February 25, 2020

Assistant Secretary Brian D. Montgomery
Federal Housing Commissioner
Federal Housing Administration
U.S. Department of Housing and Urban Development
451 7th St SW, Room 9100
Washington, DC 20410-0500

Assistant Secretary Hunter Kurtz
Office of Public and Indian Housing
U.S. Department of Housing and Urban Development
451 7th St SW, Room 4100
Washington, DC 20410-0500

Re: Modernizing Section 8 Program Administration to be More Consistent with Commercial Practices

Dear Assistant Secretary Montgomery and Assistant Secretary Kurtz:

We believe there is an opportunity for greater participation by market-rate property owners in the Section 8 rental assistance programs. Having greater participation creates more housing opportunities for lower income persons, greater mobility choice for Housing Choice Voucher residents, and a wider pool of development talent and equity providers. We have several suggestions, built around the notion that reducing barriers to market entry and participation and better reflecting property owners' legitimate business practices will be of benefit to both participants in the program and to HUD.

For more than 25 years, the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) have partnered to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of 1500 firms that own, develop, manage and finance apartments. As a federation of more than 160 state and local affiliates, NAA encompasses over 73,000 members representing nearly 9 million apartment homes globally. One-third of all Americans rent their housing and 40 million of them live in an apartment home.

HUD's Section 8 programs provide deep rental assistance in order to increase housing opportunities for low-income households and are of vital importance to our industry. However, there are a number of regulatory and administrative burdens that reduce the effectiveness of the Section 8 programs and reduce broader private sector participation. We offer this letter as a starting point for conversation to help increase the effectiveness of the Section 8 programs by aligning their procedures with private market practices.
1. Tenant-Based Vouchers - Improve initial lease-up

Tenant-Based Housing Choice Vouchers (HCVs) offer great transformational potential for their holders and a dependable income stream for property owners. Unfortunately, the requirements associated with initial lease-up are overly burdensome and often deter owners, weighing legitimate business practices and asset management strategy related to operating costs and operational uncertainty uniquely, from participation in the program. When an unassisted potential resident applies for a unit in the private market, the transaction can be completed virtually instantaneously - if the potential resident comes with their checkbook, they can complete an application and render first month's rent and a security deposit on the spot. While property owners often seek to acquire credit checks and other due diligence on potential residents, units are typically rented to unassisted residents within a couple of days.

In contrast, lease-up of Section 8 assisted residents can take months. Specific procedures vary by locality because HCVs are administered by local public housing authorities (PHAs) whose interpretations of HUD requirements can vary. However, in general, the unit must pass a Housing Quality Standards (HQS) inspection before a lease will become effective. Many owners shy away from HCVs once they realize they must sign a housing assistance payments (HAP) contract and will be treated as non-procurement government contractors, with dozens of pages of regulatory restrictions, merely to lease a unit. The PHA also requires execution of HUD's tenancy addendum to be attached to every voucher holder's lease. If the assisted resident is currently renting another apartment, the resident may be required to give 60 days' notice before moving. Then, once the lease is entered into, it is not unusual for payments, especially initial payments, to be delayed because of administrative difficulties.

In total, it is not unusual for a property owner to have to wait two months or more to begin receiving HCV subsidy for a newly rented unit. Sometimes this is merely a delay; sometimes the lease will not commence until these steps are completed and those two months' rent are just lost. Why would a rational property owner give up two months' rent, or even delay payment for two months or more? Especially for smaller property owners, two months can be the difference between a profitable and distressed property.

In recent years, resident advocates have worked in jurisdictions around the country to force owners to accept HCVs by adding "source of income" as a protected class under fair housing laws. Source of income legislation seeks to compel acceptance. This is a contradictory posture for HUD and local PHAs ostensibly seeking to work in partnership with private owners and managers. We believe it is more effective to create an incentive through simplification.

At the same time, HUD should add regulatory guidance and update the HAP contract to clearly delineate tenant and owner rights, responsibilities and authorities in interactions between tenants. That clarity will protect residents and owners in the event of a conflict between residents. Any owner obligation to act should be clearly described and the authority the owner is expected to administer should be clearly delineated.
HCVs can be a very desirable form of assistance. They offer stable income from the most dependable source, the federal government. In lieu of compelling HCV acceptance, we submit that reducing regulatory burdens and simplifying the process of initial lease-up would greatly increase the utilization of HCVs. We offer the following suggestions to be examined at initial lease-up and as ongoing practices, as appropriate:

- The only HCV requirement to commence subsidy should be submission of a signed lease to the PHA. The goal is to make the process of renting to an HCV-assisted resident identical to the process of renting to an unassisted household.
- Regulations and local ordinances provide that units must be habitable, decent, safe and sanitary. Property owners do not need to execute a contract to commit to these standards. If desired, the PHA can send a letter to the property owner informing them that acceptance of the HCV subsidy indicates the property owner's consent to the requirements set forth in 24 CFR 982, including HQS Inspections. Failure to abide by the regulations may result in termination of the tenant lease or the HAP subsidy.
- Incentivize PHAs to allow HQS inspections to follow initial lease-up. The Housing Opportunity Through Modernization Act of 2016 (HOTMA) already permits inspections to follow lease-up if the unit has been inspected in the previous 24 months, but many PHAs have been slow to adopt this practice. HUD can incentivize the practice by identifying it as a best practice and evaluating the practice favorably in its reviews of PHAs. Doing so would honor Congressional intent in HOTMA and would send a message that HUD and PHAs trust the households to identify decent, safe and sanitary units.
- As discussed below with PBVs, HCV rents should be able to exceed 110% of FMR where reasonable.
- Recognize the sufficiency of inspections comparable to HQS. If a unit has passed inspection pursuant to another affordable housing program or otherwise by a state or local government to ensure that the unit is decent, safe and sanitary, then it should be deemed to meet HQS. Subjecting units and property owners to multiple inspection regimes is excessive, wastes limited oversight resources, and is administratively burdensome for all parties involved. Duplicative inspections inflate program costs and the agency infrastructure needed to support the inspections. This recommendation applies to all the Section 8 programs.
- Ensure that PHAs provide subsidy payments to property owners no later than the 8th day of each month. Allow property owners to contact HUD if PHAs are delinquent in their payment. In addition, subsidy payments should identify the units for which they are being made. Subsidy payments often arrive without adequately identifying information.
- Hold residents responsible for damage caused to units. Documented evidence that residents have caused significant damage to units, beyond normal wear and tear, should be considered a violation of the tenant lease and good cause for eviction as it would be for any other private market tenant. Residents should be notified up front and more clearly that such damage can cause the HCV to be terminated. If damage caused by the residents exceeds the security deposit for a unit, the PHA should compensate the property
owner for damage caused by the resident. This would decrease potential disincentives for renting to low-income households who property owners may consider credit risks with respect to collecting for damaged property.

- Support the creation of a risk mitigation fund that provides financial assistance to participating property owners for increased unrecovered costs reported by some property owners from participating in the HCV program. The goal of the mitigation fund is to reduce financial risk for property owners and to encourage greater private sector participation. HUD should also look for ways to encourage state and local governments to create similar programs such as the Utah’s Section 8 Landlord Incentive Program that allows owners and operators to be reimbursed for qualifying damages.

- Encourage PHAs to employ a dedicated contact at public housing authorities, as a "landlord liaison," to answer questions for participating housing providers or address ongoing challenges related the HCV program. According to HUD-funded research, 68% of the rental housing providers in the study's dataset who refuse voucher holders had, in fact, accepted them previously. Researchers also found: "[T]he majority of nonparticipants rejected the program not because of a lack of market fit, but because of negative experiences with the program itself." One of the challenges identified in the study is tenant conflict and the program's lack of ability to resolve the problem. Providing a "landlord liaison" is an easy solution to solve one of the main issues that housing providers encounter in their participation in the HCV Program.

- Develop best practices to improve the efficiency and administrative consistency across all public housing authorities, and fund administrative fee incentives for participating PHAs who adopt these standards. One example of a holistic approach to the issues facing PHAs that is also a best practice, is Inlivian’s Improvements to the HCV Program, Attachment 1.

These suggestions aim at aligning HCV rental practice with standard private market rental practices. The goal is to make renting to an HCV-assisted resident as similar as possible to renting to an unassisted resident.

2. PBV - Allow market rate rents and allow for transfers of HAP contracts

Project-Based Vouchers (PBVs) are a powerful tool that can preserve desirable housing options for low-income households in communities of opportunity. However, PBV rent-setting practices are opaque and confusing. Again, PBV is administered by local PHAs, so there is some variance in their administration. However, in general, PBV rents are most often set at 90% - 110% of the HUD-determined Fair Market Rent (FMR), as limited by a rent reasonableness calculation. HUD determines FMRs at the median rental amount in a locality. FMRs are set at the median rent of a market area. Far from truly market rate rents, this limit means that PBV units are stuck at the bottom half of the rental market and PHAs are limited as to where they can seek to preserve housing opportunities for their community. In addition, the "rent reasonableness" calculation is subjective and provides additional uncertainty for potential property owners. Furthermore, there is also an inherent risk that is off-putting to potential participants—there is
often no guarantee against rent decreases. Indeed 24 CFR 983.301 and 983.302 explicitly allow for rent decreases.

PHAs should be given more flexibility in rent-setting to align practices more closely to the private market. This will increase a PHA's ability to preserve housing options for low-income households in areas of opportunity. We offer the following suggestions:

- PHAs should be able to exceed 110% of FMR in rent-setting, if they determine higher rents are reasonable. PHAs are limited by a budget allocation and overseen by a board of commissioners. PHAs may choose to be informed by HUD's FMR determination, but if a PHA wishes to increase housing options in areas of true opportunity, where the rent may be higher than the median rent for a locality, they should be free to do so.
- As a matter of policy, HUD guidance and model PBV HAP Contracts should explicitly provide that rent will not decrease during the term of the HAP Contract. Indeed, some HAP contracts already provide that initial rents can be treated as a floor, below which future rents will not decrease. Provisions such as these should be standard in HAP contracts.
- Eliminate the requirement for Davis-Bacon wages on projects utilizing new PBV contracts. Rental assistance is a tool for increasing housing options for low-income households. Imposing Davis-Bacon wages puts PBV projects at a disadvantage to the private market. In addition to increasing costs, Davis-Bacon requirements add unnecessary administrative steps and unduly increase regulatory burdens on a project. As a result, rents for PBV projects need to be artificially higher than rents for private market buildings in order to create the same incentives for development. Davis-Bacon requirements create an unnecessary distraction from HUD's core mission of increasing housing opportunities.

Aligning PBV requirements, especially rent-setting practices, with private market practices will increase the effectiveness of the PBV program.

The PBV program would also benefit from HUD explicitly allowing for the transfer of a PBV contract. We note that an unsigned memorandum was circulated in 2019 stating that the PBV program does not have a mechanism for the transfer of PBV contracts or for allowing pass-through contracts, as are allowed in Project-Based Rental Assistance (PBRA). Since the memorandum was not signed, it is difficult to assess the extent to which it carries the force and effect of official administrative guidance. HUD's posture on these issues should be clarified in a more official capacity.

There is no prohibition against transferring PBV contracts in either statute or regulation. A project's or a locality's redevelopment plans may occasionally be facilitated by the transfer of a PBV contract. For example, it is sometimes beneficial to a project's residents to establish a PBV contract intended to be a temporary mechanism in facilitating resident relocation which can then be transferred to the permanent project upon completion. As another example, one existing PBV

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project may need redevelopment or may be obsolete, and replacement at another location may be the most efficient and effective path forward. There are, of course, other potential scenarios.

3. PBRA - Simplify funding and transfer procedures

PBRA is one of the country’s most powerful tools for preserving and expanding housing opportunities for low-income households. Unfortunately, except for the conversion of public housing assistance under the Rental Assistance Demonstration (RAD), there is no new PBRA assistance. Therefore, the continuation of PBRA is dependent on HUD’s ability to renew and transfer existing PBRA contracts to new owners and potentially to new project sites. Transfers of PBRA assistance face two main problems: the transfer process is administratively cumbersome and initial payments are often delayed because of administrative difficulties.

Assigning a PBRA contract to a new owner should be a simple process - the project already exists and is already receiving rental assistance. The process should be limited to vetting the new owner and management agent. However, requirements for Assignment of HAP contracts to a new owner are increasingly being mirrored on the Transfer of Physical Assets (TPA) process which was originally intended for risk underwriting in HUD-insured mortgage properties and is unnecessarily complex for ownership transfers. In addition, the transfer requirements vary from field office to field office and among HUD account executives and contract administrators within an office as well. Many of the requirements often seem unnecessary or duplicative.

Transfers of assistance to a different project site require approval pursuant to Section 8bb of the U.S. Housing Act of 1937 (8bb) or what is currently Section 209 of Division H, Title II, of the Further Consolidated Appropriations Act, 2020 (collectively, with corresponding sections of other years’ appropriations acts, “Appropriations Act Authorized Transfer”).

The 8bb process is incredibly complex and requires significant participation by current owners who are seeking to exit the Section 8 program and terminate involvement with HUD. The 8bb process is governed by Notice H-2015-03 (8bb Notice). While publication of the 8bb Notice was a step forward in terms of making HUD standards and requirements known, the requirements of the 8bb Notice and process imposed has proven clunky and limited in its effectiveness. Our understanding is that many transactions that start the transfer process are not able to complete the process and, for those that do complete the transfer, processing times average one year. Steps must be taken by staff in both field offices and at headquarters. The same office can review the same application repeatedly, without explanation, causing tremendous time delay. In most cases, the existing contract is going to be terminated, with the project owner opting not to renew. Given this likely scenario, the project owner's participation in the transfer process will almost always come reluctantly and should not be required. Similarly, current site and neighborhood standards and other fair housing reviews are too stringent considering that the assistance is going to be lost if it cannot be transferred.

The Appropriations Act Authorized Transfer process is not well-known, has strict eligibility requirements and has opaque procedural requirements. This process provides broader statutory
authority to HUD to transfer subsidy contract and other contract obligations. The statutory authorization for this transfer focuses on projects that are physically obsolete or economically non-viable. Because of this status, the assistance for these projects will be lost if it is not transferred. Therefore, the transfer process should be as simple and efficient as possible in order to ensure preservation of this assistance. Guidance should be published outlining the process and requirements.

Once the project is transferred to a new owner, the process for actually funding the transferred HAP is opaque. Different HUD offices and contract administrators have widely varying familiarity with the steps involved. It is difficult for project owners to identify what steps have been taken and what steps remain to be taken and it is not unusual for initial payments to be missed or for those payments to take weeks or months.

To improve these issues, we offer the following suggestions:

- Standardize the Section 8 PBRA transfer process and publish a national checklist. We note that such a project has been in process at HUD for several years and completing that process will be a benefit to HUD, business partners and residents. We attached a proposed HAP Assignment Checklist (Attachment 2).
- Streamline the 8bb process and eliminate requirements that necessitate the participation of current owners. Please see our proposed 8bb Checklist, attached as Attachment 3.
- Update HUD’s national database to specifically identify expiring Section 8 contracts, including the contact information of current owners. HUD already maintains a database of Section 8 properties. If this database were converted to a friendlier software platform and if information on project expiration were added, the database could be used significantly more efficiently and effectively to preserve expiring assistance. We note that Rural Development posts similar information for their portfolio.
- For the Appropriations Act Authorized Transfers, publish guidance regarding eligibility and a standardized checklist for the process that mirrors the HAP assignment and 8bb processes. See our proposed Appropriations Act Authorized Transfer Checklist, attached as Attachment 4.
- For initial funding matters, empower account executives or identify a liaison for each transaction to shepherd such requests from start to finish and across offices. Make this liaison known to the project parties and identify the liaison as the point of contact for project parties’ inquiries.

The PBRA resource is one of HUD’s most valuable tools. Making the transfer and funding processes more transparent and more standardized will help to preserve this powerful tool.

4. Overall - Reduce regulatory burdens, being mindful of legitimate business practices

In addition to the program-specific suggestions above, we urge HUD to more intentionally take into account the legitimate business practices of private property owners and reduce regulatory burden across all the programs. The HUD-documented additional costs related to Section 8
compliance and uncertainty related to voucher program administration are important considerations for property owners, and should be acknowledged in Department improvements to the programs. We offer the following suggestions across all the Section 8 programs:

- As stated above, recognize the sufficiency of comparable inspections rather than impose duplicative program-specific inspections. If a property is subject to inspection by state or local governments, or by other affordable housing programs, such as the Low-Income Housing Tax Credit (LIHTC) program, that property should not be subject to HQS or REAC inspections. We reiterate that subjecting properties to multiple inspection regimes is excessively and needlessly costly and administratively burdensome for all parties involved and requires duplicative and expensive parallel agency structures.

- Preempt local rent control regulations for Section 8 programs. The Section 8 programs implement hard-fought compromises in national housing policy and provide a nationwide platform to increase housing opportunities. Allowing them to be subject to local variances in rent setting requirements undermines HUD's ability to set policy for the program, adds unnecessary complication and reduces their effectiveness. The Section 8 program has robust provisions regarding rent setting, reducing burdens on residents and compensating owners. The Section 8 program already protects residents from rent increases. HUD has made preemption clear in some prior programs, such as projects subject to the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA); it should do so now for all Section 8 programs.

- Simplify the payment process. The Department should investigate ways to reimagine the Section 8 payment processes, such as the Electronic Benefit Transfer (EBT) system that disburses funding for the Supplemental Nutrition Assistance Program (SNAP).

These suggestions aim at recognizing the legitimate business concerns of property owners and aligning the practices of these Section 8 programs with standard private market practices. Although there are various other rental assistance programs, implementing these suggestions for HCVs, PBVs and PBRA would be a huge step forward in reducing regulatory burden and increasing the effectiveness of these Section 8 programs.

NMHC and NAA thank you for considering our views. Please feel free to contact Cindy Chetti, NMHC's Senior Vice President of Government Affairs, at 202-974-2300, should you have any questions.
Assistant Secretary Brian D. Montgomery
Assistant Secretary Hunter Kurtz
February 25, 2020

Sincerely,

Cindy V. Chetti
Senior Vice President of Government Affairs
National Multifamily Housing Council

Greg S. Brown
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National Apartment Association
ATTACHMENT 1

INLIVIAN’S IMPROVEMENTS TO THE HCV PROGRAM
INLIVIAN'S Housing Choice Voucher (HCV) Program Enhancements

1. Faster initial inspections
   7 days (decreased from an average of 12 days).

2. Re-inspection after a failed inspection
   Housing Providers can now self-certify for non-health and safety issues.

3. Annual inspections
   Inspections are now conducted every 2 years.

4. Decreased contract turnaround time
   INLIVIAN's goal is 30 days (HUD requirement is 60 days).

5. Decreased wait time for subsidy payments
   We now make weekly payments (decreased from twice per month).

6. Housing Provider Incentive Program
   Implementing a Housing Provider Incentive Program to include: sign-on bonuses, continuity assistance and risk mitigation funds.

7. Housing Provider Contact
   Added a staff position dedicated as a liaison for INLIVIAN providers.

8. Extended HCV Search Time
   Extended HCV search time from 120 days to 180 days in case of hardship.

9. Increased payment standards
   Increased payment standards to 120%-150% fair market rent (FMR) depending on family eligibility & program.

10. HCV Applicant Orientation Program
    Orientation program requiring 20 hours of good neighbor, good client, and good tenant training for program entry; slated for spring 2020.
ATTACHMENT 2

PROPOSED HAP ASSIGNMENT CHECKLIST
Proposed
HAP Assignment Checklist

1. Purchaser Information
   a. Legal name of purchasing entity
   b. Purchaser signature block
   c. Purchaser organizational chart
   d. Previous participation (2530’s)
   e. Purchaser résumé /experience
   f. Proof of valid existence of Purchaser (eg, good standing certificate)

2. Management Agent Information (if management agent is changing)
   a. New management company name
   b. Previous participation (2530’s)
   c. Management entity profile (Form 9832)
   d. Project owner management agent certification (Form 9839)
   e. Management agent resume
   f. Affirmative Housing Fair Marketing Plan

3. Purchaser’s Transaction
   a. Proof of Purchaser’s interest (eg, copy of executed purchase contract)
   b. Narrative describing plans for future use
   c. If project has failed it last REAC score: a plan for addressing deficiencies, including proof of available financing and scope of rehab work.
   d. If relocation of tenants is proposed: Relocation Plan
   e. Proposed closing date and identification of time pressures, if any

4. HUD Project Documents
   a. Assignment and Assumption of HAP Contract
   b. Proposed Rent Schedule (Form 92458)
   c. Consent to Assignment (if required by Lender)

5. Will there be a rent increase?
   a. RCS – with discussion of current policy standard guidelines (eg, Median Rents over or under 140%/150% of ZCTA)
   b. RCS Certification
   c. 30 Day Tenant Notification
   d. For Chapter 15 rent increase, evidence of discretionary eligibility criteria, as applicable (community support, vulnerable population or low vacancy area)
   e. For Chapter 15 rent increase, Chapter 15 Use Agreement
ATTACHMENT 3

PROPOSED 8bb DOCUMENT CHECKLIST
Proposed 8bb Checklist

1. Project A Information – may be provided by HUD if Project A owner is terminating participation in Section 8 and does not wish to participate in the transfer process
   a. Project A site information: address, HAP contract number, rent schedule
   b. Legal name of Project A owner
   c. Evidence that Project A owner intends to terminate / allow HAP contract to expire – HUD and Project A owner should follow normal HAP termination procedures, including tenant notification, tenant protection voucher application, etc., outside of the requirements to transfer assistance to Project B owner.

2. Project B Owner Information
   a. Project B owner information: legal name and signature block
   b. Project B owner previous participation (2530s), including organizational chart
   c. Project B owner résumé /experience
   d. Proof of valid existence of Project B owner (eg, good standing certificate)

3. Project B project information:
   a. Basic site information: address, unit configuration, status
   b. Description of Project B transaction: Does Project B Owner already own Project B or are they newly acquiring? Is new construction or rehab planned? Other pertinent information to understand the transaction.
   c. Site and neighborhood selection: evidence that location of Project B does not have a greater concentration of minority residents than the location of Project A.
   d. Evidence that local demand for affordable housing warrants §8 assistance.
   e. Environmental review of Project B, if required (no environmental review is required for existing multifamily buildings unless there is significant ground disturbance, site expansion or other activity that could result in contaminant exposure pathways).
   f. If Project B is HUD-affiliated, evidence that REAC, MOR and other reviews and reports indicate satisfactory conditions, or Project B owner must provide a plan to remedy any deficiencies.
   g. If Project B is not HUD-affiliated, a PCNA to indicate 20-year needs of the project and a plan to address these needs through reserves or a re-capitalization event.
   h. If Project B is occupied, a relocation plan, if applicable, and discussion of whether existing tenants will qualify for Section 8 assistance.

4. Project B rent information:
   a. Proposed Rent Schedule (Form 92458)
b. RCS for Project B

c. Confirmation that transfer does not require an increase in budget authority

5. Project B Management Agent Information (if management agent is changing)
   a. New management company name
   b. Previous participation (2530’s)
   c. Management entity profile (Form 9832)
   d. Project owner management agent certification (Form 9839)
   e. Management agent resume
   f. Affirmative Housing Fair Marketing Plan

6. HUD Project Documents
   a. Assignment and Assumption of HAP Contract (or if Project B is new construction, an AHAP or “Assignment Awaiting Transfer Agreement” akin to the “Conversion Awaiting Transfer Agreement” that is used in the RAD context)
   b. HUD Consent to Collateral Assignment (if required by Lender)
ATTACHMENT 4

PROPOSED APPROPRIATIONS ACT AUTHORIZED

TRANSFER CHECKLIST
Proposed Appropriations Act Authorized Transfer Checklist

1. Transferring Project Information – *may be provided by HUD if Transferring Project owner is in default or otherwise not able to facilitate the transfer process*
   a. Transferring Project site information: address, HAP contract number, rent schedule
   b. Evidence that Transferring Project is physically obsolete or economically nonviable
   c. Tenant notification
   d. Consent by local government officials
   e. Plan for existing tenants, including relocation plan, if applicable

2. Receiving Project - Owner Information
   a. Receiving Project owner legal name and signature block
   b. Receiving Project owner previous participation (2530s), including organizational chart
   c. Receiving Project owner résumé /experience
   d. Proof of valid existence of Receiving Project owner (eg, good standing certificate)

3. Receiving Project - Project information:
   a. Basic site information: address, unit configuration, status
   b. Description of Receiving Project transaction: Does Receiving Project Owner already own Receiving Project or are they newly acquiring? Is new construction or rehab planned? Other pertinent information to understand the transaction.
   c. Confirmation that the number of low-income units and the unit configuration will be no less than at the Transferring Project, unless the Secretary authorizes a reduction in unit count or a reconfiguration because of unoccupied units in the Transferring Project
   d. Confirmation that the Receiving Project meets the applicable physical standards established by the Secretary (eg, a REAC inspection for existing housing or a C/O for new construction)
   e. If Receiving Project is HUD-affiliated, evidence that REAC, MOR and other reviews and reports indicate satisfactory conditions, or Receiving Project owner must provide a plan to remedy any deficiencies.
   f. If Receiving Project is occupied, a relocation plan, if applicable, and discussion of whether existing tenants will qualify for Section 8 assistance.

4. Receiving Project rent information:
   a. Proposed Rent Schedule (Form 92458)
   b. RCS for Receiving Project
   c. Confirmation that the net dollar amount of federal assistance provided to the Receiving Project remains the same as to the Transferring Project.
5. Receiving Project Management Agent Information (if management agent is changing)
   a. New management company name
   b. Previous participation (2530’s)
   c. Management entity profile (Form 9832)
   d. Project owner management agent certification (Form 9839)
   e. Management agent resume
   f. Affirmative Housing Fair Marketing Plan

6. HUD Project Documents
   a. Assignment and Assumption of HAP Contract (or if Receiving Project is new
      construction, an AHAP or “Assignment Awaiting Transfer Agreement” akin to
      the “Conversion Awaiting Transfer Agreement” that is used in the RAD context)
   b. HUD Consent to Collateral Assignment (if required by Lender)

If the Transferring Project is subject to a use restriction, a termination of the existing Use
Agreement, and a new Use Agreement for the Receiving Project