



# PRACTICAL POINTS

Official Newsletter of PMCS, Inc.

FALL 2024

## Industry Updates

### HUD Update: HOTMA Effective Date Change

On September 20th, HUD issued Notice H 2024-09, extending the HOTMA compliance date stated in section 6.2 of Notice H 2023-10 from January 1, 2025, to July 1, 2025. The full notice can be viewed [here](#).



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# Industry Updates

## HUD Publishes New Forms, Including HAP Contract Forms

Office of Housing sent [this](#) bulletin on 8/27/24:

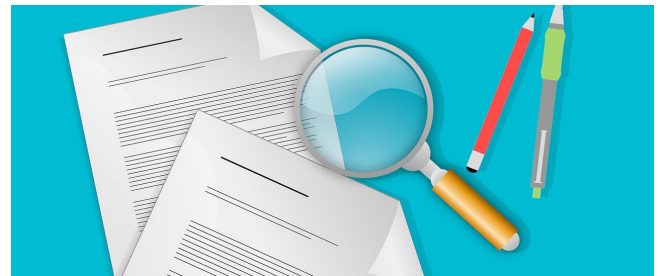
The Office of Multifamily Housing Programs has completed the update of a series of forms required for Multifamily Section 8 Programs. The documents in this package have been cleared and are ready for use and can be accessed through this [HUDCLIPS link](#).

The approved forms include:

- 2022–HUD–52522a.pdf: Housing Assistance Payments Contract Section 8 Housing Assistance Payments Program\* (Part I)
- 2022–HUD–52522b.pdf: Housing Assistance Payments Contract Section 8 Housing Assistance Payments Program (Part II)
- 2022–HUD–5988.pdf: ASSIGNMENT, ASSUMPTION, AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT
- 2022–HUD–90055.pdf: Use Agreement Section 8 Use Agreement
- 2022–HUD–92273.pdf: OMB Control Number 2502-0587 form HUD-92273-S8; exp. 04/30/2027
- 2022–HUD–93181.pdf: Project-Based Section 8 Housing Assistance Payments Addendum to Renewal Contract under Option One or Option Two for Capital Repairs and/or Acquisition Costs
- 2022–HUD–93182.pdf: Project-Based Section 8 Housing Assistance Payments Addendum to Renewal Contract under

Option One or Option Two for Capital Repairs and/or Acquisition: Post-Rehabilitation Rents at Closing

- 2022–HUD–93184.pdf: Rider to Original Section 8 Housing Assistance Payments Contract
- 2022–HUD–93185a.pdf: Amendment\* to Project-Based Section 8 Housing Assistance Payments Contract Pursuant to Section 8(bb) (1) of the United States Housing Act of 1937
- 2022–HUD–93185b.pdf: Amendment\* to Project-Based Section 8 Housing Assistance Payments Contract Pursuant to Section 8(bb) (1) of the United States Housing Act of 1937



- 2022–HUD–9624.pdf: Contract Renewal Request Form Multifamily Section 8 Contracts
- 2022–HUD–9625.pdf: OCAF Rent Adjustment Worksheet Multifamily Section 8 Contracts
- 2022–HUD–9626.pdf: Letter to Owners/ Agents Options 1 and 3
- 2022–HUD–9627.pdf: Letter to Owners/ Agents Options 2 and 4
- 2022–HUD–9629.pdf: Request to Renew Using Non–Section 8 Units in the Section 8 Project as a Market Rent Ceiling

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# Industry Updates

## HUD Publishes New Forms, Including HAP Contract Forms *(continued)*

- 2022–HUD–9630.pdf: Request to Renew Using Fair Market Rents (FMRs) as Market Ceiling
- 2022–HUD–9634.pdf: Sample Use Agreement Mark-up-to-Market Where a For-Profit Owner is Transferring the Property to a Non-Profit Owner or Budget-Based Rent Increase for Capital Repairs for a Nonprofit Owner
- 2022–HUD–9635.pdf: Projects Preparing a Budget-Based Rent Increase
- 2022–HUD–9636.pdf: Project-Based Section 8 Housing Assistance Payments Basic Renewal Contract One-Year Term
- 2022–HUD–9637.pdf: Project-Based Section 8 Housing Assistance Payments Basic Renewal Contract Multi-Year Term
- 2022–HUD–9638.pdf: Project-Based Section 8 Housing Assistance Payments Renewal Contract for Mark-Up-to-Market Project
- 2022–HUD–9639.pdf: Project-Based Section 8 Housing Assistance Payments Preservation Renewal Contract
- 2022–HUD–9640.pdf: Project-Based Section 8 Housing Assistance Payments Interim (Full) Mark-to-Market Renewal Contract
- 2022–HUD–9641.pdf: Project-Based Section 8 Housing Assistance Payments Interim (Lite) Mark-to-Market Renewal Contract
- 2022–HUD–9642.pdf: Project-Based Section 8 Housing Assistance Payments Full Mark[1] to-Market Renewal Contract
- 2022–HUD–9643.pdf: Project-Based Section 8 Housing Assistance Payments Watch List Renewal Contract
- 2022–HUD–9644.pdf: Project-Based Section 8 Housing Assistance Payments Contract for Previous Mod Rehab Projects
- 2022–HUD–9647.pdf: Housing Assistance Payments Program Housing Finance & Development Agencies Extension Amendment to Old Regulation State Agency Housing Assistance Payments Contract HAP Contract Extension to Original Maturity of Permanent Financing
- 2022–HUD–9648a.pdf: CONSENT TO ASSIGNMENT OF HAP CONTRACT AS SECURITY FOR FREDDIE MAC FINANCING
- 2022–HUD–9648d.pdf: CONSENT TO ASSIGNMENT OF HAP CONTRACT TO FNMA AS SECURITY FOR FNMA CREDIT ENHANCEMENT
- 2022–HUD–9649.pdf: CONSENT TO ASSIGNMENT OF HAP CONTRACT AS SECURITY FOR FINANCING
- 2022–HUD–9649a.pdf: CONSENT TO ASSIGNMENT OF SENIOR PRESERVATION RENTAL ASSISTANCE CONTRACT (SPRAC) AS SECURITY FOR FINANCING
- 2022–HUD–9651.pdf: CONSENT TO ASSIGNMENT OF HAP CONTRACT AS SECURITY FOR FNMA FINANCING

If there are any questions regarding these forms, the updates or anything related, please contact Jennifer Lavorel at: [Jennifer.C.Lavorel@hud.gov](mailto:Jennifer.C.Lavorel@hud.gov) or [AssetManagementPolicy@hud.gov](mailto:AssetManagementPolicy@hud.gov).



# Industry Updates

## HUD Publishes Revised HAP Assignment Form

Office of Housing sent [this](#) bulletin on 8/15/24:



On August 15, the Office of Multifamily Housing Programs, announced the availability of a [standard form](#) for the Assignment, Assumption, and Amendment of Section 8 Housing Assistance Payments Contracts. This form, which went through a public comment process prior to being finalized, has been approved by the Office of Management and Budget. Use of this form is now required for any assignment of a Section 8 project-based rental assistance (PBRA) Housing Assistance Payments (HAP) contract.

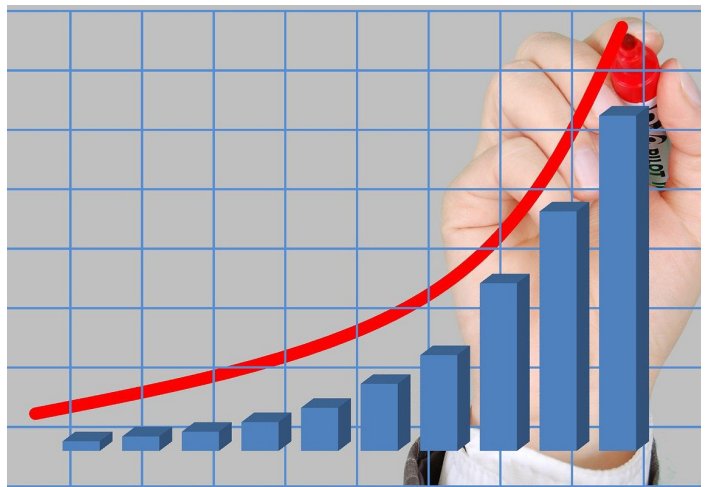
## 2025 Inflationary Adjustments

The 2025 Inflationary Adjustments have been posted [here](#).

### Items to note:

- New Asset Threshold of \$51,600
- New Asset Limitation of \$103,200
- New Passbook Rate of 0.45%
- Deductions remain the same

**Applicability:** Programs that are governed by HUD's regulations found in 24 CFR Part 5 or are governed by regulations that cross reference 24 CFR Part 5: Public Housing, Section 8 Housing Choice Voucher (HCV), Section 8 project-based rental assistance (PBRA), non-insured 236 projects with Interest Reduction Payments (236 IRP), Section 202/811 PRAC, Senior Preservation Rental Assistance Contracts (SPRAC), 811 PRA, HOME Investment Partnerships Program, HOME-American Rescue Plan Program, Housing Trust Fund, and Housing Opportunities for Persons With AIDS (HOPWA).



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# Industry Updates

## 2025 Inflationary Adjustments (continued)

**Background:** On February 14, 2023, HUD published the [Housing Opportunity Through Modernization Act \(HOTMA\) Final Rule](#). The Final Rule requires that certain amounts used to make income, asset, and eligibility determinations be adjusted by an inflationary factor on an annual basis. Recipients of funding under the above-covered programs, including PHAs, MFH Owners, and Grantees, must use the HUD-published values when determining income, net family assets, and adjusted income for income examinations in accordance with the HOTMA Final Rule and other implementation guidance.

**Publication Timing:** Around August each year, HUD will calculate the inflation factor, recalculate the inflation-adjusted values, and post the revised figures effective for the next calendar year on this webpage. The revised amounts will become effective on January 1st of each year. The amounts effective January 1, 2024, were published in the HOTMA final rule ([88 FR 9600](#)). HUD's methodology for calculating and applying the inflationary factor to the values specified in the final rule was published in the Federal Register ([89 FR 27440](#)). Going forward, HUD will solicit public comment only if the Department proposes to change the methodology.

Along with the inflationary adjustments, HUD will also annually publish a passbook rate to become effective January 1st of each year. The passbook rate will be based on the Federal Deposit Insurance Corporation (FDIC) National Deposit

Rate for savings accounts, which is an average of national savings rates published monthly. PHAs/MFH Owners/Grantees must use the HUD-published passbook rate when calculating imputed asset income for all income examinations. HUD published the passbook rate methodology in joint Notice PIH 2023-27 / H 2023-10.

PHAs/MFH Owners should refer to joint Notice [PIH 2023-27 / H 2023-10](#) for additional information on HOTMA implementation.

**Instructions:** Please click on the table [here](#)



to view the annual inflationary factor<sup>1</sup>, the revised Inflationary Adjustments (including the corresponding regulatory references and rounding methodology), and the annual Passbook Rate.

**Note:** If your agency/property/program administrator is not yet complying with Sections 102 and 104 of HOTMA, you will not utilize this table. Annual inflationary adjustments, the new thresholds (e.g., asset limitation), and the requirement to use this passbook rate are among the provisions of Sections 102 and 104 of HOTMA.

<sup>1</sup> The next inflationary factor will not be published until August 2025.



# Industry Updates

## Clarification Memo Regarding Remote MORs Conducted by PBCAs

On June 10, 2024, HUD issued [this](#) clarification memo regarding remote MORs conducted by PBCAs. This updated guidance is effective with MORs scheduled on or after July 1, 2024.

**SUBJECT:** Required & Alternative Management and Occupancy Review (MOR) Procedures for Performance Based Contract Administrators (PBCAs)



This memorandum supersedes prior guidance dated October 20, 2023, regarding remote Management and Occupancy Reviews (MORs) conducted by PBCAs. This updated guidance is effective with MORs scheduled on or after July 1, 2024. Management and Occupancy Reviews are an important task that PBCAs perform for HUD in order to verify that property owners and management agents are in compliance with HUD regulations and guidelines and the Housing Assistance Payments (HAP) contracts. HUD sees value in these MORs being completed on-site through:

- Receiving feedback from residents,
- Interviewing staff and owner representatives

in person,

- Observing property conditions in common areas and units including the follow-up on the National Standards for the Physical Inspection of Real Estate (NSPIRE) (previously known as REAC) inspections findings,
- Evaluating project records and tenant files without opportunity to correct records before the evaluation, and
- Protecting the tenant Personal Identifiable Information (PII).

### Required MOR Procedures

PBCAs are required to conduct on-site MORs in the following manner, unless an alternative method is approved by HUD in advance of the scheduled MOR date:

- PBCAs must complete the on-site MOR entrance conference, MOR questionnaire and exit interview.
- PBCAs must physically enter resident units to conduct follow-up inspections of Life-Threatening issues, previously Exigent Health and Safety (EH&S), cited in inspections conducted by the NSPIRE standards.
- PBCAs must conduct an on-site visual assessment of each building and the property's grounds to document the physical conditions, general appearance, and security of the property.
- Tenant files, waiting lists, tenant selection plan, and EIV master files must be placed in a secured location (within the property or corporate offices) for the PBCA to conduct their reviews.

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# Industry Updates

## Clarification Memo Regarding Remote MORs Conducted by PBCAs *(continued)*

### Alternative MOR Procedures

In instances where federal or state/local laws, health codes, or other emerging health and safety issues at the property prevent or prohibit a PBCA from following the required MOR procedures, then the PBCA must contact their Headquarters Contract Administration Oversight Monitor (HQ CAOM) for a determination on how to proceed to conduct the MOR. The HQ CAOM will determine if a PBCA may conduct any part of the MOR remotely or using other alternative procedures, excluding the tenant file review portion and reviews of EIV master files, and waiting lists, which must be conducted in a secured location (within the property or corporate offices).

PBCAs that wish to request approval to conduct an MOR using an alternative method must send a request to [PBCA\\_MORWORKPLAN@hud.gov](mailto:PBCA_MORWORKPLAN@hud.gov) and the assigned HQ CAOM with a courtesy copy to the HUD field office FOCC. The subject line of the email should read "Request for Alternative MOR Procedure(s), [PBCA Code]". Requests for alternative MOR procedure(s) should include the following:

- Name and Code of the PBCA requesting approval to conduct an MOR using an alternative procedure(s),
- Detailed description of the reason(s) why the alternative procedure(s) are necessary.

- Which portion(s) of the MOR that will be affected by the HUD-approved alternative procedure(s),

HUD expects these determinations to be made in approximately ten (10) business days. PBCAs should continue business as usual while HUD makes these determinations. The PBCA must receive written approval from the HQ CAOM prior to performing and receiving payment for the alternative MOR procedure(s).



PBCAs must document the following items in the written MOR report: which portions of the MOR were conducted using HUD-approved alternative procedures; the alternative procedure(s) used; the reasons(s) why the alternative procedures were necessary; and the date that HUD approved the alternative procedure(s). PBCAs must also report any MOR conducted under alternative procedures on their monthly Hot Topics Report to their HQ CAOM.

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# Industry Updates

## Clarification Memo Regarding Remote MORs Conducted by PBCAs *(continued)*

### Electronic Transmission and Personally Identifiable Information (PII) Handling

HUD expects its third-party business partners, including PBCAs, property owners and agents, who collect, use, maintain, or disseminate HUD information, to protect the privacy of documents containing Personally Identifiable Information (PII) in accordance with the Privacy Act and HUD Notice 2020-04 “Electronic Signature, Transmission and Storage – Guidance for Multifamily Assisted Housing Industry Partners” issued on May 26, 2020. This applies to all information sent electronically to resolve

any issues/findings identified as part of the Management and Occupancy Review.

PBCA's should take the following steps to help ensure compliance with these requirements:

- Limit Collection of PII,
- Manage Access to Sensitive PII,
- Protect Electronic Transmissions of Sensitive PII via fax, email, etc.,
- Protect Hard Copy Transmissions of Files Containing Sensitive PII,
- Records Management – Retention and Disposition
- Incident Response

If you have any questions, please contact your assigned HQ CAOM or Doris Keeve, Contract Administration Branch Chief, at 202-402-2961 or via email at [doris.a.keeve@hud.gov](mailto:doris.a.keeve@hud.gov).

# Training Schedule

## HOTMA: From Theory to Practice Series

HOTMA: Income | 11.12.24

HOTMA: Assets | 11.14.24

HOTMA: Expenses, Deductions, and Processing Hardships | 10.22.24 & 11.19.24

HOTMA: Forms, EIV, and Recertifications | 10.29.24 & 11.21.24

HOTMA: Roundtable Discussion | 10.31.24 & 11.26.24

## Focused Topics

MORs - Preparation to Closing | 11.05.24

EIV Compliance | 11.07.24

## Property Management Series

Advanced Management 301 - Challenging Scenarios in HUD Compliance | 10.24.24







# Did You Know?

## MFH Programs Closing TRACS Forum

Office of Housing sent [this](#) bulletin on 9/11/24:

The Office of Multifamily Housing (MFH) Programs discontinued the use of the TRACS Forum due to limited and low utilization. The TRACS Forum was removed from the MFH – TRACS web page effective Friday, September 13, 2024 at 11:59 pm EDT. MFH will continue to communicate and exchange information with stakeholders including receiving comments and feedback through other communication channels such as the Multifamily Drafting Table and the Federal Register. For any questions, please reach out to: MF Helpdesk at 1-888-297-8689 Option #5.

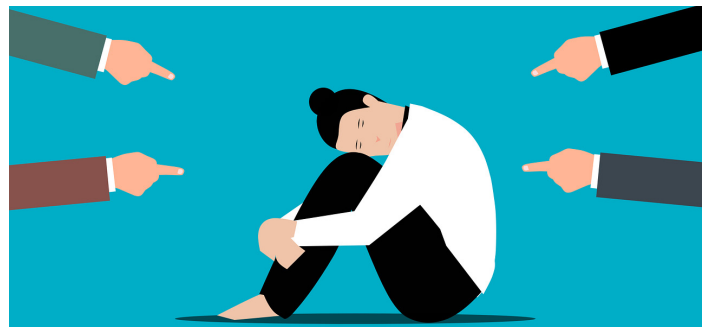


## HUD’s Preventing and Addressing Harassment in Housing Fact Sheet Available

Office of Housing sent [this](#) bulletin on 9/4/24:

The Office of Multifamily Housing Programs is making owners, agents, and residents aware of information regarding preventing sexual harassment and bullying at HUD properties.

The [Preventing and Addressing Sexual and Other Discriminatory Harassment in Housing](#) webpage contains links that will help you understand what sexual harassment in housing looks like and how it may violate the Fair Housing Act. This webpage includes fact sheets and training videos illustrating sexual and other discriminatory harassment in housing and the actions taken by housing providers and residents to resolve harassment of any kind.



See additional information for property owners and managers in the [Preventing and Addressing Harassment in Housing Fact Sheet](#).

The preface reads as follows:

*“Sexual Harassment in Housing is Illegal, as is harassment based on race, color, religion, national origin, familial status, or disability. All property owners and managers are responsible for helping ensure their housing is free from discriminatory harassment of any type. By explaining what harassment is, who can be liable for it, and steps you can take to help prevent and address it, this fact sheet can help you ensure you meet your Fair Housing Act obligations”.*

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## Did You Know?

### HUD's Preventing and Addressing Harassment in Housing Fact Sheet Available *(continued)*

As a reminder, other types of illegal harassment include severe or pervasive offensive remarks or hostile behavior because of a person's race, color, religion, sex, disability, familial status, or national origin. This is an important issue and training is available for owners, agents, and other housing providers regarding harassment and bullying.

For more information, direct residents to these websites:

- [Housing Discrimination Under the Fair Housing Act](#)
- [Fair Housing and Equal Opportunity](#)
- [Equal Access Rule](#)
- [Find Your Local Field Office](#)

To report housing discrimination by phone:

- (800) 669-9777
- Federal Relay Service/TTY: (800) 877-8339

### NSPIRE Appeals Guide Now Available

Office of Housing sent [this](#) bulletin on 8/19/24:

#### Technical Review Guidance and Step-by-Step Instructions on How to Submit Appeals Now Available

HUD has received feedback that Public Housing Authorities (PHAs) and Property Owners/Agents

(POAs) have been experiencing issues when submitting appeals in the NSPIRE IT system. To address this, HUD has made [Technical Review Guidance](#) available that provides a summary of the basis for technical review along with instructions for how to submit an appeal.

As a reminder, if a Property Owner/Agent believes that a property's inspection results and score should be reviewed due to verifiable reasons, they may request a technical review. They should submit the request electronically through the NSPIRE system within 45 calendar days following the day HUD provides the inspection report.



A request for a technical review must be accompanied by evidence supporting the claim. HUD recommends seeking a technical review only if the correction will result in a significant improvement in the overall score of the property, such as an increase to 60 or above or a change in the inspection frequency.

Please email HUD at [NSPIRE@hud.gov](mailto:NSPIRE@hud.gov), or call the Technical Assistance Center (TAC) at 1-888-245-4860, with any questions.

[View the NSPIRE Technical Review Guidance](#)





# Did You Know?

## Nearly \$140 Million Awarded to Expand Affordable Housing for People with Disabilities

Office of Housing sent [this](#) bulletin on 8/14/24:

On August 14<sup>th</sup>, the U.S. Department of Housing and Urban Development awarded \$138.5 million in grants for more than a dozen state housing agencies to expand the supply of housing and supportive services for low-income persons with disabilities across America. Funding made possible by HUD’s [Section 811 Project Rental Assistance \(PRA\) for Persons with Disabilities program](#) will allow 18 state housing agencies to develop strategies to identify and refer low-income persons with disabilities to eligible homes, and to provide them with rental assistance and supportive services.



This announcement advances the Biden-Harris Administration’s goals to reduce housing costs, boost supply, and expand access to affordable housing for low-income families, veterans and persons with disabilities. Awardees will work to address long-term housing security and affordability issues for persons with disabilities within existing, new, or renovated multifamily developments and facilitate community integration. In collaboration with Medicaid and/or

health and human services agencies, awardees will also connect individuals with community-based support and services for the long-term.

See the [press release](#) for additional details.

## Fraudulent Section 8 Assistance Advertisements

Office Field Policy and Management sent [this](#) bulletin on 7/5/24:



Fraudulent Section 8 assistance advertisements like the one above are appearing on social media sites in increasing numbers. These sites direct members of the public to a fraudulent website, which harvests personal information and data.

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# Did You Know?

## Fraudulent Section 8 Assistance Advertisements *(continued)*

### What You Need to Know

A flyer has been circulating on social media advertising assistance with applying for Section 8 funding. The flyer and website '[www.govassistance\[dot\]org](http://www.govassistance[dot]org)' are **NOT** legitimate. The scam aims to take advantage of Section 8 applicants to obtain their personal information to facilitate fraudulent activity. There are multiple versions of the above advertisement on various websites including Facebook, Instagram, and TikTok, typically with slightly changed verbiage and dates.

### What You Can Do

Many individuals have personal social media accounts, which can be a great way to connect with others. However, malicious ads, scams, and misinformation are prevalent on these sites, and users should always be skeptical. In general, do not click on a hyperlink if you are unsure if it is legitimate; instead, go to a known, trusted source. For example, after seeing this ad, a user could navigate to [hud.gov](http://hud.gov) and research if this is a real program.

Individuals who fall victim to this or similar scams can file a complaint at the Internet Crime Compliant Center (IC3): [www.ic3.gov](http://www.ic3.gov).

Thank you for keeping HUD and our customers cyber-safe!

# PMCS News

## PMCS Summer Outing to Wild Animal Park

In August, the PMCS team visited the Wild Animal Park in Chittenango, NY where we took a ride on a drive through safari and fed domestic and exotic animals from all over the world!







# Just For Fun!

## MOR Word Search



Find the following words in the puzzle.

Words are hidden     and .

- |               |             |             |             |                 |
|---------------|-------------|-------------|-------------|-----------------|
| ADMINISTRATOR | EXPIRATION  | MOR         | PREPARATION | RISK            |
| ASSESSMENT    | FILE        | MULTIFAMILY | PROCEDURE   | SATISFACTORY    |
| AVERAGE       | HANDBOOK    | NOTICE      | RATING      | SITE STATISTICS |
| CALCULATION   | HUD         | OCCUPANCY   | REGULATION  | SUPERIOR        |
| CHECKLIST     | INSPECTION  | OWNER       | REPORT      |                 |
| CODE          | MAINTENANCE | PERCENTAGE  | REQUEST     |                 |
| COMPLIANT     | MANAGEMENT  | PERFORMANCE | RESPONSE    |                 |
| CORRECTION    | MODEL       | POLICY      | REVIEW      |                 |

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