OMB Control Number 2502–0587
form HUD–9635; exp. XX/XX/XXXX

Projects Preparing a Budget-Based Rent Increase

This form is used for the renewal of Section 8 Housing Assistance Payments contracts as authorized by the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA), 42 U.S.C. § 1437f note. The public reporting burden for completing this form is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, and gathering and maintaining the data needed. The information collected is required to obtain benefits. HUD may disclose certain information to Federal, State, or local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Information collected will not otherwise be disclosed or released outside of HUD, except as required and permitted by law. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Guidance for preparing a budget-based rent increase may be found in HUD Handbook 4350.1, REV-1, Chapter 7.

Allowance for owner distribution for profit-motivated projects that have not previously submitted a request for a budget-based rent increase.

Projects falling under this blanket may factor in an allowance for owner return/distribution as follows:

- For **Section 515/8** projects (regardless of whether they are for the elderly or families), 8% of the initial Owner equity.
- For all other projects:
  - ⇒ for **Elderly**, 6% of the initial owner equity.
  - ⇒ for **Families**, 10% of the initial owner equity.

To determine initial owner equity, the owner(s) should refer to the original firm commitment from HUD (form HUD–92264). If the project was not insured, or the HUD–92264 in not available, the Owner(s) must certify as to the amount of the initial equity and provide supporting documentation.

For Section 515/8 projects:

_____ x 0.08 = _____

Initial Owner Equity — Allowance for Owner Return/Distribution

For Elderly Projects:

_____ x 0.06 = _____

Initial Owner Equity — Allowance for Owner Return/Distribution

For Family Projects:

_____ x 0.10 = _____

Initial Owner Equity — Allowance for Owner Return/Distribution

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and accurate.

_____

Owner name (print or type)

_____

Owner signature

_____

Date (mm/dd/yyyy)

The allowance for Owner Return/Distribution should be factored into the Rent Computation Worksheet (Appendix 5, Chapter 7 of the 4350.1) in Box C, “Return/Net Income Reserve.”