

Sample

Mark-to-Market PAE's Notice to Owner of Environmental Issues

Form 4.8

_____ (Date)

Project Name: _____

FHA Number: _____

Section 8 Expiration Date: _____

REMS I.D. #: _____

Dear Property Owner:

I have reviewed the Environmental Restrictions Checklist (Form 4.4), completed by (physical inspector), on (property name), FHA No. _____, located in (property location). In addition I have reviewed all applicable lead-based paint reports, letters and memoranda you have provided me. This review has identified the following hazard(s):

▲ **Polychlorinated Biphenyls (PCBs):**

No certification that the electric transformers are PCB free was included in the environmental assessment or the physical condition assessment. You must certify that the transformers are labeled as PCB free. If the transformers are not marked, you must contact the local utility company, determine the ownership of the transformer, and obtain a certification from the ownership entity that the transformers are PCB free. If the ownership entity is operating pursuant to the "assumption method," we must obtain a copy of your Operating and Maintenance plan.

▲ **Lead-Based Paint (LBP):**

The subject property was constructed prior to 1978. We have determined that the property is not exempt from HUD's Lead Based Paint Regulations. In this regard, we will need to review either a Risk Assessment Report or an Inspection Report that shows the property is lead-free. If you have not obtained either report, one must be obtained prior to the issuance of a Restructuring Commitment.

(PAE may modify this paragraph after discussion with their Relationship Manager) The report will be utilized in completion of our underwriting. In addition, for all properties in which lead-based paint exists, the owner must submit an Operating and Maintenance plan that addresses the maintenance of all surfaces and training of on-site personnel in accordance with applicable local, State, and Federal laws or regulations. If the restructuring plan provides for the disturbance of any surface that may contain lead-based paint, the work must be conducted in accordance with applicable local, State, OSHA and Federal laws and regulations and will require the completion of a Clearance examination after the work is completed.

▲ **Asbestos Containing Materials:**

There is evidence or an indication that the subject property may contain asbestos containing materials. Testing of the surfaces is not required. The owners must submit an Operating and Maintenance plan that addresses the maintenance of all asbestos containing materials and training of on-site personnel in accordance with applicable local, State, and Federal laws or regulations.

The restructuring commitment cannot be executed until the required documentation has been submitted, reviewed and approved. Please contact me if you have any questions at (PAE Phone Number).

Sincerely,

(Name of PAE)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. The Office of Multifamily Housing, Office of Recapitalization, 451 7th Street SW, Room 6230 Washington, DC 20410. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L.105-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.