
Part I Desk Review

PART I. DESK REVIEW –The reviewer must complete this section **prior** to the on-site review using all relevant information in project files and HUD database systems. Questions on the desk review, which include category references, are linked to the on-site review. Category references on the desk review that relate to the on-site review must be considered when determining the category rating. Category references are marked following the applicable question (i.e. B3, E14).

If any questions on any given form are not relevant to the program under review or if the information is not available notate with "N/A".

1. What is the most recent Physical Assessment Subsystem (PASS) score? **B3**

Enter PASS Score ____ Date of REAC inspection ____

If required, has the project filed a certification that all items listed on the previous REAC inspection have been completed?

Yes No

If more than one inspection is of record, does the reviewer note repetitive defects?

Yes No

Comments:

2. Were Exigent Health and Safety (EH&S) conditions cited in the report? **B3**

Yes No N/A

Comments:

3. Have all latent defects been corrected? *This question applies only to newly constructed projects within the last 24 months. This question applies only to HUD Staff and Mortgagees.*

Yes No N/A

If not, list depository and amount of any construction escrows remaining. ____

Comments:

Questions 4 through 6 only apply to subsidized family properties or elderly properties housing children under the age of six that were constructed prior to 1978. If the lead based paint inspection has been conducted and the information was documented on a previous management review, proceed to question 7.

4. Document the year of construction for Lead-Based Paint compliance.

Obtain this information from the Physical Condition/PASS screen in iREMS. Open the REAC Inspection Report, then open the PASS Physical Inspection Report. The year of construction can be found under Buildings/Units.

Date of Construction ____ **If construction occurred after 1977, proceed to question 7.**

5. Has a lead-based paint inspection been conducted? **4B**

Yes No Information Not Available

Comments:

6. What were the results of the Lead-Based Paint Inspection/Evaluation: **4B**

Was lead found? Yes No N/A

If yes, is there a HUD approved lead hazard control plan? Yes No N/A

Comments:

7. Is an Annual Financial Statement required? (If no, proceed to question 10).

Yes No

This question applies only to HUD Staff.

Comments:

8. What was the most recent Financial Assessment Subsystem (FASS) score? Score ____

This question applies only to HUD Staff

If financial reporting is not required, determine why; and record the reason in reviewer comments below.

Comments:

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9. Have the following reports been consistently submitted on a timely basis? (Look at multiple periods) Check the appropriate box for reports received, and indicate whether or not the report was received timely.

This question applies only to HUD Staff and Mortgagees

- Annual Audited Financial Statement Yes No N/A
 Date last report was due: _____
 Date last report received: _____
- Monthly Accounting Report Yes No N/A
- Excess Income Report (HUD-93479, 80, 81) Yes No N/A
- Quarterly performance report for projects on flexible subsidy, modification, workout, etc. Yes No N/A
- Annual operating budget (cooperatives) Yes No N/A

If the reports have been submitted, were they received in acceptable form? Yes No

Comments:

10. Has the owner corrected all findings on HUD financial and or Inspector General audits? Yes No N/A

This question applies only to HUD Staff and Mortgagees.

List findings outstanding and determine whether remedial action is required to assure correction within established goals:

Comments:

11. Do project operating expenses appear reasonable compared with similar projects? Yes No

This question applies only to HUD Staff. D10

Indicate latest OPIIS rating and check problem areas flagged by OPIIS.

- Administrative Maintenance Utility Taxes and Insurance Financial

Also, use OPIIS to conduct an expense comparison with other similar projects.

Comments:

12. Does annual financial analysis or FASS printouts indicate that project is free of actual or potential financial problems? Yes No

This question applies only to HUD Staff.

For each of last 3 years, enter Profit (Loss) before depreciation (from the Statement of Profit & Loss).

Year	_____	\$ _____
	_____	\$ _____
	_____	\$ _____

Comments:

13. If the owner/agent has taken unauthorized distributions, reimbursements, or supervision fees, have these been repaid? Yes No

This question applies only to HUD Staff and Mortgagees.

If no, indicate amount due to the project. \$ _____

14. If applicable, have all deposits due to the residual receipts fund been made? Yes No

This question applies only to HUD Staff.

Comments:

15. Based on the last FASS submission, are accounts payable reasonably current? Yes No

This question applies only to HUD Staff and Mortgagees. D12

Indicate the amount of accounts payable more than 60 days old \$ _____

Comments:

Desk Review (Continued)

16. Does the balance in the security deposit trust account equal or exceed the project's liability account? **Yes** **No**
This question applies only to HUD Staff and Mortgagees.

If no, explain how deficit will be funded.

Comments:

17. If security deposits are invested in an interest-bearing account, is interest passed through to tenants or transferred to project account?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

Comments:

18. Have the owner and managing agent executed and submitted an appropriate Management Certification (form HUD-9839A, B, or C) to HUD?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

If yes, please enter date of certification. _____

Determine that the content of certification is consistent with present operations.

Comments:

19. Is the management fee paid to the agent in accordance with the Management Certification?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

Comments:

20. Has the owner and management agent executed a management agreement in accordance with the management certification?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

Comments:

21. Does the management agreement reflect HUD's regulations and guidelines?
This question applies only to HUD Staff and Mortgagees. **Yes** **No** **N/A**

Comments:

22. Has a management entity profile been submitted to HUD?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

If yes, is it relevant to the agent's organization and how it operates? **Yes** **No**

Date of the management entity profile _____

23. Do the Management Entity Profile and Management Certifications clearly describe the relationships and responsibilities of the owner and agent?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

Determine if management is by an identity-of-interest contractor, and compare the contract arrangement to the annual financial report.

Comments:

24. Have the principals and board members listed received HUD-2530 approval?
This question applies only to HUD Staff. **Yes** **No** **N/A**

Request a list of all current principals and board members and check for HUD-2530 approval.

Comments:

25. Is the agent charging the project for expenses which the agreement requires the agent to pay?
This question applies only to HUD Staff and Mortgagees. **Yes** **No**

Comments:

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Questions 26 –29 apply to OAHF restructuring. If not applicable proceed to question 30.

26. Has the project’s mortgage been restructured? **Yes** **No**
This question applies only to HUD Staff.

If yes, is there a use agreement on the project? **Yes** **No**
If there is a use agreement, does it require any owner certifications? **Yes** **No**
If owner certifications are required, have they been submitted timely? **Yes** **No**
If applicable, has work required under the Rehabilitation Escrow been/is being completed according to schedule? **Yes** **No**

Comments:

27. Is the owner eligible for incentives? **Yes** **No**
This question applies only to HUD Staff.

If yes, has the owner calculated those incentives correctly? (i.e., Capital Recovery Fee (CRF) and/or Incentive Performance Fee (IPF)) **Yes** **No**

Comments:

28. Does the HUD billing statement (HUD-92771) indicate timely and accurate payments toward the Mortgage Restructuring Note? **Yes** **No**
This question applies only to HUD Staff.

Comments:

29. If an owner is in non-compliance with HUD business agreements, has the owner been notified by HUD within the required timeframes? **Yes** **No**
This question applies only to HUD Staff

Comments:

Questions 30 through 33 apply to Section 236 projects. If this is not a Section 236 project proceed to question 34.

30. Does the rental income generate excess income? **Yes** **No** **N/A**
This question applies only to HUD Staff.

Comments:

31. Has the owner/agent received approval to retain excess income? **Yes** **No**
This question applies only to HUD Staff. **D13**

Comments:

32. Was an annual report submitted for usage of retained excess income? **Yes** **No**
This question applies only to HUD Staff. **D13**

Comments:

33. Are there any delinquent excess income payments due HUD? **Yes** **No**
This question applies only to HUD Staff. **D13**

If yes, is there a payment plan? **Yes** **No**

Comments:

34. Are rent increase requests submitted to HUD promptly when needed? **Yes** **No**
This question applies only to HUD Staff.

Review the timing of the last three rent increase requests and the results of the requests (approval, denial or modification to requested amount), and whether the rents are comparable to other neighboring properties. If a wide disparity exists, determine the cause of the difference.
Does owner/agent generally provide sufficient documentation for rent increases? **Yes** **No**

Comments:

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35. If approval is required, are rent increase requests submitted promptly? **Yes** **No** **N/A**

Comments:

36. Complete chart below. *(This question applies only to HUD Staff/ Mortgagees)*

Name of Reserve	As of			Held in Interest Bearing Account?	
	Total	Per Unit	Monthly Deposit	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Replacement Reserve	\$	\$	\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>
General Operating Reserve (Co-ops)	\$	\$	\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Residual Receipts	\$	\$	\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other	\$	\$	\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>

a. Do balances in replacement or general operating reserve accounts appear adequate to meet future needs? **Yes** **No**

If not, what action is recommended? _____

b. Are repairs consistently paid from the appropriate operating expense account, and eligible items reimbursed from the reserves? **Yes** **No**

Comments:

37. Has the owner/agent performed an analysis to determine future Reserve for Replacement needs when submitting a budget based rent increase? **Yes** **No**

Comments:

38. If there is a utility allowance, what was effective date of last utility allowance adjustment? _____

What was the date of approval? _____

If a utility allowance was approved was it implemented within 75 days as required by HUD? **Yes** **No**

Comments:

39. What is the effective date of the last rent adjustment? _____

Comments:

40. Is the current approved rent schedule sufficient to meet project needs? **Yes** **No**
This question applies only to HUD Staff.

Comments:

41. Has a special rent increase been approved? **Yes** **No** **N/A**

If yes, please check the appropriate box. Insurance Taxes Utilities Security Service Coordinator

Comments:

42. Are monthly rental subsidy vouchers submitted on time? **Yes** **No** **N/A**

Comments:

43. Is the owner/agent submitting tenant certification data to TRACS to support the voucher billings? **Yes** **No** **N/A**

Comments:

44. Is the owner/agent transmitting data for Section 236 and Section 221(d)(3) BMIR tenants to TRACS as required by the automation rule? **Yes** **No** **N/A**

Comments:

45. What is the term of the subsidy contract? _____ Date the contract term ends: _____

Comments:

Part II On-Site Review

Indicate by marking the appropriate box - Yes, No, or N/A if not applicable. Provide comments as needed.

CATEGORY A. GENERAL APPEARANCE & SECURITY

1. General Appearance

Based on observation, are the project’s exterior and common areas (i.e., grounds, landscaping, parking lots, playgrounds, hallways, laundry room, elevator, garbage area, stairwells, management office) clean, free of graffiti, debris and damage? Yes No N/A

If no, provide location and describe condition(s).

Comments:

2. Security

a. Indicate whether any of the events below have been documented in the last twelve months, and the frequency of the event(s).

Event	Frequency	Event	Frequency
<input type="checkbox"/> Break-Ins		<input type="checkbox"/> Arrests	
<input type="checkbox"/> Vandalism		<input type="checkbox"/> Drug Activity	
<input type="checkbox"/> Auto Theft		<input type="checkbox"/> Other (please specify):	
<input type="checkbox"/> Personal Assaults		<input type="checkbox"/> None	

Comments:

b. Indicate which types of security measures, if any, are utilized on site.

- Tenant Patrol
- Volunteer Organization
- Paid Car Patrol
- Paid on-site Guard
- Police Patrol
- TV Monitor
- Drug Free Housing Plan
- Security Cameras
- Motion Sensors
- Crime Prevention Plan
- Community Policing
- Other (please specify)
- None

Comments:

c. Based on the answers provided in questions a and b above, what corrective actions, if any, have been taken by the owner/agent?

Comments:

d. Has the owner/agent requested a rent increase based on cost increases in security costs? Yes No

If yes, indicate security measures taken.

Comments:

CATEGORY B. FOLLOW-UP & MONITORING OF PROJECT INSPECTIONS

3. Follow-Up & Monitoring of Project Inspections and Observations (Sampling is at reviewer’s discretion to respond to questions a and b below)

a. Based on a sampling, if EH&S items were identified have the deficiencies been corrected and documented according to the owner/agent’s certification for the most recent REAC inspection? Yes No N/A

If no, provide an explanation.

Does the analysis show any repetitive or systemic problems? Yes No

Comments:

b. Based on a sampling of units and common areas, for all other deficiencies noted in the REAC inspection, as applicable, verify that corrective actions have been taken. Have the deficiencies been corrected? Yes No N/A

If no, is there a schedule for correcting the deficiencies within a reasonable timeframe to comply with decent, safe, sanitary and good repair standards?

Yes No

Comments:

On-Site Review (Continued)

4. Follow-Up & Monitoring of Lead-Based Paint Inspection – The following questions only apply to subsidized family properties or elderly properties housing children under six years of age that were constructed prior to 1978. If constructed after 1977, check N/A for questions a and b.

a. Is there a certification on file documenting that the project has been certified to be free of lead-based paint or lead hazards? Yes No N/A

If there is a certification, obtain a copy for the project file.

Comments:

b. Is the owner in compliance with the HUD approved lead hazard control plan as noted on the desk review? Yes No N/A

Comments:

CATEGORY C. MAINTENANCE & STANDARD OPERATING PROCEDURES

5. Maintenance

a. Indicate below to confirm that there is a schedule for preventive maintenance/servicing for the items listed that are applicable.

- Heating and A/C Equipment
- Water Heaters
- Carpets and Drapes
- Roof, gutter and Fascia Inspection
- Major Appliances
- Elevators
- Motor Vehicles
- Sewer lines
- Exterior painting
- Windows
- Recreational equipment
- Landscaping maintenance
- Other (please specify):

Comments:

b. Is there a satisfactory inventory system to account for tools, equipment, supplies, and keys (serial numbers, bar codes, etc.)? Yes No

Comments:

c. Has the owner/agent secured inventory items, such as appliances and tools, to prevent theft? Yes No

Comments:

d. Does the owner/agent have a written procedure that explains the process for inspecting units? Yes No

If yes, review a copy.

Identify employee responsible for conducting the inspections: Name and Title:

Comments:

e. How often are units inspected?
 Monthly Quarterly Semi-Annually Annually Move-In Move-Out Other (please specify):

Comments:

f. How are unit inspections documented?

Please Describe:

g. If deficiencies are noted during a unit inspection, what is the procedure for correction?

Please describe:

h. What is the average number of days from move-out until the unit is ready for occupancy? ____

Comments:

i. Is there a written procedure for completing work orders? Yes No

If yes, review a copy.

Comments:

j. Is there a procedure in place to handle emergency work orders? Yes No
If yes, describe the procedure:

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k. Is there a backlog of work orders? Yes No
If a backlog exists, indicate the current number of work orders:

Number between 1-3 days: ___ Number between 4-7 days: ___ Number more than one week: ___

Comments:

l. Who is provided copies of completed work orders? (check all that apply.)

Tenant Tenant File Maintenance Staff Other (please specify) _____

Comments:

m. Is there documentation by unit that indicates the date of purchase, manufacturer, model, and serial number for appliance purchases (i.e., ranges, refrigerators, furnaces, air conditioners, hot water heaters, etc.)? Yes No

Comments:

6. Vacancy and Turnover

a. How many units were vacant on the date of the on-site visit?

Number of Vacant Units: ___ Number Ready for Occupancy: ___ Average Length of time for unit turnover: ___

Comments:

b. Walk through at least two vacant units that are ready for occupancy. Assess and document unit readiness.

Number of Units Visited: ___ Number of Units Ready for Occupancy: ___ Number of Units Not Ready for Occupancy: ___

Comments:

c. Based on the interview with on-site staff, are any of the factors listed below contributing to vacancy problems? (Below, indicate all that apply.)

- Security Problems Non-competitive Amenities Inadequate Marketing Project Reputation Poor Maintenance Rents too High
- Location Lack of Demand Tenant/Management Relations Applicants Do Not Meet Screening Criteria
- Other (please specify) _____
- Bedroom Mix/Size (If yes, indicate which bedroom sizes are hard to rent) _____

Comments:

d. Based on the responses in questions a, b and c, what actions are being taken by the owner/agent to resolve the issue(s)?

If not applicable, proceed to question 7.

Please describe:

7. Energy Conservation

Has management attempted to reduce energy consumption? Yes No

(check all that apply.)

- Caulking and weather-stripping Conversion to individual metering Storm doors and windows Consumer education
- Water saver devices Extra insulation Assessment of Utility Rate Schedule Energy Efficient Lighting Energy Star Appliances
- Written Energy Conservation Plan Other (please specify) _____ None

Comments:

CATEGORY D. FINANCIAL MANAGEMENT/PROCUREMENT
(This Category applies only to HUD Staff and/or Mortgagees as indicated. CAs may proceed to Category E.)

8. Budget Management

a. Does the owner/agent's staff have access to the current operating budget in order to monitor and control expenses?

Yes No N/A

Comments:

b. Is an operating budget prepared annually and approved by the owner? Yes No N/A

If yes, obtain a copy of the current year's budget.

Comments:

On-Site Review (Continued)

c. Are monthly or quarterly reports prepared by the owner/agent indicating variances between actual income and expenses versus budgeted income and expenses? **Yes** **No** **N/A**

Comments:

d. If this is a 202 or 811 project, does the owner/agent maintain a current annual budget? **Yes** **No** **N/A**

This question applies only to HUD Staff.

If yes, is it available on-site? **Yes** **No**

Comments:

9. Cash Controls

a. Are collections deposited on the day received or, pending deposit, are they secured and properly controlled? **Yes** **No**

Comments:

b. Are adequate controls in place when cash is accepted? **Yes** **No** **N/A**

Check the controls that are used.

Pre-numbered rent receipts Bank collections Safe Lock box

Comments:

c. Do different persons handle bank deposits and accounts receivable, or is an alternative safeguard used? **Yes** **No**

Indicate Names and Titles: _____

Comments:

d. Are all disbursement checks prenumbered, properly identified with account numbers and supported by vouchers or invoices? **Yes** **No**

Comments:

e. Is the supply of unused checks adequately safeguarded, or under the custody of persons who do not sign checks manually, control the use of facsimile signature plates, or operate the facsimile signature machine? **Yes** **No**

Comments:

f. Are funds (receipts, disbursements, petty cash, etc.) periodically checked on a surprise basis by a responsible official, other than site employees? **Yes** **No**

Comments:

g. Are bank statements reconciled promptly upon receipt by someone other than a check signer, and by one who has no cash receipt or disbursement function? **Yes** **No**

Comments:

10. Cost Controls

a. Are bills, including the mortgage payment, paid in sufficient time to avoid late penalties? **Yes** **No**

Comments:

b. Are operating expenses, including taxes and utilities, periodically reviewed to assure that project is paying the lowest possible rate? **Yes** **No**

If yes, provide a recent example.

11. Procurement Controls

a. What is the procedure used to obtain and award contracts?

Describe procedure:

b. Are bids obtained prior to awarding contracts? **Yes** **No** **N/A**

Review contracts and determine if bids were obtained and, if the lowest bids were not selected, determine the owner's/agent's reasoning for selection.

Comments:

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c. Is there a written procedure for checking the quality of work performed by a contractor prior to authorizing payment?
Yes No

Comments:

d. Is there a procedure to assure that the individual authorizing contracted work or services is not the same individual authorizing payment?
Yes No

Comments:

e. Who is the responsible person charged with inspecting the quality of work performed by contractors prior to payment?
Please provide the name and title:

f. Does the project maintain a list of outside contractors? Yes No

Comments:

g. Are vendor bills paid in time to obtain maximum trade discounts? Yes No

Comments:

h. Is there any indication that real or personal property has been subtracted from the mortgaged premises without the permission of the Department? Yes No

Comments:

i. Below, check services currently contracted with outside contractors and provide the name of the contractor and annual amount of the contract. Indicate (by asterisk) whether there is an identify-of-interest relationship between the contractor and the owner/agent.

Service	Name of Contractor	Annual Contract Amount
<input type="checkbox"/> Elevator		\$
<input type="checkbox"/> Exterminating		\$
<input type="checkbox"/> Apartment Cleaning		\$
<input type="checkbox"/> Heating and A/C		\$
<input type="checkbox"/> Plumbing		\$
<input type="checkbox"/> Security		\$
<input type="checkbox"/> Trash Collection		\$
<input type="checkbox"/> Decorating		\$
<input type="checkbox"/> Grounds		\$
<input type="checkbox"/> Other		\$

Comments:

12. Accounts Receivable/Payable

a. Complete the following as of end of last month.

Cash \$ _____ Accounts Receivable \$ _____ Accounts Payable \$ _____

Are tenant accounts receivable within acceptable limits of 10% of one month's rent potential? Yes No

Amount of receivables above is ___% of monthly rent potential.
Of this amount, \$ ___ is more than 30 days past due.

Comments:

On-Site Review (Continued)

b. Does the procedure for write-off of bad debts appear reasonable? **Yes** **No**

Comments:

c. Has annual "write-off of tenants' accounts receivable for the last two fiscal years been less than 1% of gross rent potential? **Yes** **No**

Comments:

d. Are accounts payable reasonably current? **Yes** **No**

Indicate amount of accounts payable more than 60 days old: _____

What are the owner/agent plans to reduce outstanding payables? _____

Comments:

13. Accounting and Bookkeeping

a. Are books and records maintained as required by HUD Handbook 4370.2 (Chapter 4) and 24 CFR Part 5? **Yes** **No** **N/A**

Check books of accounts that are maintained. Indicate where books may be examined.

O – owner's office; **A** – agent's office; **P** – project site

General Ledger () **Rent Receivable Ledger** () **General Journal** ()
 Cash Receipts Journal () **Cash Disbursements Journal** () **Accounts Payable Journal** ()

Comments:

b. Are all required project accounts in the name of the project in a federally insured institution? **Yes** **No**

Comments:

c. Are operating funds, security deposits, reserve funds, and flexible subsidy funds maintained in separate accounts and properly secured for authorized use? **Yes** **No**

Comments:

d. Does the mortgagor make frequent postings (at least monthly) to the ledger accounts? **Yes** **No**

Comments:

e. If applicable is owner adhering to HUD-approved repayment Plan? (loan from reserve for replacement, 236 excess income, capital improvement loan, etc.) **Yes** **No**

Comments:

f. Is centralized accounting used for disbursements? **Yes** **No**

If yes, are only HUD-insured projects in the pool? **Yes** **No**

Comments:

g. If centralized accounting is used, has it been approved by HUD? **Yes** **No** **N/A**

Comments:

h. If centralized accounting is used, is it being administered in accordance with HUD's approval? **Yes** **No** **N/A**

Comments:

i. If the trust account is part of a centralized disbursement account, are only HUD-insured projects in that account? **Yes** **No**
If yes, is the project's balance transferred to the project account at least once monthly? **Yes** **No**

Comments:

On-Site Review (Continued)

j. If there are automobiles and/or debit or credit cards charged to the project, are the titles kept in the name of the project?
Yes No
If yes, do they have HUD approval? Yes No

Comments:

CATEGORY E. LEASING AND OCCUPANCY (This Category does not apply to Mortgages)

14. Application Processing and Tenant Selection

a. Does the application form contain sufficient information to determine applicant eligibility? Yes No

Comments:

b. Does the application ask whether the applicant or any member of the applicant's household is subject to a lifetime state sex offender registration program in any state? Yes No

Comments:

c. Does the application ask for a listing of states where the applicant and members of the applicant's household have resided? Yes No

d. Is form HUD-92006 "Supplement to Application for Federally Assisted Housing", an attachment to the application or part of the application package? Yes No

Comments:

e. Is there an arms length procedure between the person who denies an application and the application appeal reviewer? Yes No

Comments:

f. Has the owner/agent leased a Section 8 unit to a police officer or security personnel who is over the income limits for the project?
If yes, has HUD or CA authorized the admission? Yes No
Yes No

Comments:

g. Does the owner/agent have a written tenant selection plan? Yes No
If yes, does the plan include all required criteria stated in Chapter 4, Handbook 4350.3 REV-1 and all applicable notices? Yes No N/A

If no, list the required criteria that the tenant selection plan does not include:

Comments:

h. Does the project maintain a waiting list of prospective tenants? Yes No N/A
If yes, does the list include all required elements stated in Handbook 4350.3 REV-1? Yes No

Comments:

i. Enter the number of applicants on the waiting list for each type of unit: 0 BR ___ 1 BR ___ 2 BR ___ 3 BR ___ 4 BR ___ Other: ___

Comments:

j. Were the applicants selected from the waiting list in the proper order, recognizing applicable preferences? Yes No

Comments:

k. When preferences were applied, were they properly documented? Yes No N/A

Comments:

l. Is documentation available to show that the owner/agent has leased not less than 40% of the Section 8 units that became available for occupancy in the previous fiscal year to extremely low-income families? Yes No N/A
If yes, please review and obtain a copy.

Comments:

On-Site Review (Continued)

m. What marketing steps has the owner/agent taken to attract extremely low-income families? If not applicable, proceed to question n.

Please describe:

Comments:

n. Does the advertising program comply with the existing affirmative fair housing marketing plan? Yes No

Request to see copies of advertisements.

Comments:

o. Is the fair housing sign posted in the rental office? Yes No

Comments:

p. Is the fair housing logo included in published advertising materials? Yes No

Comments:

15. Leases and Deposits

a. Have modifications been made to the HUD model lease? Yes No N/A

If yes, has the lease and/or lease addenda in use been approved by HUD? Yes No N/A
This does not include lease addenda issued by HUD

Comments:

b. Aside from rents and security deposits, what other charges are assessed (replacement keys, lockouts, etc.)?

List the type and amount of any of these charges.

Comments:

c. If other charges aside from rents and security deposits are assessed, have they been approved by HUD? Yes No N/A

Comments:

d. Are rents collected in accordance with the provisions of the lease? Yes No

Comments:

e. Is the policy for late fee assessment in compliance with the Handbook 4350.3 REV-1 or with state/local requirements? Yes No

Comments:

f. Are damages caused by tenants properly identified and charged to tenants? Yes No

Comments:

16. Eviction/Termination of Assistance Procedures

a. Are tenants notified of termination of tenancy or assistance in accordance with HUD requirements? Yes No N/A

Comments:

b. Are eviction procedures initiated timely, when warranted? Yes No N/A

Please document the following:

Number of evictions completed during the last 12 months. _____

Average cost per eviction \$ _____

Eviction handled by: Owner/Agent Attorney on staff of Owner/Agent Attorney on contract Attorney on call

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.

On-Site Review (Continued)

Comments:

c. Is the termination of assistance initiated timely when warranted? **Yes** **No** **N/A**
Reason(s) for termination of assistance:

Comments:

17. Enterprise Income Verification (EIV) System Access and Security Compliance
Applies to subsidized properties only

a. Does the owner/agent have access to EIV? **Yes** **No**

Comments:

b. Does the EIV Coordinator(s) have an owner approval letter(s) authorizing access to EIV? **Yes** **No**

Comments:

c. Does the owner/agent and/or EIV Coordinator have:

- An initial and currently approved EIV Coordinator Access Authorization Form (CAAF) on file for each person designated by the owner as an EIV Coordinator? **Yes** **No**
- An initial and currently approved EIV User Access Authorization Form (UAAF) on file for each person designated by the EIV Coordinator as an EIV User? **Yes** **No** **N/A**
- Signed copies of the EIV Rules of Behavior for Individuals without access to the EIV system, who use EIV reports and/or data to perform their job functions? **Yes** **No** **N/A**

Comments:

d. Is there evidence that staff with access to the EIV system or to EIV reports take annual security awareness training?
If yes, is a record kept of employees who attended the training? **Yes** **No** **N/A**

Comments:

e. Does the owner/agent have security measures in place to limit access to EIV information and reports to only those persons who have proper authorization? **Yes** **No**

Comments:

f. Does the owner/agent have a procedure to review all EIV User IDs to periodically determine if the users still have a valid need to access EIV data? **Yes** **No**

Comments:

g. Does the owner/agent terminate access promptly (within 30 days) of all users who no longer have a valid need to access EIV data? **Yes** **No**

Comments:

h. Does the owner/agent have a procedure to document and report the occurrence of all improper disclosures of EIV data?
Have any improper disclosures been reported to the owner/agent? **Yes** **No**

Comments:

i. Does the owner/agent have a procedure to report any occurrence of unauthorized EIV access or security breach to the HUD National Help Desk?
Have any occurrences of unauthorized EIV access or security breaches been reported? **Yes** **No**

Comments:

j. Is there evidence that the owner/agent or any of their employees are sharing IDs and passwords? **Yes** **No**

Comments:

On-Site Review (Continued)

k. Is EIV data being improperly shared with other entities (e.g., state officials monitoring LIHTC projects, RHS staff, or Service Coordinators not participating in the re-certification process)? **Yes** **No**

Comments:

l. Does the owner/agent keep in the tenant file the Tenant Consent for Disclosure of EIV Information, signed by the tenant and a third party when a third party assists in the re-certification process? **Yes** **No** **N/A**

Comments:

18. Compliance with Using EIV Data and Reports
Applies to subsidized properties only.

a. Does the owner/agent have policies and procedures describing the use of EIV employment and income information and the EIV reports?

Yes **No**
Yes **No** **N/A**

If yes, do they comply with HUD's usage requirements?

Comments:

b. 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)?

New Hires Report	Yes <input type="checkbox"/>	No <input type="checkbox"/>
No Income Report	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Failed EIV Pre-screening Report	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Failed Verification Report (Failed the SSA Identity Test)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Existing Tenant Search	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Multiple Subsidy Report	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Deceased Tenant Report	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Comments:

19. TRACS Monitoring and Compliance (applies to subsidized properties only)

a. Is the owner/agent using TRACS queries to review and monitor their transmission? **Yes** **No**

Comments:

b. Is the owner/agent following up and correcting deficiencies identified in TRACS data? **Yes** **No**

Comments:

20. TRACS/EIV Security Requirements (applies to subsidized properties only)

a. Does staff log on using their own user name and password when accessing Secure Systems? **Yes** **No**

Comments:

b. Have staff with access to EIV and/or TRACS in Secure Systems completed the required security awareness training each year and is there a signed Rules of Behavior? **Yes** **No**

Comments:

c. Have staff with access to the EIV system completed the hard copy authorization form HUD-52676 when access was initially granted and completed the EIV online authorization form annually (coordinators) or semi-annually (users) as required? **Yes** **No**

Comments:

On-Site Review (Continued)

d. Have staff who use EIV reports, but do not access the EIV system in Secure Systems, completed the security awareness training annually and is there a signed the Rules of Behavior? **Yes** **No**

Comments:

e. For new staff, or staff that was given access to EIV or TRACS within the last year, was the security awareness training completed before access, or within 30 days of being given access and signing the TRACS and EIV Rules of Behavior? **Yes** **No**

Comments:

21. Tenant File Security

a. Are the tenant files, as well as other files that contain EIV reports, if applicable, locked and secured in a confidential manner? **Yes** **No**

Comments:

b. 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? **Applicable to Section 8 only.** **Yes** **No** **N/A**

Comments:

c. Is access to tenant file information limited to only authorized staff? **Yes** **No**

Comments:

d. Who is authorized to have access to the tenant files? **Name(s) and Title(s):**

Comments:

e. Is the owner/agent maintaining tenant files according to HUD’s document retention requirements? **Yes** **No**

Comments:

f. Is the owner/agent properly disposing of tenant records (shred, burn, pulverize etc.)? **Yes** **No**

Comments:

22. Summary of Tenant File Review

This section applies only to subsidized projects and should be completed after the tenant file reviews (See Addendum A.)
The minimum file sample should include review of tenant files of new move-ins, re-certifications (annual, interim, initial), at least one applicant reject file, and at least one terminated/move-out file. In order to review specific functions (EIV usage, utility reimbursement, pet rules/deposits, minimum rents, etc.) it may be necessary to target a portion of the files reviewed to specific tenant families. The reviewer should adjust the tenant file sample to meet the needs of the review.

<i>Number of Units</i>	<i>Minimum File Sample</i>
100 or fewer	5 files plus 1 for each 10 units over 50
101-600	10 files plus 1 for each 50 units or part of 50 over 100
601-2000	20 files plus 1 for each 100 units or part of 100 over 600
Over 2000	34 files plus 1 for each 200 units or part of 200 over 2,200
For each question, only answer “Yes” if the files reviewed are acceptable. Answer “No” if the files are not acceptable and note the number of files with deficiencies utilizing the tenant file worksheet, Addendum A	Number of Files Reviewed = ____
(Please note: There is no maximum number of files to be sampled)	

a. Tenant Files and Records

i. Are the tenant files organized and properly maintained? **Yes** **No**

Number of Files with Deficiencies: ____

Comments:

ii Do the files contain all documentation as required in Handbook 4350.3 REV-1, applicable HUD Notices, and any changes to the CFR?

Yes **No**

Documents Missing from Files:

On-Site Review (Continued)

Comments:

b. Application/Tenant Selection

i. Are the applications in the files signed and dated by applicant? Yes No

Number of Files with Deficiencies: ____

Comments:

ii. Is screening conducted in accordance with the Tenant Selection Plan? Yes No

Number of Files with Deficiencies: ____

Comments:

iii. Are the unit sizes appropriate for household composition at the time of this tenant file review? Yes No

Number of Files with Deficiencies: ____

Comments:

iv. If a household was ineligible at move in, were exceptions granted? Yes No N/A

Number of Files with Deficiencies: ____

Comments:

c. Lease

i. Are the correct model leases used? Yes No

Number of Files with Deficiencies: ____

Comments:

ii. Are the leases signed and dated by all required parties? Yes No

Number of Files with Deficiencies: ____

Comments:

iii. Are HUD issued lease addenda properly signed and in the file? Yes No

Number of Files with Deficiencies: ____

Comments:

iv. Are the applicable addenda attached to the lease? Yes No

Number of Files with Deficiencies: ____

Comments:

v. Are security deposits collected in the correct amount for the program? Yes No N/A

Number of Files with Deficiencies: ____

Comments:

vi. Are pet deposits within acceptable range and payment installments allowed? Yes No N/A

Number of Files with Deficiencies: ____

Comments:

vii. Do the tenant files contain signed acknowledgement(s) and/or copies of the following documents indicating receipt by the tenant?

HUD-9887 Fact Sheet Yes No

Number of Files with Deficiencies: ____

Lead Based Paint Disclosure Yes No N/A

Number of Files with Deficiencies: ____

On-Site Review (Continued)

Number of Files with Deficiencies: ____

Comments:

xii. Are the correct contract rents used when determining the subsidy to be paid on behalf of tenants? **Yes** **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

xiii. If tenants are paying their own utilities, are the current certifications reflecting the correct utility allowances?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

xiv. Are utility reimbursement checks distributed within 5 business days of receipt of the housing assistance payments?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

e. Voucher Billing

i. Are there any deficiencies noted in the tenant file review that results in over payment or under payment of the subsidy?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

ii. For the move-in/move-out tenant file review, does the owner/agent make appropriate voucher adjustments?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

f. Move-In Files

i. Are proper income limits used for determining eligibility at move-in?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

ii. Do the files contain move-in inspections?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

iii. If the files contain move-in inspections, have the owner/agent and the tenant signed and dated the inspection?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

iv. 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?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

g. Move-Out Files

i. Do tenants provide written notice of intent to vacate in accordance with the HUD model lease?

Yes **No** **N/A**

Number of Files with Deficiencies: ____

Comments:

ii. Are move-out inspections conducted?

Yes **No** **N/A**

On-Site Review (Continued)

Number of Files with Deficiencies: ____

Comments:

iii. Are security deposits refunded in 30 days or less if required by state law? **Yes** **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

iv. Are tenants provided an itemized list of charges against the security deposits? **Yes** **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

v. If charges exceed the security deposit, are the tenants billed for the balance due? **Yes** **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

h. Application Rejection Files

i. Are applicants denied admittance in accordance with the Tenant Selection Plan? **Yes** **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

ii. Do rejection letters provide applicants the right to appeal? **Yes** **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

iii. If applicant appealed an application rejection, was the appeal reviewed by someone other than person who made the original decision to reject?
Yes **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

iv. Were appeals processed and applicants notified of the appeal decision within 5 days of the meeting?
Yes **No** **N/A**
Number of Files with Deficiencies: ____

Comments:

CATEGORY F. TENANT/MANAGEMENT RELATIONS (This Category does not apply to Mortgagees)

23. Tenant Concerns

a. Is there a written procedure for resolving tenant complaints or concerns? **Yes** **No**
If yes, review a copy.

Comments:

b. Does the procedure adequately cover appeals? **Yes** **No**

Comments:

c. Is there an active tenant organization at this project? **Yes** **No**

Comments:

d. Is tenant involvement in project operations encouraged? **Yes** **No**

Comments:

24. Provision of Tenant Services

a. What social services are provided by the project, or the neighborhood, which meet the tenants' needs? Below, indicate services that are available, and identify the entity providing the service (i.e., city/county/state, church/school, community groups, etc.) and enter the cost to the project, if any.

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On-Site Review (Continued)

Service	Provider	Financial Source
<input type="checkbox"/> Child Care		
<input type="checkbox"/> Recreation		
<input type="checkbox"/> Health Care		
<input type="checkbox"/> Energy Conservation		
<input type="checkbox"/> Vocational Training/Job Training		
<input type="checkbox"/> Meals		
<input type="checkbox"/> Financial Counseling		
<input type="checkbox"/> Substance Abuse Counseling		
<input type="checkbox"/> Service Coordinator		
<input type="checkbox"/> Neighborhood Networks Center		
<input type="checkbox"/> Other (please specify)		

b. Is there a Service Coordinator for the project? Yes No
If there is no Service Coordinator, proceed to question 24.f.

Comments:

c. Is the Service Coordinator's office clearly identifiable and private? Yes No

Comments:

d. Are the Service Coordinator's files kept secure and confidential? Yes No

Comments:

e. Does the Service Coordinator maintain a directory of service agencies and contacts, and make the information available to all parties? Yes No

Comments:

f. If there is a Neighborhood Networks Center as indicated on the Desk Review, what is the status of operations?
If there is no Neighborhood Networks Center, proceed to question 24.h.

- Open for Business
- Temporarily Closed – State the date the center will reopen: _____
- Permanently Closed – State the date the center closed: _____

Comments:

g. What programs are offered at the Neighborhood Networks Center?

- GED Adult Basic Education Computer Classes Job Training Job Placement
- Homework Assistance English as a Second Language Other (please specify) _____

Comments:

h. The Department allows owners and their agents to provide services related to renter's insurance products. Does the owner/agent offer such services?
If the owner/agent offers no such service, proceed to question 25. Yes No

Comments:

i. HUD policy prohibits an owner/agent from evicting tenants for delinquent renter's insurance payments.
 How does the owner/agent deal with unpaid renter's insurance?

Please explain the process:

j. Review the renter's insurance information provided to tenants. Does the information provided to tenants clearly indicate that purchasing insurance is optional, and not required as a condition of occupancy? Yes No N/A

Comments:

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On-Site Review (Continued)

CATEGORY G. GENERAL MANAGEMENT PRACTICES

25. General Management Operations

a. Have the complaints, as noted on the Desk Review, been satisfactorily resolved? Yes No N/A

Comments:

b. Is the project staff able to adequately perform management and maintenance functions? Yes No

Comments:

c. How does the owner/agent implement HUD changes in policies and procedures?

Describe the process:

d. Does owner/agent have a formal ongoing training program for its staff? Yes No

If yes, indicate types of training used and the frequency.

Type	Frequency	Type	Frequency
<input type="checkbox"/> On-Site		<input type="checkbox"/> Industry/Association Training	
<input type="checkbox"/> HUD Seminars		<input type="checkbox"/> Local Colleges	
<input type="checkbox"/> Energy Conservation		<input type="checkbox"/> Other (please specify)	

Comments:

e. Are reports submitted to the owner from the management agent? Yes No N/A

This question applies only to HUD Staff and Mortgagees.

Comments:

f. Are there signs enabling persons to locate the office? Yes No

Comments:

g. Are after hours and emergency telephone numbers posted? Yes No

Comments:

h. List the current insurance coverages (property, liability, Directors and Officers, workman’s compensation, automobile). (Check to make sure that HUD is listed as an additional loss payee, if applicable. Also, check to make sure that the insurance policy is in the name of the mortgagor entity.)

This question applies only to HUD Staff and Mortgagees.

Type	Basic Coverage	Annual Premium
Property		
Liability		
Other (please specify)		
Other (please specify)		

Comments:

i. Does the owner/agent have a fidelity bond? Yes No N/A

This question applies only to HUD Staff and Mortgagees.

Comments:

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On-Site Review (Continued)

26. Owner/Agent Participation

This question applies only to HUD Staff and Mortgagees. CAs may proceed to question 27.)

a. If the project is owned by a cooperative or a nonprofit entity, does the Board of Directors meet regularly and record minutes?
Yes No N/A

Comments:

b. Review copies of the minutes. Does a review of the minutes indicate compliance with HUD’s business agreements?
Yes No N/A

Comments:

c. Does the owner/agent have a system or procedure for providing field supervision of on-site personnel?
Yes No N/A

Comments:

27. Staffing and Personnel Practices

a. Has management made an effort to employ tenants in accordance with Section 3 of the Housing and Community Development Act of 1968?
Yes No

Comments:

b. List all on-site staff charged to the project. (Use additional sheets if necessary).

Staff Person / Title	Date Hired	% of Time Charged to Site	Annual Salary	Unit Size	Is the Employee Receiving Subsidy?	Is the Employee occupying a Non-Income Producing Unit?
/		%			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
/		%			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
/		%			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
/		%			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
/		%			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

Comments:

c. Does the staffing chart above match Part D of the Rent Schedule, form HUD-92458 as it relates to non-income producing units?
HUD staff only. Yes No

Comments: