

2.9 OWNER/MANAGEMENT ENTITY APPROVAL SUBMISSION REQUIREMENTS

To request approval of the management entity, the owner/agent must submit the following information to the HUD Area Office at least 60 days before the date the owner wishes the new agent to assume responsibility. In the case of emergency replacements of management agents (see paragraph 2.7) the owner/agent must submit the information needed for HUD to review and approve the new management agent as soon as the new agent is identified.

a. Previous Participation Certification. Form HUD-2530 (see Appendix 1) reports the names of all principals and affiliates of the management agent and any previous housing projects in which they have participated. It further certifies that they currently are eligible to participate in the management of the HUD-insured, financed or assisted multifamily project.

b. Management Entity Profile. Form HUD-9832 (see Appendix 2) provides HUD with information on the management entity's organization and procedures, including treatment of identity-of-interest relationships. It also shows the types of projects the agent has managed and what skills or professional certificates the agent's staff hold. It does not provide information on how the agent has operated individual projects.

(1) If the management entity has already submitted a profile in the format of the HUD-9832 and the profile is still accurate, the owner/agent should state in the cover letter requesting approval of the management entity that an accurate and up-to-date profile is on file. The cover letter should also include the date that this document was submitted. A new submission is not required.

(2) If a previously-submitted profile is not current, or if the management entity has never submitted a profile that conforms with the HUD-9832 format, the owner or agent must submit a new profile of the management entity.

(3) An updated profile must be submitted whenever there are changes in the management entity's organization or operations. The owner and/or agent should not wait until the management fee changes to submit a revised profile.

c. Management Certification. Using Form HUD-9839a, b, or c, as appropriate, (see Appendix 3) the owner and management agent together certify that they will comply with HUD requirements and contract obligations, execute an acceptable management agent agreement, and that no payments have been made to the owner in return for awarding the management contract to the agent and such payments will not be made in the future (projects not managed by the owner). Owners and agents must fill out the appropriate Certification Form as follows:

(1) Owner-Managed Projects submit Form HUD-9839a

(2) Identity-of-Interest Agents submit Form HUD-9839b

(3) Independent Fee Agents submit Form HUD-9839b

(4) Project Administrators submit Form HUD 9839c.

d. Proposed Staffing to be Charged Against the Project Operating Account. (See paragraph 6.38 for a discussion of which positions can be charged against the operating account.)

(1) Owners/agents must provide a listing of the staff whose salaries will be paid from the project's operating account. The list must include:

(a) Job titles and approximate salary, including hourly rate;

(b) A statement of each position's duties, if not obvious by title and whether the position is full or part-time;

(c) If the employee will be working for more than one project and/or working part-time for the agent in a non-supervisory capacity, a statement of how that person's time and salary will be allocated.

Note: Salaries of management agent supervisory staff not assigned to the project must be paid from the management fee. Only full-time, front-line supervisors may be paid from the project account (see exceptions to this rule in paragraph 6.39(c)).

(2) Any changes in staffing structure described in the listing above or additions in staff, which would require submitting a rent increase request to HUD, should be documented as part of the budgeted rent increase request process.

e. Resident Complaints and Their Resolution. Owners must provide a description of the system employed by the agent for resolving resident complaints and actual examples of the agent's implementation of the system.

f. Additional Information Required by the HUD Area Office. The Loan/Asset Management staff may require owners to submit additional information to clarify materials already submitted. Materials requested may address:

(1) Determining the management agent's acceptability.

(2) Monitoring the agent's compliance with HUD requirements.

(3) Resolving project operating problems.

Figure 2-4 lists the types of additional information that may be needed to assess the acceptability of a proposed agent. Loan/Asset Management staff should not require owners to submit this type of information on a specific form.