

Q. General Comments– We recommend completion and release of whatever final form the document with a delayed implementation so that all stakeholders involved would have time to revise policies, procedures and training as needed to ensure consistent, informed application of the tool. We recommend that this form not be implemented until at least 2 to 3 months after the performance-based contract administration (PBCA) transition is completed. (4)

A. The Department has received several requests to delay implementation of the new form HUD-9834. The final version of the form will be published in the Federal Register with implementation set to take place after 30 days. The revised 9834 includes questions that a reviewer should have implemented previously and will be effective shortly after publication.

Q. General Comments– Commenter believe the time and paperwork burden placed on O/As, CAs, and HUD officials will increase due to the changes made to the document. The form has increased from 46 pages to 51 pages because of the revisions made. The draft Form 9834 increases the information required to complete the desk and on-site reviews. It also expands the number of questions related to property financials, management certifications, tenant income certifications, tenant file deficiencies, and, if any, tenant repayment plans. Commenter believes that the agency's estimate of eight burden hours needed to prepare the information collection for the HUD Form 9834 is low. For example, our members report that it takes an average 16-24 hours for the management agents to compile the information required and for the contract administrator to complete the current Form 9834, depending on the size of the property and the management company. The annual total burden hours are two to three times the size HUD has estimated it to take to complete the form from start to finish. Commenter feels that the additional paperwork and review the revised Form 9834 will generate seems contrary to the goals of the Paperwork Reduction Act of 1995. We believe there are better ways to reduce and streamline the information collected in order to evaluate the quality of a project's management. Therefore, commenter suggests convening a taskforce of stakeholders—HUD officials, trade associations, PBCAs, multifamily O/As, etc.—to evaluate Form 9834 for the sole purpose of reducing the collection of unnecessary information and improving the quality, accuracy, and consistency of information generated by the collection. (2)

A. Eight hours, in HUD's estimation, provides adequate time for owner/managers to complete the preparation of their input to the form HUD-9834. HUD staff and CAs will assuredly require more time to prepare and analyze the bulk of the report. Addressing alternative data gathering methods, HUD is moving incrementally to produce an objective document in the Management Review form. As work progresses in developing improvements, HUD will as always, call on the experience and expertise of trade associations and other stakeholders to define improvements and develop best practices for the next upgrade to the form and its contents.

Q. General Comments – Will the final form HUD-9834 be distributed in conjunction with a revised HUD Handbook 4350.3, thus providing consistency throughout HUD documents? If not, the document should reference all notices that have not been incorporated into the handbook as references for reviews. This would help both CAs and managers alike.

A. The form HUD-9834 was published in the Federal Register Notice of Proposed Information Collection. This notice was necessary to

continued use of the form. Revisions and changes to Handbook 4350.3 are in the planning stages with no delivery date yet determined. Current regulations and notices will control property owner/managers, and new notices will be issued as necessary for owner/managers, HUD staff, and CAs to maintain compliance.

- Q. **General Comments** - A commenter believes that non-compliance "findings" should be restricted to what can be backed up using a regulatory, statutory, or handbook citation. Where the form calls for subjective opinions, we strongly urge HUD to either add criteria to help frame uniform, objective answers for the form's more ambiguous questions or remove those questions in their entirety. HUD should also provide the relevant policy citations to justify the question's placement in Form 9834. This would improve the accuracy and consistency of the data collected by Form 9834.(3)
- A. Not all questions are directed toward compliance issues. Significant among the questions are those that are posed to bring operational weaknesses when viewed through the experience and expertise of the reviewer, trainers, and the collective experience of property managers and owners over time. HUD is moving incrementally to produce an objective document in the Management Review form. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues.
- Q. **General Comments** - The Department uses Form 9834 to evaluate the quality of the management of HUD-assisted projects. The form establishes a clear format for reporting on expected corrective actions when an O/A is not complying with HUD rules and regulations. While the majority of the document's questions tie directly back to handbook policies, regulations, and statutory requirements, the legal citations are not necessarily provided. On the other hand, some questions in Form 9834 do not appear to be related to existing regulatory, statutory, or handbook guidelines. O/As should not be burdened with information collections that serve no clear purpose in evaluating regulatory compliance. NAHMA recommends that each section of Form 9834 have proper regulatory, statutory, or handbook citations that govern the questions of the document as appropriate. We do not believe that any question that does not have a reference back to regulatory policy, statutory language, or handbook citation should be included in Form 9834.
- A. All findings resulting from the review are required to note the statutory, regulatory, or administrative requirement that was not met. If a citation does not exist, the reviewer is to make comment or recommendations to the owner. HUD conceptually agrees with the premise that questions of compliance should include reference to the applicable requirement. Those questions that can be, will be reviewed in future updates of the form, and may be directly referenced with citations to statute, regulations or policy. Questions that concern O/A's management policy and procedures will, of course, be the exception, as these questions are designed to draw out areas of questionable performance rather than compliance.

Q. **General Comments** - A suggestion that would greatly simplify the MOR review would be for HUD to develop standard forms for Management Agents to utilize

A. This comment is beyond the scope of the Federal Register Notice of Proposed Information Collection. HUD has published thousands of forms, including those listed here, on its HUDClips website. Also on HUDClips, you will find information guides, user guides, handbooks.

Q. **General Comments** - Another change that would greatly improve the flow of a review for Contract Administrators that do not review the financial aspects of a property would be to move the HUD Financial Management questions to the end of the report so that it is separate from the compliance portion of the report.

A. HUD is moving incrementally to produce an objective document in the Management Review form. The suggestion is duly noted, and will be considered for inclusion in the next revision of the form HUD-9834.

Q. **General Comments** - Our best recommendation is to seek the feedback of appropriate stakeholders - including but not limited to the incoming PBCA's themselves, and the local HUD offices and Contract Administration Oversight Monitors responsible for providing guidance and evaluating them - to determine the best time to make the form effective, and to release it with as much lead-time as possible before going into effect.

A. During the process of developing the latest version of form HUD-9834, input and feedback was requested and received from many partners in the field, and internally from all divisions of Housing. That collaboration continues in the form of comments and suggestions for the proposed revised form. As suggested, improvements are evaluated and where possible, implemented, so the value of this tool increases for our owners and managers.

Q. **General Comments** - We specifically urge HUD to implement a standard implementation policy of no less than 60 days after final publication in all/most forms and policies.

A. While the suggestion is outside the scope of this form renewal notice, the policy suggestion is duly noted and will be considered in the appropriate forum.

Q. **General Comments** - Individual Rating by category now requires you to disclose the percentage used. We recommend that HUD publish detailed instructions that PBCAs should use when rating a report. As an example when should a report be rated a 71 vs. 75 vs. 78? Without the detailed guidance the rating is subjective to the reviewer. The PBCAs will receive complaints from O/As. If HUD does not publish detailed guidance we recommend that the old reporting of the individual ratings remain in place.

A. HUD is moving incrementally to produce an objective document in the Management Review form. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues. At this writing, the final score, as recorded on the form and in iREMS, continues to be the overall performance score, rated from Superior to Unsatisfactory. See Housing Notice H 2011-11 Revisions to

Handbook 4350.1, Chapter 6: Conducting Management Reviews, and Attachment.

The purpose of this management review process, for owners, for managers, and for HUD, ultimately is to assess risk. When a property is doing well, risk of failure is lower, and HUD may focus staff and resources in areas that require more of their attention. Providing an appeal process for project findings that are considered to be "Satisfactory" or better is not likely to change the overall risk of failure, would tend to tie up valuable resources, and produce marginal results at best.

Q. **General Comments** Consider adding more space for comments.

A. An additional line has been incorporated at the end of each question following Comments. Each comment field is expandable, and there is no restriction on the number of characters. The form will also expand to accommodate the reviewer's input.

Q. **General Comments** - There is no discussion of a current, unfair practice that allows reviewers to close findings issued in error. We request that reviewers are required to indicate that a finding has been "reversed" (as opposed to "closed") and require that the reviewer re-score the review. Current practice is for a reviewer to merely "close" the finding even if the finding is issued in error. Reviewers generally will not re-score an MOR unless the score is below average or unsatisfactory. This means that it could appear as if an organization is more effective in the review than they actually are. It also means that HUD has not automated method to track how frequently reviewers make errors when issuing findings. This could be cause for disincentives.

A. The form HUD-9834 represents the status of property management at a point in time. The commenter is correct; reviewers generally will not re-score an MOR. See the Note at the end of Section 6-10 "Communicating and Monitoring Results/Follow-up" in Handbook 4350.1 Multifamily Asset Management. At this writing, the final score, as recorded on the form HUD-9834 and in iREMS, continues to be the overall performance, from Superior to Unsatisfactory. When corrections have been accomplished, a note is entered into iREMS. It is felt that the modifications suggested here would only impact reviews at the extreme margins, those with scores within a point or two of changing the overall result.

The point is duly noted, and will be addressed in future updates to be made to the Handbook 4350.1.

Q. **Instructions** - Introductory Paragraph: Add the explanation that FHEO staff provide MFH staff a list of requests for documents and special observations each year. This also needs to be added to Page 1, Introductory Paragraph of "Part I, Desk Review" of the Form itself.

A. This statement has been added to the introductory paragraph of Instructions on the first page, prior to the last sentence. A similar statement has been added to the Instructions statement of Addendum C.

Q. **Instructions** - line 3. It is incorrect and misleading to state that Reviewers of subsidized projects must complete all Addenda (A,B,C and D) when Addendum B is meant to be filled out by the

owner and merely collected by the PBCA. And the new Addendum D cannot be filled out by anyone but the owner.(2)

- A. A reading of Addendum B, in the first line of instructions, states "Multifamily Housing (Housing) staff or Performance-Based Contract Administrators and Traditional Contract Administrators (CA) must complete this Checklist when conducting on-site management reviews of subsidized and unsubsidized multifamily housing projects." Addendum D is designed to capture at the time of an On-Site Review, data that the O/A has been collecting according to the instructions contained in Housing Notice H 2009-11 State Lifetime Sex Offender Registration.
- Q. **Instructions** - Prior to On-site Review: Add that Fair Housing/Civil Rights review requirements are all in Addendum B. Add that the owner must complete Addendum B, Part A and send it to MFH.
- A. The requested sentences have been added to A. Prior to On-Site Review following the second sentence "This portion of the review will assist the Reviewer in identifying potential problem areas."
- Q. **Instructions** - Conducting On-Site Reviews: Insert a third bullet between the current second and third bullets, to read, "In accordance with Part D, bring back all information requested by FHEO or ask the owner to send it."
- A. The additional bullet has been added.
- Q. **Instructions** - Conducting On-Site Reviews - HUD should specifically advise reviewers to refrain from issuing findings when anomalies are discovered when appropriate. For example:
1. Problems that have already been resolved - for example - if an owner/agent was not adding the "time received" to applications in 2001, but has since started using the time stamp on all applications, the reviewer should not issue a finding during the file review. There is no corrective action since the owner/agent has no way of knowing what time the application was received and compliant practice has already been implemented.
 2. Problems being resolved by management companies assigned by HUD to address management issues - in some cases, owner/agents are penalized for action taken by a previous management company prior to takeover by the new management company. This is especially concerning when HUD assigns the new management company but allows reviewers to issue findings that led to HUD assignment in the first place. This places undue burden on the new management company and makes it less attractive to assume HUD assigned contracts.
- A. The two comments above are outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. The comment is considered to be a training issue, and reviewers should be trained in the application and use of the form to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.
- Q. **Instructions** - Conducting On-Site Reviews - We would suggest some discussion about how reviews are handled when there is Section 8 combined with another HUD program, such as 236.
- A. Each HUD program and subsidy type is controlled by its own set of rules and procedures. When conducting a management review,

the review of each unit must be subjected to the applicable rules for that unit.

- Q. **Instructions** - "After On-Site Review" - It is recommended that HUD provide specific guidance in HUD Handbook 4350.1 chapter 6 to assure CA's can consistently apply point values to category ratings. It is recommended that guidance specifically identify how many points are to deducted for specific findings or types of findings. Currently the guidance indicates a score of 1-100 but it does not provide specific guidance on application of point values.
- A. HUD is moving incrementally to produce an objective document in the Management Review form. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues. At this writing, the final score, as recorded on the form and in iREMS, continues to be the overall performance score, rated from Superior to Unsatisfactory. See Housing Notice H 2011-11 Revisions to Handbook 4350.1, Chapter 6: Conducting Management Reviews, and Attachment.
- Q. **Instructions** - "After On-Site Review" - Findings must include the condition, criteria, cause, effect and required corrective action. The condition describes the problem or deficiency. The criteria cite the statutory, regulatory or administrative requirements that were not met. The cause explains why the condition occurred. The effect describes what happened because of the condition. The corrective action provides what the owner/agent must do to eliminate the deficiency. The corrective action must include a requirement that the owner determine and correct not only the discovered errors and omissions, but also describe to the Reviewer how and what systems, controls, policies and procedures were adjusted or changed to assure that the errors and omissions do not reoccur.
- A. See Handbook 4350.1 REV-1 Section 6-10 "Communicating Monitoring Results/Follow-up" for complete instructions for communicating results and the follow-up process. Reviewers should be trained in the application and use of the form to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.
- Q. **Instructions** - "After On-Site Review" - If a below average or unsatisfactory rating is determined, the owner/agent must be afforded an opportunity to appeal. Guidance on appeal procedures is provided in HUD Handbook 4350.1, REV-1. This appeal process is extremely frustrating for the owner/agents. It only allows for appeal in cases where the score is below average or unsatisfactory.
- A. The instruction found in Instruction C, bullet 4 states that "If a below average or unsatisfactory rating is determined, the owner/agent must be afforded an opportunity to appeal. A similar statement may be found in the Handbook 4350.1 §6-14. In both documents, owner/managers are provided an appeal process for "Below Average" and "Unsatisfactory" report findings. Both documents, however, are silent as to appeal of "Satisfactory" and "Above Average" ratings.
The purpose of this management review process, for owners, for managers, and for HUD, ultimately is to assess risk. When a property is doing well, risk of failure is low, and HUD may focus

staff and resources in areas that require more of their attention. Providing an appeal process for project findings that are considered to be "Satisfactory" or better is not likely to change the overall risk of failure, would tend to tie up valuable resources, and produce marginal results at best.

- Q. **Instructions** - "After On-Site Review" and "Management Review Deficiency Follow-up": The General Operating Procedure between MFH and FHEO contains information that should be described for processing the civil rights/fair housing/accessibility information collected.
- A. Part C: On-Site Review has been modified at the second bullet to include:
The owner completes Addendum B Part A Section 1, and forwards the completed form to the reviewer, who it to FHEO, along with the approved initial or updated Affirmative Fair Housing Marketing Plans in accordance with "General Operational Procedures for the Civil Rights Front-End and Limited Monitoring Reviews of Subsidized Multifamily Housing Projects", which may be found on FHEO's web site.
Part D: Management Review Deficiency Follow-up has been supplemented by a second bullet with:
- Housing reviewers will forward all completed FHEO checklists and attachments to FHEO within five (5) business days of their own on-site reviews or within 5 business days of receipt of the checklists from the CA, as applicable. Follow-up instructions may be found on FHEO's web site.
- Q. **Instructions** - "After On-Site Review" bullet 4, limits appeals to only below-average and unsatisfactory ratings, but we believe that appeals should be allowed for all ratings, to include satisfactory and above average. As the new scoring guidance is still being integrated into the revised document, the ability to appeal any/all category scores should be accepted.
- A. The instruction found in Instruction C, bullet 4 states that "If a below average or unsatisfactory rating is determined, the owner/agent **must** be afforded an opportunity to appeal. A similar statement may be found in the Handbook 4350.1 §6-14. In both documents, owner/managers are provided an appeal process for "Below Average" and "Unsatisfactory" overall report findings. Both documents, however, are silent as to appeal of "Satisfactory" and "Above Average" ratings.
The purpose of this management review process, for owners, for managers, and for HUD, ultimately is to assess risk. When a property is doing well, risk of failure is low, and HUD may focus staff and resources in areas and projects that require more of their attention. Providing an appeal process for project findings that are considered to be "Satisfactory" or better is not likely to change the overall risk of failure, would tend to tie up valuable resources, and produce marginal results at best.
- Q. **Summary** page - Findings portion of the HUD-9834 requires that Findings include five components: condition, criteria, cause, effect, and corrective actions. SHCC's experience with completing the "cause and effect" components is that it does not serve a substantive purpose and generally impedes the clarity of the information being presented. Additionally, their

inclusion has proven to be a source of dispute by owners and agents who think the Contract Administrator is assuming or speculating on the origin or extent of the problem that is identified as a Finding and is presenting information that sounds more punitive in nature. In short, the "cause" is always some form of action or inaction by management and the "effect" is already stated in the "condition." Additionally, "cause and effect" is a statistical analysis term that is not applicable for the level of review conducted in an MOR. Although we understand HUD's objective in requiring the identification of the cause of the problem as outlined in the HUD Monitoring Desk Guide, we believe the objective can be met via the condition, criteria, and corrective action components.

- A. See Handbook 4350.1 Multifamily Asset Management Chapter 6 "Conducting Management Reviews", Section 6-10 "Communicating Monitoring Results/Follow-up". To address findings of the Government Accountability Office and HUD Office of Inspector General, the Office of Housing has adopted The HUD Desk Monitoring Guide: Policies and Procedures for Program Oversight (HUD Desk Guide) to help bring consistency to HUD monitoring processes in the use and application of form HUD-9834. Reviewers will determine the extent to which each of the five components are addressed.

- Q. **Summary** page - provide additional guidance in Handbook 4350.1 Chapter 6 on the generalized terms of "few", "some", "minimal" etc, and weight the value of individual questions based on relevance and significance in terms of overall compliance.
- A. Handbook 4350.1 §6-11 is where these words are used to define the score values of "Above Average", "Satisfactory", etc. These phrases were used in the Handbook purposefully, to allow the reviewer the latitude implied by the scoring mechanism when setting scores.
HUD is moving incrementally to produce an objective document in the Management Review form. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues. Scoring of individual questions will be a feature of future revisions.

- Q. **Summary** page- Suggest that the rating be included with the number score. (2)
- A. The option to include the named ratings has been added, and will be included as a calculated field in the next revision to the form HUD-9834.

- Q. **Summary** page - We strongly recommend that HUD continue with the existing reporting whereby only the descriptive ratings of Superior, Above Average, Satisfactory, Below Average, and Unsatisfactory appear on the summary sheet. HUD has never provided the industry stakeholders any specific guidelines on numerical scoring and the values they want assigned to each specific question or situation.
- A. Handbook 4350.1 Multifamily Asset Management Chapter 6 "Conducting Management Reviews" outlines the process and methodology for assessing scores for each of the seven categories. Owners and managers will be expecting to see the scores, and assess for themselves the likelihood that an appeal of an overall rating may be effective. The option to include the

named ratings has been added, and will be included as a calculated field in the next revision to the form HUD-9834.

- Q. **Summary** page - Although HUD has made changes to the scoring, it is still very subjective and is now more complicated. This process needs to be simplified. In addition, the percentage of the overall score each category contributes needs to be weighted to better reflect the time invested and the overall importance of each category. For example, Section E — Leasing and Occupancy should contribute more than 25% of the overall score, possibly as much as 50% or more, because that section of the report includes the tenant file reviews (including the calculation of income, deductions, and rents), EIV, TRACS, and all of the security functions.
- A. HUD is moving incrementally to produce an objective document in the Management Review form. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues. At this writing, the final overall score, as recorded on the form and in iREMS, continues to be the overall performance, from Superior to Unsatisfactory. The point is duly noted, and will be addressed in future updates to be made to the Handbook 4350.1 Multifamily Asset Management, and in future revisions to the form HUD-9834.
- Q. **Summary** page - The HUD, PBCA and Mortgagee staff and management will have to justify a point by point differential in properties the owners and agents or industry groups are comparing. This will significantly add time to the process and cause dissension and will dramatically increase the number of appeals the PBCA and or HUD staff will have to handle.
- A. On the subject of appeals, only overall "Below Average" and "Unsatisfactory" reports may be appealed. There is no appeal process available for individual scores, and no appeal for reports of "Satisfactory" or better.
- Q. **Summary** page - recommend to amend / change the language on the form so that it is less confusing to O/As. Specifically, Summary section D is confusing (e.g., "0 is 25% of the overall score).
- A. The form HUD-9834 is designed as an electronic fillable form. The value of 0 (zero) is a default value, meant to avoid the possibility of leaving the field blank when the category is not reviewed. Reviewers are expected to replace the 0 zero value in each reviewed category with their own assessed value. The function of the use of zero is addressed in Handbook 4350.1 *Multifamily Asset Management* Chapter 6 "Conducting Management Reviews" and in Housing Notice H 2011-11 "Revisions to Handbook 4350.1 Chapter 6 "Conducting Management Reviews".
- Q. **Summary** page Category B- This [category] comprises 10% of the overall rating but when factoring areas not rated by the CAs, the effective percentage is closer to 13% of the overall rating. For this reason, HUD should elaborate on how reviewers should rate this section [4350.1 Chapter 6 is silent on this matter] when there has not been a REAC inspection within the last twelve months and the property is not subject to lead based paint requirements.
- A. This comment is directed to Handbook 4350.1 Multifamily Asset Management Chapter 6 "Conducting Management Reviews". In that

chapter the respondent will find that for areas not reviewed for any reason, the calculations take the unrated section into account by entering zero, applying no value to that category. See Section 6-11 for the formulae to calculate an overall score. Also see the Housing Notice h 2011-11 which includes as an attachment, a utility for performing the calculation.

- Q. **Summary** page Category B- Is a rating even necessary in situations where a REAC hasn't been performed within the last twelve months and/or follow-up on lead-based paint inspection is not applicable? In these cases, a "zero" should be entered. And if a rating were entered, any rating less than 100 could unfairly affect the overall MOR rating.
- A. This comment is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. See Handbook 4350.1 *Multifamily Asset Management Chapter 6, "Conducting Management Reviews"*.
- Q. **Summary** page Category B- if a property has had a REAC inspection within the last twelve months would a reviewer rate a property that had EH&S items that they mitigated equally with a property that had no EH&S items present during the REAC inspection? Perhaps the last REAC score within the last twelve months should weigh specifically into assigning the rating in this category...or whether or not there were any EH&S items present could be another factor.
- A. This comment is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form's present configuration, individual scoring of questions is not expected.
- Q. **Summary** page; Findings- While HUD defines specific requirements for issuing findings, this form is not formatted to ensure compliance with instructions. To ensure consistency and compliance, columns should be included that list each of the categories
- A. In the interest of conserving space, a columnar approach to addressing monitoring results was rejected as a requirement. HUD Handbook 4350.1 Multifamily Asset Management Chapter 6 The column "Finding" is an input column, and each Item Number row will expand to the needs of the reviewer. "Conducting Management Reviews" at Section 6-10 includes a suggested content for communicating results as an attachment to the Summary page of form HUD-9834. An attachment to Chapter 6 of Handbook 4350.1 provides the HUD Monitoring Desk Guide which is a comprehensive guide for the response structure used in monitoring processes generally.
- Q. **Desk Review** question . 2. - recommends that an N/A check box be added, so as to allow for situations in which a REAC inspection has not been conducted within the last 12 months.
- A. To accommodate the needs of PBCAs, the option to use "N/A" has been added to this question.
- Q. **Desk Review** question . 6. - recommends that an N/A check box be added to both questions, to allow for cases in which a Lead-Based Paint inspection/Evaluation has not been conducted.

A. For the cases where a lead based paint inspection has not been conducted, the option to use "N/A" has been added to each part of this question.

Q. **Desk Review** question . 9. - better define what constitutes "acceptable" form of operating budgets.

A. "Acceptable" form is generally defined in Regulatory Agreements and HAP contracts.

Q. **Desk Review** question 18.b. - The question that concerns EIV reports is missing the New Hires report.

A. The New Hires report has been added to question [new number] 47.

Q. **Desk Review** question . 19 - add option of "N/A" in responses.

A. Desk Review, Part 1, Question 19 warrants a choice of "N/A" because the owner/management may not have executed a Management Certification, warranting a "No" response to the previous question 18. The option of "N/A" has been added to question 19.

Q. **Desk Review** question . 35 - recommends that an N/A check box be added to allow for cases in which a contract has not come up for renewal.

A. The question has been restated to earlier phraseology: "If approval is required, are rent increase requests submitted promptly?", and a checkbox included for "N/A".

Q. **Desk Review** question . 36.a. - It appears as though the line present before question b should be removed so as to ensure consistent formatting throughout the form. As it appears now, question b is separate from question a, and it is unclear as to whether the question applies only to HUD Staff/Mortgagees, or if CAs must also answer the question.

A. Since there are no other questions of this type in the Desk Review part of the form, the line will remain.

Q. **Desk Review** question . 37 - Add "N/A" box.

A. Question 37 "Has the owner/agent performed an analysis to determine future Reserve for Replacement needs when submitting a budget based rent increase?" anticipates a requirement that RfR needs be considered when projects eligible for budget based rent adjustments are requested. This requirement is contained in a revised Handbook 4350.1 Multifamily Asset Management Chapter 4 "Reserve for Replacements", which is currently in the clearance process and expected to be published shortly.

Q. **Desk Review** question 38 - We believe that both the effective and approval dates for the utility allowance should be included.

A. The form has been updated by including a space to note the approval date for the utility allowance.

Q. **Desk Review** question 38 - This question should say "within 75 days of final approval". Some reviewers are tying to the effective date even when the effective date is retroactive.

A. The question as presented in the form HUD-9834 is consistent with language found in Handbook 4350.3 HUD Multifamily Occupancy Handbook in Section 7-18 B. and C. It is the intention of HUD that the application of the utility allowance be tied to the effective date.

Q. **Desk Review** question 43 – In some cases, the owner/agent is submitting information to the CA, not to TRACS. It is the responsibility of the CA to submit the information to TRACS. Also, in accordance with HB 4350.3 Revision 1, Change 3, Paragraph 9-5, Figure 9-2, and to improve overall performance of EIV, we request that the question ask if the owner/agent is submitting certifications throughout the month as they are completed.

A. Efficient time management would suggest that bundling work product such as posting data to TRACS would provide the most effective use of staff's valuable time. HUD does not wish to impose on users a processing requirement that impedes their daily routine. Figure 9-2 of Handbook 4350.3 does not mandate this practice, it uses a "should" and not a "must".

Q. **Desk Review** question 44 – It is recommended that HUD provide guidance on how this information is to be determined during the desk review. Currently data is not submitted to the CA, nor does the CA have access to this requested information within HUD's TRACS system. (2)

A. This question applies to any organization with reporting responsibilities for loan programs of Section 236 and Section 221(d)(3)BMIR. Thus, CA/PBCAs are expected to respond to this question. Since owner's tenant form 50059s are transmitted to CA/PBCAs for validation prior to the CA/PBCA transmitting the 50059s to HUD, they do have access to the data. The question is directed to subsidized tenants who may be missed with Question 43, which asks more generally, "Is the owner/agent submitting tenant certification data to TRACS to support the voucher billings?"

Q. **Desk Review** question 44 – recommend including the words "this question applies only to HUD staff" if this question is only going to apply to HUD staff so that it is in line with other questions that do not apply to the PBCA. (5)

A. This question applies to any organization with reporting responsibilities for loan programs of Section 236 and Section 221(d)(3)BMIR. Thus, there is reason to believe that HUD staff, mortgagees, and CA/PBCAs all could be expected to respond to this question. Since owner's tenant form 50059s are transmitted to CA/PBCAs for validation prior to the CA/PBCA transmitting the 50059s to HUD, they do have access to the data. The question is directed to subsidized tenants who may be missed with Question 43, which asks more generally, "Is the owner/agent submitting tenant certification data to TRACS to support the voucher billings?"

Q. **Desk Review** question 45 – a new line was added to list the date the contract ends. Recommend the 1st line to record information has "date the contract term began" added in front of the line to be clear as well as be consistent with the new format of the added line to this question.

- A. Adding the date the contract began would make possible the inclusion of a calculated field to establish "the term of the subsidy contract". The primary concern of this question, however, is to record the ending date for the contract for purposes related to contract renewal as procedure is established in the *Section 8 Renewal Guide*.
- Q. **Desk Review** question 46 – There is no benefit in having the EIV reports printed and reviewed during the Desk Review process – mainly due to timing of data represented in each report. The reviewer will have to look at these reports against the O/A reports at the property. Owner/Agent follow-up efforts to ensure compliance is based on they ran the reports, not when the CA ran the reports, thus there could be significant differences in noted discrepancies on each report. Also, reviewing the report on-site will reduce the number of CA staff needing system access to EIV reports and will minimize the transportation of highly sensitive data. Rather, Desk Review EIV question(s) should instruct reviewers to pull an O/A Certification Report for the property. This would enable them to review original and current CAAFs should the EIV system not be working when they get to the property.
- A. The purpose of a desk review of the listed EIV reports, as stated, is to "review of the EIV reports listed" for "information that needs a resolution or explanation" at the time of an On-Site review. Reviewing reports as part of the Desk Review will highlight only those reports that require explanation during the on-site review.
- Q. **Desk Review** question 46 – Based on the instructions in HUD notice H 2010-10, it is recommended that "N/A" be removed as an option as "N/A" should not apply. All reports listed are required and the answer would need to be yes or no.
- A. The question, [now numbered] 47., asks "Does review of the EIV reports listed below include information that needs a resolution or explanation by the owner/agent?" While it may be true that the reports are required, it is not necessarily true that the reports are present. Whether they "need a resolution" requires a yes or no response. If there is no report, for whatever reason, the response is necessarily "N/A", and a comment is necessary. Some reports, such as the Deceased Tenant report may not apply.
- Q. **Desk Review** question 47 Income Discrepancy Report – this information changes periodically. Unless the owner/agent is reviewing this information every month for all residents, there may not have been an investigation. Currently, many reviewers are requiring owner/agents to investigate discrepancies brought up at MOR even if the owner/agent is in compliance with HUD's policy to review 90 days after MI and at each AR or IR. This is causing unnecessary work for both the owner/agents, the CA and local HUD offices.
- A. Reviewers are responsible for examining the use of EIV reports and reviewers can print and bring the reports to the property, not providing reports for owner/managers to review. Both EIV Income Discrepancy Reports and HUD-50059 are records of a point in time. Reference Notice H 2011-21 for when the Income Discrepancy report is to be run and discrepancies resolved.

- Q. **Desk Review** question 47 Multiple Subsidy Report – Currently, owner/agents cannot force corrective action for the Multiple Subsidy Report. If a MO has not been recorded in TRACS, for a previous owner/agent, the current owner/agent has no recourse. Only HUD can resolve these issues when the resident is compliant.
- A. There is no comment to which a response can be formulated. See Notice H 2011-21 “Enterprise Income Verification (EIV) System” Section VII. “Using EIV Reports” for procedures recommended in the instance of multiple subsidies.
- Q. **Desk Review** question 48 – Based on the instructions in HUD notice H 2010-10, it is recommended that “N/A” be removed as an option as “N/A” should not apply. All reports listed are required and the answer would need to be yes or no.
- A. The question, [now numbered] 47., asks “Does review of the EIV reports listed below include information that needs a resolution or explanation by the owner/agent?” While it may be true that the reports are required, it is not necessarily true that the reports are present. Whether they “need a resolution” requires a yes or no response, if there is no report, for whatever reason, the response is necessarily “N/A”. Some reports, such as the Deceased Tenant report may not apply.
- Q. **Desk Review** question 48 – Is 49 referenced in error? Should it reference question 47 instead?
(2)
- A. Thank you for the observation. The numbers have been adjusted beginning with 47. at the question “Does review of the EIV reports listed below ...”
- Q. **Desk Review** question 49 – instructs reviewer to note any unresolved finding from previous management reviews. This might be a good place to insert a direction or new numbered question to note any findings for historical oversights which have previously been addressed. This would help the reviewer to better focus on evaluation of current documentation practices, policies and procedures.
- A. The point will be addressed in future updates to be made to the Handbook 4350.1 Multifamily Asset Management. Staff of Multifamily Asset Management feels that instructions and procedure for completing the Management Review form may be more thoroughly addressed in the larger forum of the Handbook.
- Q. **On-Site Review** questions General Appearance and Security – Most of the questions in these two areas cannot be scored. The form asks for opinions which are not supported by regulatory reference. So, reviewers, who are not property managers, are asked to express an opinion based on their own references and experience. This should not be scored unless there is a regulatory reference giving specific indication of what is acceptable and what is not.
- A. At this time, the scoring of individual sections of the form HUD-9834 are based on the reviewer’s training and experience. HUD is moving incrementally to produce an objective document in the Management Review form. In the form’s present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results

determined in answers to the questions. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues.

- Q. **On-Site Review** questions A.1., B.3., and C.5. – We recommend that the summary form combine categories A.1, B.3 and C.5 into one category as each topic is interrelated to the owner or agents performance in maintaining and providing decent safe and sanitary housing to the tenants. The findings in A.1 and C.5 depend heavily on the owner or agent performance of B.3. If the owner or agent’s maintenance program is not successful the general physical appearance and REAC Inspection follow-up and monitoring will clearly reflect that the property is not being properly or timely maintained.
- A. The recommendations to combine questions and categories is beyond the scope of the current Federal Register Notice of Proposed Information Collection: Comment Request. This comment and recommendation will, however, be considered in future updates and revisions to the form HUD-9834 and the Handbook 4350.1 Multifamily Asset Management Chapter 6 “Conducting Management Reviews”.
- Q. **On-Site Review** question B.2.d. – The language from question 41 of Part 1, Question 41 should be added here so that the owner/agent is aware that a special rent increase can be requested for all of these areas, not just for security measures.
- A. Category A.2.d. is part of the “General Appearance & Security” category, and the question is directed to security issues. As HUD applies interactivity to forms such as HUD-9834 the response to the Desk Review question 41 may populate the response to Category A.2.d., or the security question may become redundant.
- Q. **On-Site Review** question B.3.a. and B.3.b. – recommend including that the question is only applicable if the REAC inspection was completed in the 12 months prior to the MOR date.
- A. This procedural instruction is included in Handbook 4350.1 Multifamily Asset Management Chapter 6 “Conducting Management Reviews” as published in Hudclips.
- Q. **On-Site Review** question B.3.b. – This seems to be more about the REAC inspection. If the plan has been submitted and accepted by REAC, why is a compliance reviewer commenting on the “reasonableness” of the plan. The question ties more to: “If no and If there is a schedule for correcting deficiencies, has owner agents completed the tasks in compliance with the schedule?” This can be monitored based on regulatory requirements.
- A. The question asks “[I]s there a schedule for correcting the deficiencies within a reasonable timeframe ...”. HUD does not intend, in this context, for the reviewer to determine the reasonableness of the plan.
- Q. **On-Site Review** question C.5.b. – Based on this question, any answer is subjective. Because HUD does not define what a satisfactory system is, there is no regulatory cite to determine how to review this area. Can the system be manual, does it have to be automated, is there funding, etc.?

- A. A satisfactory system would be any system that “account[s] for tools, equipment, supplies, and keys”. Each project and each manager will have their own method for inventory. HUD’s concern is that there be a system, and that management is using it effectively.
- Q. **On-Site Review** question C.5.e. – The questions regarding unit inspections do not seem to be questions that can be scored. For example: How often are units inspected? There is no right or wrong answer.
- A. The question as presented in form HUD-9834 “How often are units inspected?” provides the opportunity to respond to the questions raised in this comment. The check boxes included are not mutually exclusive; a reviewer can check all that are appropriate.
- Q. **On-Site Review** question C.5.f. – HUD has not specific requirement. As long as they are documented, whether in paper or automated format, HUD requirements should be satisfied. So the question is “Are inspections documented in some manner (automated/paper)?”
- A. After reviewing the question as written, it is felt that no change is required, because, as noted, HUD has no specific requirement or format for documenting inspections conducted by management.
- Q. **On-Site Review** question C.5.g. – HUD is asking for an explanation of a process that is not defined. This means that the question cannot be scored because there is no regulatory reference and that the answer can be subjective.
- A. At this time, the scoring of individual Categories of the form HUD-9834 are based on the reviewer’s training and experience. HUD is moving incrementally to produce an objective document in the Management Review form. In the form’s present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results determined in answers to the questions. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues.
- Q. **On-Site Review** question C.5.h. – HUD does not define an acceptable number of days from move-out to make ready. Is this just “information gathering” or does HUD expect this question to be scored? Issues, such as funding, contract renewals, vacancy, etc can affect these timeframes.
- A. Turnover rates are affected by many factors, and reviewers will be able to determine a reasonable timeframe through the observations made through use of this form HUD-9834. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form’s present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results determined in answers to the questions.

- Q. **On-Site Review** question C.5.h. – recommend that a line be included at the end of the question to record the average.
- A. A line has been added at the end of the question for reviewers to notate the average.
- Q. **On-Site Review** question C.5.i. – We expect the question requiring a written work order policy. When asking the reviewer to review a copy, what, specifically is the reviewer looking for? Is this question scored since HUD has not regulatory requirement explaining what should or should not be included in a work order policy?
- A. The question asks “Is there a written procedure for completing work orders?” Reviewers are expected to determine the quality of the procedure. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form’s present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results determined in answers to the questions.
- Q. **On-Site Review** question C.5.k. – HUD does not define a “backlog” of work orders. We can find no regulatory requirement defining this term so any answer is subjective based on the experience of the reviewer.
- A. There is no comment to which a response can be formulated. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form’s present configuration, individual scoring of questions is not expected.
- Q. **On-Site Review** question C.6.a. – it was suggested that the average length of time for unit turnover include “from MO to MI” at the end of the statement, for clarification.
- A. Adding the dates for move-out and move-in would make possible the inclusion of a calculated field to establish the turnover period. Consideration may be given in future revisions to including the MO and MI dates.
- Q. **On-Site Review** question C.6.a. – Add a line for of the Total Vacant Units, how many are Section 8.
- A. Because the form is used by several diverse entities, adding the proposed item would render the form overly restrictive, and require several additional lines to accommodate various additional options.
- Q. **On-Site Review** question C.6.b. – Recommend that a space should be added that indicates the number of units visited with spaces for the # that are ready and the # that are not ready.
- A. The suggested items have been added.
- Q. **On-Site Review** question C.6.b. – Once again, this question is subjective. HUD does not provide regulatory guidance on what makes a unit ready or not. There is no regulatory cite.
- A. There is no comment to which a response can be formulated. It is expected that reviewers receive training in Housing Quality

Standards (HQS) to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form's present configuration, individual scoring of questions is not expected.

Q. **On-Site Review** question C.6.c. – Recommend adding, “Applicants do not meet screening criteria.”

A. The suggested items have been added.

Q. **On-Site Review** question C.6.c. – This is a really tough question to score. If vacancy is caused by bedroom mix/size, lack of demand or location, does the owner/agent receive a lower score, even though those are factors beyond the owner/agent's control. Also, what is the real question/regulation being monitored here?

A. In the form's present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results determined in answers to the questions. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.

Q. **On-Site Review** question C.7. – Recommend adding: written energy conservation plan, energy efficient lighting, and energy star appliances.

A. The suggested items have been added.

Q. **On-Site Review** question C.7. – How is this question scored and how does this tie back to a regulatory requirements? If the owner/agent has not installed water-saver devices, is this a finding? If an owner/agent takes all of these steps with a new property, how does that compare to a 20 year old property with limited funds?

A. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form's present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results determined in answers to questions within the section.

Q. **On-Site Review** question D.8. – if this question is relevant only for PRAC properties, then the term should be included in the question before the first comma, and will help to avoid confusion or misapplication for any of the earlier phases of the Section 202 program, with or without Section 8 subsidy.

A. On-Site Review, Category D, Financial Management / Procurement question 8.d. applies to all projects funded with the 202 or 811 program. Category D must be completed only by HUD Staff and/or Mortgagees, as indicated in the category header.

- Q. **On-Site Review** question D.9.c. – noted the wording on this question has become more confusing after the revisions. We believe the question should be worded “Are adequate controls in place when cash is accepted?”
- A. On-Site Review question 9.b. has been revised as suggested. The question now reads: “Are adequate controls in place when cash is accepted?”
- Q. **On-Site Review** question E.14.a. – Since HUD does not prescribe an application and there are no fixed requirements this question is subjective. See HB 4350.3 Revision 1, Change 3, Paragraph 4-14-B. Until HUD defines requirements, versus suggestions, reviewer responses are subjective and based on the experience of the reviewer. Applications are certainly tools to use to determine preliminary eligibility, but the real risk is whether an applicant was eligible at move-in.
- A. This comment reflects the desire for changes to Handbook 4350.3, and the comment will be considered when revisions to the handbook are published.
- Q. **On-Site Review** question E.14.a. – The previous 9834 stated "application" versus "Lease Application Form." Is there now a HUD Application form? Is it an attachment to the Lease?
- A. Following requirements and recommendations found in Handbook 4350.3 Section 6-5 “Lease Requirements”, and notices and regulations, owners create lease applications.
- Q. **On-Site Review** question E.14.c. – The HUD instruction indicates that this question “should” be on the application not “must” be on the application. Including this question subjects owner/agent to findings that are not supported. While HUD Notice 09-11 indicates that owner/agents must screen, there are no requirement to include the question on the application.
- A. The owner/manager is required to research information as to inclusion on a lifetime sex offender list. Therefore there is no reason for a question to be included on an application form. The point is well taken, and question 14.b. has been revised as follows:
14.b. Does the tenant file contain evidence that the owner/manager has completed a check of Dru Sjodin National Sex offender Database?
- Q. **On-Site Review** question E.14.b. – does this mean that Sex Offender registration must be included on the application?
- A. The applicant is not required to provide information as to inclusion on a lifetime sex offender list. Therefore there is no reason for a question to be included on an application form. The point is well taken, and question 14.b. has been revised as follows: “14.b. Does the tenant file contain evidence that the owner/manager has completed a check of Dru Sjodin National Sex Offender Database?” For reference, see Housing Notice H-2009-11 “State Lifetime Sex Offender Registration”. Question 14.c. becomes a redundant requirement, and has been removed.

- Q. **On-Site Review** question E.14.b. – It is recommended that HUD provide an update to HUD notice H 2009-11 that replaces the words “should” with “must” so that findings for these items can be accurately assessed. There is currently no citation that requires these questions be on the application or asked directly as stated in the revised 9834.
- A. Housing Notice H-2009-11, at Part IV states “In accordance with the regulations ... O/As and PHAs must perform necessary criminal history background checks to determine if an applicant, or a member of an applicant’s household, is subject to a lifetime registration requirement ... ” In the following paragraph it states “O/As and PHAs will make the determination, in accordance with their screening standards.” Application of the requirements are necessarily left to the individual owner/manager, due to the varying laws of states and local jurisdictions. If the response to these questions must be “No”, the reviewer would be expected to explain the circumstances in the “Comments” field. Also, see Housing Notice H 2011-21 Enterprise Income Verification (EIV) System.
- Q. **On-Site Review** question E.14.b. – This question is not necessary since there is no requirement to ask the applicant this question on the application. The only requirement is that management completes the sex offender check. As a public record, a management company does not need the permission of the applicant to check for this information. The TSP is required to state that sex offenders with lifetime registration requirements will be denied. Better question: Is the Management Agent running the report or required check?
- A. The applicant is not required to provide information as to inclusion on a lifetime sex offender list. Therefore there is no reason for a question to be included on an application form. The point is well taken, and question 14.b. has been revised as follows:
- 14.b. Does the tenant file contain evidence that the owner/manager has completed a check of Dru Sjodin National Sex offender Database?
- Q. **On-Site Review** question E.14.b. – If the Application does not contain this specific question, is it a finding on the MOR?
- HUD Handbook 4350.3, REV-1, CHG-3, paragraph 4-14B states that HUD does not prescribe an application format and lists information that an application “should” contain. Furthermore, the listed information does not include this specific question.
- A. The question is outside the scope of the Federal Register Notice of Proposed Information Collection. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.

Requirements for Sex Offenders are found in Housing Notice 2009-11 "State Lifetime Sex Offender Registration".

- Q. **On-Site Review** question E.14.c. - To clarify for reviewers this question should ask if the application asks for a listing of all states where the applicant and member of the household have resided if the property is NOT running a national sex offender check. Only if the property is not running a national sex offender check would this information be required and relevant.
- A. The suggestion focuses the question further than the use of the information would suggest. Besides checking for sex offenses, owner/managers may use the information for other purposes, including but not limited to skip tracing.
- Q. **On-Site Review** question E.14.b. and c. - the CFR and Handbook doesn't currently require these questions on the application. Does HUD intend to have these regulatory documents amended or will HUD amend the 9834 to be in accordance with the written guidance?
- A. See Housing Notice H 2009-11 "State Lifetime Sex Offender Registration".
- Q. **On-Site Review** question E.14.c. - Where does the PBCA find the criteria for this question?
- A. This question is mandated by OMB.
- Q. **On-Site Review** question E.14.c. - Where is the directive for the application to ask for a listing of states where the applicant and member of the applicant's household have resided. How far back do they have to go?
- A. See Notice H-2009-11, "State Lifetime Sex Offender Registration" and regulations at 24 CFR 5.856 and 5.905.
- Q. **On-Site Review** question E.14.c. - If the Application does not contain this specific question, is it a finding on the MOR?
- A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.
- Q. **On-Site Review** question E.14.b.,c., and d. - It is recommended that HUD provide an update to HUD notice H 2009-11 that replaces the words "should" with "must" so that findings for these items can be accurately assessed. There is currently no citation that requires these questions be on the application or asked directly as stated in the revised 9834.
- A. Housing Notice H-2009-11, at Part IV states "In accordance with the regulations ... O/As and PHAs must perform necessary criminal history background checks to determine if an applicant, or a member of an applicant's household, is subject

to a lifetime registration requirement ... " In the following paragraph it states "O/As and PHAs will make the determination, in accordance with their screening standards." Application of the requirements are necessarily left to the individual owner/manager, due to the varying laws of states and local jurisdictions. If the response to these questions must be "No", the reviewer would be expected to explain the circumstances in the "Comments" field. Also, see Housing Notice H 2011-21 Enterprise Income Verification (EIV) System. The wording "or other national database" has been added.

- Q. **On-Site Review** question E.14.g - Currently, Figure 4-2 does not include all of the resident selection plan requirements. Description of use of the Existing Tenant Report is required via HUD Notice 09-20 and 10-10. It is possible that this question should be expanded to say "Figure 4-2 or any Notices issued by the Department". Also, some HUD offices are determining that new instruction provided in HB 4350.1 Chapter 38 requires description of how families displaced as a result of a PDD are treated.
- A. This question has been revised to read "If yes, does the plan include all required criteria stated in Chapter 4, Handbook 4350.3 REV-1 and all applicable notices?"
- Q. **On-Site Review** question E.14.g - the question asks if all required criteria stated in Figure 4-2 of Chapter 4, Handbook 4350.3 Rev-1 have been incorporated in the written tenant selection plan. There are, however, additional requirements for elements to be found in tenant selection plans which are not specifically stated in Figure 4-2. HUD needs to revise, further update, this list of criteria.
- A. this question has been revised. The question now reads: "If yes, does the plan include all required criteria stated in Chapter 4, Handbook 4350.3 REV-1 and all applicable notices?".
- Q. **On-Site Review** question E.14.g. - Is listing the item numbers from the categories in Figure 4-2 acceptable (e.g. A.2 - Income Limits, A.4 - Occupancy standards and A.8 Eligibility of students)?
- A. The question has been modified to read "If yes, does the plan include all required criteria stated in Chapter 4 of Handbook 4350.3 REV-1 and all applicable notices?"
- Q. **On-Site Review** question E.14.g - What would be listed if the Existing Tenant Search requirement was missing from the Tenant Selection Plan (this information is not listed in Figure 4-2 as it is a more recent requirement)? Could A.3 (applicant screening criteria) be listed?
- A. Owners should be expected to keep their tenant selection plans current. The question is outside the scope of the

Federal Register Notice of Proposed Information Collection. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.

- Q. **On-Site Review** question E.14.g. – Will Figure 4-2 of HUD Handbook 4350.3, Chapter 4 be changed to include VAWA and EIV. If not, the EIV should be added to this question.
- A. This comment reflects the desire for changes to Handbook 4350.3, and the comment will be considered when revisions to the handbook are published. For current information, visit the RHIIP website at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rhiip/mfhrhiip.
- Q. **On-Site Review** question E.14.j. – Add to the end of the question, “approved by HUD”.
- A. The question 14.j. asks: “Were the applicants selected from the waiting list in the proper order?” Handbook 4350.3 Chapter 4 “Waiting List and Tenant Selection” describes in detail the data that must be included in a waiting list, and how applicants may be selected. HUD does not approve waiting lists or provide a form or template for creating and using a waiting list. HUD does require that selections be made chronologically by application date, after recognizing stated preferences. It is the task of the reviewer to make this determination.
- Q. **On-Site Review** question E.14.l. – This question can be misleading since the Handbook Questions and Answers Question 33 indicates that the calculation is based on initial certifications (existing households who now qualify for subsidy) and new MI certifications.
- A. Leasing activity necessarily involves initial certifications.
- Q. **On-Site Review** question E.14 k – utilizes the incorrect tense (“become”) when discussing historical data. It should, instead, read “became” as in “is documentation available to show that the owner/agent has leased [appropriate percentage] of Section 8 units that became available for occupancy in the previous fiscal year...”
- A. The questionable use of “become” in the On-Site Review, Category E, question 14.k. has been changed to “became”.
- Q. **On-Site Review** question E.14 m – This is not a requirement if the owner/agent has no need to market to reach the 40% target. See HB 4350.3 Revision 1, Change 3, Paragraph 4-25 Figure 4-6 Step 3.

Maybe the question can be re-worded to say "if the owner/agent is not attaining the 40% target, what marketing steps....?"

A. The question goes on to state "If not applicable, proceed to question n."

Q. **On-Site Review** question E.14 o - The question should be either - is the fair housing sign posted in the rental office? Or Is the affirmative fair housing marketing plan posted in the rental office? Current wording does not make sense.

A. The word "affirmative" has been removed.

Q. **On-Site Review** question E.14 o - Consider adding, "and equal housing opportunity statement."

A. 24 CFR 200.620 provides "All advertising shall include either the Department-approved Equal Housing Opportunity logo or slogan or statement and all advertising depicting persons shall depict persons of majority and minority groups, including both sexes."

There are many suggested methods for stating an affirmative Housing opportunity. HUD staff feels that inclusion of the additional question in the form HUD-9834 would then require inclusion of each stated possible variation. This level of disclosure is considered to be beyond the scope of this form.

Q. **On-Site Review** Question E.15 a. - Should also include lease addenda issued by a CA or the lease addendum for Section 8 elderly properties identifying the right to have a pet.

A. HUD model lease(s) are the only lease(s) approved for use. Therefore, changes to the lease addenda must be approved by HUD, including any lease addenda created by CAs.

Q. **On-Site Review** Question E.15 a. - For clarification purposes, identifies the addendum that does not need HUD approval.

A. A comment section is included with every question, and follow-up is expected for any question for which a negative response is necessary. For information pertinent to lease and addenda modifications, see Handbook 4350.3 *Occupancy Requirements of Subsidized Multifamily Housing Programs* Chapter 6 "Lease Requirements and Leasing Activity".

Q. **On-Site Review** Question E.15.b. and c. - HB 4350.3 Revision 1, Change 3, Paragraph 6-25 lists charges that the owner/agent can assess without HUD approval. In addition, Pet Deposit can be collected in accordance with HB 4350.3 Revision 1, Change 3, Paragraph 6-24. In order to avoid confusion or "findings in error" the question should say: "if the charges are discussed in HUD guidance, is the OA complying with such guidance? If the charges are not discussed in published HUD guidance, have the charges been approved by HUD?"

- A. HUD staff feels that the questions adequately address the issue of other charges. Question 15.b. asks the reviewer to list charges that are charged. Note in question 15.c. the inclusion of an "N/A" option.
- Q. **On-Site Review** Question E.15.c. – Recommend adding, "If required" to the end of the question.
- A. See Handbook 4350.3 Chapter 6 "Lease Requirements and Leasing Activities" Section 3 "Charges in Addition to Rent". HUD feels that the addition of the phrase "if required" will not contribute significant information.
- Q. **On-Site Review** Question E.15.d. – Explain what is expected from management during the review for this particular question.
- A. Reviewers should be trained in the application and use of the form to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. This question is beyond the scope of the current Federal Register Notice of Proposed Information Collection: Comment Request.

On-Site Review Question E.15.d. – Add a box for an "N/A" response

- A. A provision for the selection of "N/A" has not been added to On-Site Review, Category E, question 15.e. because Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs Chapter 6, Lease Requirements and Leasing Activities at Section 6-23 provides that "Paragraph 6-23 does not apply to Section 202/8, Section 202 PAC, Section 202 PRAC and Section 811 PRAC projects." 202/8 projects that charge late fees are out of compliance, those that do not charge late fees are in compliance.
- Q. **On-Site Review** Question E.15.d. – need to add a selection of "N/A", as late fees cannot be assessed in 202/8 properties.
- A. A provision for the selection of "N/A" has not been added to On-Site Review, Category E, question 15.e. because Chapter 6, Lease Requirements and Leasing Activities at Section 6-23 provides that "Paragraph 6-23 does not apply to Section 202/8, Section 202 PAC, Section 202 PRAC and Section 811 PRAC projects." 202/8 projects that charge late fees are out of compliance, those that do not charge late fees are in compliance.

- Q. **On-Site Review** Question E.15.e. – recommend that an N/A check box be added so as to allow for properties that may not assess late fees.
- A. A provision for the selection of “N/A” has not been added to On-Site Review, Category E, question 15.e. because Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs Chapter 6, Lease Requirements and Leasing Activities at Section 6-23 provides that “Paragraph 6-23 does not apply to Section 202/8, Section 202 PAC, Section 202 PRAC and Section 811 PRAC projects.” 202/8 projects that charge late fees are out of compliance, those that do not charge late fees are in compliance.
- Q. **On-Site Review** Question E.15.e. – state law may supersede the Handbook instruction. Question should read “– Is the policy for late fee assessment in compliance with the Handbook 4350.3 Revision 1 or with state/local tenant/landlord requirements as necessary?”
- A. The comment is a valid assessment of the question 15.e. the additional phrase has been added to the question which now reads: “Is the policy for late fee assessment in compliance with the Handbook 4350.3 REV-1 or with state/local requirements?”.
- Q. **On-Site Review** Question E.15. – Add subquestions h and i. to read, “Are leases written in plain language?” and “Are translations of the leases available for persons who require alternative formats and for those who are limited English Proficient (LEP)?”
- A. Lease forms are prepared by HUD with certain required addenda. Owner/managers are not permitted to modify lease forms without HUD approval. Plain language principals were applied in creating the leases, which are available on Hudclips. Hudclips also offers translations in various languages.
- Q. **On-Site Review** Question E.15.f. – There seems to be some confusion about what this means. Many reviewers feel that owner/agents can only charge actual costs for damages and cannot charge for labor if staff is involved in the repair. This conflicts with Handbook instruction that charges are limited to actual and reasonable costs. While the question does not ask reviewers to review whether the cost is reasonable, that is what is happening in the field.
- A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection: Comment Request. Industry policy and practice varies from one jurisdiction to another across the country. Whether labor may be included with charges for damages may be determined by local practice, and ultimately by local L&T courts, who may set precedent.

- Q. **On-Site Review** Question E.16.b. – Is this the only time Addendum D is completed? This seems to conflict with instruction on page 1.
- A. The Note to question 16.b. does not establish the need for completion of Addendum D. The question is addressing evictions generally, and Addendum D is a broader look tenants who may be registered sex offenders. Addendum D includes the instruction “Reviewers should record the below statistics on households that include a household member who is subject to a state lifetime sex offender registration requirement.”
- Q. **On-Site Review** Question E.16.b. – Does Addendum D only apply to O/As who run criminal/sex offender screening yearly?
- A. The note has been reworded to “NOTE: Addendum D must identify any eviction during the last 12 months which was due to a household member being subject to a state lifetime sex offender registration requirement”.
- Q. **On-Site Review** Question E.16.b. – Due to the Note concerning Addendum D, a question is needed that asks, “Have evictions occurred in the last 12 months due to sex offenders.”
- A. The suggested question is contained within the more explicit questions posed in Addendum D “State Lifetime Sex Offender Statistics. Review Housing Notice H 2009-11 “State Lifetime Sex Offender Registration” for detailed requirements.
- Q. **On-Site Review** Question E.16.b. – Addendum D does not appear to have instructions but asks the Reviewer to complete. How would the Reviewer obtain the answers?
- A. Owners are required by regulations and policy to maintain the records described in Addendum D. Each new applicant must be screened; each recertification must be screened, and the process of screening will disclose those tenants with problematic life situations. No blanket search of tenants’ histories is expected to be performed.
- Q. **On-Site Review** question E.17.a. – Recommend adding, “If no, skip to 19.”
- A. This question “Does the owner/agent have access to EIV?” may only be answered “Yes” or “No”. See Housing Notice H 2010-10 “Enterprise Income Verification (EIV) System” and the extension, H 2011-22. There are relevant questions below this 17.a. Skipping ahead would decrease possible findings in review.
- Q. **On-Site Review** question E.17.c. – the third bullet needs to be revised to begin with “Current” signed copies....

A. Signed copies of EIV Rules of Behavior for Individuals should be on file for all staff who use EIV reports, and there is no requirement for periodic renewal of the individual's signature. Adding "Current" to the On-Site Review, Category E, Item 17(c) may cause unnecessary confusion for reviewers.

Q. **On-Site Review** question E.17.d. - Is this actual training or is this training prompted by staff to take online?

A. This question refers to training explained in Housing Notice 2011-21.

Q. **On-Site Review** question E.17.d. - Since all persons who have access would not have access unless they took the security training (they are prompted once a year), this should be changed to only require staff without EIV access or access to EIV reports take annual security awareness training.

A. Individuals who have access to the EIV system are required to take the annual security awareness training questionnaire as indicated by the commenter. The question in the document is referring to the requirement to have yearly training as described in Housing Notice 2011-21. A certificate must be printed when the training is completed.

Q. **On-Site review** question E.17.f. - PBCA needs criteria for question 17f of HUD form 9834. Where should this be outlined?

A. Addendum C "Documents to be Made Available by Owner/Agent" includes a checkbox for "All Operating Procedure Manuals". See Housing Notice H 2010-10 Enterprise Income Verification (EIV) System.

Q. **On-Site review** question E.17.g. - Commenter is unaware of any regulation speaking to the requirement for owner/agents to terminate EIV access within 30 days for users who no longer have a valid need to access EIV data. SHCC requests that this question be clarified, or that this requirement be provided.

A. The comment above is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. Response to this question 17.g. will result from conversation between the O/A and the reviewer, and follow-up with documentation provided by the O/A.

Q. **On-Site review** question E.17.g.,j.&k.. - What evidence is to be used to determine the answers to these questions?

A. The comment above is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request.

Response to these questions will result from conversation between the O/A and the reviewer, and follow-up with documentation provided by the O/A.

Q. **On-Site Review** question E.17.h. – What constitutes an “improper disclosure?”

A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection: Comment Request. Refer to Housing Notice 2011-21.

Q. **On-Site Review** question E.17.h. – Based on Section XII (Security of EIV data) of HUD Notice H 10-10, and as supplemented by Attachment #8 of the same notice, the CA is responsible for determining whether the owner/agent has improperly disclosed EIV data, regardless of additional written security policies implemented by the property. As a result, it is our opinion that “If yes,” should be removed from the question, in addition to the N/A check box.

A. HUD staff concurs with the suggestion to remove “If yes,” and the “N/A” option button. Owners may choose to report improper disclosures without a written or formal procedure for doing so.

Q. **On-Site Review** question E.17.i. – Is there written guidance on how this may be determined by the CA? We are unable to envision a method in which evidence of ID/password sharing could be demonstrated. SHCC requests additional clarification and future guidance from HUD in determining improper ID/password sharing.

A. The comment above is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. Response to this question 17.j. will result from conversation between the O/A and the reviewer, and follow-up with documentation provided by the O/A.

Q. **On-Site Review** question E.17.i. – The second part of the question “(if yes, Have any occurrences of unauthorized E1V access or security breaches been reported?)” should be answered regardless of the answer to the first part of the question. Based on Section XII (Security of EIV data) of HUD Notice H 10-10, and as supplemented by Attachment #8 of the same notice, it is our opinion that the CA is responsible for reviewing owner/agent compliance with reporting Security breaches. It is our understanding that the property must report security breaches whether a policy exists or not. As a result, we respectfully recommend that “If yes,” be removed from the second part of the question, as well as the N/A check box.

A. HUD staff concurs with the suggestion to remove “If yes,” and the “N/A” option button from question 17.i. Owners are required to report improper disclosures whether or not a written or formal procedure for doing so exists.

Q. **On-Site Review** question E.17.i. – We are assuming this is the HUD Help Desk. If no, can you provide additional detail? Does the “Help Desk have to be named specifically or can policy indicate that HUD will be notified as required based on the most recent notice?

A. Question 17.i. asks if this question refers to the HUD Help Desk. This question has been updated to remove reference to HITS Helpdesk and instead refers to the HUD National Help Desk.

- Q. **On-Site Review** question E.17.i. – Please clarify if the HITS National Helpdesk is the same as the EIV Multifamily Help Desk that is listed in Notice 10-10. Is there guidance as to who should be reporting the unauthorized access and what timeframe for such reporting is?
- A. Although the question is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request, the Department of Housing and Urban Development (HUD) Information Technology Service (HITS) is a contract with EDS to provide nationwide, enterprise-wide information technology infrastructure services to assist HUD. Security breaches must be reported to HUD’s National Helpdesk at 1-888-297-8689. The EIV Multifamily Help Desk is focused on EIV issues, and may be reached at
- EIV Multifamily Help Desk
Telephone: 1-800-767-7588
Email: Mf_Eiv@hud.gov
- Q. **On-Site Review** question E.17.k. – Commenter requests that additional guidance be issued for CAs in this case. It is difficult to discover if EIV data is being improperly shared, and further written guidance would be beneficial in conducting MORs.
- A. The comment is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. Response to this question 17.k. will result from conversation between the O/A and the reviewer, and follow-up with documentation provided by the O/A.
- Q. **On-Site Review** question E.17.l. – includes a form that has not been released: “Tenant Consent for Disclosure of EIV Information” is not a HUD form that has been made available. In HUD notice H 2010-10 HUD indicates that a sample will be released. As of July 2011 a sample form has not been released.(4)
- A. This document can be found at Attachment 10 of Housing Notice 2011-21.
- Q. **On-Site Review** question E.18.a. – Clarify, “if yes, do they comply with HUD’s usage requirements?”
- A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection: Comment Request. Refer to Housing Notice H 2010-10 “Enterprise Income
- Q. **On-Site Review** question E.18.b. – As owner/agents are not required to keep documentation of the EIV No Income Report, as stated in HUD Notice 10-10, VII (B)(1)(a),

SHCC requests further guidance speaking to how it may be determined that owner/agents are following up on the EIV No income Report in order to better answer this question.

- A. The question 18.b. is asking whether “the owner is following EIV reports to resolve and correct discrepant data...”. HUD Notice H 2010-10 does not require the retention of the No Income report; however, the Note included at section VII.B.1.a. provides that “it is recommended that O/As have a policy to re-verify the status of tenants reporting zero income at least quarterly.” Reviewers would look for evidence of policy requiring periodically re-verifying the No Income report status.
- Q. **On-Site Review** question E.18.b. – Please add the minimum timeframe that each EIV report needs to be generated. Also, please indicate whether the reports are to be retained in the master file, the tenant file, or both. It would be helpful if HUD would encourage best practices of running reports such as the Income Discrepancy report and New Hires Reports to be generated more frequently than the minimum requirements to encourage good management practices and prevent large repayments from being required if there is a discrepancy.
- A. The comment is focused on procedures for using EIV, and is outside the scope of Federal Register Notice of Proposed Information Collection: Comment Request. Reviewers should be directed to Housing Notice 2011-21 “Enterprise Income Verification (EIV) System”.
- Q. **On-Site Review** question E.18.b. – There is no discussion of the Income Summary or Income Detail report. Also, for the reports listed, HUD does not ask if they are reviewed in compliance with HUD requirements (monthly, quarterly, at MI, Annual and Interim)
- A. This question 18.b. inquires as to the use of EIV reports. HUD wants to know how management is using these new tools, and whether findings in the reports are reflected in project and tenant records.
- Q. **On-Site Review** question E.18.b. – Because not all EIV Discrepancies can be resolved or discrepancies in data in TRACS can be resolved, it is recommended that the text for question 18b be revised to say: “Is the owner/agent taking appropriate actions to address discrepant information identified in EIV and TRACS?”
- A. It is recognized that the more general language proposed will take into account the rare occasion when discrepancies cannot be resolved, the question has been rephrased to be “Is the owner/agent using the following EIV reports, and taking appropriate action to correct discrepant data in TRACS, and/or to reduce improper subsidy payments and where applicable, retaining documentation to support the action(s)?”

- Q. **On-Site Review** question E.18.b. – these are all Master file type reports, but the Income discrepancy report is not required to be maintained in the tenant file. This is addressed on the new addendum a question 17a. Why is it necessary to address it here also? Is this because the o/a can include in their procedures to run this report monthly/quarterly? If so recommend including an N/A box on the Income discrepancy report line for properties that do not run this report at times other than recertification. (2)
- A. Thank you for noting the duplication. The line addressing the “Income Discrepancy Report” has been removed from the On-Site Review” question D.18.b.
- Q. **On-Site Review** question E.18.b. – Because not all EIV Discrepancies can be resolved or discrepancies in data in TRACS can be resolved, it is recommended that the text for question 18b be revised to say: “Is the owner/agent taking appropriate actions to address discrepant information identified in EIV and TRACS?”
- A. It is recognized that the more general language proposed will take into account the rare occasion when discrepancies cannot be resolved, the question has been rephrased to be “Is the owner/agent using the following EIV reports, and taking appropriate action to correct discrepant data in TRACS, and/or to reduce improper subsidy payments and where applicable, retaining documentation to support the action(s)?”
- Q. **On-Site Review** question E.18.b. – Consider adding the minimum times the reports need to be retrieved and reviewed; for example, Multiple Subsidy Report (Qtrly). Also, add Income and Summary reports. (2)
- A. HUD feels that questions of timing is inherent in the body of questions raised in the Desk Review and the On-Site review. Further emphasis would seem to be redundant. Minimum standards are set in the EIV Notice – 2011-21.
- Q. **On-Site Review** question E.18.b. – Add a subquestion iv to read, “Were residency preferences, if any, properly applied?”
- A. The question in Category E, 14.j. has been modified to read: “Were the applicants selected from the waiting list in the proper order, recognizing applicable preferences?”
- Q. **On-Site Review** question E.19.&20. – Why the addition of "(applies to subsidized properties only)" in the heading?
- A. TRACS is used to monitor and establish subsidy payments to owners and this question only needs to be answered when reviewing subsidized properties.

- Q. **On-Site Review** question E.20.a. – If HUD cuts off access to TRACS if the Rules of Behavior have not been completed or the user has not taken the Security Awareness Training, why would the signed forms need to be checked during the MOR?
- A. HUD does not 'cut off access to TRACS' until or unless the HAP contract expires or is abated.
- Q. **On-Site Review** question E.20.b. – Is the "Security Training Certification" mentioned as specific form, the Security Awareness Training Questionnaire, or file documentation that the owner/agent has obtained annual training (i.e. date and title/description of course)?
- A. The question is outside the scope of the Federal Register Notice of Proposed Information Collection. The form subject of this Federal Register Notice is form HUD-9834.
- Q. **On-Site Review** question E.20.b. – delete the words "and dated within 30 days of the date of the Rules of Behavior.
- A. The comment is not accompanied with an explanation supporting the deletion. The TRACS Users Guide provides "Users must complete the Security Training within 30 days of accepting the Rules of Behavior as outlined for TRACS Contractor Staff and HUD Staff. Security Awareness Training has to be completed annually." The question 20.b. will remain as currently published.
- Q. **On-Site Review** question E.21.b. – When did HUD start requiring this and what is the basis of this requirement? This requirement will be onerous to Owners and Agents.
- A. This question "Is documentation relating to an individual's domestic violence, dating violence, or stalking, kept in a separate file in a secure location from other tenant files?" is in response to Housing Notice H 2009-11 State Lifetime Sex Offender Registration. Such information is protected by statute requirements contained in The Privacy Act of 1974. See 5 USC 552c(e)(10), and the Privacy Act Handbook 1325.1.
- Q. **On-Site Review** question E.22. – Recommend that the lines be added back in so the questions do not run together.
- A. Omitting the lines in the On-Site Review between level 3 entries is a design feature used to distinguish the outline level 3 from that of level 2. If the passage of time and reviewers' experience indicates the need for further distinction, the design will be reconsidered for the next update.
- Q. **On-Site Review** question E.22.a. – 22.h. – Strongly recommend removing questions 22a-22h as all of the questions are addressed in the Tenant File Checklist (Addendum A) or in other areas of the questionnaires. They are redundant and require a lot of time to complete. Other comments

or recommendations are as follows: 1) Question 22 a, consider adding if application records the date and time received; 2) recommend 22 c iii and iv be merged as the questions are very similar; 3) question 22c vii, recommend that Lead-Based Paint Disclosure and Race/Ethnicity form be removed, as they do not require an acknowledgement; 4) questions 22 d. vi, recommend that "prior to data entry" be removed; and 5) questions 22d. vi and vii should be merged to say "income, assets, and deductions verified and calculated correctly.

- A. Question E.22 "Summary of Tenant File Review" summarizes the results of the individual file reviews in Addendum A. This summary question 22 is an important tool for assessing scores for the category, and must remain a part of the form HUD-9834.

- Q. **On-Site Review** question E.22.a.ii. - The question (Do the files contain all documentation as required in Handbook 4350.3, REV-1?) does not speak to additional HUD notices or CFR changes issued in addition to guidance given in the HUD Handbook 4350,3, REV-1. SHCC recommends that the question be reworded as follows: "Do the files contain all documentation as required in Handbook 4350.3, REV-1 and all applicable and subsequent HUD Notices and changes to the CFR?" This will allow for reviewers to list all missing required documentation, regardless of any changes made to HUD policy through issuance of Notices or alterations to the CFR before an updated handbook can be issued.
- A. HUD concurs with the suggestion to expand the second part of the question. The question now reads: "Do the files contain all documentation as required in Handbook 4350.3 REV-1, applicable HUD Notices and any changes to the CFR?"

- Q. **On-Site Review** question E.22.a.ii. - Remove this question; this information is detailed in Question 22(c)vii)
- A. While question 22.a.ii. asks if the files contain all of the documents as required, while question 22.c.vii is specifically asking for acknowledgement(s), signed by the tenant, for receipt of certain documents.

- Q. **On-Site Review** question E.22.b. - where there is a review of historical documents, like inclusion of signatures and dates of the initial application on file, if past findings have covered the issue, then no new finding should be issued unless it is for documents/applications initiated since the last review.
- A. Question 22 of On-Site Review, Category E directs the reviewer to files of specific types, which includes "new move-ins". Question 22(b) is directed to that category of file. Generally, the review of application and tenant selection procedures would be focused on those files which post-date the last management review. In the example cited above, a reviewer who found that initial application signatures and dates are missing from recertification files would be expected to look in

newer move-in files for continuing failure to obtain signatures and dates before recording such a finding.

- Q. **On-Site Review** question E.22.b.iv - is this needed? What is the purpose?
- A. See Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs Chapter 3 "Eligibility for Assistance and Occupancy" to find available exceptions to applicant eligibility.
- Q. **On-Site Review** question E.22.c.iii. and iv. - Questions iii and iv refer to "HUD issued lease addenda" and "applicable addenda" respectively. SHCC recommends clarification, perhaps with examples of each type in parenthesis, so as to further distinguish what is being asked for in these two questions. We would also then request that this clarification be added to questions C(2) and C(4) of the Addendum A.
- A. Handbook 4350.3 Section 6-5 "Lease Requirements" lists those attachments that are required, and other available lease attachments issued by HUD. The form HUD-9834 cannot provide all the possible variations available because they change, possibly more frequently than the form HUD-9834.
- Q. **On-Site Review** question E.22.c.iv. - recommend that an N/A box be added so as to allow for properties that do not have any applicable addenda attached to the lease.
- A. Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs Section 6-5 A.4. lists seven required attachments to leases. The additional "N/A" option has not been included for the On-Site Review question 22.c.iv.
- Q. **On-Site Review** question E.22.c.iv. - Is this question asking if additional, owner-adopted Lease Addenda (approved by HUD) are signed and in the file, or is it asking if additional, owner-adopted Lease Addenda in file have been approved by HUD?
- A. Refer to Handbook 4350.3 Chapter 6. The question is outside the scope of the Federal Register Notice of Proposed Information Collection. The form subject of this Federal Register Notice is form HUD-9834.
- Q. **On-Site Review** question E.22.c.iv. - The first question gives the mistaken impression that owners can use EIV reports as third party verification of employment and income. Since employment income must be documented by third party, the wording here should be broken down to emphasize the difference between using EIV to verify employment/receipt of unemployment benefits vs. social security income.
- A. Housing Notice H 2011-21 Enterprise Income Verification (EIV) System provides in Section VII "O/As must use the EIV Income Report as a third party source to verify a tenant's

employment and income during mandatory recertifications". The question 21.d.iv. goes on to address further verifications in cases where the tenant disputes the EIV report. The implication is that the EIV should be used in all cases, followed by third party verifications when there may be questioned information.

Segmenting the question would make possible the inclusion of a calculated field to quantify the use of the data, and for purposes of objectivity, consideration may be given in future updates to the form HUD-9834.

Q. **On-Site Review** question E.22.c.v. - recommends that an N/A check box be added so as to allow for properties that are not required to collect a security deposit.

A. To accommodate the review of 202/811 projects, the option to use "N/A" has been added to this question.

Q. **On-Site Review** question E.22.c.vii. - Is an acknowledgement of receipt for the Lead Based Paint Disclosure acceptable in lieu of the actual form filled-out by the owner/agent? How will the CA determine if the proper information was disclosed to the residents if the actual form is not in the file? Is the "Race/Ethnicity Form" the same as Form HUD-27061-H (Race and Ethnic Data Reporting Form)? Is an acknowledgement of receipt for the Race and Ethnic Data Reporting Form acceptable in lieu of the actual form filled-out by/offered to the tenant? How will the CA determine if the race and ethnicity codes reported on the HUD-50059 are correct if the actual form is not in the file? (2)

Is an acknowledgement of receipt for the Owner's Notice No. 1 acceptable in lieu of the actual form?

A. Question E.22.c.vii had been revised to read "Do the tenant files contain signed acknowledgement(s) and or copies of the following documents indicating receipt by the tenant?" which addresses the commenter's concern. The Race/Ethnicity form is addressed separately in Addendum A, Tenant File Review.

Q. **On-Site Review** question E.22.d.iv. - remove "Are EIV Income Reports used for third party verification of employment and income?" as this implies that only EIV is used to verify employment and income.

A. The EIV system must be used as the first form of third party verification for all forms of income to which the system has access. The question goes on to address further verifications in cases where the tenant disputes the EIV report. The implication is that the EIV should be used in all cases, followed by third party verifications when there may be questioned information.

- Q. **On-Site Review** question E.22.d.v. – Because not all EIV Discrepancies can be resolved it is recommended that the text for question 22v be revised to say: “Are appropriate actions taken for income discrepancies reported on the EIV Income Discrepancy Report to address or resolve issues, and is the action documented?”
- A. This question will remain as issued. HUD has found no situation of discrepancy between EIV income and other sources of income information that can not be resolved, at a minimum through explanation and third party verification.
- Q. **On-Site Review** question E.22.d.vi – Add a third question, “if third party verification was not obtained, do they have the most recent four to six pay stubs on file?”
- A. This change will not be adopted in the form HUD-9834. Recent pay stubs are not typically a form of verification but are used to calculate income. See Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs, Chapter 5 “Determining Income and Calculating Rent”.
- Q. **On-Site Review** question E.22.d.xiii – Please state the HUD requirements in this section. Also, it would be helpful if there was a HUD prescribed prepayment agreement that the owner/agent could use that would ensure that all HUD requirements are included in the agreements.
- A. See Housing Notice 2011-21 and Handbook 4350.3 REV-1, chapter 8 include requirements for repayment agreements.
- Q. **On-Site Review** question E.22.d.xiii – Are owners/agents required to maintain repayment agreements (if applicable) in the tenant file? HUD Notice 2010-10 does not list this as a requirement.
- A. See Multifamily Housing Notice 2011-21, EIV, Section IX.C., Investigating and Resolving Income Discrepancies.
- Q. **On-Site Review** question E.22.d.xiii – Move this question up under vii since it has nothing to do with utility allowances. It is confusing because of where it is located on the form.
- A. Thank you for the suggestion. The question has been moved to a position following question 21.d.viii., and succeeding questions re-numbered.
- Q. **On-Site Review** question E.22.d.xiii – Currently, repayment agreements are drafted by O/As based on terms that are mutually agreed to by both the tenant and the O/A. HUD does not have a standardized form for project repayment agreements. Therefore, NAHMA strongly urges HUD to cite the specific regulatory, statutory, or handbook requirements the Department has in place in regards to repayment agreements. In addition, it may be helpful for HUD to issue an official form for repayment agreements that allows O/As, with HUD’s approval, to modify as needed to comply with local laws.

- A. See Handbook 4740.2, Title I and Other Debt Collection Guidance Section 8-2, "Types of Debts", and Appendix 5, "Debt Resolution Program Repayment Agreement", form HUD-56146 "Debt Resolution Program Repayment Agreement". Also, Housing Notice 2011-21 and Handbook 4350.3 REV-1, chapter 8 both speak of repayment agreement requirements.
- Q. **On-Site Review** question E.22.d.xiii. and Addendum A - these questions require the PBCA to review repayment agreements. However, this review of the repayment agreements would be after the fact. In addition, depending on the size of the development, it could be several years before the applicable tenant file would be reviewed as part of the tenant file sample.
- A. Question 22(d)(xiii) and Addendum A - D18 require the PBCA to review repayment agreements with a tenant to determine whether the agreements contain the required information. The policy is only to mandate review of repayment agreements if there is an agreement executed for the unit being reviewed in the MOR. Whether the agreement is newly signed or represents a mature agreement is not intended to be the focus of the query. See Handbook 4740.2, Title I and Other Debt Collection Guidance Section 8-2, "Types of Debts", and Appendix 5, "Debt Resolution Program Repayment Agreement", and form HUD-56146 "Debt Resolution Program Repayment Agreement".
- Q. **On-Site Review** question F.22.f.iv. - the question regarding use of EIV existing tenant search could be clarified to include the mandatory date after which this requirement was initiated (January 31, 2010).
- A. The date that the use of EIV Existing Tenant Search for all household members has been added to On-Site Review, Category E, Item 22(f)(iv). The question now reads: "Do the move-in files created after January 31, 2010 indicate that the owner/agent utilizes the EIV Existing Tenant Search for all household members and applicants selected from the wait list for processing?"
- Q. **On-Site Review** question F.22.g. - This question doesn't need to be asked since this requirement is not enforceable by the owner and therefore the Owner should not be held accountable if the tenant does not provide notice.
- A. A comment section is included with every question, and follow-up is expected for any question for which a negative response is necessary. The form HUD-9834 is a tool for management and HUD to ensure quality housing for tenants and minimal risk for owners and for HUD.

If failure to provide a move-out notice is found to be the norm, then it may be that the owner/manager needs to improve communications with tenants about management expectations.

- Q. **On-Site Review** question F.22.g. and h. – address incorrect use of the current tense when discussing historical documentation – replace “do” with “did”; and “are” with “were” throughout these questions.
- A. The form HUD-9834 provides a snap-shot in time for the efficiency and effectiveness of management. The questions are designed to determine management’s practice, and each of the questions in On-Site Review, Category E, Item 22(g and h) includes the number of deficiencies found. Questions using the past tense will be found in Addendum A “Tenant File Review” where the past tense may be more appropriate.

- Q. **On-Site Review** question F.22.h.ii. – The question is stated in the past tense, where as all other questions are stated in the present tense. SHCC recommends that the question be changed to read: "Do rejection letters provide applicants the right to appeal?"
- A. Question 22.h.ii has been modified to place the question in the present tense. The question now reads in part: “Do rejection letters provide ...”.

- Q. **On-Site Review** question F.24.a. – consider adding, “cost to project” to the table.
- A. The list of possible third party service providers include both contractual and ad hoc services. Listing a cost figure would have little probative value, and much of the information is already collected in the form of monthly and annual financial statements.

- Q. **On-Site Review** question F.24.a. – we recommend the inclusion of “recycling” among the list of services provided to tenants, as it is an increasingly common operational element of interest to tenants and owner/agents
- A. While a laudable concept, there is no statutory, regulatory or administrative requirement for owners to provide recycling services to their tenants. If at some future time such a requirement is established to provide recycling as a separate function from trash pick-up, the form HUD-9834 will be revised to incorporate the requirement. In the meantime, the table at On-Site Review, Category F, Item 24(a) offers a line item of “Other” that may be used for that purpose. It should be noted that many metropolitan areas have begun to require recycling as a service provided by trash companies operating in their jurisdictions.

- Q. **On-Site Review** question F.24.a. – Add an additional part to this question, “What have they done?”
- A. The suggestion would elicit greater detail to the process, but it is felt that the additional detail would not influence the outcome of the review. While it may be interesting to know that recreation consists of tennis courts and an exercise room, or that there is a visiting physician once a week, the additional knowledge is not likely to impact the scoring of the Management and Operating Review.
- Q. **On-Site Review** question F.24.b. – The 9834 contains an N/A check box which is not necessary for this question. The property either does or does not have a Service Coordinator. Therefore, SHCC recommends that the N/A check box be removed.
- A. The unnecessary “N/A” checkbox has been removed.
- Q. **On-Site Review** question F.25.b. – This is a subjective question. There is no regulatory reference to tie back to when responding. The previous questions regarding management and maintenance operations should identify problems.
- A. Any answer is subjective based on the experience of the reviewer. These questions allow for a reviewer to comment on and make recommendations on an owner’s policies. The question is meant to be subjective. At this time, the scoring of individual sections of the form HUD-9834 are based on the reviewer’s training and experience. HUD is moving incrementally to produce an objective document in the Management Review form. In the form’s present configuration, individual scoring of questions is not expected. Each section receives a score based on overall impressions of the results determined in answers to the questions. While the scoring process introduced with the recent publication of Handbook 4350.1 Chapter 6 is a step in that direction, work continues.
- Q. **On-Site Review** question G.25.c. – There is no preferred method to implementing changes. Once again, is this just information gathering or are responses to this question scored? If responses are scored, what is the defining criteria used to determine adequate methods?
- A. In response to question 18.c., it is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. In the form’s present configuration, individual scoring of questions is not expected. Each Category receives a score based on overall impressions of the results determined in answers to questions within the section.

Q. **On-Site Review** question G.25.d. – recommend that the N/A check box be removed, as the question may only be answered yes or no.

A. The “N/A” checkbox has been removed.

Q. **On-Site Review** question G.26.–Is question 24 referenced in error? Should it reference question 27 instead? (5)

A. Question G.26 has been revised to read: “CAs may proceed to question 27.”

Q. **On-Site Review** question G.27.b. – need to include a “N/A” option at the top.

A. There is no condition in which no one would be charged with oversight responsibility for a project. Even a self-managed project has an owner who maintains the project. There may be no salary and no unit occupied, but there is always a person who HUD will recognize as responsible for project management.

Q. **On-Site Review** question G.27.b. – Consider removing this question, as owners/agents generally do not cooperate or consider making a (HUD only) question.

A. This comment suggests that owners are uncooperative. Reviewers should be trained in the application and use of the form to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary. This question is beyond the scope of the current Federal Register Notice of Proposed Information Collection: Comment Request.

Q. **On-Site Review** question G.27.b. – it was recommended that a column be added to list the title of the staff person.

A. A field for title of the staff person has been added to the Staff Person column.

Q. **Tenant File Review Worksheet** – Based on review of the Addendum A, there is no longer a space for the reviewer to sign and date the form. Was this intentional, or are reviewers no longer responsible for signing each Addendum A completed?

A. A review of the current form HUD-9834, approved 06/09, indicates that there is no provision for the reviewer to sign. Earlier versions of the form are not readily available for comparison. The current and proposed forms, each include a field for the reviewer to be identified in the first input field on the form.

Q. **Tenant File Review Worksheet** page 1 – Add to the certification type a box for Corrections.

A. Thank you for the suggestion. A box for "Corrections" has been added to the line.

Q. **Tenant File Review Worksheet** - Recommend adding a worksheet to allow the reviewer to track the forms in the file.

A. Many reviewers use worksheets similar to the suggested format, in addition to the form itself. The suggestion is duly noted, and will be considered in future revisions of the form HUD-9834.

Q. **Tenant File Review Worksheet** - recommend adding, is a copy of HUD Form 50059a in the file.

A. The suggestion will be held for possible future insertion into new revisions of form HUD-9834.

Q. **Tenant File Review Worksheet** question A.1. - This question poses many problems in review. If the application is recent, completion of the application is expected to be compliant with current requirements. However, we see findings based on applications taken more than 10 years prior to the review. Is there a limit to the age of the application if the current process is compliant? In some cases, rules have changed or ownership/management has changed. In our opinion, in order to obtain a correct review of the application process, applications should only be reviewed if they were received within the last year. An exception should be made if HUD has assigned a new agent to manage the property and the new agent is addressing non-compliant application practices.

A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection: Comment Request. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.

Q. **Tenant File Review Worksheet** question A.2. - There is much confusion regarding this form. Some owner/agents obtain this information only for the HOH. Others obtain the information for all adult household members. Also, the form became mandatory 12/14/2009. Owner/agents were required to collect the form for new applicants and new move-ins, but it was optional for owner/agents to gather the information for existing residents. See HUD Notice 09-13. The question should be more clear.

A. "This form is optional, to be completed by tenant." Notice H 2009-13 requires that the form be included in the tenant file; its completion is optional. The question has been revised to read: "Is there a form HUD-92006, "Supplement to Application for Federally Assisted Housing" in the files of tenants who applied after 9/15/2009?", and an "N/A" option has been added.

Q. **Tenant File Review Worksheet** question A.2. - The wording in question 2 gives the impression this form is optional. It is not. Owners are required to offer the form but the

tenant can choose to not to identify a person or agency to be contacted as a support. They would then sign the form stating they are not interested in identifying a support contact. The form must be in the file though with their signature on it.

- A. The question has been revised in its supplemental statement. The supplemental statement now reads "Tenant completion of this form is optional."
- Q. **Tenant File Review Worksheet** question A.2. – Since the Supplement to the Application for Federally Assisted Housing form is required only for residents who have moved in on or after December 14, 2009, SHCC recommends that an N/A check box be added to this question, to apply for situations in which a resident Moved-In prior to this date.
- A. An "N/A" box has been added to the document.
- Q. **Tenant File Review Worksheet** question A.3. – This should specify for all MI transactions effective 12/31/2010 or later with the exception of April 16, 2010 through June 6, 2010 when the system was down. There was no requirement to re-review existing tenant reports. Discrepancies should be found on the Multiple Subsidy Report when reviewed on a quarterly basis.
- A. See Notice H 2011-21 "Enterprise Income Verification (EIV) System" Section VII.B. The question now applies to move-ins after January 31, 2010. Instances of multiple subsidies must be researched whenever found, which may be during the review of the Multiple Subsidy Report.
- Q. **Tenant File Review Worksheet** question A.3. – Currently, corrective action is to go back and run the report which is pointless since a) the resident will show on the current property and b) any discrepancies will show up on the Multiple Subsidy Report.
- A. This is a training issue and is outside the scope of this request for comment.
- Q. **Tenant File Review Worksheet** question A.5. – Due to changing situations, the unit size may no longer be appropriate when the review is complete. Is the question "Was the unit size appropriate for the household at MI? If no, was an exception granted?"
- A. The question refers to current circumstances. If an exception was granted the "yes" checkbox should be used.
- Q. **Tenant File Review Worksheet** question A.6. – we are now finding that the resident may have failed to fully disclose income information. This is often discovered when EIV reports are reviewed. This question requires comments or follow up. Possible additional responses include:
- Over income-EIV discovery and
 - Over income – exception granted and

Over income – police/security officer. There would be no penalty to the OA for any of these responses.

- A. A comment section is included with every question, and follow-up is expected for any question for which a negative response is necessary. The form HUD-9834 is a tool for management and HUD to ensure quality housing for tenants and minimal risk for owners and for HUD.
- Q. **Tenant File Review Worksheet** question A.8. – Is an acknowledgement of receipt acceptable in lieu of the form as indicated on E22.c.vii of the On-Site Review?
- A. HUD-27061-H is the Race and Ethnic Data Reporting Form. As the tenant is requested to provide specific data on this form, the form must be maintained in the tenant file. An acknowledgement of receipt in lieu of the form is not acceptable.
- Q. **Tenant File Review Worksheet** question A.10. – Is an acknowledgement of receipt acceptable in lieu of the form as indicated on E22.c.vii of the On-Site Review?
- A. This question has been changed to add acknowledgement or required form.
- Q. **Tenant File Review Worksheet** question A.3. – Add an “N/A” box and instead of Applicable to move-ins after January 31, 2010 should be in the file after 7/1/2010. See notice 10-10.
- A. The notice H 2010-10 “Enterprise Income Verification (EIV) System” was issued on July 1, 2010. See the Section I “Purpose” which states: “Effective January 31, 2010, O/As must use HUD’s EIV system in its entirety.”
- Q. **Tenant File Review Worksheet** question A.4. – Add “on the 50059 and application” to the question.
- A. The application is not included here because family structure defines a personal relationship that may differ from HUD’s “official” designations. Additionally, family structure may change between application and certification/recertification.
- Q. **Tenant File Review Worksheet** question A.5. – Add “family size” to the comment column so the reviewer list the number of family members in the unit.
- A. Adding family size to the form would enhance the data set, and make possible more formula driven responses. Consideration may be given in future updates to including family size in some format.
HUD is moving incrementally to produce an objective document in the Management Review form. Inclusion of family size values will

enhance those efforts. In this version of the form, however, the family size may be included in the Comments column for addressing questionable results.

- Q. **Tenant File Review Worksheet** question A.9. - add "and dated" after signed.
- A. The question has been modified to include "and dated" after "signed".
- Q. **Tenant File Review Worksheet** question A.11. - Owner/agents cannot resolve these discoveries. They can investigate/address or acknowledge the discrepancy. However, the only action the OA can take is to verify that the resident is only receiving subsidy on the current property. If the previous owner/agent or PHA refuses to process appropriate MO or termination documentation, the error cannot be resolved. Only HUD or the CA can force another owner/agent to submit such electronic files. CAs are prohibited from creating files on behalf of the owner/agent.
- A. This question has been revised to ask "Does the tenant file indicate that the owner /agent taken necessary steps to address any EIV reported receipt of multiple subsidies?"
- Q. **Tenant File Review Worksheet** question A.12. - It is recommended that the text in this question be revised to say: "Does the tenant file indicate that the owner/agent properly addressed or resolved any EIV reported multiple subsidy issues."
- A. A primary goal of EIV is to eliminate the misuse and abuse of the subsidy system. The question has been revised to replace the word "resolved" with "taken necessary steps to address".
- Q. **Tenant File Review Worksheet** question A.12. - new question regarding follow up documentation from discrepancies listed on master file reports....missing multiple subsidy report in the list. Recommend multiple subsidy report be included in the list in this question.
- A. Thank you for noting the oversight. A line addressing the "Multiple Subsidy Report" has been added to the Tenant File Review" question A.12.
- Q. **Tenant File Review Worksheet** question B.1. - we recommend inclusion of a note that the exemption for SSN disclosure is for seniors 62 or over and receiving subsidy as of Jan 31, 2010.
- A. The owners must require disclosure and verification of SSNs for all household members, except those who do not contend eligible immigration status, and tenants age 62 or older as of January 31, 2010 whose initial determination of eligibility was established before January 31, 2010. The tenant does not have to be currently receiving assistance; rather they only have to meet the criteria above. For clarity, the question has been

revised to read: "Social Security numbers (except those exempted by 24 CFR 5.2165)?"

- Q. **Tenant File Review Worksheet** question B.2. – Add a second part to this question, "Was the information appropriately obtained?"
- A. The premise of Category B. "Verification" is "Have the following items been properly verified and documented?" Adding the suggested question would merely repeat the premise. Perhaps a reference in Handbook 4350.3 would guide reviewers in identifying what it means to be "appropriately obtained", and would help clarify the question.
- Q. **Tenant File Review Worksheet** question B.3.&4. – These two numbers should be combined as the Sex Offender Registry is part of the Criminal Background Check.
- A. Question 4 specifically addresses state sex offender registration, which is not necessarily a part of a criminal background check. Owners are encouraged to use the Dru Sjodin National Sex offender Database.
- Q. **Tenant File Review Worksheet** question B.3. – Should this just be "criminal screening" instead of "drug and criminal screening."
- A. See Handbook 4350.3 *Occupancy Requirements of Subsidized Multifamily Housing Programs* Chapter 4 "Waiting List and Tenant Selection" Section 4-3 D.
- Q. **Tenant File Review Worksheet** question B. – Add a question 9 to read, "Were all preferences documented?"
- A. Part B Verification has the reviewer dealing with verifications of data provided by the applicant. The suggested question, "When preferences were applied, were they properly documented?" has been added to the On-Site Review, Category E, as question 14.k., and the remaining sub-questions re-numbered.
- Q. **Tenant File Review Worksheet** question C.2. – Add a question which addresses running the Income and Summary Report within 90 days of submission of move-in certifications to TRACS.
- A. Adding the question will be given consideration in future updates to the form HUD-9834.
- Q. **Tenant File Review Worksheet** question C.2. – It would be helpful to include required addenda here including the VAWA lease, particularly any O/A created and HUD-approved Addenda listed in this section.
- A. Handbook 4350.3 Section 6-5 "Lease Requirements" lists those attachments that are required, and other available lease

attachments issued by HUD. The form HUD-9834 cannot provide all the possible variations available because of the frequency of changes to lease addenda and attachments.

Q. **Tenant File Review Worksheet** question C.3. – recommend that the question be revised from "signed" to state "signed and dated".

A. This suggestion has been adopted in the document.

Q. **Tenant File Review Worksheet** question C.5.&7. – It is confusing to include these under the calculation area with a box to report amount on 50059 next to it. Income from these two sources is not used to verify income for use in calculating the rent. These two items should be removed from this section or changed to reflect only documentation of receipt of income but not how much. It should be taken out as an option under "3rd party verification?".

A. Unemployment income is not reported on the form HUD-50059, and so the box to report an amount on 50059 would be set to zero, or left blank.

Q. **Tenant File Review Worksheet** question C.8. – Please add the option of "N/A"(2)

A. A "N/A" option has been added for annual inspections not being in the file.

Q. **Tenant File Review Worksheet** question C.8. – If the file does not contain annual unit inspections, is it a finding on the MOR?

A. The question is outside the scope of the Federal Register Notice of Proposed Information Collection. It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.

Q. **Tenant File Review Worksheet** question D.2. – If the resident reports in a timely manner, as indicated in HB 4350.3 Revision 1, Change 3, Chapter 7, then certifications can be completed on time. However, HUD allows for 1) late response, 2) extenuating circumstances and 3) reasonable accommodation. In any of these cases, submission of annual certifications, after the effective date, is still compliant with HUD rules. There should be a follow up question. "If late, was late submission caused by any of the above?" and "Was the certification submitted within the additional 90 day submission period?" If no, why?

A. A comment section is included with every question, and follow-up is expected for any question for which a negative response is necessary. The form HUD-9834 is a tool for management and HUD to ensure quality housing for tenants and minimal risk for owners and for HUD.

Reviewers are expected to be trained in the application and use of the form to improve skills and provide comprehensive

communications to managers and owners when performance improvements are necessary.

- Q. **Tenant File Review Worksheet** question D.3. – There are exceptions to this rule. Extenuating circumstances and placement in long-term care may cause an owner/agent to submit a cert without any or all of the required signatures. May need follow up: If no, is the reason supported by HUD guidance?
- A. A comment section is included with every question, and follow-up is expected for any question for which a negative response is necessary. The form HUD-9834 is a tool for management and HUD to ensure quality housing for tenants and minimal risk for owners and for HUD. Reviewers are expected to be trained in the application and use of the form to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.
- Q. **Tenant File Review Worksheet** question D.4. – There are reasons why a 30-day notice is not provided. Late reporting for AR, failure to report a change in employment, employment income or household composition, etc. May need follow up: If no, is the reason supported by HUD guidance?
- A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection: Comment Request. See 24 CFR 245, and Handbook 4350.1 REV-1 Multifamily Asset Management Chapter 7 “Processing Budgeted Rent Increases”.
- Q. **Tenant File Review Worksheet** question D.5. – Use of EIV Income Report is indicated as a way to verify wages. Owner/agents are strictly prohibited from using EIV to verify wages. It would be more appropriate to have the choice be “EIV Income Report and Resident provided documents” as required by HUD Notice 10-10.
- A. See Housing Notice H 2011-21 “Enterprise Income Verification (EIV) System”. The EIV system must be used to verify wage amounts reported by the tenant (through pay stubs, etc) but must not be used to calculate wage income.
- Q. **Tenant File Review Worksheet** question D.5-11 – recommend that a column be added to include what the reviewer calculated each item to be.
- A. HUD is moving incrementally to produce an objective document in the Management Review form. Inclusion of reviewer calculated values may enhance those efforts. In this version of the form, however, the calculated values may be included in the Comments column for addressing questionable results.

- Q. **Tenant File Review Worksheet** question D.6. - Recommend changing Traditional 3rd Party to Award letter or add Award Letter because that is the most common method to verify Social Security Income when EIV is not available and also Social Security does not allow management to contact them in writing for this information.
- A. If award letter is the most common verification method, then it is the traditional 3rd party of choice, and no change needs to be made in the current form.
- Q. **Tenant File Review Worksheet** question D.7. - Remove EIV Income Report as a 3rd party verification for unemployment benefits.
- A. For a consistent user interface, the EIV Income Report will remain, although it may not be used. This suggestion will be considered in future modifications.
- Q. **Tenant File Review Worksheet** question D.9. - Recommend adding a column to add the Assets Cash Values because it is part a traditional occupancy file review to ensure that the cash value of all assets are correct.
- A. The suggestion has been implemented in the final version of form HUD-9834.
- Q. **Tenant File Review Worksheet** question D.15. - Recommend adding Contract Rent, Utility Allowance, and Gross Rent Change because it is important to confirm these items are correct on the 50059. Also, correct "S" to "\$."
- A. The question above reads "Was correct rent used in subsidy calculations? Reviewers will hve this data as the items suggested here are included in owner's submission of form HUD-92458 "Rent Schedule - Low Rent Housing", and are generally covered in this review with questions in the Desk Review section.
- Q. **Tenant File Review Worksheet** question D.16. - With utility allowances, tenant may not be "paying" minimum rent. Question should be refined to ask, " For Section 8 programs, is the rent calculation at least minimum rent before the inclusion of a utility allowance?"
- A. The tenant's "minimum rent" in this example would be a negative figure. No modification of the question is considered to be necessary to accommodate the exception example used.
- Q. **Tenant File Review Worksheet** question D.17. - The Income Discrepancy Report must be reviewed 90 days after MI, at each annual and each interim certification. Reviewers are bringing Income Discrepancy Reports in during the review and asking OAs to review the reports. Also, because EIV goes backward and the 50059 is projecting income forward, there is often no way to "resolve" the discrepancy. So, we are requesting a more refined way to ask the question.

- A. The comment is outside the scope of the Federal Register Notice of Proposed Information Collection: Comment Request. Reviewers are responsible for examining the use of EIV reports, not providing reports for owner/managers to review. For the second part of this comment, both EIV Income Discrepancy Reports and HUD-50059 are records at a point in time. Any discrepancy should be resolved, and the file documented.
- Q. **Tenant File Review Worksheet** question D.17. - It is recommended that the text in this question be revised to say: "Were income discrepancies reported on the EIV Income Discrepancy Report property investigated? Was the file documented to show the discrepancies were properly addressed or resolved?"
- A. A primary goal of EIV is to eliminate the misuse and abuse of the subsidy system. Question 17 will remain unchanged. It is felt that the division of the question into two parts will not add clarity or otherwise enhance the intent of the question. As HUD moves to more objective use of the form HUD-9834, the suggestion here will receive further consideration.
- Q. **Tenant File Review Worksheet** question D.18. - Are owners/agents required to maintain repayment agreements (if applicable) in the tenant file? HUD Notice 2010-10 does not list this as a requirement.
- A. Requirements can be found in Housing Notice 2011-21 and Handbook 4350.3 REV-1 Chapter 8.
- Q. **Tenant File Review Worksheet** question D.19. - It is recommended that the text in this question be revised to say: "Does the file reflect that the owner/agent contacted the tenant when new employment is reported on the EIV New Hires Report?" (2)
- A. To improve the language of this form question, Addendum A Question D.19. has been revised: "Does file contain a recertification as a result of new employment reported on the EIV New Hires Report?"
- Q. **Tenant File Review Worksheet** question F. 1. - Please add the option of "N/A" as notice may not be received due to death or eviction. In lieu of adding "N/A" the option to write in the reason written notice not received could be added.
- A. The question F.1. asks "Is there a move-out notice from tenant?", the response to which can only be "Yes" or "No". If a reviewer, or an owner/manager finds exception, there is a column titled Comments to address the exception.
- Q. **Tenant File Review Worksheet** question F. 1. - a line should be added to confirm that notice received was written as required by the HUD Handbook and the lease. This would make it

clear that the reviewer can make it a finding if the owner/agent typically does not enforce the requirement for the notice to be a written 30-day notice.

- A. The comments section of the question can be used to indicate if the move-out notice was not in compliance.
- Q. **Tenant File Review Worksheet** question F. 3. and 4. – Recommend to include the date of the refund checks as well as the check # and the date of the itemized list be included on the addendum A question F 2.
- A. HUD is moving incrementally to produce an objective document in the Management Review form. Inclusion of reviewer check dates with these questions may enhance those efforts. In this version of the form, however, questionable check numbers or dates may be included in the Comments column.
- Q. **Tenant File Review Worksheet** question F. – we recommend adding a new question 6 to read, “If tenant owed money to the owner/agent, was it paid?” with response options: Y, N, N/A.
- A. HUD feels that the questions in Section F of the Tenant File Review Worksheet, Addendum A have adequately asked the proposed question. See question F.4. “Was an itemized list of damages and charges provided to the tenant?” and question F.5, “Were any additional charges paid by tenant?”. HUD is however, within its secured systems, working to capture this data.
- Q. **Tenant File Review Worksheet** question F.1. – This does not, in itself, monitor owner/agent compliance. If a tenant does not provide a notice, there is nothing that the OA can do. If the resident provides a “false notice” and leaves before or after the indicated MO date, there is nothing that the OA can do.
- A. A comment section is included with every question, and follow-up is expected for any question for which a negative response is necessary. The form HUD-9834 is a tool for management and HUD to ensure quality housing for tenants and minimal risk for owners and for HUD.
- If failure to provide a move-out notice is found to be the norm, then it may be that the owner/manager needs to improve communications with tenants about management expectations.
- Q. **Tenant File Review Worksheet** question G.2. – Should change question to state “Was the rejection notice in writing, did it include the reason(s) for the rejection, provide the applicant the right to appeal, and provide that persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process?” See HUD Handbook 4350.3 paragraph 4-9D.

A. Section G of Addendum A deals with rejection letters. The question reads: "Did the rejection letter provide the applicant the right to appeal?" That the rejection is written is implied by the reference to a letter. Question 1 asks for a review of the reason; question 2 checks for the right to appeal; "persons with disabilities" is not the subject of this section.

Q. **Tenant File Review Worksheet** question G. - Add a new question 2 between the current 2 and 3 to read, "If the tenant requested, was the reason for rejection provided in very specific terms and in plain language?"

A. The question requested has been added to the Tenant File Review, Section G. "Applicant Rejection Review Only" before the existing question 2. The new question is: "If the applicant requested, was the reason for rejection provided in very specific terms and in plain language?"

Q. **Tenant File Review Worksheet** question G.2. and 6. - asks for the date of the move-out inspection (which may or may not reflect the actual date of move-out) and then question 6 asks if the tenant move-out date on the voucher matches the date the tenant vacated? Yet there is no instruction/information on how the reviewer is to obtain the actual date the unit was vacated.

A. This question is beyond the scope of the current Federal Register Notice of Proposed Information Collection: Comment Request.

Form HUD-9834 is intended to provide a place and format for reviewers to record their findings when performing management reviews. As such, it assumes that the reviewer has been trained in the use of the form, and provided guidance in the form of manuals, policies and procedures designed to answer questions such as the question posed here.

Q. **Addendum B** - Add Project Name.(2)

A. The property identifiers have been returned to each page of Addendum B. The data property identifiers that are available on the Summary page will populate those fields on Addendum B. Reviewers must complete the identifier section of the Summary page as a first step, and a statement to that effect has been added to the Instructions in paragraph titled: "Complete Part I - Desk Review.

Q. **Addendum B** the last sentence in the paragraph above Section 1 states The reviewer will "r the completed ... " instead of the reviewer will "review". (2)

- A. The orphaned "r" has been replaced with "retrieve". The sentence now reads: "The reviewer will retrieve the completed form from the owner/agent during the on-site review."
- Q. **Addendum B** Instructions – Should say: "...that are accessible for people with vision or hearing disabilities"
- A. The document has been updated with this suggestion.
- Q. **Addendum B** Section III, Question 1 – Add to first sentence (15 includes total properties owned/managed by owner/agent) because many owners/agents do not read the instructions; therefore, do not answer correctly.
- A. Addendum B Section III, Question 1 refers to requirements posed by 24 CFR 8.3, which defines Recipient as "any State ... or any person to which Federal financial assistance is extended for any program or activity..."
It is expected that reviewers receive training to improve skills and provide comprehensive communications to managers and owners when performance improvements are necessary.
- Q. **Addendum B** question 2. – Add Date of Last HUD Approval and Q. 4 Add Date Last Reviewed or indicate N/A.
- A. Question 2 of Part B, Addendum B asks: "Does the owner have an approved Affirmative Fair Housing Marketing Plan?" Similarly question 4 asks "Has the owner/agent reviewed the AFHMP within the last 5 years?" Adding dates to the requirements of the form questions will not enhance responses to the questions, nor add significant probative value to the form. Consequently, the dates will not be added in this version of the form HUD-9834.
- Q. **Addendum B Instructions for completing Part A** – throughout text "do not leave blank" has been removed
1. It is recommended that HUD provide clarification on the requirement to complete all fields in Addendum A Sections I, II, and III, or if it's now acceptable to leave some fields blank if the answer is zero or none.
- A. The phrases "do not leave blank" attached to each question has been determined to be redundant. The beginning of Instructions for completing Part A" includes "SECTION I - Owner/Agent must respond to all questions in this section." In addition, number 2 of the Instructions for Completing Part A includes in bold: "Enter zero "0" if there are no units occupied by the listed client group – do not leave blank."
- Q. **Addendum B Part B** question 7. – Recommend adding, "plan" after "selection."

A. Thanks for pointing out the omission. The question now reads: "Has the owner/agent developed and implemented a written Tenant Selection plan?"

Q. **Addendum B Part B** question 9. and 10. – Recommend adding an N/A box for no complaints.

A. HUD staff feels that the statement "Unable to Observe" in the Comments column acts as an "N/A" response. The suggested comment would then be "No complaints have been filed. The "No complaints" statement also provides for the negative possibility that O/As are not keeping the required records.

Q. **Addendum B Part D Part A** question 1 column c – Add box to indicate 10-day letter was provided to the owner for failing to provide signed Part A forms.

A. As part of processing form HUD-9834, FHEO receives a copy of this Part D. Follow-up with documents to be submitted is the responsibility of FHEO, and outside the scope of the reviewer.

Q. **Addendum C** – Insert REAC prior to EH&S Certifications Addendum C and D do not have a page number.

A. REAC is a division title: Real Estate Assessment Center, with functions beyond physical inspections. There is no single document that would be identified as REAC. The form HUD-9834 is concerned with the disposition of EH&S findings.

Q. **Addendum C** – Q. Addendum C – Include these items to be available on day of review:

Should include new required Forms

- CAAF (current and copy of original)
- Owner authorization letter
- UAAF for all users (current and copy of original)
- ROB for all staff with access to EIV reports
- EIV Use Policy
- Documentation of EIV Security Awareness Training
 - o (ILT certificate)
 - o Documentation of training in accordance with HUD Notice 10-10
 - o Certification from ISS non DOD online training within last year
- TRACS Rules of Behavior for all users who send TRACS files, view TRACS queries or receive TRACS responses
- Documentation of TRACS Security Awareness Training from ISS non DOD online training within the last year

A. These elements have been included in Addendum C.

Q. **Addendum C** - Include this item to be available on day of review: List of Payroll Salaries (charged to site)

A. See On-Site Review question 27.b. "List all on-site staff charged to the project."

Q. **Addendum C** - Add Test Results, etc. to Lead Based Paint Certifications.

A. Certifications, by definition, attest to the truth of some statement or event. The addition of test results will not contribute to the value or understanding of the line item.

Q. **Addendum C** - Add a Box for EIV Policies and Procedures.

A. While the "EIV Policies and Procedures" is the newest of the manuals, singling it out from "All Operating Procedure Manuals" would serve no functional purpose.

Q. **Addendum C** - In the "Civil Rights" section of this form, please add to the end of the second checkbox, "(including an approved residency preference, if applicable.)"

A. The Civil Rights section of Addendum C now reads: "Tenant Selection Plan, including any approved residency preference"

Q. **Addendum C and D** - do not have a page number and add property name.

A. The suggestion to add Property Name to Addendum C has been included with this revision of form HUD-9834.

Q. **Addendum D** - this Addendum is used to track the presence of sexual offenders on these properties. At present, owner/agents are not required to track this information. In addition, the review would take significantly longer than estimated. Owner/agents face three challenges in this area:

Applicants who do not disclose sexual offender status before move in or whose sexual offender status is not discovered at screening because of the limited reliability of certain databases. Unauthorized residents who might be discovered because they are using the address of a relative who lives in subsidized housing and Sexual offenders who have not updated their address and the owner/agent has no idea of the sexual offender status. So, the owner/agent must pull every adult by both address and name to see if there is record of sexual offenders living on the property.

A. Addendum D is designed to capture at the time of an On-Site Review, data that the O/A has been collecting according to the instructions contained in Housing Notice H 2009-11 State Lifetime Sex Offender Registration.

See Notice H-2009-11 "State Lifetime Sex Offender Registration" and regulations at 24 CFR 5.856 and 5.905.

- Q. **Addendum D** – Owner/agents are not required to pursue eviction, although such action is encouraged.
- A. See Notice H-2009-11 “State Lifetime Sex Offender Registration” and regulations at 24 CFR 5.856 and 5.905.
- Q. **Addendum D** – why are owner/agents being tasked with this process annually and also do not know how this ties to a compliance audit. Screening practices are already audited at the move-in file review.
- A. See Notice H-2009-11 “State Lifetime Sex Offender Registration” and regulations at 24 CFR 5.856 and 5.905.
- Q. **Addendum D** – Add (within 12 months – see instructions in question 16b on page 9 of 21). Also, should have box to indicate if criminal screening is conducted during annual recertifications because owners/agents are not currently required to conduct annually as it is only optional.
- A. The questions in Addendum D State Lifetime Sex Offender Statistics are not related to those of the On-Site Review Questionnaire. In practice, the response to this Addendum D. should encompass the time period since the last Management Review, or since June 2001, whichever is longer.
- Q. **Addendum D** – Data requested in Addend D seems excessive and burdensome.
- HUD notice H 2009-11 HUD instructs owners to develop policies related to processing of applications, verification of sex offender registration, and retention of records. The requirement to track and report on this information is not required in the notice, Code of Federal Regulations, referenced in HUD Handbook 4350.3, or found on the 50059 as a termination code.
- Notice H 2009-11 requires that records be retained in the following schedule-
- o O/A must retain the results of a Sex Offender search along with the application for three years for applications that are denied.
 - o O/A must retain the results of a Sex Offender search along with the application plus three years for applicants that are admitted. (2)
- A. The purpose of the form HUD-9834, in part, is to ensure owner/manager compliance with statute, regulations and policy relative to the program(s) for which HUD has provided funds and subsidies. On further review, it is felt that owners will not be overly burdened by compliance with the administrative requirements of Addendum D. Owners are required by regulations and policy to maintain the records described in Addendum D. Each new applicant must be screened; each recertification must be screened, and the process of screening will disclose those tenants with problematic life situations. No blanket search of

tenants' histories is required to be performed. See Housing Notice 2011-21 "Enterprise Income Verification (EIV) System".

- Q. **Addendum D** - The change identified in the 9834 in its current format would require owners to review all of their current tenant files, and their prior move out and terminated files. It is recommended that HUD implement the tracking and reporting of statistics for this State Lifetime Sex Offenders for an effective date into the future, to allow owners to collect this information and establish the record keeping necessary to accurately track and report on this activity annually.
- A. On further review, it is felt that owners will not be overly burdened by compliance with the administrative requirements of Addendum D. Owners are required by regulations and policy to maintain the records described in Addendum D. Each new applicant must be screened; each recertification must be screened, and the process of screening will disclose those tenants with problematic life situations. No blanket search of tenants' histories is required to be performed.
- Q. **Addendum D** - Addendum D is to be completed by the reviewer. Collection of this information at the on-site review would lengthen the time to conduct the review significantly as owners have not previously been asked to track or record this information. It would require (in some cases) a very lengthy review of historical records to obtain the data requested.(2)
- A. Each owner's automated system will be capable of tracking the required data without significant collection efforts. For those project owner/managers without automated systems, a simple spreadsheet format will accomplish the same end. See Notice H-2009-11 "State Lifetime Sex Offender Registration" and regulations at 24 CFR 5.856 and 5.905.
- Q. **Addendum D** - If the data in Addendum D will be required to be tracked and recorded in the future, it is recommended that Addendum D be incorporated into the 9834 questionnaire Leasing and Occupancy section near Question 16. It is also recommended that owners be allowed to receive a copy of this portion of the 9834 prior to the on site review or tracked in the 50059 as a move out or termination code. Currently the 9834 other than Addendum B Part A Sections I, II, and III and Addendum C cannot be sent to the owner prior to the on site review.
- A. HUD is moving incrementally to produce an objective document in the Management Review form. The point is well taken, and will be addressed in future updates to be made to the Handbook 4350.1 Multifamily Asset Management and to form HUD-9834.
- Q. **Addendum D** - It is important to note that the information that is being requested will be complicated and difficult to obtain especially for developments that have high turnover and

are of significant size. There may also be cases where the information for a tenant who has vacated the development (more than three years ago) would be destroyed.

A. Only questions 2 and 3 relate to evicted tenants. Standard practice would suggest that tenants evicted in the period since the last management review would be the subject of scrutiny in the current review. By current review requirements, there is unlikely to be data gathering needs going beyond the recent past.

Q. **Addendum D** Instructions - indicates that this document should be filled out by the reviewer, but it is our belief that this document should be filled out by the project owner/agent as the reviewer will not have access to the data/statistics sought.

A. Addendum D is designed to capture, at the time of an On-Site Review, data that the O/A has been collecting according to the instructions contained in Housing Notice H 2009-11 State Lifetime Sex Offender Registration.

Q. **Addendum D** Instructions - Further instruction should be given on:

- What does the reviewer do with this information
- Is this data collected on the entire property or only for those units reviewed

A. See Housing Notice H 2009-11 State Lifetime Sex Offender Registration.

Q. **Addendum D** question 1.a. - indicates that "households must not be evicted unless they commit criminal activity while living in the federally assisted housing, or have other lease violations" which implies a new policy in an area which has previously been left up to the discretion of the owner/agent. This note should be removed.

A. For those admitted prior to June 25, 2001, which is what the Note speaks of, the tenants cannot be evicted unless they commit criminal activity while living in the federally assisted housing, or have other lease violations.

HUD's stated position in notice H 2010-11 holds in part:

For any admissions after June 25, 2001 . . . if the recertification/reexamination screening reveals that the tenant or a member of the tenant's household is subject to a lifetime sex offender registration requirement, or that the tenant has falsified information or otherwise failed to disclose his or her criminal history on their application and/or recertification / reexamination forms, the O/A or PHA should pursue eviction or termination of tenancy to the extent allowed by their lease and state or local law.

Q. **Addendum D** question 1 - recommend a selection be added stating "No households meet this criterion".

A. A "0" in response to Addendum D.1. will accomplish the recommendation, and no further responses would be necessary.

Q. **Addendum D** question 1.b. - Reword this question per 1a: How many were admitted after June 25, 2001?

A. Addendum D question 1.a. and 1.b. have been reviewed. Question 1.a. addresses tenants admitted prior to June 25, 2001. Question 1.b. makes reference to tenants erroneously admitted. These tenants must have been admitted after June 25, 2001, because there were no rules to preclude sex offenders prior to that date.

Q. **Addendum D** question 2 (both questions) - Is this question limited to evictions in the last 12 months, or evictions since 6/25/2001?

A. In practice, the response to this question 2. should encompass the time period since the last Management Review, or since June 2001, whichever is longer.

The comment is beyond the scope of this Federal Register Notice of Proposed Information Collection for Public Comment.

Reviewers should be trained in the application and use of the form to improve skills and provide comprehensive communications to managers and owners when management performance improvements are necessary.

Q. **Addendum D** question 3 (both questions) - Is this question limited to evictions in the last 12 months, or evictions since 6/25/2001?

A. In practice, the response to this question 3. should encompass the time period since the last Management Review, or since June 2001, whichever is longer.