

Transmittal
Section 8 Renewal Policy Guide Book
Issued:

This Transmits:

Page changes to the Section 8 Renewal Policy Guide Book.

Explanation of Changes.

All changes have light grey shading to denote what has changed on the page unless a section was completely removed. The major changes are:

1. Removes previous guidance, found at Sections 2-1E, 4-1 and 6-1B that stated once the owner of an exception project renewed under either Option One or Option Two they were prohibited from reverting back to an exception status. OGC reexamined this policy and found that the Multifamily Assisted Housing Reform Act ("MAHRA") did not support this position. A clarification to the MAHRA regulations was published January 12, 2006. Therefore, at any renewal the owner of an exception project may elect to renewal under any option that the contract is eligible for at the time of renewal.
2. Authorized Program Centers to approve Discretionary Mark-Up-To Market requests without first obtaining Headquarters approval.
3. The Multifamily Assisted Housing Reform and Affordability Act of 1997 ("MAHRA") statute originally limited the renewal of Section 8 contracts associated with preservation projects to a term of one year. MAHRA was amended and removed the one-year limitation. Therefore preservation projects are now permitted to use multiyear Section 8 contracts. The maximum term of the multiyear contract will be based on the lesser of 20 years or the remaining term of the Use Agreement.
4. MAHRA limits the owner of a preservation project to renewing his/her Section 8 contract using Option Five. We have emphasized this requirement.

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