



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

June 10, 2024

**MEMORANDUM FOR:** Multifamily Regional Directors  
Multifamily Satellite Office Directors  
Multifamily Asset Management Division Directors  
Performance Based Contract Administrators (PBCAs)  
Multifamily Owners and Management Agents

**FROM:** Jennifer Larson, Director, Office of Asset Management and  
Portfolio Oversight, HTG

**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.

### 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.

## 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<sup>1</sup> “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.

<sup>1</sup> “Electronic Signature, Transmission and Storage - Guidance for Multifamily Assisted Housing Industry Partners” dated May 26, 2020 (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-04hsgn.pdf>)

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).