

U.S. Department of Housing and Urban Development
H O U S I N G

Special Attention of:

Secretary's Representatives Transmittal for Handbook No.: 4381.5
REV-2
Area Coordinator, Housing Director, CHG-2
Directors of Multifamily Housing, Issued: 09/15/97
Divisions, and Asset Management
Branch Chiefs, All Owner/Borrower/
Management Agencies

1. This Transmits: Correction to HBK 4381.5, REV-2, CHG-2.

2. Explanation of Materials transmitted:

These pages correct the misprint in the original version of
CHG-2, in which page 9-10 in Chapter 9 and page 9-10 in
Appendix 9 were accidentally reversed.

3. Effective Date: Date of Publication

Note: This document should be transmitted to all
managements agents and project owners.

4. Filing Instructions:

Remove:

Insert:

HBK 4381.5 REV-2,
CHG-2

HBK 4381.5 REV-2, CHG-2

pgs. 9-9, 9-10,
chap. 9, dated 6/97

pgs. 9-9, 9-10, chap.9,
dated 8/97

pgs. 9-10, 10-10,
Append. 9, dated 6/97

pgs. 9-10,, 10-10, Append. 9,
dated 8/97

Nicolas P. Retsinas
Assistant Secretary for Housing-
Federal Housing Commissioner

H: Distribution: W-3-1

U.S. Department of Housing and Urban Development
H O U S I N G

Special Attention of: Transmittal Handbook No.: 4381.5 REV-2
CHG-2

All Secretary's Representatives, Issued: June 27, 1997
State Coordinators, Area
Coordinators, Directors, Office of
Housing (Super A Offices),
Directors, Multifamily Division,
Asset Management Branch Chiefs,
RHS State Offices, State HFAs

RHS Headquarters Staff, Owners and
Management Agents of HUD-insured and
HUD-Assisted Properties

1. This Transmits: Change 2 to HUD Handbook 4381.5, REV-2, the HUD Management Agent Handbook.

2. Explanation of Materials Transmitted: The materials transmitted herewith are items from the issuing Notices. Information is substantively unchanged. Items include:

(a) Two additions to Chapter 5.

In the first, a new paragraph 5.3(a)(3) is added, cross-referencing chapter 9. The second adds a new paragraph 5.4 covering telecommunications, from Notice H-96-19.

(b) An update to Chapter 8, and additional new material.

The updated and new material contains a new Section 8.5 on "Quality Assurance", to conform to Notice H94-99, a new Section 8.9 on "Training Guidelines" for Service Coordinator from HUD Notice H-95-16, and appropriate references to the new Chapter 9 (see item c, following) for the "On-line Services Coordinator" (OLSC) from Notice H-95-81.

(c) A new Chapter 9, entitled "Neighborhood Networks," issued originally as Notice H-95-81.

(d) A new Appendix 7, a fact sheet entitled "Neighborhood Networks Initiative" for Field Office use.

H: Distribution: W-3-1

4381.5 REV-2
CHG-2

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(e) A new Appendix 8, sample Pledge Form for Citizens Education Fund.

(f) A new Appendix 9, Model By-Laws for Non-Profit Resident organizations.

(g) A new Appendix 10, Donation of Excess Computers to Non-Profit Organizations and Educational Institutions.

3. Effective Date: Date of Publication

NOTE: This document should be distributed to all management agents and project owners.

4. Filing Instructions:

Remove:

Handbook 4381.5 REV-2,
Pages iii, v, vi, vii,
viii dated 12/94
Pages 5-1 and 2, dated
12/94
Pages 8-1 to 15, dated
12/94

Insert:

Handbook 4381.5 REV-2,
CHG-2
Pages iii, iv, v, vi,
dated
6/97
Pages 5-1 to 5-5, dated
6/97
Pages 8-1 to 8-30, dated
6/97
Pages 9-1 to 9-27, dated
6/97
Appendix 7 pgs 1-2, dated
6/97
Appendix 8, pg. 1, dated 6/97
Appendix 9, pgs 1-10, dated
6/97
Appendix 10, pgs 1-4, dated
6/97
Appendix 10A, pg. 1, dated
6/97
10B, pg. 1, dated 6/97
10C, pg. 1, dated 6/97
Appendix 10D, pg. 1-3, dated 6/97

Nicolas P. Retsinas
Assistant Secretary for Housing-
Federal Housing Commissioner

U.S. Department of Housing and Urban Development
HOUSING

Special Attention of: Transmittal for Handbook No.:
4381.5 REV-2 CHG-1

Directors of Housing;
Multifamily Housing Division
Directors, Asset Management
Branch Chiefs; Owners and
Management Agents; Contract Administrators
Issued: 05/28/96

1. This Transmits revised HUD Forms-9389 A,B and C, which are found in Appendix 3A-C of Handbook 4381.5 REV- 2, "The Management Agents Handbook."

2. Explanation of Materials transmitted:

The revised forms update those in the original Handbook. Number 1 and the subparagraph lettering have been changed in each form.

The update makes them consistent with Chapter Two, Section 2-9(c), page 2-8, of HBK 4381.5 REV-2.

3. Usage:

It is important that the appropriate certifications be updated by projects over the next year.

Thus, as projects send materials to the HUD field office for an annual budget approval, or other needed changes, they should also sign and send in the appropriate, new, HUD-9389A, B or C. otherwise, field office staff must include the appropriate HUD-9389A, B or C with any approval done for the project. The form must be signed and returned to HUD by project staff/ management prior to any HUD final approval/implementation of actions with respect to that project. All HUD-9389 certifications on file must be updated within twelve months of the date of this Transmittal.

Remove:

Appendices 3A, B, and C,
dated 8/91

Insert:

Appendices 3A, B, and C,
dated 5/96

Nicolas Retsinas
Assistant Secretary for Housing-
Federal Housing Commissioner

HMMM: Distribution: W-3-1, R-1, R-2, R-3-1(H)(RC), R-3-2, R-3-3, R- 6, R-6-2,
R-7, R-7-2, R-8, ASC

U.S. Department of Housing and Urban Development

H O U S I N G

Special Attention of:

Transmittal Handbook No.:

4381.5 REV-2

State Coordinators; Directors of Housing;
Directors, Multifamily Housing Division,
Multifamily Housing Management and
Development Branch Chiefs;

Issued: December 29, 1994

Contract Administrators; Owners and
Management Agents of HUD-Insured and HUD-Assisted Properties

1.This Transmits

HUD Handbook 4381.5 REV-2, The Management Agent Handbook. This handbook applies to management agents of both HUD-insured and HUD-assisted properties and supersedes the previous version of Handbook 4381.5.

2.Explanation of the Materials Transmitted: This handbook has been substantially rewritten to provide comprehensive guidance with respect to approval of management agents, allowable management fees from project funds, and program monitoring responsibilities. This handbook also provides new guidance with respect to resident relations and encouraging training and employment opportunities for residents and woman- and minority-owned businesses. Because the handbook has been substantially rewritten, it should be read in it's entirety. The most significant changes are highlighted below.

A.Chapter 1, Introduction. This chapter discusses the partnership between HUD, the management agent and residents of HUD-associated

resolving

properties. This chapter also develops the concept for issues concerning management agents and practices on a regional basis.

B.Chapter 2, Selecting and Approving Management Agents. This chapter incorporates and expands the management agent approval process as contained in the current handbook in Chapter 2, Section 1.

C.Chapter 3, Allowable Management Fee from Project Funds. This chapter incorporates the fee approval process as developed in the current handbook in Chapter 2, Sections 2-6. Additionally, this chapter discusses a fee percentage adjustment method which will be utilized on properties requesting and approved to receive rent increases greater than 20% of current rent potential.

D.Chapter 4, Working with Residents. This chapter was added to discuss ways owners/agents can develop positive and productive tenant/owner/agent relationships. Resident input requirements are outlined as well as requirements that owners/agents must follow when dealing with resident organizations and tenant concerns. A recommended process to address tenant concerns entitled "Service Requests," is provided for Management Agents who do not presently have a "work order system" in place. Finally, HUD oversight of tenant/management relationships is also covered.

HMHP : Distribution: W-3-1,W-2(H),W-3(A)(H)(OGC)(ZAS),R-1,R-2,R-3,R-3-1,
R-3-2,R-3-3,R-6,R-6-1,R-6-2,R-7,R-7-1,R-7-2,
State Agencies and Owners and Agents HUD-23
(9-81)

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E.Chapter 5, Encouraging Training and Employment Opportunities. This Chapter encourages owners and agents to create opportunities for project residents, in all of their contracting efforts as well as employing women and minority owned businesses. HUD monitoring and oversight requirements are also defined.

F.Chapter 6, Program Monitoring. This chapter provides an overview of many of the monitoring tools which are available to the Loan Management Staff in monitoring the management of HUD properties. In addition to Management Reviews, Physical Inspections and Financial Statement Reviews, this handbook develops a management review process for the management agents central office.

Section 4 of this chapter, entitled Financial Compliance discusses indepth the expenses that may be paid from project

income. Permissible expenses have been expanded to include:

- 1)payment of a portion of retirement proceeds for on-site management staff;
- 2)creation of a budgeted line item for training for on-site management staff in the budgeted rent increase process, eliminating the need for training costs to be approved

by

HUD on an individual basis; and

- 3)permitting the management entity to charge non-supervisory agent staff to the project on a prorated hourly basis

when

filling in for an on-site project staff position;

- 4)permitting the management entity to bill costs related to the centralized bookkeeping process to the properties

which

this process serves. This now includes overhead costs

such

as supervisory staff who oversee the centralized

bookkeeping

process.

G.Chapter 7, Program Compliance. Discussed in this chapter are the types of violations, remedies and sanctions available to HUD to correct the violation.

H.Chapter 8, Service Coordinators. While this has been a permissible expense in the past for elderly properties, this chapter would permit HUD to approve a rent increase for both budget-based and AAF rents where the owner could justify the expense of a Service Coordinator.

I.Please note that under a new reorganization of Farmer's Home (FmHA), their name has changed. This handbook now reflects

their

new name, the Administration for Rural Housing and Economic Development Services (ARHEDS).

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3.Effective Date: Immediately

4.Filing Instructions:

Remove:
Handbook 4381.5 REV-1
and changes 1-5, dated 6/86

Insert:
Handbook 4381.5 REV-2
dated 12/94

Secretary

Nicolas P. Retsinas, Assistant

Commissioner

for Housing-Federal Housing

Handbook 4381.5 REV-2

Housing and Urban

U.S. Department of

Development

Office of Multifamily Housing

December 1994

The

Management

Agent Handbook

HMHP: W-3-1,W-2(H),W-3(A)(H)(OGC)(ZAS),R-2,R-3,R-3-1,R-3-2,R-3-3,R-6,
R-6-1,R-6-2,R-7,R-7-1,R-7-2, State Agencies and Owners and Agents