
 - Review sampling of work orders.

Category C. Maintenance and Standard Operating Procedures



HUD-9834 On-site Review

- KHC will not conduct a review of the Category D. Financial Management/Procurement.
- However, HUD staff are still conducting MORs (as well as KHC) and per the HHB 4350.1:

Note: HUD staff are required to review the annual financial statements as part of monitoring project operations. The Financial Assessment Subsystem (FASS) collects the data, however, it is the Project Manager's responsibility to review the FASS printouts (including the Notes) to determine the owner/agent's compliance with HUD requirements.



HUD-9834 On-site Review

Category E. Leasing and Occupancy:

- KHC will ask to review your master waiting list log and compare this to your applications on file.
- Application must include:
 - Whether the applicant or any member of the applicants household is subject to state lifetime sex offender registry
 - Listing of states where the applicant and members of the household have resided
 - Disclosure of SSN for the applicant and all members
 - Owner must include as an attachment to the application form HUD-92006

HHB 4350.3, Chapter 4-14 and HUD-9834 Section 14



HUD-9834 On-site Review

Section 14 Application Processing and Tenant Selection:

- KHC will review information on preferences, extremely low income targeting and screening.
- Are you handling applications consistently, moving folks in order and according to your TSP?
- What about in-house transfers?

HHB 4350.3, Chapter 4-14 and HUD-9834 page 7 of 18

HUD-9834 On-site Review

Section 15 Leases and Deposits:

- KHC will review leases and security deposits.
 - Other charges approved by HUD?
 - Rents collected and policy on late fee in compliance?
 - Damages caused by tenant charged to tenants?

This information reviewed at the same time as current tenant files.

HUD-9834 On-site Review

Section 16 Eviction/Termination of Assistance Procedures:

- KHC will review a random sampling of eviction files.
 - Are tenants notified of termination?
 - Documentation in the file to show reasons?
 - Notices sent timely?
 - Right to request meeting (10 calendar days)?

HHB 4350.3 Chapter 8 – Owners must enforce the lease and house rules, and if lease obligations are not fulfilled, initiate termination proceedings to guarantee the other residents' health, safety, and peaceful enjoyment of the property.

Note: Addendum D must be completed to identify any eviction due to household member subject to a state lifetime sex offender registration.

HUD-9834 On-site Review

- C. An owner must not refuse to renew a lease solely because a lease term has expired. Figure 8-2 summarizes the allowable circumstances when an owner may terminate tenancy, either during or at the end of the lease term. Each circumstance will be discussed in detail in the paragraphs to follow.

Figure 8-2: Allowable Circumstances for Terminating Tenancy

- Material noncompliance
 - Substantial lease violations
 - Fraud
 - Repeated minor violations
 - Nonpayment of rent
 - *Failure to disclose and provide verification of SSN(s)*
 - *Failure to sign and submit consent forms*
- Drug abuse and other criminal activity
- Material failure to carry out obligations under a State Landlord and Tenant Act
- Other good cause

HUD-9834 On-site Review

Section 17 EIV System Access and Security Compliance:

- KHC staff will review:
 - Owner approval letter for access to EIV
 - CAAF/UAAF – initial and current
 - Signed copies of Rules of Behavior for those not using system but accessing reports
 - Annual Security Awareness
 - Written security policy and procedures



HUD-9834 On-site Review

Section 18 Compliance with using EIV Data and Reports:

- KHC staff will review:
 - Master reports for documentation of use and taking appropriate action to correct discrepant data
 - Are these being ran according to HUD requirements and o/a policy?
 - Other reports maintained in tenant file in compliance with policy.

HUD-9834 On-site Review

EIV Findings are a common MOR issue

- No evidence that the O/A was using the EIV system. The last reports in the file were for 2011.
 - No evidence that the Income Discrepancy Report or the No Income Report was printed at the time of the certification.
 - No evidence that the O/A was using the Existing Tenant Search Multiple Subsidy, Identity Verification Reports, Deceased Tenant, or the New Hires Reports in the EIV system.
 - Individual with access to the EIV system or data has not had annual security training
- **HHB 4350.3, Chapter 9, Paragraph 9-8, Paragraph 9-12, Paragraph 9-19 and Paragraph 9-20.**



HUD-9834 On-site Review

EIV Findings Cont'd

- The Failed EIV Pre-Screening report is not being placed in the Master File. This monthly report must be maintained in the master file.
- The EIV report indicates the SSN on “Tin Man” failed pre-screening. Management needs to obtain a copy of the social security card and correct the error on the HUD 50059.
- There was not a copy of the Owner’s approval letter authorizing the coordinator, Dorothy of Kansas, access to the EIV system as the EIV Coordinator. A copy should be placed in the EIV Master File.
- The move-in files reviewed did not contain evidence that the Income Report was ran/pulled and reviewed within 90 days after the transmission of the move-in certification to TRACS.

HUD-9834 On-site Review

Sample Report Finding:

- Condition: Management is not using the Enterprise Income Verification (EIV) System. EIV reports are not being pulled and maintained in a master file and/or tenant file.
- Criteria: Per HUD Handbook 4350.3, REV-1, Change 4, Chapter 9, Paragraph 9-19. O/A's are required to use EIV in it's entirety as a third party source to verify tenant employment and income information to reduce administrative and subsidy payment errors.
- Cause: Lack of training and adequate supervision.
- Effect: Failure to use EIV will result in a 5% reduction in the voucher payment for the month following the date the violation was found and each subsequent voucher payment until the violation is cured.
- Corrective Action: Provide a corrective action plan on how management will use EIV reports. Provide a copy of written policies and procedures manual governing EIV.

HUD-9834 On-site Review

21. Tenant File Security

- KHC will ask to see if tenant files and EIV information is kept locked and secured in a confidential manner.
 - Is information being properly disposed of?
 - Document retention in compliance?
- During the MOR review we ask that other persons not be in the room while going over tenant file information on the day of the review.
 - Recommend to lock the office during this time
 - Maintenance staff may not need to be present while reviewing confidential tenant file information.

HUD-9834 On-site Review

- Tenant File Review – See Addendum A

HUD-9834 On-site Review

23. Tenant Concerns

- KHC will ask to review:
 - Written procedure for resolving tenant complaints or concerns.
 - What about appeals?
 - Is there a tenant organization, neighborhood networks, service coordinator, services offered
 - Does the o/a offer renter's insurance
 - Is the project staff able to adequately perform management and maintenance functions?
 - Staff trainings? Policies and Procedures (access to current HUD policy and procedures) How does the o/a implement changes?

Addendum A – Tenant File Review Worksheet

There are 4 types of review:

- Applicant Rejection
- Tenant Move-in
- Tenant Move-out
- Certification/Recertification

Addendum A – Applicant Rejection

- KHC will review a sample of rejected applications.
 - Was a formal notice sent to the applicant?
 - Was is clear the reason for the rejection?
 - Were they given opportunity for appeal?
 - Is it clear in your policy that a third party must review and make final decision on appeals?

HHB 4350.3, Chapter 4-14 and HUD-9834 Section 14



Addendum A – Tenant Move-In

- KHC will review a sample of recent move-in files for the following:
 - Was proper eligibility determined and tenant screened according to policy?
 - All one-time documents obtained?
 - Birth certificate
 - SSN
 - Citizenship
 - Race/Ethnicity
 - Disability status
 - Move-In Inspection completed and notes included
 - Signature and Dates on all necessary forms

Addendum A – Tenant Move-In

Move-in File Review Cont'd

- KHC will review the following:
 - Income/assets/allowances properly verified and calculated?
 - Consent forms and 92006 forms obtained?
 - EIV system used properly?
 - Leases/House Rules/Fact Sheet/Resident Rights/EIV and You Brochure/LBP
 - Tenant Rent/Security Deposit/Subsidy/UA

Addendum A – Tenant Move-Out

Move-out File Review

- KHC will review the following:
 - Tenant Notice of Intent to Vacate?
 - MO Inspection completed timely and tenant given opportunity to attend?
 - Security deposit refunded within 30 days?
 - List of damages/charges to tenant provided? Security Deposit Disposition.
 - Tenant move-out date documented in file match the date transmitted through TRACS?

Addendum A - Tenant Move-out

HHB 4350.3 Chapter 8-10 Allowable Use of Security Deposits

- If a tenant fails to pay the required rent or if there are tenant damages to the unit, an owner may use the tenant's security deposit to pay the outstanding rent and/or damages. Any remaining funds must be paid to the tenant. An owner must follow the requirements and guidelines for security deposits and other charges outlined in paragraph 6-18 regarding the refunding and use of the security deposit.

Addendum A – Certification/Recertification

Interim Recertification and/or Annual Recertification

- KHC will review the following:
 - Were the proper notices given timely?
 - Was a 30-day notice of rent increase given?
 - Certifications completed timely and accurately and signed/dated by all parties?

Addendum B

- HUD requires that PBCA forward Part A of Addendum B to the owner/agent when scheduling an on-site review and to enter the information into the iREMS system.
- The owner or a principal in the ownership entity should sign the certification. If someone is signing on behalf of the owner, they must have power of attorney. (see MOR – FAQ document 5/5/06)
- If an owner does not sign or complete the information on Addendum B, the reviewer is required to issue a 10-day letter requiring the owner to submit the completed Addendum B. MFH staff is required to monitor the 10-day timeframe. If information is still not received, MFH staff is required to flag the owner in APPS.

Addendum C

- Have all the required documents ready and available prior to the review.
- Review to ensure all policies and procedures and documents have been updated and are in compliance with any new changes.
- Latest versions available?

ADDENDUM C

**Management Review for
Multifamily Housing Projects**

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

OMB Approval No. 2502-0178
Exp. 04/30/2018

DOCUMENTS TO BE MADE AVAILABLE BY OWNER/AGENT

Project Name: _____

FHA/Project# _____

Section 8/PAC/PRAC# _____

Instructions: Reviewers should place a check mark next to those items that must be available for review. Included in this list are FHEO staff instructions to provide MFH staff a list of requests for documents and special observations each year.

General Documents

- All Tenant Files and records, including rejected, transfer and move-out files
- Current waiting list
- Last advertisement and/or copies of apartment brochures
- HUD-approved Rent Schedule form HUD-92458
- Procurement Files
- Work Order Journals and Logs
- Cash Disbursement Journal
- Fidelity Bond
- Property and Liability Insurance
- Copies of the form HUD-52670 for the last twelve months, for each subsidy contract
- Current annual budget
- Quarterly budget variance reports
- Reserve for Replacement component analysis
- Copy of Rent Roll
- Copy of Application form
- Copy of lease, lease addenda and house rules
- Copy of Pet Policy
- Copy of Applicant Rejection Letter
- Annual Unit Inspections
- Fact Sheet "How Your Rent Is Determined"
- Copy of the "Resident Rights & Responsibility"
- Lead Based Paint Certifications

Addendum D

- State Lifetime Sex Offender Statistics
 - Be prepared to provide this information.

Other – MOR Recommendations

- Implement a “Resident File Checklist”
- Develop a system that works for you
- Use colored sheets of paper to separate Interim & Annual Recertifications
- Secure loose documents in the file
- Place one-time documents on one side of the folder.

Other – MOR Recommendations

- Be informed and share information with staff on new HUD regulation changes.
- Some recent issues we noticed:
 - SSN requirements not followed or outdated policy
 - AFHMPs reaching the 5 year mark.
 - EIV reports not being ran according to policy.
 -

Other – MOR Recommendations

- Review Chapter 6 of the HHB 4350.1
 - Overview of the Purpose of an MOR
 - Requirement to use the HUD-9834
 - PBCA and Owner requirements are outlined
 - Information on ratings and completing the Summary Report.
 - Information broken down by section of the HUD-9834 to reference back to the Statutory/Regulatory Requirements
 - Appendix 2 - FAQs

MOR Summary Reports

- KHC will send a Summary Report to the owner with in 30- days of the date of the MOR.
- If there are no deficiencies noted, no additional action is required by the owner/agent.
- If there are deficiencies noted the owner must take action to resolve.
 - Targeted Completion Dates (TCD)s must be noted for all deficiencies identified during the review and may not exceed 30 calendar days.
 - Owners must provide documentation to support the deficiencies were correct by the TCD.
 - If additional time is needed the o/a must submit an action plan within 30-calendar days.
- Owner's are required to send their response within 30 days of the date of the audit cover letter (Summary Report).



MOR Summary Reports

- Appeal Procedures
- If an o/a receives a “Below Average” or “Unsatisfactory” overall rating the o/a may appeal the rating using the process outlined in Chapter 6 of the HHB 4350.1.

MOR Resources

- HUD Handbook 4350.1 – Chapter 6
- HUD Handbook 4350.1 – Appendix 2 - MOR – Frequently Asked Questions Document
- HUD Handbook 4350.3 – Know your Occupancy Rules – Get Training!
- HUD 9834 – Review It! Latest version released 06/2016.
- HUD Notices:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg
- RHIIP:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rhiip/mfhrhiip
- Section 8 Contract Administration (currently under construction):
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rfp/sec8rfp

Owner/Agent Quick Reference Chart Performance Based Section 8 Contract Administrator

| What is HUD responsible for? <i>You should mail any information that relates to the following areas to HUD directly:</i> | What is PB-CA responsible for? <i>You should mail any information that relates to the following areas to the PB-CA directly:</i> | Examples of Overlapping Areas of responsibilities between HUD and PB-CA |
|---|--|--|
| <ol style="list-style-type: none"> 1. Approve Management Certifications 2. Requests for changes in managing agents 3. Reserve for Replacements requests, suspensions and releases 4. Residual Receipts requests 5. General Operating Reserve requests 6. Monthly Accounting Reports 7. Annual Financial Statements (submitting through the FASS System) including responses to findings 8. Transfer of Physical Asset Package 9. Requests for Partial Releases of Security/Partial Payment of Claim 10. Requests for a Workout Agreement 11. Neighborhood Networks Plans 12. NOFA Applications (i.e. Drug Elimination, Safe Neighborhood Grant Service Coordinator and 202/811) 13. Monthly Vouchers on any funded NOFA Grant (i.e. DEG, SNG, Service Coor) 14. Monitoring Service Coordinators 15. Process prepayment requests 16. Assignment of HAP contracts to owner 17. Process and monitor flexible subsidy 18. Process special claims (debt service) 19. Management reviews on HUD administered | <ol style="list-style-type: none"> 1. Establish resident baseline data 2. Review of Monthly HAP Vouchers and Special Claims 3. Responses to Discrepancies on monthly HAP vouchers 4. Disburse monthly housing assistance payments to owners 5. Section 8 Contract Opt Out Notification 6. Rent Increase requests/budgets, specials 7. HAP renewal requests (governed by Section 8 Renewal Policy, 1/19/01) 8. Tenant inquiries/Complaints for life and non-life threatening health and safety issues 9. General resident/community complaints 10. Follow-up to REAC Physical Inspections including EH&S findings 11. Process abatement action and advise HUD 12. Recommend Section 8 contract terminations 13. Negotiate Management Improvement Operating plans (MIO) 14. Management /Fair Housing Reviews on PB-CA contracts 16. Requests for information related to the payment of a specific voucher 17. Process special claims (vacancy, damage) 18. Utility allowance analysis | <ol style="list-style-type: none"> 1. Processing Contract Opt Outs 2. Approval of MIO Plans for physical inspections with scores below 45 3. Rent increases over 5% 4. Coordination of activities within various branches of HUD 5. Rent increases-236 vs Section 8 6. Management reviews which indicate the need for enforcement activities 7. Management reviews with a rating of below average or unsatisfactory 8. FHEO checklist review 9. Appeals processing 10. FOIA and congressional inquiries 11. Enforcement/Compliance activity 12. Funding reservations for contract renewals 13. Data input |

Additional Resources

- There is an APP for that!



- AHR – Affordable Housing Resource

- IRC 42 HUD Income Exclusions
- HUD 4350.3 Technical Advice Memos
- 8823 Guide