



**U.S. Department of Housing and Urban Development**  
**Office of Multifamily Housing**  
**Region X Multifamily HUB**

November 2, 2005

MEMORANDUM FOR: Owners and Management Agents of HUD Multifamily Properties

FROM:   
Renee' D. Greenman, Director, Region X Multifamily Hub

SUBJECT: Program Updates – 1) APPS (Form HUD-2530)  
2) Establishing Owner-Adopted Preferences

The purpose of this message is to share with you two recent announcements from Brian Montgomery, Assistant Secretary for Housing – Federal Housing Commissioner. Please read the announcements thoroughly and if you have any questions regarding the impact of these announcements on your properties, please contact your assigned HUD project manager.

- **APPS Alert.** Effective immediately, and through **November 30, 2005**, participants in HUD programs may file previous participation clearance applications, form HUD-2530 either in paper form or via the Active Partner Performance System (APPS). As a reminder, all Multifamily Housing property owners and management agents need to enter their organizational structure data into APPS. APPS data will be used both to populate HUD's Real Estate Management System (REMS), as well as to serve as a baseline for the submission of form HUD-2530's (which, as of **December 1, 2005**, must be sent electronically).

HUD participants with baseline information entered into APPS will then be able to make address, telephone, email, and other changes to HUD electronically. Please see the following website to review the October 28, 2005, memorandum from the FHA Commissioner for the updates on the APPS electronic filing process and for more introductory and explanatory information (particularly the user guide and "quick tips"):

<http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>

- **Establishing Owner-Adopted Preferences.** On the reverse side of this page is the October 20, 2005, letter from Brian Montgomery reminding owners and management agents of HUD-assisted multifamily housing projects, that they are allowed to establish owner-adopted tenant selection preferences which will assure the housing needs of the low-income families in the community where the project is located, are being met. Additional information on establishing owner-adopted preferences can be found in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Programs.

To keep Owners, Agents and Managers better informed, we provide occasional announcements of changes in our policies, regulations and other items of importance that have been posted on our website. To stay up to date with the latest information please join our e-mail contact list if you have not done so already. Send your request to: **Kristine\_Martin@hud.gov**. Please be assured that this e-mail list is used exclusively for HUD notifications and is not shared with or distributed to any other parties.



**U.S. Department of Housing and Urban Development**  
**WASHINGTON, DC 20410-8000**

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

October 20, 2005

Dear Owner and Management Agents:

It has recently come to our attention that owners and management agents of HUD-assisted multifamily housing projects may not be aware that they are allowed to establish owner-adopted preferences for admitting applicants in HUD-assisted housing to assure the housing needs of low-income families in the community where a project is located are being met.

With the passage of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), you have the authority to establish owner-adopted preferences in the selection of tenants. When establishing owner-adopted preferences, you must incorporate the preferences and how they will be applied in the written Tenant Selection Plan developed for the project. The establishment of preferences must also be in accordance with the project's Affirmative Fair Housing Marketing Plan approved by HUD and comply with applicable fair housing and civil rights statutes.

You may use the local preferences established by the Public Housing Authority serving residents of your community. Other types of preferences you may adopt are:

- Residency preference – Before implementing a residency preference, the preference must be approved by HUD through modification of the Affirmative Fair Housing Marketing Plan
- Working families
- Persons with disabilities
- Victims of domestic violence
- Single persons who are elderly, displaced, homeless or persons with disabilities over other single persons

The regulations at 24 CFR 5.655 and HUD Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Programs*, provide further discussion on establishing and implementing owner-adopted preferences.

If you have any questions regarding preferences, please contact your local HUD Field Office for guidance.

Sincerely,

A handwritten signature in black ink, appearing to read "B. D. Montgomery".

Brian D. Montgomery  
Assistant Secretary for Housing – Federal Housing  
Commissioner