

# Chapter 17: Contract Processing

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## Contract Processing

The Contract Processing function is performed by Multifamily Housing Project Managers and Performance Based Contract Administrators to record and monitor Section 8 contracts as described under provisions of Multifamily Assisted Housing Reform and Affordability Act (MAHRA), Energy Performance Contracts (EPC) and Project Rental Assistance Contracts (PRAC). Other Multifamily Housing and DEC Personnel may view this information. This chapter describes three sidebar options in the Subsidy Administration business area. The primary one is called Contract Processing Sidebar Option and is discussed first below. That discussion is followed by discussions of two supporting functions: Comparability Study Sidebar Option and Renewal Budget Sidebar Option.

The Energy Performance Contract (EPC) program is documented within the Contract Processing function. This program is available for options 1a, 1b, 2, 4 and 5b. These options while in the EPC Term will not be a part of auto OCAF. One of the key strategies of accomplishing this goal is to increase the energy efficiency of household appliances and lighting. This way, savings in energy costs can be used by HUD to provide additional housing. *(EPC details are included at the end of this chapter.)*

The Project Rental Assistance Contracts (PRAC) is now entered into iREMS for processing. PRAC contains the new form of rental assistance subsidy for the Section 202 and Section 811 capital advance programs. The term of a PRAC contract is 3 years and the contracts are subsequently renewed every year for a 1 year term. PRACs are HUD-administered. Rent Adjustments are currently only Budget Based and Manual.

The Renewal functionality of the Contract Processing page in **iREMS** is designed to correspond with the HUD Section 8 Renewal Policy. Once renewal information is entered in **iREMS** and validated, the contract funding process is initiated through an interface with the **ARAMS** system.

## Objectives:

*By the end of this chapter, you will be able to:*

- Enter a MAHRA renewal, an Energy Performance Contract (EPC) renewal, or a PRAC renewal in **iREMS**
- Apply comparability study and renewal budget information
- Enter MAHRA and EPC Amend Rents Only information
- Enter Rent Adjustment information (includes RAD contracts)
- Enter information for a Notification Opt-Out of Section 8 Contract.

## 17.1 Contract Processing Sidebar Option

The Contract Processing sidebar option has the following three tabs *Contract Processing List*, *Function/Contract Selection* and *Function Detail*. These tabs display as active or inactive (grayed out) depending on the contract function or renewal option selected. Information can be entered and updated from the **Contract Processing** sidebar option, for any active contract associated with a property using the tabs. Renewal information includes contract/stage information, the status of the renewal, the renewal option selected, and the expiration date of the renewal. Rent Adjustment information includes rent increases for multi-term contracts that have not renewed under MAHRA (including RAD contracts) or are not eligible to renew under MAHRA, or manual corrections. MAHRA Amend Rents Only rent increases includes rent increase information for multi-term contracts that are renewed under MAHRA. Rent Comparability Studies and Renewal Budget information is also associated to specific contract processing functions through the tabs on the **Contract Processing** sidebar.

### Accessing the Contract Processing Page:

Once you access the *Subsidy Administration* tab, the **Subsidy Administration Portfolio/Dashboard** page displays, showing a list of all active properties with assistance contracts associated with them.

To access the **Contract Processing** page you must first select a specific property from the **Subsidy Administration Portfolio/Dashboard** page. Once you have selected a property, the **Assistance Contract List** page displays. From the **Assistance Contract** page you select the *Contract Processing* link from the *iREMS* sidebar.

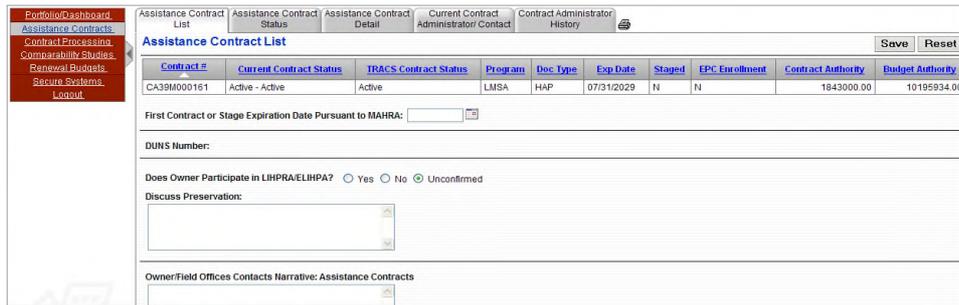
*Note: The Property Header located at the top of the page, displays the Property ID, Name, Contract/FHA#, Active Status, Watch List, Troubled Status and DEC Status. This Header will appear on most of the pages in iREMS. There is also a search feature in the header that allows the user to select a different property without having to return to the Portfolio/Dashboard page to make the change selection.*

### To access the Contract Processing page:

1. From the **Subsidy Administration Portfolio/Dashboard** page, select a property by clicking once on the row.

Property Name	Property ID	Street	City	State
1 ALVAREZ COURT	800211299	750 ALVAREZ AVENUE	PINOLE	CA
2 AMBERWOOD II	800001029	10960 OAKVIEW DR	HANFORD	CA
3 ASTER PARK APARTMENT	800001064	1059 REED AVE	SUNNYVALE	CA
4 BENNETT HOUSE	800001100	53 TAYLOR DR	FAIRFAX	CA
5 BETHANY CENTER	800001105	580 CAPP ST	SAN FRANCISCO	CA
6 BURBANK HEIGHTS	800001143	7777 BODEGA AVE	SEBASTOPOLE	CA

2. The **Assistance Contract List** page displays.



3. Click on the *Contract Processing* link in the sidebar. The **Section 8 Contract Processing List** page displays.

Contract #	Stage	Processing Function Type	Contract Actions	Effective Date	Expiration Date	Status
CA39M000161	N/A	Amend Rents	FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents	08/01/2013	07/31/2014	Option Selected - In Process
CA39M000161	N/A	Amend Rents	FY 2012 - 2: Request Renewal Without Restructuring at or Below Comparable Rents	08/01/2012	07/31/2013	Completed
CA39M000161	N/A	Amend Rents	FY 2011 - 2: Request Renewal Without Restructuring at or Below Comparable Rents	08/01/2011	07/31/2012	Completed
CA39M000161	N/A	Amend Rents	FY 2010 - 2: Request Renewal Without Restructuring at or Below Comparable Rents	08/01/2010	07/31/2011	Completed
CA39M000161	N/A	Renewal	FY 2009 - 2: Request Renewal Without Restructuring at or Below Comparable Rents	08/01/2009	07/31/2029	Completed

Figure 17-1. Section 8 Contract Processing List

## 17.2 Contract Processing List

All renewals on contracts/stages are stored at the property level. You can add, view, or update contract processes from this page. The **Contract Processing List** tab displays the **Contract Processing List** page, which contains a list of all contracts on a specific property with contract processing functions in table format. The following columns display in the Contract Processing List: *Contract #*, *Stage*, *Processing Function Type*, *Contract Actions*, *Effective Date*, *Expiration Date*, and *Status*. The table is display-only, all contract processing functions are done through the remaining tabs displayed on this page. In order to navigate to the other pages in the **Contract Processing** area, you must select either an existing contract processing record from the table, or add a new one. When initially accessing this page, the top record is highlighted by default. To select a different record, highlight and click on the desired row.

*Note: The other tabs associated with Contract Processing are inactive (grayed out) on the Contract Processing List page. To activate you must either select an existing contract function, or add a new one. The activation and deactivation of tabs depends on the specific contract function.*

### To access an existing contract function:

Highlight and click on the desired row to select the record. The associated **Function Detail** page displays.

*Note: Adding or updating contract processing information is detailed in subsequent sections of this chapter. Please refer to the pertinent section, i.e., Function Detail or Amend Rents, for information on the specific function.*

*Depending on your authorization, the **Contract/Function Selection** page information displays as either update or view-only.*

## 17.2.1 Adding a New Contract Function

*Note: Before adding a new contract function, be sure to enter the Comparability Studies and Renewal Budget that you will need. (See sections 22.8 and 22.9 below for details).*

The **Contract Processing List** page displays a **Add** button for entering new contract functions for the specific property. Clicking on the **Add** button accesses the **Function/Contract Selection** page, this displays a list of all active contracts and stages for the property.

*Note: The **Add** button displays only to those MFH users and PBCAs with “add” rights associated with their ID.*

The section below is a detailed description of the features and functions of the **Function/Contract Selection** page.

## 17.3 Function/Contract Selection

On this page you can enter information for all contract functions. The Function/Contract Selection page displays all active contracts and/or stages for a property.

The **Function/Contract Selection** page is accessed in any of the following ways:

- Clicking on **Add** and the **Contract Processing List** page to create a new contract process.
- Clicking on the **Function/Contract Selection** tab from any of the **Function Detail** or **Rent Adjustment** pages.

From this page you can:

- Combine contracts or stages

- Enter renewal/short-term renewal data using one of the renewal options as stated in the HUD Section 8 Renewal Policy
- Enter data for amend rents
- Enter data for rent adjustments
- Enter data for a Notification of Intention to Opt-out of Section 8 Contract

When initially accessing the **Function/Contract Selection** page to add a new contract process, all active contract numbers and stages (if applicable), display. When a group of contracts (with stages) are combined, all active contracts and/or stages are displayed. Only the active contracts and/or stages will be available for selection or combining for the renewal.

If an erroneous contract processing type is selected on this page, you have the ability to change the saved record from one contract processing type to another. If an amend rent has been entered and saved and then it is determined that it should be changed to a renewal, the contract effective date and the contract expiration date are properly set for the renewal. The contract effective date is set to the contract expiration day plus one and the contract expiration date will be set to null/blank.

**To access the Function/Contract Selection page:**

From the **Contract Processing List** page, click on **Add** and the **Function/Contract Selection** page displays.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	FL290046007	N/A	05/31/2015	Y

Combine Contracts and/or Stages: No

Surviving Contract: FL290046007

HUD Policy: User Guide

Fiscal Year: 2014

Contract Function: MAHRA Renewal or Short-Term Renewal

Contract Action Selection: 2: Request Renewal Without Restructuring at or Below Comparable Rents

Processing Status(if applicable): Owner has not Selected a Final Option

Date Owner Signed Submission: 10/01/2013

Date Owner Submission Package Initially Received: 10/09/2013

Date Complete Package Received from Owner: 10/09/2013

Is the Owner Debarred or Suspended?  Yes  No  Unconfirmed

Does the Owner Have Material Violations?  Yes  No  Unconfirmed

**Figure 17-2. Function/Contract Selection**

*Note: When the system generates an Auto OCAF record the three owner package dates will not display on the Function/Contract Selection page. The owner package dates are required fields other renewal and amend rent records. An error message will display if not completed.*

*Note: If the user selects "No Owner Response" from the Processing Status drop down the dates will not display on this page. The user will not be able to complete any other data until the package is received from the owner.*

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	FL290046007	N/A	05/31/2015	Y

Surviving Contract: FL290046007  
 HUD Policy: User Guide  
 Fiscal Year: 2014  
 Contract Function: MAHRA Renewal or Short-Term Renewal  
 Contract Action Selection: 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Processing Status(if applicable): No Owner Response

### 17.3.1 MAHRA Renewals

This Section details the basic flow of the renewal process in iREMS. Owners should submit the required documentation and option selection to HUD or to the Contract Administrator at least 120 days prior to the expiration of the contract. Owners can also request an OCAF adjusted or Budget Based rent increase at least 120 days before the anniversary of the contract, providing all criteria are met for the specific request. Under normal circumstances the **iREMS** process begins when the renewal documentation is received. However, there are cases where housing staff may request a short-term renewal for an owner, if the owner has not made a decision about their future relationship with HUD. Assuming that all renewal documentation has been received, the following is applicable for processing a renewal in **iREMS**.

1. Complete the Function/Contract Option Selection page.
2. Complete the detail pages for the selected option.
3. Enter rent and/or comparability studies data as applicable.
4. Set Rents Final Indicator to yes when complete.

**iREMS** sends this data to TRACS/ARAMS which in turn updates other HUD systems. **iREMS** will receive renewal status updates from these systems and display the current status of the renewal.

### 17.3.2 iREMS/ARAMS Interface

The Automatic Renewal and Amendment Management Subsystem (ARAMS) improves the funding process by providing an automated routine in which funds can be reserved at an earlier stage for new,

renewal, and amended subsidy contracts. In the case of renewals, ARAMS interfaces with **iREMS** for the exchange of data. The Rents Final for Contract Exhibit indicator on the option detail pages are used by ARAMS to verify when the rents entered in **iREMS** are final and ready to be included as a contract exhibit. The ARAMS Status field displays the current status of the renewal process from ARAMS. If the status in ARAMS is set to Pending Contract, further updates can be made in **iREMS**. Once the status in ARAMS is set to Offered, Executed, Contracted, Obligated, or Posted, the renewal option detail pages are locked down for that contract, and no further updates are allowed except for certain fields on the page. The only fields that will remain editable after the page has been locked down are Renewal Status, HUD Renewal Policy, Decision Comments (renewal/short-term renewal option 1-5), Date Sent to OAHP (renewal option 3a-3b), and Date Review Results Received from OAHP (renewal option 3a-3b).

You can access ARAMS if you are a registered ARAMS user by going to the Secure Systems page and logging into ARAMS.

### 17.3.3 Section 8 Renewal Options

There are multiple options that can be used to renew a contract:

#### Option One:

- A: Mark-Up-To Market Eligibility
- B: Discretionary Authority Eligibility Mark-Up-To-Market

#### Option Two:

- Request Renewal Without Restructuring at or Below Comparable Rents

#### Option Three:

- A: Request Referral to Office of Affordable Housing Preservation (OAHP) for Reduction of Contract Rents to Comparable Market Rents
- B: Request Referral to OAHP for Restructure of Mortgage and Reduction of Contract Rents
- B: Request Renewal of Full Mark to Market Contract

#### Option Four:

- Request Renewal for Projects Exempt from OAHP

#### Option Five:

- A: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project
- B: Request Contract Renewal for a Preservation Project

To select one of these renewal options you must choose one from the *Contract Action Selection* drop-down list on the **Function/Contract Selection** page. Each of the renewal options listed in the *Contract Action Selection* drop-down list has corresponding detail pages, in which you record information concerning the renewal. Depending on the option selected, the information can include renewal method selection, owner certification, comparability study requirement indicator, budget requirement indicator, and applicable budget submitted date. You can also enter dispute/appeal comments, HUD approved rent,

and any decision comments that apply to any of the options selected. You can enter information on these pages when you create the renewal record, or you can access an existing renewal record and add or update information at a later date.

The detail pages for the selected option displays on the **Function Detail** tab, described in the next section.

### 17.3.3.1 Short-term Renewals

Short-term contracts are for less than twelve months. The term “short-term” refers to the term of the contract, not the type of contract. Short-term renewals can be entered for any of the renewal options. Short-term renewals may be provided for the following reasons:

- To protect the families. For example, to allow additional time to cover a delay in providing family based assistance in cases of owner opt-outs, or in cases where the project is subject to enforcement actions.
- To align multiple contracts or stages in a project.
- To provide HUD with adequate time to process an owner’s request to renew under the Mark-Up-To-Market (Option 1) procedure, for HUD/CA to perform a comparability study, owner to complete a comparability study, or HUD/CA to review an owner’s comparability study.

Since short-term renewals can be used to align multiple contracts and/or stages, they can be “stand-alone” renewals.

Information entered in the *Length of Contract in Months* field on the **Function Detail** pages determines whether or not a renewal is a short-term renewal. Short-term renewals display in the **Contract Processing List** page with the suffix of (ST).

For detailed information about short-term renewals, please refer to the HUD Section 8 Renewal Policy and the related attachments.

#### To add a new renewal:

1. From the **Subsidy Administration Portfolio Dashboard** page, highlight and click on a property. The **Assistance Contract List** page displays.

Figure 17-3. Assistance Contract List page

2. Click on the *Contract Processing* sidebar option and the **Section 8 Contract Processing List** page displays.

Contract #	Stage	Processing Function Type	Contract Actions	Effective Date	Expiration Date	Status
FL290046007	N/A	Amend Rents	FY 2013 - 2. Request Renewal Without Restructuring at or Below Comparable Rents	06/01/2013	05/31/2014	Completed
FL290046007	N/A	Amend Rents	FY 2012 - 2. Request Renewal Without Restructuring at or Below Comparable Rents	06/01/2012	05/31/2013	Completed
FL290046007	N/A	Rent Adjustment	FY 2012 - Manual Correction	06/01/2012		Executed
FL290046007	N/A	Amend Rents	FY 2011 - 2. Request Renewal Without Restructuring at or Below Comparable Rents	06/01/2011	05/31/2012	Completed
FL290046007	N/A	Renewal	FY 2010 - 2. Request Renewal Without Restructuring at or Below Comparable Rents	06/01/2010	05/31/2015	Completed
FL290046007	N/A	Amend Rents	FY 2009 - 4. Request Renewal for Projects Exempt from OAHF	06/01/2009	05/31/2010	Completed
FL290046007	N/A	Amend Rents	FY 2008 - 4. Request Renewal for Projects Exempt from OAHF	06/01/2008	05/31/2009	Completed
FL290046007	N/A	Amend Rents	FY 2007 - 4. Request Renewal for Projects Exempt from OAHF	06/01/2007	05/31/2008	Completed
FL290046007	N/A	Amend Rents	FY 2006 - 4. Request Renewal for Projects Exempt from OAHF	06/26/2006	05/31/2007	Completed
FL290046007	N/A	Renewal	FY 2005 - 4. Request Renewal for Projects Exempt from OAHF	06/01/2005	05/31/2010	Completed
FL290046007	N/A	Amend Rents	FY 2004 - 4. Request Renewal for Projects Exempt from OAHF	06/01/2004	05/31/2005	Completed
FL290046007	N/A	Amend Rents	FY 2003 - 4. Request Renewal for Projects Exempt from OAHF	06/01/2003	05/31/2004	Completed

Figure 17-4. Section 8 Contract Processing List page

3. From the **Contract Processing List** page, click on **Add** and the **Function/Contract Selection** page displays.

Figure 17-5. Function/Contract Selection page

4. On the **Function/Contract Selection** page, enter the following information:

- *Contract, select checkbox*
- *Combine Contracts and/or stages, select radio button*
- *Surviving Contract, from the drop-down list*

 *Note: The system will populate the field by default; however, you can select another contract number in the list to be the surviving contract number when combining contracts. If you are not combining contracts, this field displays the contract number you selected by checking the checkbox in the table.*

- *HUD Policy, from the drop-down list*
- *Fiscal Year, from the drop-down list*

 *Note: The fiscal year of the new renewal is based on the expiration date of the prior contract or the prior term for a multi-term contract. A 9/30 expiration is counted and processed for renewal purposes in the fiscal year that the contract expired. Even though the effective date is in the following fiscal year, the renewal counts against the previous fiscal year; i.e., contract X's FY 2002 for a renewal with effective and expiration dates of 10/1/2002 - 9/30/2003, because the prior expiration date is 9/30/2002.*

- *Contract Function, from the drop-down list*

Select a Contract Function  
MAHRA Renewal or Short-Term Renewal  
MAHRA Opt-Out (Option 6)  
Rent Adjustments and Rent Corrections (Contracts not yet Renewed or not yet Eligible for MAHRA)  
MAHRA Amend Rent Increases

 *Note: You must select a contract function from the drop-down list before the Contract Action selection is available.*

- *Contract Action Selection, from the drop-down list*

Select a renewal option  
1a: Mark-Up-To-Market Eligibility  
1b: Discretionary Authority Eligibility Mark-Up-To-Market  
2: Request Renewal Without Restructuring at or Below Comparable Rents  
3a: Request Referral to OAHF for Reduction of Contract Rents to Comparable Market Rents  
3b: Request Referral to OAHF for Restructure of Mortgage and Reduction of Contract Rents  
3b: Request Renewal of Full Mark to Market Contract  
4: Request Renewal for Projects Exempt from OAHF  
5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project  
5b: Request Contract Renewal for a Preservation Project

 *Note: The options available on in the Contract Action Selection drop-down list change based on the selected Contract Function selected in the Contract Function drop-down list.*

*Note: You must select an option from the Contract Action Selection drop-down list in order to access the option detail pages. An error message displays if no selection is made.*

*Note: There are two "3b" options...one is for the "Request Referral to OAHP for Restrictions of Mortgage and Reduction of Contract Rents" and one is for the "Request Renewal of Full Mark to Market Contract".*

- Processing Status (if Applicable), from the drop-down list

*Note: You cannot enter a new process for a contract when an existing function has not been completed (e.g., no rent indicator final for renewals, an existing opt-out record, or an unprocessed rent adjustment record) and if the function has any of the status selections with the exception of Awaiting Input. You should only have one process with this status at any time.*

- Date Owner Signed Submission, (calendar)
- Date Owner Submission Package Initially Received, (calendar)
- Date Complete Package Received from Owner, (calendar)

*Note: When the system generates an Auto OCAF record the three owner package dates will not display on the Function/Contract Selection page. The owner package dates are required fields other renewal and amend rent records. An error message will display if not completed*

*Note: The system will validate that the date in the Date Complete Package received from Owner field is a date that is equal to or after the initial package received date. If only one package was received then the user should input the same date in both fields. The Date Complete Package Received from Owner field must be entered prior to setting the Rents Final Indicator to "yes".*

- Is Owner Debarred or Suspended, select radio button
- Does the Owner have Material Violations, select radio button

5. Click on  and a message that the save was successful displays.

### Alternative Option

Click on  before saving to return the page to blank fields.

### 17.3.3.2 Combining Contracts and Stages

The **Function/Contract Selection** page allows you to enter and track combination information for contracts and/or stages on a given contract. All active contracts (and stages, if applicable) associated with the property expiring in the current fiscal year are displayed in the *Contract(s) and/or Stage(s)* table. In order to combine contracts and/or stages, set the *Combine Contracts and/or stages* radio button to “yes” when completing the information on the **Function/Contract Selection** page.

The following rules apply when combining contracts and/or stages:

- *Verify that the contract number selected is the surviving contract number according to the guidelines for combining contracts/stages in TRACS*
- *Contract combination information can be entered only in conjunction with entering renewal information*
- *Contracts should be combined only if the expiration dates fall within the same fiscal year*
- *Stages can be combined only if the expiration dates fall within the same fiscal year as the contract being renewed*
- *All stages within a contract must be combined before the contract can be combined with another contract*
- *Contracts and/or stages with original effective dates prior to October 1981 should not be combined with a contract with an original effective date after October 1981*

Additionally, when combining contracts/stages, one contract number is designated as the surviving contract number. The system default for the surviving contract is:

- *Contract with the earliest effective date, or*
- *Contract stages with the latest expiration date*

 *Note: You can change the surviving contract number from the default setting; however, you must make the change before saving. Once the record is saved, this field becomes view-only.*

 *Note: Combining contracts and/or stages is available for MAHRA renewals only. You cannot combine contracts/stages for Amend Rents, Opt Out, or Rent Adjustments.*

When contracts are combined, the list of all contracts displays on the **Assistance Contract List** page. The list identifies the surviving contract as active. The units from all combined contracts and the surviving contract will be combined and displayed on the surviving contract record.

#### To combine contracts and/or stages:

1. From the **Contract Processing List** page, click on  and the **Function/Contract Selection** page displays.

2. Enter the following information:

- *Contract*, select checkbox
- *Combine Contracts and/or stages*, select radio button
- *Surviving Contract*, from the drop-down list
- *HUD Policy*, from the drop-down list
- *Fiscal Year*, from the drop-down list
- *Contract Function*, select *MAHRA Short-term Renewal and Renewal* from the drop-down list
- *Contract Action Selection*, from the drop-down list



*Note: You must select an option from the Contract Action Selection drop-down list in order to access the option detail screens. An error message displays if no selection is made.*

- *Processing Status (if Applicable)*, from the drop-down list
- *Date Owner Signed Submission*, (mm/dd/yyyy)
- *Date Owner Submission Package Initially Received*, (mm/dd/yyyy)
- *Date Complete Package Received from Owner*, (mm/dd/yyyy)



*Note: The system will validate that the date in the Date Complete Package received from Owner field is a date that is equal to or after the initial package received date. If only one package was received then the user should input the same date in both fields. The Date Complete Package Received from Owner field must be entered prior to setting the Rents Final Indicator to "yes."*

- *Is Owner Debarred or Suspended*, select radio button
- *Does the Owner have Material Violations*, select radio button

3. Click on  and the Function Detail page displays.

## 17.4 Function Detail

The **Function Detail** pages are specific to the contract function selected in the **Function/Contract Selection** page. There are different detail pages displayed for each of the renewal options. When adding a new contract process, once you enter the information in the **Function/Contract Selection** page and click , the **Function Detail** tab displays.

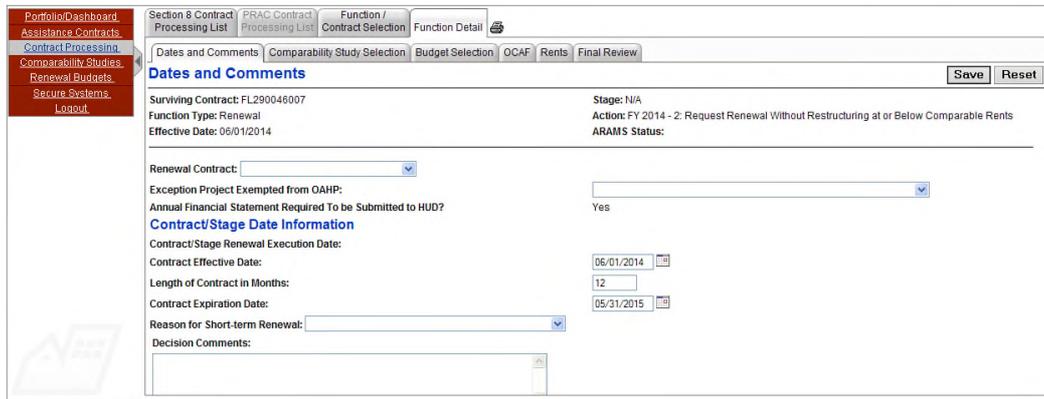


Figure 17-6. Function Detail page

*Note: When you select an existing contract processing record from the **Contract Processing List** page, the **Function Detail** page for that processing record displays.*

*Note: If the Function/Contract Selection record entered is a rent adjustment, the **Input Rents** page displays. For other types of functions, the **Function Detail Dates and Comments** page displays.*

*Note: iREMS has added a warning message when the user attempts to save a renewal contract processing record, where the effective date plus the term do not equal the expiration date. The warning will state the following:*



The **Function Detail** page displays tabs across the top of the page, determined by the renewal option selected in the **Function/Contract Selection** page. These links access pages associated with the specific function, and display information and input forms used to perform the contract process. These links are identified in the sections below pertaining to each renewal option. The initial page displayed for all renewal options is the **Dates and Comments** page.

The **Function Detail** page header displays at the top of all function detail input pages with the following fields:

- *Surviving Contract*: displays the surviving contract number for the renewal.
- *Function Type*: displays the function being processes, (i.e. renewal or amend rents).
- *Effective Date*: displays the effective date of the contract process.
- *Stage*: if the contract process pertains to a stage, displays the stage. Otherwise, displays “n/a”
- *Action*: displays the selected contract process, either the renewal option selected, or amend rents
- *ARAMS Status*: displays the current status in ARAMS for the contract process.

On the **Comparability Study Selection** page for Renewals on *Options 1a, 1b, 2, 3a, 4 and 5b a Fiscal Year* column has been added.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input type="checkbox"/>	2013	09/08/2010	Owner		Yes	1	745

Figure 17-7. Comparability Study Selection page

On the **Budget Selection** page for Renewals on *Options 2, 4 and 5b a Fiscal Year* column has been added.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input type="checkbox"/>	2014	10/18/2013	6.50	1	0
				1	779
				1	0

Figure 17-8. Budget Selection page

On the **Rents** page the *Utility Allowance Effective Date* will be added to all Renewal options. The *Utility Allowance Effective Date* field will initially come from TRACS. The changes will be made in iREMS and passed to ARAMS. After the record is locked, ARAMS will pass the change to TRACS.

Also on the **Rents** page, three fields will appear for Renewal records on Options 2, 4, 5a and 5b. The fields are:

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): **Existing**  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): **Modified**  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): **New**

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Rents | Save | Reset

Surviving Contract: FL290046007 | Stage: N/A  
 Function Type: Renewal | Action: FY 2014 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Effective Date: 06/01/2014 | ARAMS Status:

Add New Rent Record | Overlay Rents with Current Rents from TRACS

HUD Approved Rent: Comparable

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	0	0	745			745
1	0	0	745			745
1	20	731	745	746	779	745

Rent Potentials

	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
Monthly	14620	14900	14920	15580	14900
Annual	175440	178800	179040	186960	178800

Renewal Rent Effective Date: 06/01/2015

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 0.00  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 0.00  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 0.00

Date Sent to OAHF: (if rents determined by HUD/CA to be over Comparable) [ ]  
 Reason sent to OAHF: [ ]  
 Date Review Results Received from OAHF: [ ]  
 OAHF Results: [ ]

Dispute/Appeal Comments: [ ]

Rents Final for Contract Exhibit:  Yes  No  
 Rents Final for Contract Exhibit Date: [ ]

Utility Allowance Changed Comments: [ ]  
 Utility Allowance Changed: No

**Calculated Renewal Rent Detail**

Save Delete Reset Close

Unit Type: 1

Number of Units: 20

Current Contract Rent at Expiration: 731

Current Utility Allowance (if separate from rent): 64

Comparable(HUD92273) Rent: 745

OCAF Adjusted Rent: 746

Budget Based Rent: 0

Budget Based Utility Allowance (if separate from rent): 0

Energy Adjustment Amount Applied to Final Rent: 0

Renewed Rent: 0

Renewed Utility Allowance (if separate from rent): 0

Utility Allowance Effective Date: 06/01/2013

Unit/Bedroom Type Description: [ ]

Figure 17-9. Calculated Renewal Rent Detail page

1	20	731	745	746	779
<b>Rent Potentials</b>					
Monthly	14620	14900	14920	15580	
Annual	175440	178800	179040	186960	

Renewal Rent Effective Date: 06/01/2015

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 0.00

Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 0.00

Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 0.00

Date Sent to OAHHP: (If rents determined by HUD/ICA to be over Comparable)

Reason sent to OAHHP:

Date Review Results Received from OAHHP:

OAHHP Results:

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments :

Utility Allowance Changed: No

Figure 17-10. Rent page

The following sections describe the function detail pages for each of the contract renewal processing options.

### 17.4.1 Option 1a: Mark-up to Market Eligibility

An owner may request to enter into the Mark-Up-To-Market program at the expiration of a Section 8 contract. Rents may be renewed at the lesser of comparable market rents or 150% of the Fair Market Rent (FMR). Contracts that renew for the first time under Option 1a/1b are required to submit a Rent Comparability Study (RCS). The owner can use an existing RCS adjusted by (OCAF) to establish initial eligibility. All properties that meet the following criteria are eligible for the Mark-Up-To-Market program for contract renewal:

- A REAC physical inspection score of 60 or above, with no uncorrected Exigent Health and Safety (EHS) violations
- For-profit or limited-distribution ownership
- Comparable market rents at or above 100% of the FMR potential
- The project does not have a low-and moderate-income use restriction that cannot be eliminated by unilateral action by the owner

*Note: HUD has discretionary authority to qualify nonprofit owners that meet certain criteria, or other properties that do not qualify according to the above requirements, for the Mark-Up-To-Market contract renewal program.*

For detailed information on which properties are eligible for Option 1a, please refer to the *HUD Section 8 Renewal Policy* and any related attachments.

The **1a: Request Renewal Under Mark-Up-To-Market Eligibility** pages allow you to enter and associate two comparability studies (owner's and HUD's), enter renewal rents, and determine eligibility

for the Mark-Up-To-Market program. Once you enter the information from the rent comparability studies (owners and HUD's), iREMS calculates the final comparable market rents and determines the final eligibility. You can also enter information on Section 236, 515, and BMIR properties, as well as the renewal effective date and the length of the renewal, and any related comments. Once the Option 1a renewal information is complete in iREMS, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

The **Function Detail** pages for Option 1a renewals are accessed via the tabs that display across the top of the page: *Dates and Comments*, *Comparability Study Selection*, *Input Rents*, *Eligibility*, *Rents*, and *Final Review*.

### 17.4.1.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and indicating whether or not there is a transfer to Non-Profit.

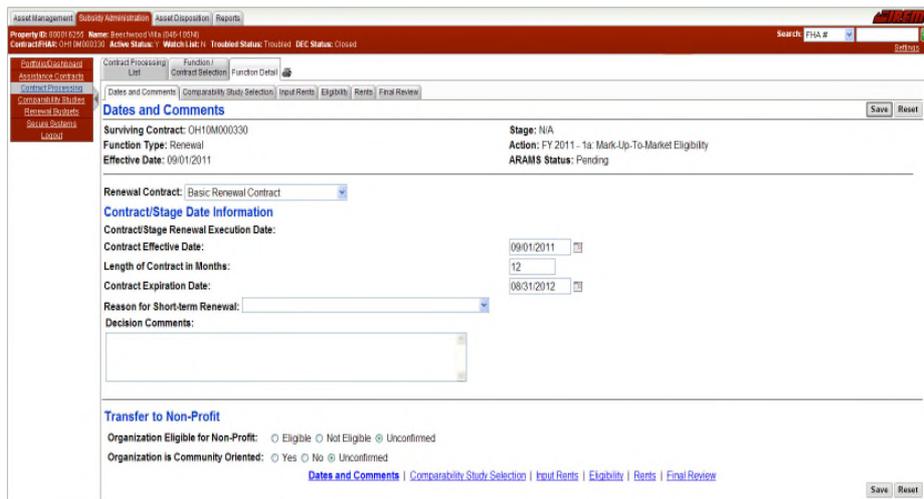


Figure 17-11. Dates and Comments Option 1a

To enter information on the Dates and Comments page for Option 1a:

1. From the **Contract Processing List** page, highlight and click on the current renewal and the **Dates and Comments** page displays.
2. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Contract Effective Date (calendar)*
  - *Length of Contract in Months*

 *Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract I Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)
- Decision Comments
- Organization is Eligible for Non-Profit, select radio button
- Organization is Community Oriented, select radio button

3. Click on  to save the information.

### 17.4.1.2 Comparability Study Selection

Contracts that renew for the first time under Option 1a/1b or Option 2 are required to submit a RCS. For the purpose of contract renewals following, the RCS is valid for a period of five years. Owners are required to submit a new RCS at the end of the five-year period. If HUD believes that contract rents have significantly exceeded comparable market rents, HUD may request one updated RCS during the five-year period.

RCS information is stored at the property level. If a current RCS exists for a property, you can view it by selecting the *Comparability Study Selection* link from the **Function Detail** tab. The record displays on the **Comparability Study Selection** page in a table. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank and you must add one. To add an RCS you must use the *Comparability Studies* option from the **iREMS** sidebar. Once an RCS is entered for a property, it displays in the table on the **Comparability Study Selection** page.

Adding a comparability study for a property is done via the pages accessed by the *Comparability Studies* option in the **Subsidy Administration** sidebar. Please see section 22.8, *Comparability Studies* for detailed instructions.

#### To select a Comparability Study for Option 1a:

1. From the *Function Detail* tab click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

Select	Fiscal Year	Date Appraiser Signed HUD 92273	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2014	10/01/2013	Owner		No	0	1077
<input type="checkbox"/>						1	1185

Figure 17-12. Comparability Study Selection for Option 1a

2. Select the checkbox next to the study in the table.
3. Click on **Save** and the save was successful message displays.

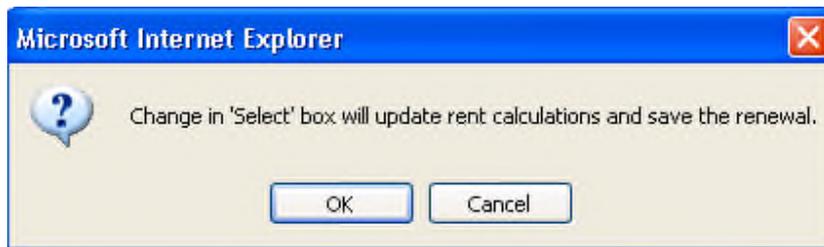


Figure 17-13. Confirmation Dialog box

4. Click on **OK** to save or **Cancel** to reset the selection.

#### 17.4.1.2.1 Viewing Unit/Bedroom Type for an Existing Comparability Study

To view unit or bedroom information for an existing comparability study, select the study in the Comparability Study table and the **Comparability Study Detail** page for that study displays. The **Comparability Study Detail** page displays the following fields: *Fiscal Year*, *Date HUD Form 92273 Signed by Appraiser*, *Comparability Study Submitted (to HUD) Date*, *Comparability Study Source*, *Comparability Study Reviewed (by HUD) Date*, *Date Accepted/Approved by HUD*, and *Comparable Rents*. The Comparable Rents information is displayed in a table with the following columns: *Unit/Bedroom Type*, *Comparable Rent (Monthly)*, and *Unit Description*.

*Note:* Any comparability study that is associated to a contract process that is locked by ARAMS cannot be edited. All fields display as view-only.

**To access detailed information on the Comparability Study:**

1. From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

The screenshot shows the 'Comparability Study Detail' page. At the top, there are navigation tabs: 'Section 8 Contract Processing List', 'PRAC Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the tabs are buttons for 'Save', 'Reset', 'Back', and 'Adjust Comp Rents by OCAF'. The main content area includes the following details:

- Surviving Contract: FL29T851043
- Function Type: Renewal
- Effective Date: 01/31/2014
- Stage: N/A
- Action: FY 2014 - 1a: Mark-Up-To-Market Eligibility
- ARAMS Status:

Below these details are several date and source fields:

- Fiscal Year: 2014
- Date HUD Form 92273 Signed by Appraiser: 10/01/2013
- Comparability Study Submitted (to HUD) Date: 10/04/2013
- Comparability Study Source: Owner
- Comparability Study Reviewed (by HUD) Date: 10/08/2013
- Date Accepted / Approved by HUD: 10/11/2013
- Auto OCAF Created: No

At the bottom, there is a table for 'Comparable Rents' with an 'Add Comparable Rent' button above it. The table has three columns: 'Unit/Bedroom Type', 'Comparable Rent (Monthly)', and 'Unit Description'.

Unit/Bedroom Type	Comparable Rent (Monthly)	Unit Description
0	1077	studio
1	1185	one BR

**Figure 17-14. Comparability Study Detail page**

2. Click on **Back** to return to the **Comparability Study Selection** page.

**To adjust Comparability Rents by OCAF:**

1. From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

This screenshot is identical to Figure 17-14, showing the 'Comparability Study Detail' page. The only difference is that the 'Adjust Comp Rents by OCAF' button at the top right is highlighted with a grey background, indicating it is the next step in the process.

**Figure 17-15. Comparability Study Detail page**

2. Click on **Adjust Comp Rents by OCAF** and the following message displays:



Figure 17-16. Confirmation message

- Click on  and the save was successful message displays on the **Comparability Study Detail** page.

### 17.4.1.3 Input Rents

You can add a new rent record or overwrite existing records in the rent table with the existing rents in TRACS. Renewal Options 1a and 1b have two links for detailed rent information. The **Input Rents** page displays rent information in a table format. This information includes *unit/bedroom type, number of units, current gross rent at expiration, new authorized gross rents (236 & BMIR), owner's comparable gross rent, HUD's comparable gross rent, fair market rents (FMR), and monthly/annual rent potentials.*

A  button displays above the Input Rents table. This function overlay the rent information displayed in the table with the current rent values from TRACS. These rents are also displayed on the Rent (TRACS) page when you select Property Attributes from the **iREMS** sidebar in the **Asset Management** business area.

#### To add rent information:

- From the **Dates and Comments** page, click on the **Input Rents** tab and the **Input Rents** page displays.

Unit Type	# of Units	Current Gross Rent at Expiration	New Authorized Gross Rent (236 & BMIR)	Owner's Comp. Gross Rent	HUD's Comp. Gross Rent	FMR
0	0	1052		1113		719
0	24	1064		1117		719
1	0	1146		1231		876
1	27	1170		1246		876
<b>Rent Potentials</b>						
Monthly		57126		60450		40908
Annual		685512		725400		490896

Figure 17-17. Input Rents page

- Click on  and the **Input Rents Detail** section displays.

Figure 17-18. Input Rents Detail

3. Enter the following information:

- *Unit/Bedroom Type*

*Note: You must enter separate records for identical bedroom types that vary in description. For instance, if a property has 2 different sizes of 1-bedroom units, or 1 bedroom units that have different features (i.e., a study), enter each 1 bedroom by clicking on the Add Comparable Rent button, and enter a description in the text box.*

- *Unit/Bedroom Type Description*
- *New Authorized Rent (236 and BMIR)*
- *Fair Market Rent*

4. Click on **Save** and the save was successful message displays.

#### To update rent information:

*Note: You can update all renewal rent records, including those created by the interface with TRACS.*

1. From the **Input Rents** page, click on the desired link in the Unit Type field and the corresponding **Input Rent** pop up page displays.
2. Enter the new data.
3. Click on **Save** and the save was successful message displays.

### To delete rent information:

You can delete renewal rent information that you have entered. You cannot delete renewal rent information that is created by the interface with TRACS. Deleting information from the **Input Rents** page also deletes the corresponding Calculated & Renewal Rents record.

The  button displays only on records that have been previously saved.

*Note: The delete function should be used only to remove incorrect data. Do not delete accurate existing information.*

1. From the **Input Rents** page, click on the desired link in the Unit Type field and the corresponding **Input Rent** page displays.
2. Click on  and the delete confirmation dialog box displays.

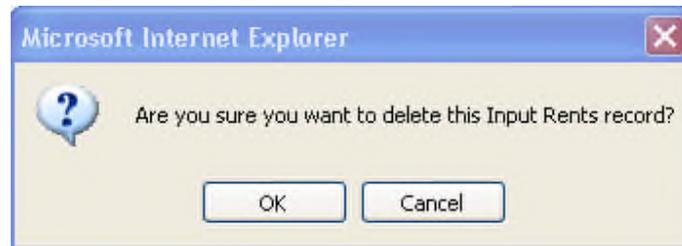


Figure 17-19. Delete Confirmation message

3. Click on  to delete and the **Input Rents** page displays with a message that the delete was successful.

### To Overlay the Rents with Current Rent Values from TRACS:

*Note: This function replaces the information that is displayed in the rents table on the Input Rents page. It does not add a row to the table.*

1. From the **Input Rents** page, click on  and the update confirmation dialog box displays.



Figure 17-20. Renewal Rents Confirmation message

2. Click on  to overlay the rents and a message that the TRACS overlay was successful displays.

### 17.4.1.4 Eligibility

Contracts that renew for the first time under Option 1a/1b are required to submit a Rent Comparability Study (RCS). The owner can use an existing RCS adjusted by (OCAF) to establish initial eligibility. All eligibility information is entered on the Eligibility pages.

To enter Eligibility information:

1. From the *Function Detail* tab, click on the *Eligibility* tab and the **Eligibility** page displays.

Section 8 Contract Processing List		PRAC Contract Processing List		Function / Contract Selection		Function Detail	
Dates and Comments		Comparability Study Selection		Input Rents		Eligibility	
<b>Eligibility</b>				<input type="button" value="Save"/>		<input type="button" value="Reset"/>	
Surviving Contract: FL29T851043				Stage: N/A		Action: FY 2014 - 1a: Mark-Up-To-Market Eligibility	
Function Type: Renewal				ARAMS Status:			
Effective Date: 01/31/2014							
<b>Mark-Up-to-Market Eligibility</b>							
Total Units in Property: 52							
Section 236, 515 & BMIR Properties Only							
Annual IRP Amount:				<input type="text" value="0.00"/>			
Original Market Interest Rate:				<input type="text" value="0.0000"/>			
Subsidized Interest Rate: <small>(Usually 1% for 236 &amp; FMHA, 3% for BMIR)</small>				<input type="text" value="0.0000"/>			
Unpaid Principle Balance:				<input type="text" value="5422492.20"/>			
<b>Initial Eligibility for Mark-Up-To Market</b>							
Annual Rent Potential for all Section 8 Units Included in the Current Renewal:				<input type="text" value="654228.00"/>			
Annual Comparable (Owner's) Rent Potential for Units Included in Current Renewal:				<input type="text" value="694116.00"/>			
Owner's Comparable Rent Potential is 106.10% of Current Rent Potential.							
Owner's Annual Gross Comparable Rent Potential:				<input type="text" value="725400.00"/>			
According to Initial Eligibility, the Contract is: Below Market							
Owner's Comparable Gross Rent Potential is 147.77% of FMR.							
The Property is initially considered for Mark-Up-To Market: Eligible							
<b>HUD's Comparability Study Comparison</b>							
Annual Comparable (HUD's) Rent Potential for Units Included in Current Renewal: 0.00							
HUD's Comparable Rent Potential is 0.00% of Current Rent Potential.							
HUD's Annual Gross Comparable Rent Potential:				<input type="text" value="0.00"/>			
According to Comparability Study, the Contract is: Unconfirmed							
HUD's Comparable Gross Rent Potential is 0.00% of FMR.							
The Property is considered for Mark-Up-To Market: Unconfirmed							
<b>Final Comparable Rents</b>							
Owner's Comparable Rent Potential is 0.00% of HUD's.							
Final Comparable Market Rents are 100% of Owner's Comparable Rents.							
<b>Section 236, Section 221(d)(3) BMIR, FMHA</b>							
Final Comparable Rent Potential is 147.77% of FMR.							
Capped Comparable Gross Rents are 100% of Final Comparable Gross Rents							
Annual Interest Subsidy:				<input type="text" value="0"/>			
Interest Subsidy Adjustment Factor:				<input type="text" value="0.0000"/>			
Increased Annual Distribution (Annual New Contract Rent Potential - Annual New Authorized Rent Potentials): 0							
<b>Other New Construction/Sub-Rehab</b>							
Final Comparable Rent Potential is 147.77% of FMR.							
New Section 8 Gross Rents are 100% of Final Comparable Rents.							
Increased Annual Distribution (Annual New Contract Rent Potential - Annual New Authorized Potentials): 0							

Figure 17-21. Eligibility page

2. Enter the following information:
  - Annual IRP Amount, (Section 236, 515, or BMIR Properties)
  - Original Market Interest Rate, (Section 236, 515, or BMIR Properties)
  - Subsidized Interest Rate, (Section 236, 515, or BMIR Properties)
  - Unpaid Principal Balance, (Section 236, 515, or BMIR Properties)
  - Annual Rent Potential for all Section 8 Units Included In Current Renewal
  - Annual Comparable (Owner's) Rent Potential for Units Included in Current Renewal
  - Owner's Annual Gross Comparable Rent Potential
  
3. Click on **Save** and the save was successful message displays.

If there is a discrepancy in the amounts in the Owner Comparable Rent Potential in the Eligibility section vs. the Input Rent table, **iREMS** gives an option to automatically populate the amount in the Eligibility section correctly. This discrepancy can occur if the comps are not associated or if only part of the unit comps are selected where there are multiple of the same unit type.

### 17.4.1.5 Rents

The Calculated Renewal Rents table allows you to view the results of the Mark-Up-To-Market calculations and to update the final renewal rents and utility allowance amounts, if applicable. The **Input Rents** page must be completed, with the RCS information, before the calculations can be done by the system. The information displayed in the **Calculated Renewal Rents** page are system-generated, however, you can update the renewed rent and the renewed utility allowance amounts on the related rent detail page, if applicable.

#### To enter Calculated Renewal Rent information:

1. From the **Dates and Comments** page in the *Function Detail* tab, click on the *Rents* tab and the **Rents** page displays with the Calculated Renewal Rents table.

**Rents** Save Reset

Surviving Contract: FL29T851043 Stage: N/A  
 Function Type: Renewal Action: FY 2014 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 01/31/2014 ARAMS Status:

HUD Approved Rent: Comparable

**Calculated Renewal Rents:**

Unit Type	# of Units	Final Comp. Gross Rent	Capped Comp. Gross Rent (236, BMIR, & FIIHA)	New Section 8 Gross Rent (236, BMIR, & FIIHA)	New Section 9 Gross Rent (Other New Construct., Sub- Rehab)	Renewed Gross Rent
0	0	1113	1113		1113	1113
0	24	1117	1117		1117	1117
1	0	1231	1231		1231	1231
1	27	1246	1246		1246	1246
<b>Rent Potentials</b>						
Monthly		60450	60450		60450	60450
Annual		725400	725400		725400	725400

Renewal Rent Effective Date:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed:

Figure 17-22. Rents page

2. Click on the unit type link and the **Calculated Renewal Rent Detail** section displays.

Calculated Renewal Rent Detail	
Unit Type:	1
Number of Units:	<input type="text" value="27"/>
Current Contract Rent at Time of Expiration:	1109
Final Comp Gross Rent:	1246
Capped Comp. Gross Rent (236, BMIR & FMHA):	1246
New Section 8 Gross Rent (236, BMIR & FMHA):	0
New Section 8 Gross Rent (Other New Contract/Sub-Rehab):	1246
Energy Adjustment Amount Applied to Final Rent:	<input type="text" value="0"/>
Renewed Rent:	<input type="text" value="0"/>
Renewed Utility Allowance (if separate from rent):	<input type="text" value="0"/>
Utility Allowance Effective Date:	<input type="text" value="02/01/2013"/>
Unit/Bedroom Type Description:	
Current Utility Allowance (if separate from rent):	61
Owner's Comparable Rent:	1185
HUD's Comparable Rent:	0
New Authorized Gross Rent (236 & BMIR):	0
Fair Market Rent:	876

Figure 17-23. Calculated Renewal Rent Detail

3. Enter the following information:
  - *Number of units*
  - *Energy Adjustment Amount Applied to Final Rent*
  - *Renewed Rent*
  - *Renewed Utility Allowance (if separate from rent)*

*Note: A value must be entered in the Renewed Utility Allowance (if separate from rent) field. If the current utility allowance is not being renewed or increased, re-enter the current amount. Leaving the field blank or entering a value of zero overrides the current utility allowance.*

4. Click on **Save** to save the data. The save was successful message displays.

#### To update Calculated Renewal Rents Information:

1. From the **Dates and Comments** page in the *Function Detail* tab, click on the *Rents* tab and the **Rents** page displays.
2. Highlight and click on the unit type and the Calculated Renewal Rent Detail page displays.
3. Enter the new data.
4. Click on **Save** the save was successful message displays.

**To delete Calculated and Renewed Rents Information:**

1. From the Function Detail tab, click on the *Rents* tab and the **Rents** page displays with the Calculated Renewal Rent table.
2. Click on the desired link in the *Unit Type* field and the corresponding Calculated Renewal Rent Detail pop up page displays.
3. Click on  and the delete confirmation dialog box displays.



**Figure 17-24. Delete Confirmation Dialog box**

4. Click on  and the delete was successful message displays.

### 17.4.1.6 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

## 17.4.2 Option 1b: Discretionary Authority Eligibility Mark-up to Market

An owner may request to enter into the Mark-Up-To-Market program at the expiration of a Section 8 contract. Rents may be renewed above the cap of comparable market rents or 150% of the Fair Market Rent (FMR). All properties that meet the following criteria are eligible for the Mark-Up-To-Market Discretionary Authority Eligibility program for contract renewal:

- Vulnerable populations
- Low vacancy market area
- High priority for local community

*Note: HUD has discretionary authority to qualify nonprofit owners that meet certain criteria, or other properties that do not qualify according to the above requirements, for the Mark-Up-To-Market contract renewal program.*

For detailed information on which properties are eligible for Option 1b, please refer to the *HUD Section 8 Renewal Policy* and any related attachments.

The **1b. Discretionary Authority Mark-Up-To-Market** page allows you to enter and associate two comparability studies (owner's and HUD's), enter renewal rents, and determine eligibility for the Mark-Up-To-Market program. Once you enter the information from the RCS (owner's and HUD's), **iREMS** calculates the final comparable market rents and determines the final eligibility. You can also enter information on Section 236, 515, and BMIR properties, as well as the renewal effective date and the length of the renewal, and any related comments. Once the Option 1b renewal information is complete in **iREMS**, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by **ARAMS**.

### 17.4.2.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and indicating the criteria the property meets to qualify for option 1b.

#### To enter information in the Dates and Comments page for Option 1b:

1. Click on the *Function Detail* tab and the **Dates and Comments** page displays.

Figure 17-25. Dates and Comments for Option 1b

2. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)

- *Vulnerable Populations*, radio button
- *Vacancy Rates*, radio button
- *Community Support*, radio button
- *Has owner met criteria to request increase above the cap on comparable rents of 158% of FMR?*, select radio button
- *Contract Effective Date*
- *Length of Contract in Months*

 *Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract is 1 Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- *Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)*
- *Decision Comments*

3. Click on  to save the information.

#### **Alternative option**

Click on  to return the fields to blank, or to the previously saved information.

#### **17.4.2.2 Comparability Study Selection**

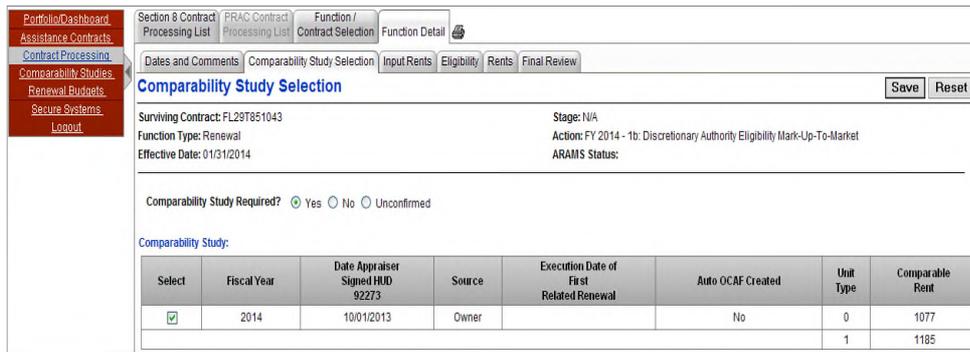
Contracts that renew for the first time under Option 1a/1b or Option 2 are required to submit a RCS. For the purpose of subsequent contract renewals, the RCS is valid for a period of five years. Owners are required to submit a new RCS at the end of the five-year period. If HUD believes that contract rents have significantly exceeded comparable market rents, HUD may request one updated RCS during the five-year period.

RCS information is stored at the property level. If a current RCS exists for a property, the record displays on the **Comparability Study Selection** page in a table. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank. To add an RCS you must use the Comparability Studies option from the **iREMS** sidebar. Once an RCS is entered for a property, it displays in the table on all of the **Function Detail** pages for any of the renewal options that include **Comparability Study Selection** as one of the links at the top of the page.

Adding a comparability study for a property is done via the pages accessed by the Comparability Studies option in the **Subsidy Administration** sidebar. Please see section 22.8, *Comparability Study* for detailed instructions.

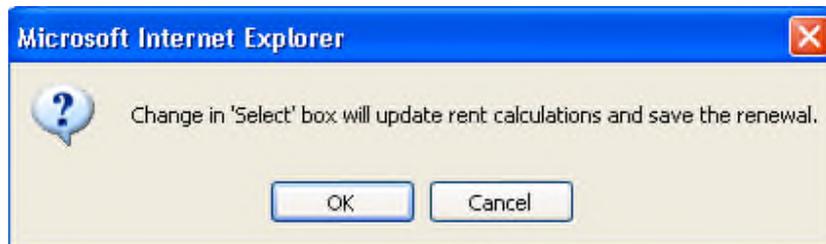
**To Select a Comparability Study:**

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.



**Figure 17-26. Comparability Study Selection for Option 1b**

3. Click in the Select checkbox next to the comparability study and the following pop-up displays:



**Figure 17-27. Confirmation Dialog box**

4. Click on  to save or  to reset the selection.
5. Click on  and the Save was successful message displays.

**17.4.2.2.1 Viewing Comparability Study Detail Information:**

To view unit or bedroom information for an existing comparability study, select the study in the Comparability Study table and the **Comparability Study Detail** page for that study displays. The **Comparability Study Detail** page displays the following fields: *Fiscal Year, Date HUD Form 92273 Signed by Appraiser, Comparability Study Submitted (to HUD) Date, Comparability Study Source, Comparability Study Reviewed (by HUD) Date, Date Accepted/Approved by HUD, and Comparable Rents*. The Comparable Rents information is displayed in a table with the following columns: *Unit/Bedroom Type, Comparable Rent (Monthly), and Unit Description*.

*Note: Any comparability study that is associated to a contract process that is locked by ARAMS cannot be edited. All fields display as view-only.*

**To access detailed information on the Comparability Study:**

1. From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

The screenshot shows the 'Comparability Study Detail' page. At the top, there are navigation tabs: 'Section 8 Contract Processing List', 'PRAC Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the tabs are buttons for 'Save', 'Reset', 'Back', and 'Adjust Comp Rents by OCAF'. The main content area includes the following information:

- Surviving Contract: FL29T851043
- Function Type: Renewal
- Effective Date: 01/31/2014
- Stage: N/A
- Action: FY 2014 - 1b: Discretionary Authority Eligibility Mark-Up-To-Market
- ARAMS Status:

Below this information are several date pickers and dropdown menus:

- Fiscal Year: 2014
- Date HUD Form 92273 Signed by Appraiser: 10/01/2013
- Comparability Study Submitted (to HUD) Date: 10/04/2013
- Comparability Study Source: Owner
- Comparability Study Reviewed (by HUD) Date: 10/08/2013
- Date Accepted / Approved by HUD: 10/11/2013
- Auto OCAF Created: No

At the bottom, there is an 'Add Comparable Rent' button and a table with the following data:

Unit/Bedroom Type	Comparable Rent (Monthly)	Unit Description
0	1077	studio
1	1185	one BR

**Figure 17-28. Comparability Study Detail page**

2. Click on **Back** to return to the **Comparability Study Selection** page.

### 17.4.2.3 Input Rents

The **Input Rents** page displays rent information in a table format. You can add, update or delete rent records from this page. Renewal Options 1a and 1b have two links for detailed rent information. This information includes unit/bedroom type, number of units, current gross rent at expiration, new authorized gross rents (236 & BMIR), owner's comparable gross rent, HUD's comparable gross rent, fair market rents (FMR), and monthly/annual rent potentials.

A **Overlay Rents with Current Rents from TRACS** button displays above the Input Rents table. This function overlay the rent information displayed in the table with the current rent values from TRACS, which are displayed on the Rent (TRACS) page when you select Property Attributes from the iREMS sidebar.

**To add rent information:**

1. From the **Dates and Comments** page, click on the *Input Rents* tab and the **Input Rents** page displays.

Unit Type	# of Units	Current Gross Rent at Expiration	New Authorized Gross Rent (236 & BMIR)	Owner's Comp. Gross Rent	HUD's Comp. Gross Rent	FMR
0	0	1052		1113		719
0	24	1064		1117		719
1	0	1146		1231		876
1	27	1170		1246		876
Rent Potentials						
Monthly		57126		60450		40908
Annual		685512		725400		490896

Figure 17-29. Input Rents page

- Click on **Add New Rent Record** and the **Input Rents Detail** pop up displays.

Figure 17-30. Input Rents Detail

- Enter the following information:
  - Unit/Bedroom Type

*Note: You must enter separate records for identical bedroom types that vary in description. For instance, if a property has 2 different sizes of 1-bedroom units, or 1 bedroom units that have different features (i.e., a study), enter each 1 bedroom by clicking on the Add Comparable Rent button, and enter a description in the text box.*

- Unit/Bedroom Type Description
- New Authorized Rent (236 and BMIR)
- Fair Market Rent

- Click on **Save** and the save was successful message displays.

### To update rent information:

*Note: You can update all renewal rent records, including those created by the interface with TRACS.*

1. From the **Input Rents** page, click on the desired link in the Unit Type field and the corresponding **Input Rent** page displays.
2. Enter the new data.
3. Click on  and the save was successful message displays.

### To delete rent information:

You can delete renewal rent information that you have entered. You cannot delete renewal rent information that is created by the interface with TRACS. Deleting information from the **Input Rents** page also deletes the corresponding Calculated & Renewal Rents record.

The  button displays only on records that have been previously saved.

*Note: The delete function should be used only to remove incorrect data. Do not delete accurate existing information.*

1. From the **Input Rents** page, click on the desired link in the Unit Type field and the corresponding **Input Rent** page displays.
2. Click on  and the delete confirmation dialog box displays.

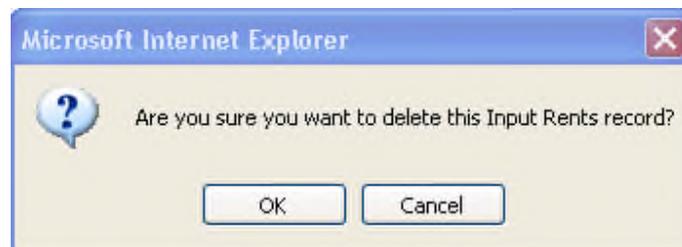


Figure 17-31. Delete Confirmaton Dialog box

3. Click on  to delete and the **Input Rents** page displays with a message that the delete was successful.

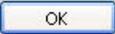
### To Overlay the rents with current rent values from TRACS:

 *Note: This function replaces the information that is displayed in the rents table on the Input Rents page. It does not add a row to the table.*

1. From the **Input Rents** page, click on  and the update confirmation dialog box displays.



Figure 17-32. Confirmation Dialog box

2. Click on  to overlay the rents and a message that the save was successful displays.

#### 17.4.2.4 Eligibility

Contracts that renew for the first time under Option 1a/1b are required to submit a Rent Comparability Study (RCS). The owner can use an existing RCS adjusted by (OCAF) to establish initial eligibility. Eligibility information is entered on the Eligibility pages.

#### To enter Eligibility information:

1. From the *Function Detail* tab, click on the *Eligibility* tab and the **Eligibility** page displays.

ERM Home Dashboard Assistance Contracts Contract Processing Comparability Studies Renewal Budgets Service Systems Logout	Section 8 Contract Processing List    PSAC Contract Processing List <b>Function / Contract Selection</b> Function Detail
	Dates and Comments    Comparability Study Selection    Input Rents <b>Eligibility</b> Rents    Final Review
	<b>Eligibility</b> <span style="float: right;">Save    Reset</span>
	Surviving Contract: FL29T851043    Stage: N/A Function Type: Renewal    Action: FY 2014 - 1b: Discretionary Authority Eligibility Mark-Up-To-Market Effective Date: 01/31/2014    ARAMS Status:
	<b>Mark-Up-To-Market Eligibility</b>
	Total Units in Property: 52
	<b>Section 236, 515 &amp; BMIR Properties Only</b>
	Annual IRP Amount: <input type="text" value="0.00"/> Original Market Interest Rate: <input type="text" value="0.0000"/> Subsidized Interest Rate: <input type="text" value="0.0000"/> (Usually 1% for 236 & FMHA, 3% for BMIR) Unpaid Principle Balance: <input type="text" value="5422492.20"/>
	<b>Initial Eligibility for Mark-Up-To Market</b>
	Annual Rent Potential for all Section 8 Units Included in the Current Renewal: <input type="text" value="654228.00"/> Annual Comparable (Owner's) Rent Potential for Units Included in Current Renewal: <input type="text" value="694116.00"/> Owner's Comparable Rent Potential is 106.10% of Current Rent Potential. Owner's Annual Gross Comparable Rent Potential: <input type="text" value="725400.00"/> According to Initial Eligibility, the Contract is: Below Market Owner's Comparable Gross Rent Potential is 147.77% of FMR. The Property is initially considered for Mark-Up-To Market: Eligible
<b>HUD's Comparability Study Comparison</b>	
Annual Comparable (HUD's) Rent Potential for Units Included in Current Renewal: 0.00 HUD's Comparable Rent Potential is 0.00% of Current Rent Potential. HUD's Annual Gross Comparable Rent Potential: 0.00 According to Comparability Study, the Contract is: Unconfirmed HUD's Comparable Gross Rent Potential is 0.00% of FMR. The Property is considered for Mark-Up-To Market: Unconfirmed	
<b>Final Comparable Rents</b>	
Owner's Comparable Rent Potential is 0.00% of HUD's. Final Comparable Market Rents are 100% of Owner's Comparable Rents.	
<b>Section 236, Section 221(d)(3) BMIR, FMHA</b>	
Final Comparable Market Rents are 147.77% of FMR. Capped Comparable Gross Rents are 100% of Final Comparable Gross Rents Annual Interest Subsidy: <input type="text" value="0"/> Interest Subsidy Adjustment Factor: <input type="text" value="0.0000"/> Increased Annual Distribution (Annual New Contract Rent Potential - Annual New Authorized Rent Potentials): 0	
<b>Other New Construction/Sub-Rehab</b>	
Final Comparable Rent Potential is 147.77% of FMR. New Section 8 Gross Rents are 100% of Final Comparable Rents. Increased Annual Distribution (Annual New Contract Rent Potential - Annual New Authorized Rent Potentials): 0	

Figure 17-33. Eligibility

2. Enter the following information:
  - Annual IRP Amount, (Section 236, 515, or BMIR Properties)
  - Original Market Interest Rate, (Section 236, 515, or BMIR Properties)
  - Subsidized Interest Rate, (Section 236, 515, or BMIR Properties)
  - Unpaid Principal Balance, (Section 236, 515, or BMIR Properties)
  - Annual Rent Potential for all Section 8 Units Included In Current Renewal
  - Annual Comparable (Owner's) Rent Potential for Units Included in Current Renewal
  - Owner's Annual Gross Comparable Rent Potential
  
3. Click on  and the save was successful message displays.

**To Update Eligibility information:**

1. From the *Function Detail* tab, click on the *Eligibility* tab and the **Eligibility** page displays.
2. Enter the new data.
3. Click on  the save was successful message displays.

### 17.4.2.5 Rents

The Calculated Renewal Rents table allows you to view the results of the Mark-Up-To-Market calculations and to update the final renewal rents and utility allowance amounts, if applicable. The **Input Rents** page must be completed, with the RCS information, before the calculations can be done by the system. The information displayed in the **Calculated Renewal Rents** page are system-generated, however, you can update the renewed rent and the renewed utility allowance amounts on the related rent detail page, if applicable. Please refer to Section 22.4.1.5 for instructions on completing these pages.

#### To enter Calculated Renewal Rent information:

1. From the **Dates and Comments** page in the *Function Detail* tab, click on the *Rents* tab and the **Rents** page displays with the Calculated Renewal Rents table.

Unit Type	# of Units	Final Comp. Gross Rent	Capped Comp. Gross Rent (236, BMIR, & FMHA)	New Section 8 Gross Rent (236, BMIR, & FMHA)	New Section 8 Gross Rent (Other New Contract/Sub-Rehab)	Renewed Gross Rent
0	0	1113	1113		1113	1113
0	24	1117	1117		1117	1117
1	0	1231	1231		1231	1231
1	27	1246	1246		1246	1246
<b>Rent Potentials</b>						
Monthly		80450	80450		80450	80450
Annual		725400	725400		725400	725400

Figure 17-34. Calculated Renewal Rents page

2. Click on the unit type link and the **Calculated Renewal Rent Detail** page displays.

Unit Type:	1	Unit/Bedroom Type Description:	
Number of Units:	27	Current Utility Allowance (if separate from rent):	61
Current Contract Rent at Time of Expiration:	1109	Owner's Comparable Rent:	1185
Final Comp Gross Rent:	1246	HUD's Comparable Rent:	0
Capped Comp. Gross Rent (236, BMIR & FMHA):	1246	New Authorized Gross Rent (236 & BMIR):	0
New Section 8 Gross Rent (236, BMIR & FMHA):	0	Fair Market Rent:	876
New Section 8 Gross Rent (Other New Contract/Sub-Rehab):	1246		
Energy Adjustment Amount Applied to Final Rent:	0		
Renewed Rent:	1185		
Renewed Utility Allowance (if separate from rent):	61		
Utility Allowance Effective Date:	02/01/2013		

Figure 17-35. Calculated Renewal Rent Detail

3. Enter the following information:
  - *Unit type*
  - *Number of Units*
  - *Energy Adjustment Amount Applied to Final Rent*
  - *Renewed Rent*
  - *Renewed Utility Allowance (if separate from rent)*
  - *Unit Bedroom Description*

 *Note: A value must be entered in the Renewed Utility Allowance (if separate from rent) field. If the current utility allowance is not being renewed or increased, re-enter the current amount. Leaving the field blank or entering a value of zero overrides the current utility allowance.*

4. Click on  to save the data. The save was successful message displays.

#### To update Calculated Renewal Rents Information:

1. From the **Dates and Comments** page in the *Function Detail* tab, click on the *Rents* tab and the **Rents** page displays.
2. Highlight and click on the unit type and the **Calculated Renewal Rent Detail** page displays.
3. Enter the new data.
4. Click on  the save was successful message displays.

#### To delete Calculated and Renewed Rents Information:

1. From the *Function Detail* tab, click on the *Rents* tab and the **Rents** page displays with the Calculated Renewal Rent table.
2. Click on the desired link in the *Unit Type* field and the corresponding Calculated Renewal Rent Detail pop up page displays.
3. Click on  and the delete confirmation dialog box displays.



Figure 17-36. Delete Confirmation Dialog box

4. Click on  and the delete was successful message displays.

### 17.4.2.6 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

### 17.4.3 Option 2: Request Renewal without Restructure at or Below Market Rents

Renewal Option 2 is for owners who request a renewal of their Section 8 contract where the RCS indicates that the contract's current rents are at or below comparable market rents, but who are not applying for Mark-Up-To-Market. Contracts that renew for the first time under Option 2 are required to submit a rent comparability study. For detailed information on Option 2, please refer to HUD Section 8 Renewal Policy and the related attachments.

The **2: Request Renewal without Restructuring at or Below Comparable Rents** page allows you to enter and track renewal information where an owner opts to renew the Section 8 contract at current or below comparable market rents. You can enter the renewal method, comparability study information, renewal budget information; indicate if it has an Exception Project Exempted from Office of Affordable Housing Preservation (OAHP), and whether the renewal is forwarded to OAHP. You can also enter rent information, dispute/appeal comments, HUD approved rent, and any decision comments. Once the Option 2 renewal information is complete in **iREMS**, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

#### Exception Project Exempted from OAHP

The Exception Project Exempted from OAHP provides the authority to renew projects exempted from OAHP. FHA insured properties that are State or locally financed may be eligible for the Mark-To Market program, and will be referred to OAHP for processing. Please see HUD Renewal Policy 99-36 and the

related attachments for information. The following chart defines the Exception Project Exempted from OAHP:

Exception Project Exempted from OAHP	Definition
Projects financed or insured by state or local government and FHA-insured	Projects for which the primary financing or mortgage insurance was provided by a unit of state government or a unit of general local government (or an agency or instrumentality of either) and is insured under the National Housing Act, and where a mortgage restructuring and rental assistance sufficiency plan conflicts with the local law or agreements governing such financing.
Projects financed under Section 202/8 or 515/8	Projects financed under Section 202 of the Housing Act of 1959 or Section 515 of the Housing Act of 1949 (includes 202/8, 515/8; does not include 202 and 811 Capital Advance projects, which do not have Section 8 contracts).
Projects funded pursuant to Section 441 of the McKinney Act	Projects that have an expiring contract under Section 8 of the United States Housing Act of 1937 pursuant to Section 441 of the Stewart B. McKinney Homeless Assistance Act (SRO Mod Rehab).
MFH Projects not eligible pursuant to Section 512(2) of MAHRA	Projects that do not qualify as eligible multifamily housing projects pursuant to Section 512(2) of MAHRA. For example, a project that is not subject to a HUD-held or insured mortgage, or, a project that has FHA mortgage insurance or is HUD-held with rents at or below comparable market rents.
(A) Projects financed or insured by state or local government and not FHA-insured	Projects for which the primary financing or mortgage insurance was provided by a unit of state government or a unit of general local government (or an agency or instrumentality of either) and is not insured under the National Housing Act. (Examples are uninsured 236 or uninsured 11b projects.)
(B) Projects financed or insured by state or local government and FHA-insured	Projects for which the primary financing was provided by a unit of state government or a unit of general local government (or an agency or instrumentality of either) and the financing involves mortgage insurance under the National Housing Act, such that the implementation of a mortgage restructuring and rental assistance sufficiency plan under this act is in conflict with applicable law or agreements governing such financing. (Example: insured 11b projects.)
(C) Projects financed under Section 202/8 or 515/8	Projects financed under Section 202 of the Housing Act of 1959 or Section 515 of the Housing Act of 1949. (Includes 202/8, 202, 515/8 - does not include 811's.)
(D) Projects funded pursuant to Section 441 of the McKinney Act	Projects that have an expiring contract under Section 8 of the United States Housing Act of 1937 pursuant to Section 441 of the Stewart B. McKinney Homeless Assistance Act. (SRO Mod Rehab.)
(E) Projects not eligible for Mark-Down-to-Market	Projects that do not qualify as eligible multifamily housing projects pursuant to Section 515(2) of MAHRA. (Examples of projects that qualify under this category would be (1) a project that is not insured or (2) a project that has FHA mortgage insurance with rents under comparable market rents.) In order for an owner of an insured project to claim eligibility under this provision, they must obtain a rent comparability study.

### 17.4.3.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP information.

Figure 17-37. Dates and Comments page

#### To enter information in the Dates and Comments page for Option 2:

1. Click on the *Function Detail* tab and the **Dates and Comments** page displays.
2. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Exception Project Exempted from OAHP*, select from drop-down list
  - *Annual Financial Statement Required to be Submitted to HUD?*, select radio button
  - *Contract Effective Date*

*Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- *Length of Contract in Months*

*Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)
- Decision Comments

3. Click on  to save the information.

### 17.4.3.2 Comparability Study Selection

Contracts that renew for the first time under Option 1a/1b or Option 2 are required to submit a RCS. For the purpose of subsequent contract renewals, the RCS is valid for a period of five years. Owners are required to submit a new RCS at the end of the five-year period. If HUD believes that contract rents have significantly exceeded comparable market rents, HUD may request one updated RCS during the five-year period.

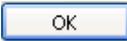
RCS information is stored at the property level. If a current RCS exists for a property, the record displays in a table when you select the **Comparability Study** link on the **Function Detail** page. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank. To add an RCS you must use the **Comparability Studies** option from the **iREMS** sidebar. Once an RCS is entered for a property, it displays in the table on all of the **Function Detail** pages for any of the renewal options that include **Comparability Study Selection** as one of the links at the top of the page.

Adding a comparability study for a property is done via the pages accessed by the **Comparability Studies** option in the **Subsidy Administration** sidebar. Please see section 22.8, *Comparability Studies* for detailed instructions.

#### To Select a Comparability Study

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

Figure 17-38. Comparability Study Selection page

3. Click in the Select checkbox next to the comparability study and a pop-up displays.
4. Click on  to save or  to reset the selection.
5. Click on  and the Save was successful message displays.

**To Adjust Rents by OCAF**

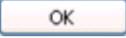
1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.
3. Highlight and click on the comparability Study record and the **Comparability Study Detail** page displays.

Figure 17-39. Comparability Study Detail page

4. Click on  and the following pop up window displays.



Figure 17-40. Dialog box

5. Click .
6. Click on  to return to the **Comparability Study Selection** page.

**To update information on the Comparability Study Selection page:**

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

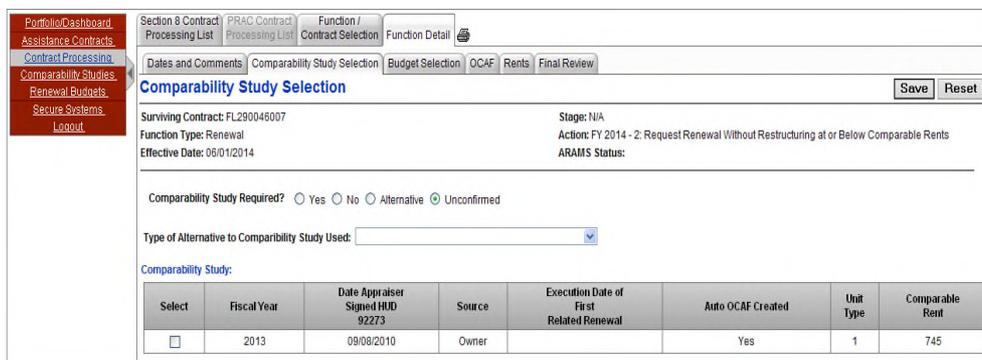


Figure 17-41. Comparability Study Selection page

3. Update the following information:
  - *Comparability Study Required, radio button*
  - *Type of Alternative to Comparability Study Used, drop-down*
4. Highlight and click on the comparability study and the **Comparability Study Detail** page displays.

Unit/Bedroom Type	Comparable Rent (Monthly)	Unit Description
1	745	

Figure 17-42. Comparability Study Detail page

5. Update the following information:
  - *Date HUD Form 92273 Signed by Appraise, calendar*
  - *Comparability Study Submitted (to HUD) Date, calendar*
  - *Comparability Study Source, drop down*
  - *Comparability Study Reviewed( by HUD) Date, calendar*
  - *Date Accepted/Approved by HUD, calendar*
6. Click on the  button to add a rent and the Comparable Rent Detail page displays.

Figure 17-43. Comparable Rent Detail page

7. Add the rent information and click on . The **Comparable Study Detail** page displays with the save was successful message.

### 17.4.3.3 Budget Selection

For most properties, iREMS uses the entry of standard renewal budgets, including dates and percentage increases related to the rent and the utility allowance to calculate the budget-based adjusted rents and the related rent potential. However, for certain properties (i.e., those with 515/8 financing) a Rural Housing

Service (RHS) budget is appropriate instead. These budgets usually provide the adjusted rent by the unit type, rather than a standard percentage.

Renewal budget information is stored at the property level. If a current renewal budget record exists for a property, the record displays both on the **Renewal Budget List** page and on the **Budget Selection** page.

**To Select the Budget Selection page:**

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Budget Selection* tab and the **Budget Selection** page displays.

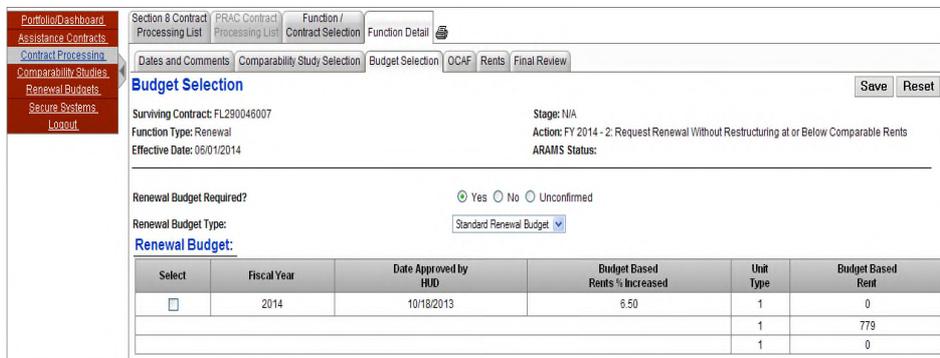


Figure 17-44. Budget Selection page

3. Update the following information:
  - *Renewal Budget Required, radio button*
  - *Renewal Budget Type, drop-down*
4. Click on **Save**.

**To update detailed information on the Budget Selection page:**

1. From the **Budget Selection** page, highlight and click on the Renewal Budget record and the **Renewal Budget Detailed** page displays.

The screenshot shows a web interface with a navigation bar at the top containing tabs: "Section 8 Contract Processing List", "PRAC Contract Processing List", "Function / Contract Selection", and "Function Detail". Below the navigation bar is the title "Renewal Budget Detail". The main content area contains several input fields:

- Budget Prepared Date: 10/01/2013
- Fiscal Year: 2014
- Budget Submitted (to HUD) Date: 10/08/2013
- Budget Reviewed (by HUD) Date: 10/15/2013
- Budget Accepted/Approved (by HUD) Date: 10/18/2013
- Budget-Based Rents % Increase/Decrease: 0.0650
- Budget-Based Utility Allowance % Increase: 0.0000

Figure 17-45. Budget Selection page

- Update the required fields and click on **Save**. The save was successful message displays.
- Click on **Back** and you will be returned to the **Budget Selection** page.

### 17.4.3.4 OCAF

The **OCAF** page for **2: Request Renewal Without Restructuring at or Below Comparable Rents** renewals calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

To enter OCAF information:

- From the **Dates and Comments** page, click on the **OCAF** tab and the OCAF page displays.

The screenshot shows the OCAF page with a navigation bar and a sidebar. The main content area displays the following information:

Surviving Contract: FL290046007  
 Function Type: Renewal  
 Effective Date: 06/01/2014

Stage: N/A  
 Action: FY 2014 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 ARAMS Status:

**OCAF Rent Adjustments**

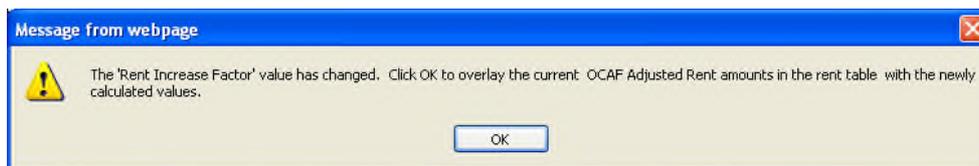
Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process:	175440.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	178800.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	175440.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	0.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	175440.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.000%):	178948.80
OCAF Adjusted Contract Rent Potential:	178948.80
Lesser of OCAF or Correlated Comparable Rent Potential:	178800.00
Rent Increase Factor (Based upon Lesser of OCAF vs. Comps):	1.019

Figure 17-46. OCAF page

2. Enter the following information:
  - Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process
  - Annual Comparable (Owner's) Rent Potential for Units included in Current Renewal
  - Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included the Current Process)
  - Annual Rent Potential Non-Section 8 Units
  - Annual Project Debt Service: Note:Already includes MIP amount

*Note: On loans with an In-Active Financing Instrument, the monthly debt service is calculated to zero. iREMS will not add the Mortgage Insurance Premium (MIP).*

*Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

3. Click on  and the save was successful message displays.

### To Update OCAF information:

1. From the **Dates and Comments** page, click on the *OCAF* tab and the **OCAF** page displays.
2. Enter the new data.
3. Click on  the save was successful message displays.

#### 17.4.3.5 Rents

For standard renewal budgets, the budget-based rents on the **Renewal Rent Detail** page are view only. However, for RHS budgets you have the ability to select the appropriate budget from the drop-down list based upon unit type (i.e., if the unit type is 1 bedroom, then only those RHS budget rents associated to a RHS budget that is associated to the current renewal or amend rents record and have a unit type of 1 will display.) This is similar to the comparable rent functionality. The related utility allowance, as entered

on the **RHS Budget Rent Detail page** displays view only. The utility allowance value is updated on the **RHS Budget Rent Detail page**.

The **Rent** page displays rent information for renewals in a table format. On most option detail pages you can add, update or delete rent information.

A **Overlay Rents with Current Rents from TRACS** button displays above the *Rents* table. This function overlay the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the **iREMS** renewal option detail pages. Any of the renewal option detail pages that display the *Rents* table have pages and functionality that are identical.

**To add a new Rent:**

1. From the *Function Detail* tab, click on the *Rents* tab and the **Rents** page displays.

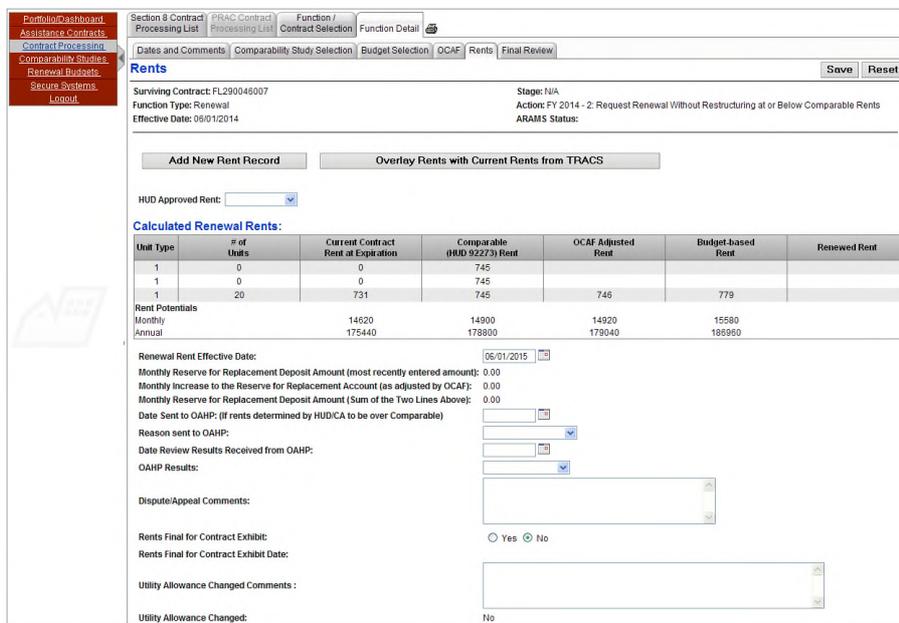


Figure 17-47. Rents page

2. Click on **Add New Rent Record** and the Calculated Renewal Rent Detail page displays.

Figure 17-48. Calculated Renewal Rent Detail page

3. Click on the *Budget-Based Rent* drop down list and select the appropriate budget.
4. Enter the following information:
  - *Unit Type*
  - *Number of Units*
  - *OCAF Adjusted Rent*
  - *Energy Adjustment Amount Applied to Final Rent*
  - *Renewed Rent*
  - *Renewed Utility Allowance (if separate from rent)*
  - *Utility Allowance Effective Date*
  - *Unit/Bedroom Type Description*
5. Click on **Save** and the save was successful displays.

### 17.4.3.6 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

## 17.4.4 Option 3: OAHP

There are three Option 3 choices. Eligible above-market contracts are to be referred to OAHP. **Option 3a: Request Referral to OAHP for Reduction of Contract Rents to Comparable Market Rents** and **Option 3b: Request Referral to OAHP for Restructure of Mortgage and Reduction of Contract Rents** are used for these referrals. An owner with an eligible above-market contract requests either a renewal of the contract without restructuring, with the rents marked down to market, or a mortgage or rent restructuring and contract renewal with the rents marked down to market. **Option 3b: Request Renewal for Full Mark to Market Contract** will be used for the renewals.

*Note: Option 3 has two Option 3b choices...one for referral to OAHP and one for renewal*

For detailed information on Option 3, please refer to *HUD Section 8 Renewal Policy* and the related attachments.

## 17.4.5 Option 3a: Request Referral to OAHP for Reduction of Contract Rents to Comparable Market Rents

The **3a: Request Referral to OAHP for Reduction of Contract Rents to Comparable Market Rents** page allows you to enter and track renewal information where an owner requests a referral to OAHP. You can enter the renewal method, comparability study information, the date the renewal is forwarded to OAHP, and the date the review results are received from OAHP. You can also enter rent information, HUD approved rent, and any related comments.

### 17.4.5.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP date information.

Figure 17-49. Option 3a Dates and Comments page

### To enter information in the Dates and Comments page for Option 3a:

1. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Date sent to OAHP*

- *Date Review Results Received from OAHF*
- *Date of owner 120 day notification to tenants to not restructure*
- *Contract Effective Date*

 *Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- *Length of Contract in Months*

 *Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract in Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- *Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)*
- *Decision Comments*

2. Click on  to save the information.

### 17.4.5.2 Comparability Study Selection

If a current RCS exists for a property, the record displays in a table when you select the **Comparability Study** link on the **Function Detail** page. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank. To add an RCS you must use the **Comparability Studies** option from the **iREMS** sidebar. Once an RCS is entered for a property, it displays in the table on all of the **Function Detail** pages for any of the renewal options that include **Comparability Study Selection** as one of the links at the top of the page.

Adding a comparability study for a property is done via the pages accessed by the Comparability Studies option in the **Subsidy Administration** sidebar. Please see section 22.8, *Comparability Studies* for detailed instructions.

#### To Select a Comparability Study:

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.

- Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

Figure 17-50. Comparability Study Selection for Option 3 a or 3b(referral)

- A Comparability study displays if one has been entered. Click in the Select checkbox next to the comparability study and the following pop-up displays:

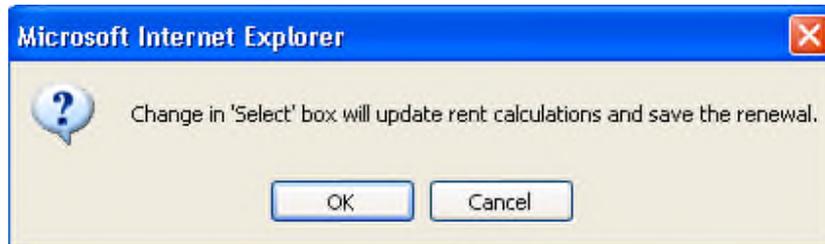


Figure 17-51. Dialog box

- Click on  to save or  to reset the selection.
- Click on  and the Save was successful message displays.

#### 17.4.5.2.1 Viewing Comparability Study Detail Information:

To view unit or bedroom information for an existing comparability study, select the study in the Comparability Study table and the **Comparability Study Detail** page for that study displays. The **Comparability Study Detail** page displays the following fields: *Fiscal Year*, *Date HUD Form 92273 Signed by Appraiser*, *Comparability Study Submitted (to HUD) Date*, *Comparability Study Source*, *Comparability Study Reviewed (by HUD) Date*, *Date Accepted/Approved by HUD*, and *Comparable Rents*. The Comparable Rents information is displayed in a table with the following columns: *Unit/Bedroom Type*, *Comparable Rent (Monthly)*, and *Unit Description*.

*Note: Any comparability study that is associated to a contract process that is locked by ARAMS cannot be edited. All fields display as view-only.*

**To access detailed information on the Comparability Study:**

1. From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

Unit Bedroom Type	Comparable Rent (Monthly)	Unit Description
1	745	

**Figure 17-52. Comparability Study Detail page**

2. Click on **Back** to return to the **Comparability Study Selection** page.

**17.4.5.3 Rents**

The **Rents** page displays rent information for Option 3 renewals in a table format. On the **Rents** page you can add, update or delete rent information.

A **Overlay Rents with Current Rents from TRACS** button displays above the Rents table. This function overlay the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the REMS renewal option detail pages. Any of the renewal option detail pages that display the Rents table have pages and functionality that are identical.

**To add Rents:**

1. From the Function/Contract Selection page, click on the Function Detail tab and the Function Detail page displays.
2. Click on the Rents tab and the Rents page displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Rents | Final Review

Surviving Contract: FL290046007 | Stage: N/A  
 Function Type: Renewal | Action: FY 2014 - 3a: Request Referral to OAHF for Reduction of Contract Rents to Comparable Market Rents  
 Effective Date: 06/01/2014 | ARAMS Status:

Rents:

HUD Approved Rent:

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	Renewed Rent
1	0	0	745	745
1	0	0	745	745
1	20	731	745	745

Rent Potentials

	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	Renewed Rent
Monthly	14520	14900	14900
Annual	175440	178800	178800

Renewal Rent Effective Date:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed:

Figure 17-53. Rents page

3. Select HUD Approved Rent from the drop-down.
4. Highlight and click on a unit type and the Calculated Renewal Rent Detail page displays.

Calculated Renewal Rent Detail

Unit Type:

Number of Units:

Unit/Bedroom Type Description:

Current Contract Rent at Time of Expiration:

Current Utility Allowance (if separate from rent):

Comparable (HUD 92273) Rent:

Renewed Rent:

Energy Adjustment Amount Applied to Final Rent:

Renewed Utility Allowance (if separate from rent):

Utility Allowance Effective Date:

Figure 17-54. Calculated Renewal Rent Detail page

5. Enter the following rent information:
  - *Number of Units*
  - *Unit Bedroom Description*
  - *Renewed Rent*
  - *Energy Adjustment Amount Applied to Final Rent*
  - *Renewed Utility Allowance (if separate from rent)*
6. Click on  and the save was successful message displays.

## To Overlay Rents with Current Rents from TRACS

1. From the Dates and Comments page, click on the Rents link and the Rents page displays.
2. Click on  and the following confirmation window displays:



Figure 17-55. Dialog box

3. Click on  and the renewal rent tables are overlaid with the current values from TRACS. A successful TRACS overlay message displays.

### 17.4.5.4 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

### 17.4.5.5 View Mark-to-Market Critical Dates

The **Functional Detail** page for Option 3 contract processing records contains a *View Mark-to-Market* link for easy access to the **Critical Dates Tracking** page in M2M. All intranet users and external users with at least one CA role have access to this page.

For OAHP renewals (Option 3), the system displays the *View Mark-to-Market* link if the contract number exists in M2M.

## To View Critical Dates Tracking from M2M

1. From the **Dates and Comments** page, click on the *View Mark-to-Market* link and the **Critical Dates Tracking** page displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Rents | Final Review

**Dates and Comments** Save Reset

**Surviving Contract:** AK020007002 **Stage:** 2  
**Function Type:** Renewal **Action:** FY 2014 - 3a: Request Referral to OAHF for Reduction of Contract Rents to Comparable Market Rents  
**Effective Date:** 01/01/2033 **ARAMS Status:**

**Renewal Contract:**   
**Date Sent to OAHF:**   
**Date Review Results Received from OAHF:**   
**Date of Owner 120 Day Notification to Tenants to not Restructure:**   
**Contract/Stage Date Information**  
**Contract/Stage Renewal Execution Date:**   
**Contract Effective Date:** 01/01/2033  
**Length of Contract in Months:**   
**Contract Expiration Date:**   
**Reason for Short-term Renewal:**   
**Decision Comments:**   
[View Mark-to-Market Critical Dates](#)

Figure 17-56. Dates and Comments (View-Mark-to-Market Critical Dates)

[Print](#)   [Home](#)   [Back](#)   [Forward](#)   [Refresh](#)   [Close](#)

### Critical Dates Tracking

**HEREMS Property ID:** 800000159      **Property Name:**  
**Primary FHA Number:**      **P.A.E. Name:**  
**Contract Number:** AL09L000054      **Renewal Type:** Mortgage Restructuring  
**Preservation Office:**      **Portfolio Manager:**  
**HUD Project Manager:** MAXIE W WALLS      **Date Assigned:**  
**Debt Restructuring Specialist:**      **Re-entered:**

Owner Eligibility	Short-Term Contract Renewal	Assignment to PAE	Data Collection	Underwriting	Loan Approval	Closing	Post-Closing
-90	-45	45	65	105	150	210	Days

There are **358** days left until this Section 8 contract expires.  
 This contract is currently in the **Assignment/Assessment** phase.

Enter all dates in mm/dd/yyyy format. Click the **Save** button near the bottom of this screen to save all updates/changes.

**Original Section 8 Expiration Date (Post MAHRA):**      **07/31/2009**        
**Current Section 8 Expiration Date:**      **03/03/2006**        
**Field Office Receives Intent to Renew from Owner:**      **03/03/2006**        
**Field Office Refers to OAHF:**        
**OAHF Receives Referral from Field Office:**     

**Phase: Assignment/Assessment**

**OAHF Sends List of Potential Assets:**        
**OAHF Approves COI Form 2.2:**        
**P.A.E. Accepts Assignment:**        
**P.A.E.'s estimated Restructuring Plan (Form 5.2) Submission Date:**        
**Amended PRA Milestone Date Per 2.15 Waiver:**            Reason:  
**OAHF Places Property On Hold:**        
**Anticipated On Hold Removal Date:**        
**OAHF Removes Property From On Hold:**     

**Phase: Data Collection/Due Diligence**

**Data Collection:**        
**P.A.E. and Owner Have Kickoff Meeting:**        
**PCA Assigned by P.A.E.:**        
**Appraisal Assigned by P.A.E.:**        
**Tenant Meeting - #1:**        
**Owner Submits Data Collection Report:**     

**Due Diligence:**        
**P.A.E.'s PCA Complete:**        
**P.A.E.'s Appraisal Complete:**        
**P.A.E. Completes Due Diligence:**     

**Phase: Underwriting/Restructuring Plan**

**Tenant Meeting - #2:**        
**Initial P.A.E. Restructuring Plan Submission to OAHF:**        
**P.A.E. Submits Restructuring Plan to OAHF:**        
**OAHF Receives Complete Restructuring Plan and Form 5.2:**        
**Date Assigned to Underwriter:**        
**Reviewer:**            **FA Staff No:**     

**Phase: Loan Funding/Approval Process**

**OAHF Approves Restructuring Plan:**        
**OAHF Returns Restructuring Plan to P.A.E. for Revision:**        
**OAHF Receives P.A.E. resubmission:**        
**Restructuring Commitment Executed by Owner:**     

**Closing Issues:**        
**Additional Funds:**        
**Bond Financing Existing Loan:**        
**Date A:**            **236/RF:**        
**TFA:**        
**Co-op:**        
**QNP Debt Relief:**     

**Other Issues:**        
**Mod Rehab:**        
**Bankruptcy:**        
**Awaiting OAHF Policy:**        
**Other:**     

**Phase: Closing and Post Closing**

**Closing:**        
**OAHF approved 4.11 or 4.12:**        
**Scheduled Closing Date:**        
**Closing Date:**        
**New Section 8 Contract Effective Date:**        
**Section 8 Contract Type:**     

**Post Closing:**        
**Closing Documents Distributed by P.A.E.:**        
**Transmission Memo submitted to Multifamily Housing:**        
**Multifamily indicated no meeting was necessary:**        
**Rehab Escrow Account:**      No     

**Date Action Other than Closing Occurred:**              
(Use this HUD and other required parties even notified as per 509 Chapter 6)

**OAHF Determines Restructuring Plan is Not Feasible Due to Financially Not Viable**  
 **Owner Prepaid FHA-Insured Loan (P.A.E. must enter new market rents into Form 5.2)**  
 **Ineligible for OAHF - "Bad Owner" Determination**  
 **Ineligible for OAHF - Rents below or equal to Market**  
 **Ineligible for OAHF - Conflict Between State/Local Financing Documents and Restructuring Plan**  
 **Ineligible for OAHF or Other (Include discontinued outyear deals)**        
 **Determined Owner is Uncooperative - P.A.E. Does Not Issue Restructuring Commitment**  
 **Restructuring Commitment Issued But Not Executed by Owner (P.A.E. must enter new market rents into Form 5.2)**  
 **Owner Opt's Out of Section 8 Program**  
The bolded options, if selected, will automatically update the Watchlist in REMS once the "End M2M Process" button is selected.

**OAHF Comment Text:**        
**P.A.E. Comment Text:**     

Figure 17-57. Critical Dates Tracking page

2. Click on to close the page and return to iREMS.

## 17.4.6 Option 3b: Request Referral to OAHP for Restructure of Mortgage and Reduction of Contract Rents

The **3b: Request Referral to OAHP for Restructure of Mortgage and Reduction of Contract Rents** page allows you to enter and track renewal information where an owner requests a referral to OAHP. You can enter the renewal method, comparability study information, the date the renewal is forwarded to OAHP, and the date the review results are received from OAHP. You can also enter rent information, HUD approved rent, and any related comments. Once the Option 3 renewal information is complete in iREMS, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

### 17.4.6.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP date information.

Portfolio Dashboard  
Assistance Contracts  
Contract Processing  
Comparability Studies  
Renewal Budgets  
Secure Systems  
Logout

Section 8 Contract Processing List PRAC Contract Processing List Function / Contract Selection Function Detail

Dates and Comments Comparability Study/Selection Rents Final Review

**Dates and Comments** Save Reset

Surviving Contract: FL290046007 Stage: N/A  
Function Type: Renewal Action: FY 2014 - 3b: Request Referral to OAHP for Restructure of Mortgage and Reduction of Contract Rents  
Effective Date: 06/01/2014 ARAMS Status:

Renewal Contract: [Dropdown]  
Date Sent to OAHP: [Text]  
Date Review Results Received from OAHP: [Text]  
Date of Owner 120 Day Notification to Tenants to not Restructure: [Text]

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:  
Contract Effective Date: 06/01/2014  
Length of Contract in Months: 12  
Contract Expiration Date: 05/31/2015  
Reason for Short-term Renewal: [Dropdown]  
Decision Comments:

Figure 17-58. Date and Comments page

### To enter information in the Dates and Comments page for Option 3b:

1. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Date sent to OAHP*
  - *Date Review Results Received from OAHP*
  - *Date of owner 120 day notification to tenants to not restructure*
  - *Contract Effective Date*

 *Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- Length of Contract in Months

 *Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract is 1 Month is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)
- Decision Comments

2. Click on  to save the information.

#### 17.4.6.2 Comparability Study Selection

RCS information is stored at the property level. If a current RCS exists for a property, the record displays in a table when you select the **Comparability Study** link on the **Function Detail** page. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank. To add an RCS you must use the **Comparability Studies** option from the **iREMS** sidebar. Once an RCS is entered for a property, it displays in the table on all of the **Function Detail** pages for any of the renewal options that include **Comparability Study Selection** as one of the links at the top of the page.

Adding a comparability study for a property is done via the pages accessed by the Comparability Studies option in the **Subsidy Administration** sidebar.

#### To Select a Comparability Study

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.

Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

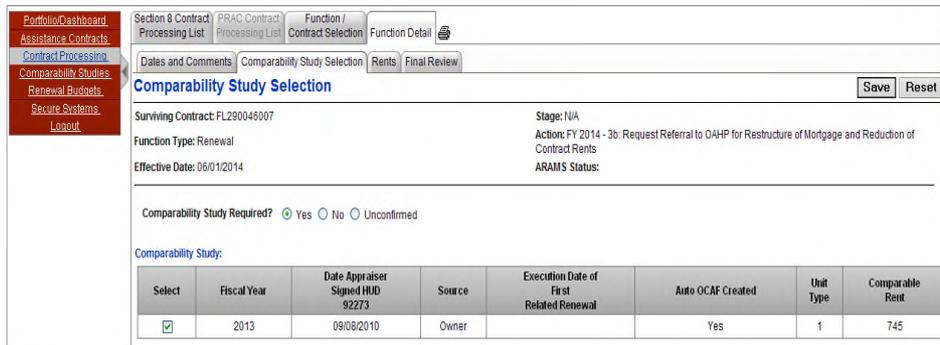


Figure 17-59. Comparability Study Selection page

2. Click in the Select checkbox next to the comparability study and the following pop-up displays.

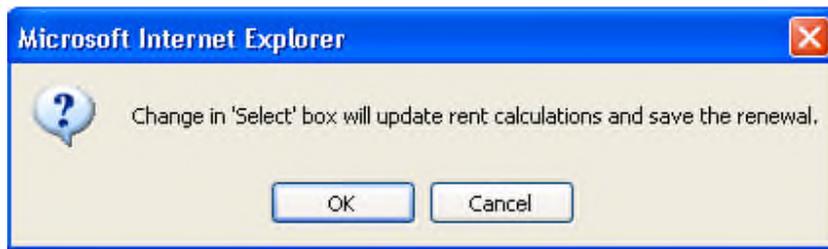


Figure 17-60. Dialog box

3. Click on **OK** to save or **Cancel** to reset the selection.
4. Click on **Save** and the Save was successful message displays.

### 17.4.6.3 Rents

The **Rents** page displays rent information for Option 3 renewals in a table format. On the **Rents** page you can update or delete rent information.

A **Overlay Rents with Current Rents from TRACS** button displays above the Rents table. These functions overlays the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the REMS renewal option detail pages. Any of the renewal option detail pages that display the Rents table have pages and functionality that are identical.

*Note:* There is not an **Add New Rent Record** button on the Option 3 pages since these renewals are referred to OAHP and the rent structure should not be changed.

**To update Rents:**

1. From the **Function/Contract Selection** page, click on the *Function Detail* tab and the **Contract Detail** page displays.
2. Click on the *Rents* tab and the **Rents** page displays.

Section 8 Contract Processing List PRAC Contract Processing List Function / Contract Selection Function Detail

Contract Processing: Dates and Comments Comparability Study Selection Rents Final Review

**Rents** Save Reset

Surviving Contract: FL280046007 Stage: N/A  
 Action: FY 2014 - 3b: Request Referral to OAH for Restructure of Mortgage and Reduction of Contract Rents  
 ARAMS Status:

Function Type: Renewal  
 Effective Date: 06/01/2014

Rents: Overlay Rents with Current Rents from TRACS

HUD Approved Rent: Comparable

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	Renewed Rent
1	0	0	745	745
1	0	0	745	745
1	20	731	745	745

Rent Potentials

	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	Renewed Rent
Monthly	14620	14900	14900
Annual	175440	178800	178800

Renewal Rent Effective Date: 06/01/2015

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed: No

**Figure 17-61. Rents page**

3. Select HUD Approved Rent from the drop-down.
4. Highlight and click on a unit type and the **Calculated Renewal Rent Detail** page displays.

**Calculated Renewal Rent Detail** Save Reset Close

Unit Type: 1

Number of Units: 20

Unit/Bedroom Type Description:

Current Contract Rent at Time of Expiration: 731

Current Utility Allowance (if separate from rent): 64

Comparable (HUD 92273) Rent: 745

Renewed Rent: 745

Energy Adjustment Amount Applied to Final Rent: 0

Renewed Utility Allowance (if separate from rent): 64

Utility Allowance Effective Date: 06/01/2013

**Figure 17-62. Calculated Renewal Rent Detail page**

5. Enter the following rent information:
  - *Number of Units*
  - *Unit Bedroom Description*
  - *Renewed Rent*
  - *Energy Adjustment Amount Applied to Final Rent*
  - *Renewed Utility Allowance (if separate from rent)*

6. Click on  and the save was successful message displays.

### To Overlay Rents with Current Rents from TRACS

1. From the **Dates and Comments** page, click on the *Rents* link and the **Rents** page displays.
2. Click on  and the following confirmation window displays:



Figure 17-63. Dialog box

3. Click on  and the renewal rent tables are overlaid with the current values from TRACS. A successful TRACS overlay message displays.

#### 17.4.6.4 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

#### 17.4.6.5 View Mark-to-Market Critical Dates

The **Functional Detail** page for Option 3 contract processing records contains a *View Mark-to-Market* link for easy access to the **Critical Dates Tracking** page in M2M. All intranet users and external users with at least one CA role have access to this page.

For OAHP renewals (Option 3), the system displays the *View Mark-to-Market* link if the contract number exists in M2M.

### To View Critical Dates Tracking from M2M

1. From the Dates and Comments page, click on the *View Mark-to-Market* link and the **Critical Dates Tracking** page displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Rents | Final Review

[Save](#) | [Reset](#)

**Dates and Comments**

Surviving Contract: AK020007002      Stage: 2  
Function Type: Renewal      Action: FY 2014 - 3b: Request Referral to OAHP for Restructure of Mortgage and Reduction of Contract Rents  
Effective Date: 01/01/2033      ARAMS Status:

Renewal Contract:

Date Sent to OAHP:

Date Review Results Received from OAHP:

Date of Owner 120 Day Notification to Tenants to not Restructure:

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:

Contract Effective Date:

Length of Contract in Months:

Contract Expiration Date:

Reason for Short-term Renewal:

Decision Comments:

[View Mark-to-Market Critical Dates](#)

Figure 17-64. Dates and Comments (*View Mark-toMarket Critical Dates*)

Critical Dates Tracking	
HEREMS Property ID: 80000089 Primary FHA Number: 17635020 Contract Number: AK020007002 Preservation Office: San Francisco HUD Project Manager: LEONAL BLANKENSHIP Debt Restructuring Specialist: NORMAN DAILEY OAH/PAE Underwriter:	Property Name: COHO PARK PAE Name: ONTRA, Inc. Renewal Type: Rent Reduction Only
There are <b>-2575</b> days left until this Section 8 contract expires. This contract is currently in the <b>Rent Reduction Determination</b> phase.	
Enter all dates in mm/dd/yyyy format. Click the <b>Save</b> button near the bottom of this screen to save all updates/changes.	
Original Section 8 Expiration Date (Post MAHRA):	02/27/2003
Current Section 8 Expiration Date:	09/30/2006 <input type="button" value="C"/>
Field Office Receives Request for Rent Reduction from Owner:	07/07/2006
Field Office Refers to OAH/PAE:	
OAH/PAE Receives Referral from Field Office:	10/24/2002
<b>Phase: Assignment/Assessment</b>	
OAH/PAE Sends List of Potential Assets:	11/01/2002
OAH/PAE Approves COI Form 2.2:	11/12/2002
PAE Accepts Assignment:	11/14/2002
PAE's estimated Recommendation (Form 10.2) Submission Date:	01/27/2003 <input type="button" value="C"/>
Tier 1 Incentive Due Date (Per PRA):	
Amended Tier 1 Incentive Due Date:	<input type="button" value="C"/>
Amended Tier 1 Due Date (Per Rel. Mgr.):	<input type="button" value="C"/>
Tier 2 Incentive Due Date (Per PRA):	
Amended Tier 2 Incentive Due Date:	<input type="button" value="C"/>
Amended Tier 2 Due Date (Per Rel. Mgr.):	<input type="button" value="C"/>
OAH/PAE Places Property On Hold:	<input type="button" value="C"/>
Anticipated On Hold Removal Date:	<input type="button" value="C"/>
OAH/PAE Removes Property From On Hold:	<input type="button" value="C"/>
<b>Phase: Rent Reduction Determination</b>	
Tenant Notice Sent:	11/06/2002 <input type="button" value="C"/>
PCA Assigned by PAE:	11/14/2002 <input type="button" value="C"/>
Appraisal Assigned by PAE:	11/14/2002 <input type="button" value="C"/>
PAE's PCA Complete:	<input type="button" value="C"/>
PAE's Appraisal Complete:	<input type="button" value="C"/>
Initial PAE Restructuring Plan Submission to OAH/PAE:	01/24/2003
PAE Submits Justification for Recommendation (Form 10.2):	<input type="button" value="C"/>
OAH/PAE Receives Complete PAE Justification (Form 10.2) Submission:	01/30/2003 <input type="button" value="C"/>
OAH/PAE Approves PAE 'Lite' Recommendation:	02/13/2003 <input type="button" value="C"/>
OAH/PAE Notifies HUD Project Manager:	05/28/2003 <input type="button" value="C"/>
PAE Sends New Sec. 8 Contract to Owner and Notifies HUD Project Manager:	<input type="button" value="C"/>
PAE Receives Copy of Owner's Signed Sec. 8 Contract:	<input type="button" value="C"/>
<b>Status of Miscellaneous Items</b>	
PAE Notifies Owner of Recommendation to Convert to Mortgage Restructuring:	<input type="button" value="C"/>
OAH/PAE Approves Tier 2 Conversion (Form 2.16):	<input type="button" value="C"/>
OAH/PAE Returns Submission to PAE for Revision:	<input type="button" value="C"/>
OAH/PAE Receives PAE Resubmission:	<input type="button" value="C"/>
Number of Resubmissions:	0
New Section 8 Contract Effective Date:	10/01/2003 <input type="button" value="C"/>
Section 8 Contract Type:	Watchlist
PAE Final Section 8 Renewal Recommendation:	<input type="radio"/> Renew as Tier 1 <input type="radio"/> Renew as Tier 2 <input checked="" type="radio"/> <b>Watchlist - Ineligible, Recommended Conversion to Full</b> <input type="radio"/> Not to Renew <input type="radio"/> Ineligible for Mark-to-Market - Rents below or equal to Market <input type="radio"/> Ineligible for Mark-to-Market - Other <input type="button" value="C"/> <input type="radio"/> Owner Opts Out of Section 8 Program
OAH/PAE Comment Text:	<input type="button" value="C"/>
PAE Comment Text:	<input type="button" value="C"/>

Figure 17-65. Critical Dates Tracking page

2. Click on  to close the page and return to iREMS.

### 17.4.7 Option 3b: Request Renewal of Full Mark to Market Contract

The **3b: Request Renewal of Full Mark to Market Contract** page allows you to enter and track renewal information where an owner requests a referral to OAHP. You can enter the renewal method, comparability study information, the date the renewal is forwarded to OAHP, and the date the review results are received from OAHP. You can also enter rent information, HUD approved rent, and any related comments. Once the Option 3 renewal information is complete in **iREMS**, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

#### 17.4.7.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP date information.

The screenshot shows the 'Dates and Comments' page in the iREMS system. The page has a navigation menu on the left with options like 'Portfolio/Dashboard', 'Assistance Contracts', 'Contract Processing', 'Comparability Studies', 'Renewal Budgets', 'Secure Systems', and 'Logout'. The main content area is titled 'Dates and Comments' and includes fields for 'Surviving Contract: FL290048007', 'Function Type: Renewal', 'Effective Date: 05/01/2014', 'Stage: N/A', and 'Action: FY 2014 - 3b: Request Renewal of Full Mark to Market Contract'. There are also fields for 'Renewal Contract', 'Annual Financial Statement Required To be Submitted to HUD?' (Yes), 'Contract/Stage Renewal Execution Date', 'Contract Effective Date' (06/01/2014), 'Length of Contract in Months' (12), 'Contract Expiration Date' (05/31/2015), 'Reason for Short-term Renewal', 'Use Restriction Effective Date', 'Use Restriction Expiration Date', and 'Decision Comments'.

Figure 17-66. Date and Comments page

#### To enter information in the Dates and Comments page for Option 3b: Request Renewal for Mark to Market Contract

1. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Contract Effective Date*

 *Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- *Length of Contract in Months*

*Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

*Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract I Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)
- Decision Comments

2. Click on **Save** to save the information.

### 17.4.7.2 OCAF

The OCAF page for **3b: Request Renewal of Full Mark to Market Contract** renewals calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

To enter OCAF information:

1. From the **Dates and Comments** page, click on the *OCAF* tab and the OCAF page displays.

OCAF	
Surviving Contract: FL290046007	Stage: N/A
Function Type: Renewal	Action: FY 2014 - 3b: Request Renewal of Full Mark to Market Contract
Effective Date: 06/01/2014	ARAMS Status:
Annual Rent Potential for all Section 8 Units Included in the Current Process:	175440.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	175440.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	0.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	175440.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.000%)	178948.80
OCAF Adjusted Contract Rent Potential:	178948.80
Rent Increase Factor:	1.020

Figure 17-67. OCAF page

2. Enter the following information:

- Annual Rent Potential for all Section 8 Units Included In the Current Process
- Annual Rent Potential for all Non-Expiring Section 8 Units ( Not Included In the Current Process)
- Annual Rent Potential Non-Section 8 Units

- *Annual Project Debt Service: Note: Already includes MIP amount*

 *Note: On loans with an In-Active Financing Instrument, the monthly debt service is calculated to zero. iREMS will not add the Mortgage Insurance Premium (MIP).*

3. Click on  and the save was successful message displays.

#### To Update OCAF information:

1. From the **Dates and Comments** page, click on the *OCAF* tab and the **OCAF** page displays.
2. Enter the new data.
3. Click on  the save was successful message displays.

#### 17.4.7.3 Rents

The **Rents** page displays rent information for Option 3b renewals in a table format. On the **Rents** page you can update or delete rent information.

A  button displays above the Rents table. This function overlay the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the REMS renewal option detail pages. Any of the renewal option detail pages that display the Rents table have pages and functionality that are identical.

 *Note: There is not a  button on the Option 3 pages since these renewals are referred to OAHP and the rent structure should not be changed.*

#### To update Rents:

1. From the **Function/Contract Selection** page, click on the *Function Detail* tab and the **Contract Detail** page displays.
2. Click on the *Rents* tab and the **Rents** page displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Contract Processing | Dates and Comments | OCAF | Rents | Final Review

**Rents** [Save] [Reset]

Surviving Contract: FL290046007 | Stage: N/A  
 Function Type: Renewal | Action: FY 2014 - 3b: Request Renewal of Full Mark to Market Contract  
 Effective Date: 06/01/2014 | ARAMS Status:

Rents: [Add New Rent Record] [Overlay Rents with Current Rents from TRACS]

HUD Approved Rent: OCAF Adjusted

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Renewed Rent
1	0	0	0	
1	0	0	0	
1	20	731	746	746
Rent Potentials				
Monthly		14820	14820	14820
Annual		175440	179040	179040

Renewal Rent Effective Date: 06/01/2015

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 0.00  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 0.00  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 0.00

Dispute/Appeal Comments: [Text Area]

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date: [Text Area]

Utility Allowance Changed Comments: [Text Area]

Utility Allowance Changed: [Text Area]

Figure 17-68. Rents page

3. Select HUD Approved Rent from the drop-down.
4. Highlight and click on a unit type and the Calculated Renewal Rent Detail section displays.

**Calculated Renewal Rent Detail** [Save] [Delete] [Reset] [Close]

Unit Type: 1

Number of Units: 20

Unit/Bedroom Type Description: [Text Area]

Current Contract Rent at Expiration: 731

Current Utility Allowance (if separate from rent): 64

OCAF Adjusted Rent: 746

Renewed Rent: 746

Energy Adjustment Amount Applied to Final Rent: 0

Renewed Utility Allowance (if separate from rent): 64

Utility Allowance Effective Date: 06/01/2013

Figure 17-69. Calculated Renewal Rent Detail page

5. Enter the following rent information:
  - *Number of Units*
  - *Unit Bedroom Description*
  - *Renewed Rent*
  - *Energy Adjustment Amount Applied to Final Rent*
  - *Renewed Utility Allowance (if separate from rent)*
6. Click on **Save** and the save was successful message displays.

## To Overlay Rents with Current Rents from TRACS

4. From the **Dates and Comments** page, click on the *Rents* link and the **Rents** page displays.
5. Click on  and the following confirmation window displays:



Figure 17-70. Dialog box

6. Click on  and the renewal rent tables are overlaid with the current values from TRACS. A successful TRACS overlay message displays.

### 17.4.7.4 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

## 17.4.8 Option 4: Renewal of Projects Exempted from OAHP

Certain project types cannot be forwarded to OAHP even though the contract rents may exceed market. Projects without FHA-insured loans are exempt, as are certain FHA insured properties. For detailed information on Option 4, please refer to *HUD Section 8 Renewal Policy* and the related attachments.

Saving the contract action of the “**4: Request Renewal for Projects Exempt from OAHP**” pages gives you access to a Function Detail page that allows you to enter and track renewal information for a project that is exempt from OAHP. You can enter the renewal method, comparability study information, renewal budget information, and indicate if it has an Exception Project Exempted from OAHP. You can also enter rent information, dispute/appeal comments, HUD approved rent, and any decision comments. Once the Option 4 renewal information is complete in iREMS, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

### 17.4.8.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP information.

Figure 17-71. Dates and Comments for Option 4

To enter information in the Dates and Comments page for Option 4:

1. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Exception Project Exempted from OAHP*, select from drop-down list
  - *Annual Financial Statement Required to be Submitted to HUD?*, select radio button
  - *Contract Effective Date*

*Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- *Length of Contract in Months*

*Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

*Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract 1 Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)
- Decision Comments

2. Click on **Save** to save the information.

### Alternative option

Click on **Reset** to return the fields to blank, or to the previously saved information.

## 17.4.8.2 Comparability Study Selection

RCS information is stored at the property level. If a current RCS exists for a property, you can view it by selecting the *Comparability Study Selection* link from the **Function Detail** tab. The record displays on the **Comparability Study Selection** page in a table. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank and you must add one. To add an RCS you must use the *Comparability Studies* option from the iREMS sidebar. Once an RCS is entered for a property, it displays in the table on the **Comparability Study Selection** page.

Adding a comparability study for a property is done via the pages accessed by the *Comparability Studies* option in the **Subsidy Administration** sidebar. Please see section 22.8, *Comparability Studies* for detailed instructions.

### To Select a Comparability Study:

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Comparability Study Selection* link and the **Comparability Study Selection** page displays.

The screenshot shows the 'Comparability Study Selection' page. At the top, there are tabs for 'Dates and Comments', 'Comparability Study Selection', 'Budget Selection', 'OCAF', 'Rents', and 'Final Review'. Below the tabs, the page title is 'Comparability Study Selection' with 'Save' and 'Reset' buttons. The main content area displays contract details: 'Surviving Contract: FL290046007', 'Function Type: Renewal', 'Effective Date: 06/01/2014', 'Stage: N/A', and 'Action: FY 2014 - 4: Request Renewal for Projects Exempt from OAHF'. There is a radio button group for 'Comparability Study Required?' with 'Yes' selected. Below this is a table titled 'Comparability Study:'.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2013	09/08/2010	Owner		Yes	1	745

Figure 17-72. Comparability Study Selection page

3. Click in the Select checkbox next to the comparability study and the following pop-up displays.

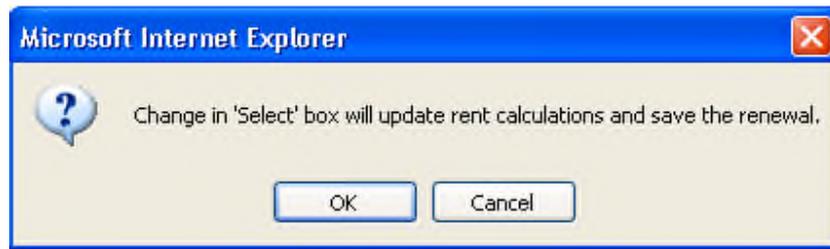


Figure 17-73. Dialog box

4. Click on  to save or  to reset the selection.
5. Click on  and the Save was successful message displays.

**17.4.8.2.1 Viewing Comparability Study Detail Information:**

To view unit or bedroom information for an existing comparability study, select the study in the Comparability Study table and the **Comparability Study Detail** page for that study displays. The **Comparability Study Detail** page displays the following fields: *Fiscal Year, Date HUD Form 92273 Signed by Appraiser, Comparability Study Submitted (to HUD) Date, Comparability Study Source, Comparability Study Reviewed (by HUD) Date, Date Accepted/Approved by HUD, and Comparable Rents*. The Comparable Rents information is displayed in a table with the following columns: *Unit/Bedroom Type, Comparable Rent (Monthly), and Unit Description*.

*Note: Any comparability study that is associated to a contract process that is locked by ARAMS cannot be edited. All fields display as view-only.*

**To access detailed information on the Comparability Study:**

1. From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

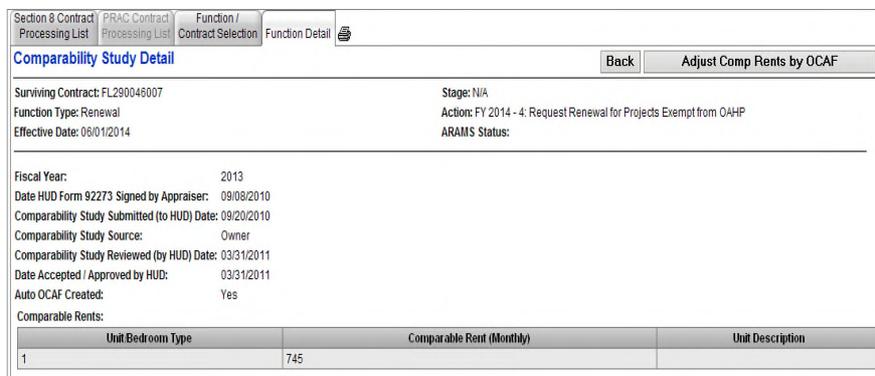


Figure 17-74. Comparability Study Detail page

2. Click on **Back** to return to the **Comparability Study Selection** page.

### 17.4.8.3 Budget Selection

For most properties, **iREMS** uses the entry of standard renewal budgets, including dates and percentage increases related to the rent and the utility allowance to calculate the budget-based adjusted rents and the related rent potential. However, for certain properties (i.e., those with 515/8 financing) a Rural Housing Service (RHS) budget is appropriate instead. These budgets usually provide the adjusted rent by the unit type, rather than a standard percentage.

Renewal budget information is stored at the property level. If a current renewal budget record exists for a property, the record displays both on the **Renewal Budget List** page and on the **Budget Selection** page. For detailed information on adding, selecting or updating *Renewal Budget* information please see section 22.9, Renewal Budgets.

#### To Update information on the Budget Selection page:

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Budget Selection* link and the **Budget Selection** page displays.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2014	10/18/2013	6.50	1	0
<input type="checkbox"/>				1	779
<input type="checkbox"/>				1	0

Figure 17-75. Budget Selection page

3. Update the following information:
  - *Renewal Budget Required*, radio button
  - *Renewal Budget Type*, drop-down
4. Click on **Save** and the Renewal Budgets table displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

**Renewal Budget Detail** [Save] [Reset] [Back]

Budget Prepared Date: 10/01/2013

Fiscal Year: 2014

Budget Submitted (to HUD) Date: 10/08/2013

Budget Reviewed (by HUD) Date: 10/15/2013

Budget Accepted/Approved (by HUD) Date: 10/18/2013

Budget-Based Rents % Increase/Decrease: 0.0650

Budget-Based Utility Allowance % Increase (if separate from rent and applicable): 0.0000

Figure 17-76. Budget Selection page

5. Select the renewal and click on **Save**. The save was successful message displays.

#### 17.4.8.4 OCAF

The OCAF page for **4: Request Renewal for Projects Exempt from OAHP** renewals calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

To add OCAF information:

1. From the **Dates and Comments** page, click on the *OCAF* link and the **OCAF** page displays.

PortfolioDashboard | Assistance Contracts | Contract Processing | Comparability Studies | Renewal Budgets | Secure Systems | Logout

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Budget Selection | **OCAF** | Rents | Final Review

**OCAF** [Save] [Reset]

Surviving Contract: FL290046007 | Stage: N/A  
 Function Type: Renewal | Action: FY 2014 - 4: Request Renewal for Projects Exempt from OAHP  
 Effective Date: 06/01/2014 | ARAMS Status:

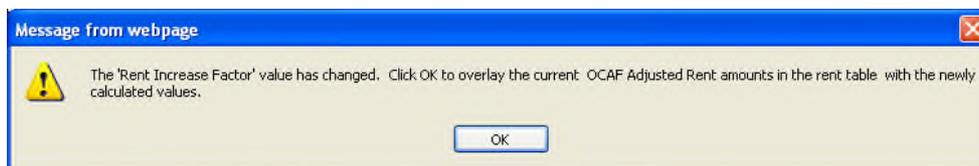
Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process:	175440.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	178800.00
Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process:	186960.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	175440.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service: Note: Already includes MIP amount	0.00
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	175440.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.000%)	178948.80
OCAF Adjusted Contract Rent Potential:	178948.80
Rent Increase Factor:	1.020

Figure 17-77. OCAF page

2. Enter any of the following information:
  - *Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process*
  - *Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process*
  - *Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process)*
  - *Annual Rent Potential Non- Section 8 Units*
  - *Annual Project Debt Service : Note: Already includes MIP amount*

*Note: On loans with an In-Active Financing Instrument, the monthly debt service is calculated to zero. iREMS will not add the Mortgage Insurance Premium (MIP).*

*Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

3. Click on  and the save was successful message displays.

### 17.4.8.5 Rents

The Rent page displays rent information for renewals in a table format. On most option detail pages you can add, update or delete rent information.

A  button displays above the *Rents* table. This function overlay the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the iREMS renewal option detail pages. Any of the renewal option detail pages that display the *Rents* table have pages and functionality that are identical.

#### To add rent information:

1. From the **Dates and Comments** page, click on the *Rents* tab and the **Rents** page displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Rents | Save | Reset

Surviving Contract: FL290046007 | Stage: N/A  
 Function Type: Renewal | Action: FY 2014 - 4: Request Renewal for Projects Exempt from OAHF  
 Effective Date: 06/01/2014 | ARAMS Status:

Add New Rent Record | Overlay Rents with Current Rents from TRACS

HUD Approved Rent: Comparable

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	0	0	745			745
1	0	0	745			745
1	20	731	745	745	779	745

Rent Potentials

	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
Monthly	14620	14900	14920	15580	14900
Annual	175440	178800	179040	186960	178800

Renewal Rent Effective Date: 06/01/2015

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 0.00  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 0.00  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 0.00

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed: No

Figure 17-78. Rents page

- Enter any of the following information:
  - HUD Approved Rent, from drop-down
  - Renewal Effective date, calendar
  - Disputes/ Appeal Comments
  - Rents Final for Contract Exhibit, radio button
  - Rents Final for Contract Exhibit Date, calendar

- Click on **Add New Rent Record** and the **Calculated Rents Detail** pop up displays.

**Calculated Renewal Rent Detail**

Save | Reset | Close

Unit Type:

Number of Units:

Current Contract Rent at Time of Expiration: 0

Current Utility Allowance (if separate from rent): 0

OCAF Adjusted Rent:

Energy Adjustment Amount Applied to Final Rent:

Renewed Rent:

Renewed Utility Allowance (if separate from rent):

Utility Allowance Effective Date:

Unit/Bedroom Type Description:

Figure 17-79. Calculated Rents Detail

- Enter the following information:
  - Unit/Bedroom Type

 *Note: You must enter separate records for identical bedroom types that vary in description. For instance, if a property has 2 different sizes of 1-bedroom units, or 1 bedroom units that have different features (i.e., a study), enter each 1 bedroom by clicking on the Add Comparable Rent button, and enter a description in the text box.*

- *Unit/Bedroom Type Description*
- *Number of units*
- *OCAF Adjusted Rents*
- *Energy Adjustment Amount Applied to Final Rent*
- *Renewed Rent*
- *Renewed Utility Allowance (if separate from rent)*

5. Click on  and the save was successful message displays.

#### To update rent information:

 *Note: You can update all renewal rent records, including those created by the interface with TRACS.*

1. From the **Dates and Comments** page, click on the *Rents* link and the **Rents** page displays.
2. From the **Rents** page, click on the desired link in the Unit Type field and the corresponding **Rent** page displays.
3. Enter the new data.
4. Click on  and the save was successful message displays.

#### 17.4.8.6 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

### 17.4.9 Option 5: Renewal of Portfolio Re-engineering Demonstration or Preservation Projects

Option 5a is for properties that went through the Portfolio Re-engineering Demonstration Program. The Section 8 contract can be renewed in one of the following ways:

- Properties that went through the Portfolio Re-engineering Demonstration Program and had their mortgages restructured and/or had rents reduced to market should not be forwarded to OAHP. They should be renewed as follows:
  - *Annually for the four years after the Demonstration Contract was signed, the contract will receive an OCAF adjustment*
  - *At the end of the fifth year, procedures outlined for Option 2 must be followed. This includes completing an RCS*
- If the mortgage was not restructured and the contract's rents were not reduced to market, the owner must submit rationale as to why debt restructuring is inappropriate. The rationale and the renewal request should be submitted to Headquarters, Office of Portfolio Management.

Preservation contracts are renewed (both at initial and subsequent renewal) according to all provisions outlined in the project's Plan of Action (POA). In the majority of Preservation contracts, the POA allows for either a budget-based rent adjustment or an Annual Adjustment Factor (AAF).

For detailed information on Options 5a-5b, please refer to the *HUD Section 8 Renewal Policy* and the related attachments.

### 17.4.10 Option 5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project

Option 5a is for properties that went through the Portfolio Re-engineering Demonstration Program. The Section 8 contract can be renewed in one of the following ways:

- ▶ Properties that went through the Portfolio Re-engineering Demonstration Program and had their mortgages restructured and/or had rents reduced to market should not be forwarded to OAHP. They should be renewed as follows:
  - Annually for the four years after the Demonstration Contract was signed, the contract will receive an OCAF adjustment
  - At the end of the fifth year, procedures outlined for Option 2 must be followed. This includes completing an RCS
- ▶ If the mortgage was not restructured and the contract's rents were not reduced to market, the owner must submit rationale as to why debt restructuring is inappropriate. The rationale and the renewal request should be submitted to Headquarters, Office of Portfolio Management.

Preservation contracts are renewed (both at initial and subsequent renewal) according to all provisions outlined in the project's Plan of Action (POA). In the majority of Preservation contracts, the POA allows for either a budget-based rent adjustment or an Annual Adjustment Factor (AAF).

For detailed information on Options 5a-5b, please refer to the HUD Section 8 Renewal Policy and the related attachments.

The **5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project** page allows you to enter and track renewal information where an owner requests renewal of the Section 8 contract for a property which previously went through the Portfolio Re-engineering Demonstration process. You can enter the renewal method, whether or not an AFS is required, whether or not the mortgage was restructured under the demo program, whether or not the rents were reduced to market under the demo program, and indicate if it has been sent to OAHP. You can also enter rent information, dispute/appeal comments, HUD approved rent, and any decision comments. Once the Option 5a renewal information is complete in iREMS, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

The **5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project** page calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

### 17.4.10.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP information and Demo Contracts.

Figure 17-80. Dates and Comments page

To enter information in the Dates and Comments page for Option 5a:

1. Enter the following information:
  - *Renewal Contract*, from the drop-down list (populated with the option selected, however, it is an editable field)
  - *Exception Project Exempted from OAHP*, select from drop-down list
  - *Annual Financial Statement Required to be Submitted to HUD?*, select radio button

- *Was the Mortgage Restructured Under the Demo Program?*, select radio button
- *Were the Contract Rents Reduced to Market Under the Demo Program?*, select radio button
- *Date Referred to HQ (if applicable)*
- *Contract Effective Date*

 *Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- *Length of Contract in Months*

 *Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract in Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- *Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)*
- *Decision Comments*

2. Click on  to save the information.

### 17.4.10.2 OCAF

The OCAF page for **5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project** renewal calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

#### To add OCAF information:

1. From the **Dates and Comments** page, click on the *OCAF* tab and the **OCAF** page displays.

Surviving Contract: FL290046007	Stage: N/A
Function Type: Renewal	Action: FY 2014 - 5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project
Effective Date: 06/01/2014	ARAMS Status:
Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process:	175440.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	175440.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	0.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	175440.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.000%)	178948.80
OCAF Adjusted Contract Rent Potential:	178948.80
Rent Increase Factor:	1.019

Figure 17-81. OCAF

2. Enter any of the following information:

- Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process
- Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in Current Process)
- Annual Rent Potential Non-Section 8 Units
- Annual Project Debt Service: Note: Already includes MIP amount

*Note: On loans with an In-Active Financing Instrument, the monthly debt service is calculated to zero. iREMS will not add the Mortgage Insurance Premium (MIP).*

*Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor" is automatically changed. The following warning message will display:*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

3. Click on **Save** and the save was successful message displays.

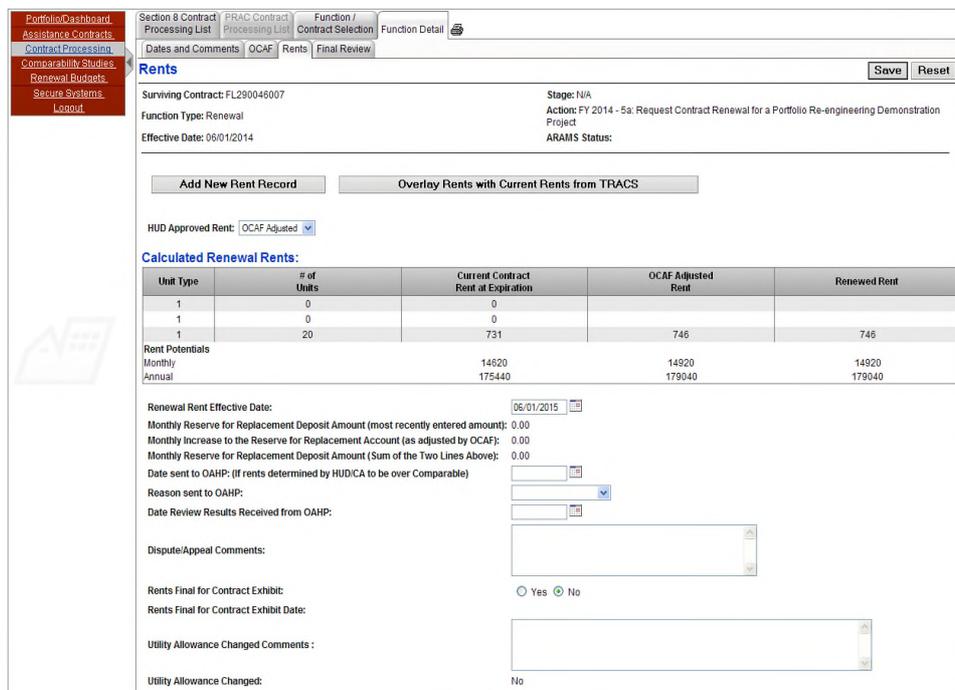
### 17.4.10.3 Rents

The Rent page displays rent information for renewals in a table format. On most option detail pages you can add, update or delete rent information.

A  button displays above the *Rents* table. This function overlays the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the iREMS renewal option detail pages. Any of the renewal option detail pages that display the *Rents* table have pages and functionality that are identical.

#### To add rent information:

1. From the **Dates and Comments** page, click on the *Rents* tab and the **Rents** page displays.



HUD Approved Rent:

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Renewed Rent
1	0	0		
1	0	0		
1	20	731	746	746

Renewal Rent Effective Date:

Monthly Reserve for Replacement Deposit Amount (most recently entered amount):

Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF):

Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above):

Date sent to OHAP:

Reason Sent to OHAP:

Date Review Results Received from OHAP:

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

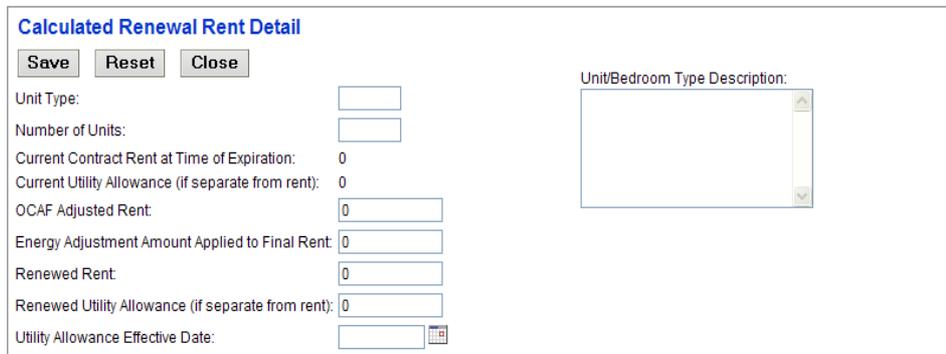
Utility Allowance Changed:

Figure 17-82. Rents page

2. Enter any of the following information:
  - HUD Approved Rent, from drop-down
  - Renewal Rent Effective date, calendar
  - Monthly Reserve for Replacement Deposit Amount (most recent entered amount)
  - Monthly Increase to the Reserve for Replacement Account
  - Date Sent to OHAP, calendar
  - Reason Sent to OHAP, drop-down
  - Date Review Results Received from OHAP, calendar
  - Dispute/Appeal Comments

- *Rents Final for Contract Exhibit, radio button*

3. Click on **Add New Rent Record** and the **Calculated Rents Detail** pop up displays.



**Figure 17-83. Calculated Renewal Rent Add page**

4. Enter the following information:

- *Unit/Bedroom Type*

*Note: You must enter separate records for identical bedroom types that vary in description. For instance, if a property has 2 different sizes of 1-bedroom units, or 1 bedroom units that have different features (i.e., a study), enter each 1 bedroom by clicking on the Add Comparable Rent button, and enter a description in the text box.*

- *Unit/Bedroom Type Description*
- *Number of units*
- *OCAF Adjusted Rents*
- *Energy Adjustment Amount Applied to Final Rent*
- *Renewed Rent*
- *Renewed Utility Allowance (if separate from rent)*

5. Click on **Save** and the save was successful message displays.

#### 17.4.10.4 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

## 17.4.11 Option 5b: Request Contract Renewal for a Preservation Project

The **5b: Request Contract Renewal for a Preservation Project** page allows you to enter and track renewal information where an owner requests renewal of a preservation project. You can enter the renewal method, AAF comparability study information, and renewal budget information. You can also enter rent information, HUD approved rent, and any decision comments. Once the Option 5b renewal information is complete in iREMS, and the *Rents Final for Contract Exhibit* indicator is set to *Yes*, the data is used by ARAMS.

The **5b: Request Contract Renewal for a Preservation Project** page calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

### 17.4.11.1 Dates and Comments

The **Dates and Comments** page contains information on the renewal contract, the effective date and length of the contract, expiration date, and reason for short term renewal, if applicable. This page also has a field for entering decision comments and OAHP information and Demo Contracts.

Figure 17-84. Dates and Comments page

To enter information in the Dates and Comments page for Option 5b:

1. Enter the following information:
  - *Renewal Contract*, from the drop-down list
  - *Plan of Action*, calendar
  - *Contract Effective Date*, calendar

 *Note: The Contract Effective Date field must contain accurate data. Inaccurate data causes the renewal to be rejected.*

- Length of Contract in Months

 *Note: The Length of Contract in Months field is a mandatory field and must be entered prior to executing the renewal. This is only applicable when the Rents Final for Contract Exhibit indicator has been set to "Yes".*

 *Note: Information entered in the Length of Contract in Months field determines whether the renewal is a short-term renewal. If the Length of Contract 1 Months is less than 12 months, the Reason for Short-term Renewal drop-down list is a required field.*

- Reason for Short-term renewal (if applicable, if length of contract is less than 12 months)
- Decision Comments

2. Click on  to save the information.

#### **Alternative option**

Click on  to return the fields to blank, or to the previously saved information.

### **17.4.11.2 Comparability Study Selection**

RCS information is stored at the property level. If a current RCS exists for a property, you can view it by selecting the *Comparability Study Selection* link from the **Function Detail** tab. The record displays on the **Comparability Study Selection** page in a table. You can use an existing RCS by selecting the checkbox next to the record in the table. If no RCS exists in the system, the table is blank and you must add one. To add an RCS you must use the *Comparability Studies* option from the iREMS sidebar. Once an RCS is entered for a property, it displays in the table on the **Comparability Study Selection** page.

Adding a comparability study for a property is done via the pages accessed by the *Comparability Studies* option in the **Subsidy Administration** sidebar. Please see section 22.8, *Comparability Studies* for detailed instructions.

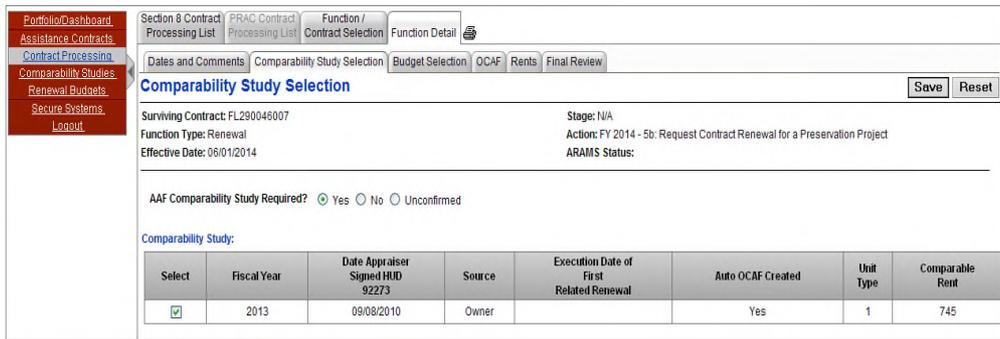


Figure 17-85. Comparability Study Selection

**To Select a Comparability Study:**

1. From the **Contract Processing List** page, highlight and click on the renewal record and the **Function Detail** page displays.
2. Click on the *Comparability Study Selection* link and the **Comparability Study Selection** page displays.

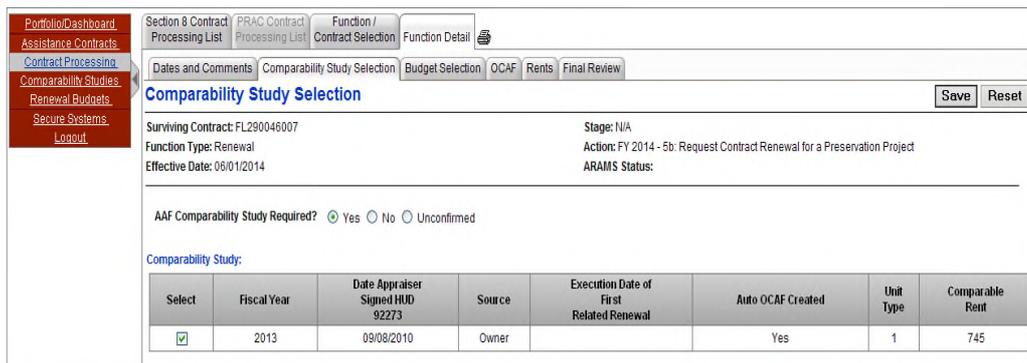


Figure 17-86. Comparability Study Selection page

3. Click in the Select checkbox next to the comparability study and the following pop-up displays.

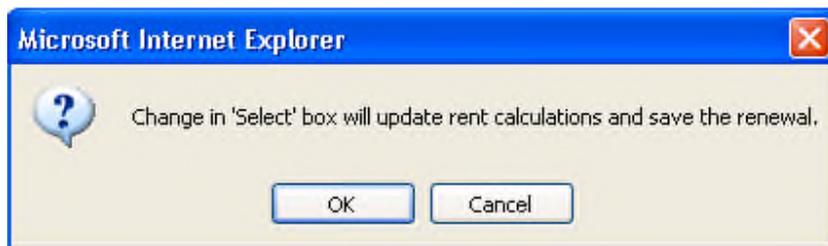


Figure 17-87. Dialog box

4. Click on  to save or  to reset the selection.

- Click on **Save** and the Save was successful message displays.

**17.4.11.2.1 Viewing Comparability Study Detail Information:**

To view unit or bedroom information for an existing comparability study, select the study in the Comparability Study table and the **Comparability Study Detail** page for that study displays. The **Comparability Study Detail** page displays the following fields: *Fiscal Year, Date HUD Form 92273 Signed by Appraiser, Comparability Study Submitted (to HUD) Date, Comparability Study Source, Comparability Study Reviewed (by HUD) Date, Date Accepted/Approved by HUD, and Comparable Rents*. The Comparable Rents information is displayed in a table with the following columns: *Unit/Bedroom Type, Comparable Rent (Monthly), and Unit Description*.

*Note: Any comparability study that is associated to a contract process that is locked by ARAMS cannot be edited. All fields display as view-only.*

**To access detailed information on the Comparability Study:**

- From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

The screenshot shows a web application interface for 'Comparability Study Detail'. At the top, there are navigation tabs: 'Section 8 Contract Processing List', 'PRAC Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the tabs, there are buttons for 'Back' and 'Adjust Comp Rents by OCAF'. The main content area displays contract details: 'Surviving Contract: FL290046007', 'Function Type: Renewal', 'Effective Date: 06/01/2014', 'Stage: N/A', and 'Action: FY 2014 - 5b: Request Contract Renewal for a Preservation Project'. A section for 'Fiscal Year' and other dates follows. At the bottom, there is a table for 'Comparable Rents' with columns for 'Unit/Bedroom Type', 'Comparable Rent (Monthly)', and 'Unit Description'. One row is visible with '1' in the first column and '745' in the second column.

Figure 17-88. Comparability Study Detail page

- Click on **Back** to return to the **Comparability Study Selection** page.

**To adjust Comparability Rents by OCAF:**

- From the **Comparability Study Selection** page, highlight and click on the comparability study and the **Comparability Study Detailed** page displays.

Unit/Bedroom Type	Comparable Rent (Monthly)	Unit Description
1	745	

Figure 17-89. Comparability Study Detail page

2. Click on  and the following message displays:

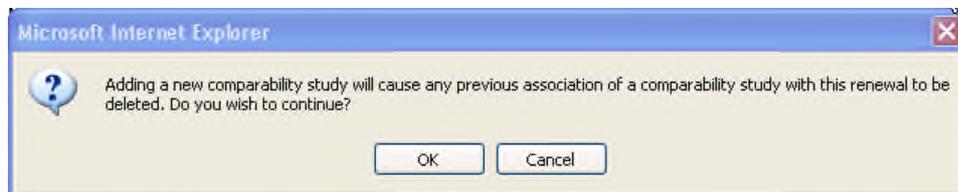
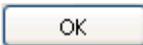


Figure 17-90. Comparability Dialog box

3. Click on  and the save was successful message displays on the **Comparability Study Detail** page.

#### Alternative option

Click on  to return to the **Comparability Study** page without saving.

### 17.4.11.3 Budget Selection

If a current renewal budget record exists for a property, the record displays on the **Budget Selections** page. You can use an existing renewal budget record by selecting the checkbox next to the record in the table. If no renewal budget exists in the system, the table is blank. Once a renewal budget is entered for a property on any of the option detail pages, it displays in the table.

#### To update budget information:

1. From the **Dates and Comments** page, click on the *Budget Selection* link and the Budget Selection page displays.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2014	10/18/2013	6.50	1	0
				1	779
				1	0

Figure 17-91. Budget Selection page

2. Click in the Select checkbox next to the budget and the following pop-up box displays

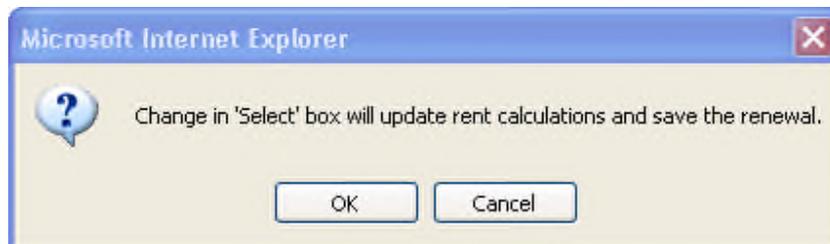


Figure 17-92. Renewal Dialog box

3. Click on  to accept the changes or  to cancel.

**To update Budget Detail information:**

1. From the **Dates and Comments** page, click on the *Budget Selection* tab and the Budget Selection page displays.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2014	10/18/2013	6.50	1	0
				1	779
				1	0

Figure 17-94. Budget Selection page

2. Highlight and click on the renewal budget and the **Renewal Budget Detail** page displays.

Portfolio/Dashboard	Section 8 Contract Processing List	PRAC Contract Processing List	Function / Contract Selection	Function Detail
Assistance Contracts	<b>Renewal Budget Detail</b>			
Contract Processing	Save Reset Back			
Comparability Studies	Budget Prepared Date:	10/01/2013		
Renewal Budoets	Fiscal Year:	2014		
Secure Systems	Budget Submitted (to HUD) Date:	10/08/2013		
Logout	Budget Reviewed (by HUD) Date:	10/15/2013		
	Budget Accepted/Approved (by HUD) Date:	10/18/2013		
	Budget-Based Rents % Increase/Decrease (if the Increase/Decrease is 6.5%, enter 0.065):	0.0650		
	Budget-Based Utility Allowance % Increase (if separate from rent and applicable):	0.0000		

Figure 17-95. Renewal Budget Detail page

3. Enter the following information:
  - *Budget prepared date, calendar*
  - *Fiscal year, drop-down*
  - *Budget submitted (to HUD) date, calendar*
  - *Budget Reviewed (by HUD) date, calendar*
  - *Dare Accepted/Approved, calendar*
  - *Budget-Based Rents % Increase/Decrease (if the Increase/Decrease is 6.5%, enter 0.065):*
  - *Budget-Based Utility Allowance % Increase (if separate from rent and applicable):*
4. Click on **Save** and the save was successful message displays.

#### 17.4.11.4 OCAF

The OCAF page for **5b: Request Contract Renewal for a Preservation Project** renewals page calculates the Operating Cost Adjustment Factor (OCAF) adjusted contract rent potential, the lesser of the OCAF or correlated comparable rent potential, and the OCAF rent increase factor.

#### To add OCAF information:

1. From the **Dates and Comments** page, click on the *OCAF* tab and the **OCAF** page displays.

**OCAF** Save Reset

Surviving Contract: FL290046007 Stage: N/A  
 Function Type: Renewal Action: FY 2014 - 5b: Request Contract Renewal for a Preservation Project  
 Effective Date: 06/01/2014 ARAMS Status:

**OCAF Rent Adjustments**

Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process:	175440.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	178800.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	175440.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	0.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	175440.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.000%):	178948.80
OCAF Adjusted Contract Rent Potential:	178948.80
Lesser of OCAF or Correlated Comparable Rent Potential:	178800.00
Rent Increase Factor (Based upon Lesser of OCAF vs. Comps):	1.019

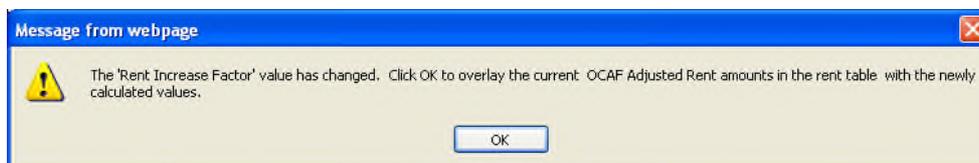
Figure 17-96. OCAF page

2. Enter any of the following information:

- Annual Rent Potential for all Expiring Section 8 Units Included in the Current Process
- Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process
- Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process)
- Annual Rent Potential Non-Section 8 Units
- Annual Project Debt Service : Note: Already includes MIP amount

Note: On loans with an In-Active Financing Instrument, the monthly debt service is calculated to zero. **iREMS** will not add the Mortgage Insurance Premium (MIP).

Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:



When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.

- Click on **Save** and the save was successful message displays.

### 17.4.11.5 Rents

The Rent page displays rent information for renewals in a table format. On most option detail pages you can add, update or delete rent information.

A **Overlay Rents with Current Rents from TRACS** button displays above the *Rents* table. These function overlays the rent information displayed in the table with the current rent values from TRACS. This button displays on most of the **iREMS** renewal option detail pages and operates the same way.

#### To add rent information:

- From the **Dates and Comments** page, click on the *Rents* tab and the **Rents** page displays.

The screenshot shows the 'Rents' page in the iREMS system. The page has a navigation menu on the left with options like 'Portfolio Dashboard', 'Assistance Contracts', 'Contract Processing', 'Comparability Studies', 'Renewal Datasets', 'Secure Systems', and 'Logout'. The main content area has a breadcrumb trail: 'Section 8 Contract Processing List' > 'PRAC Contract Processing List' > 'Function / Contract Selection' > 'Function Detail'. Below this is a tabbed interface with 'Dates and Comments', 'Comparability Study Selection', 'Budget Selection', 'OCAF', 'Rents', and 'Final Review'. The 'Rents' tab is active, showing a 'Save' and 'Reset' button. The page displays contract information: 'Surviving Contract: FL290046007', 'Function Type: Renewal', 'Effective Date: 06/01/2014', 'Stage: N/A', and 'Action: FY 2014 - 5b: Request Contract Renewal for a Preservation Project'. There are two buttons: 'Add New Rent Record' and 'Overlay Rents with Current Rents from TRACS'. Below these is a 'HUD Approved Rent' dropdown menu set to 'Budget Based'. A table titled 'Calculated Renewal Rents' is shown with columns: Unit Type, # of Units, Current Contract Rent at Expiration, Comparable HUD 922(2) Rent, OCAF Adjusted Rent, Budget-based Rent, AAF Adjusted Rent, and Renewed Rent. The table has three rows of unit data and two rows of 'Rent Potentials' (Monthly and Annual). Below the table are several input fields: 'Renewal Rent Effective Date' (06/01/2015), 'Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 0.00', 'Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 0.00', 'Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 0.00', 'Rents Final for Contract Exhibit' (radio buttons for Yes and No), 'Rents Final for Contract Exhibit Date', 'Utility Allowance Changed Comments' (text area), and 'Utility Allowance Changed' (No).

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable HUD 922(2) Rent	OCAF Adjusted Rent	Budget-based Rent	AAF Adjusted Rent	Renewed Rent
1	0	0	745				
1	0	0	745				
1	20	731	745	746	779		779
Rent Potentials							
Monthly		14620	14900	14920	15580		15580
Annual		175440	178800	179040	186960		186960

Figure 17-97. Rents page

- Enter any of the following information:
  - HUD Approved Rent, from drop-down
  - Renewal Rent Effective date, calendar
  - Rents Final for Contract Exhibit, radio button
- Click on **Add New Rent Record** and the **Calculated Rents Detail** pop up displays.

Figure 17-98. Calculated Rents Detail

4. Enter the following information:

- *Unit/Bedroom Type*

*Note: You must enter separate records for identical bedroom types that vary in description. For instance, if a property has 2 different sizes of 1-bedroom units, or 1 bedroom units that have different features (i.e., a study), enter each 1 bedroom by clicking on the Add Comparable Rent button, and enter a description in the text box.*

- *Unit/Bedroom Type Description*
- *Number of units*
- *OCAF Adjusted Rents*
- *AAF Adjusted Rents*
- *AAF Adjusted Utility Allowance*
- *Energy Adjustment Amount Applied to Final Rent*
- *Renewed Rent*
- *Renewed Utility Allowance (if separate from rent)*

5. Click on **Save** and the save was successful message displays.

**To update rent information:**

*Note: You can update all renewal rent records, including those created by the interface with TRACS.*

1. From the **Dates and Comments** page, click on the *Rents* tab and the **Rents** page displays.

2. From the **Rents** page, click on the desired link in the Unit Type field and the corresponding **Rent** page displays.
3. Enter the new data.
4. Click on **Save** and the save was successful message displays.

#### 17.4.11.6 Final Review

The Final Review page displays all the fields pertaining to the contract renewal in one scrolling page. The information in this page is view-only. Any necessary changes to any of the fields must be made in the appropriate page, accessed via one of the links displayed at the top. This page can be printed for review.

#### 17.4.12 Option 6: Notification of the Intention to Opt Out of Section 8 Contract

An owner can request to opt out of the Section 8 program if the relevant notification requirements are satisfied, and if there is no restriction to opting out, for example, preservation properties or Portfolio Re-engineering Demonstration properties.

A concentrated effort should be made to inform owners of all available options, including Mark-Up-To-Market (Option 1) in the event an owner notifies you of the intention to opt out.

For detailed information on Opt-Out (option 6), please refer to the *HUD Section 8 Renewal Policy* and the related attachments.

The **6: Notification of the Intention to Opt-Out** page allows you to enter information where an owner chooses to opt-out of the Section 8 contract. You can indicate whether or not tenant-based assistance is requested, the associated date of the funding request, the date funding is confirmed, whether or not the tenants are relocated, and any pertinent comments.

 *Note: If a MAHRA Opt-out (option 6) exists for a contract, you will not be able to add a new contract function for the contract.*

Portfolio Dashboard  
Assistance Contracts  
Contract Processing  
Comparability Studies  
Renewal Budgets  
Secure Systems  
Logout

Section 8 Contract Processing List PRAC Contract Processing List Function / Contract Selection Function Detail

**Dates and Comments** Save Reset

Surviving Contract: FL290046007 Stage: N/A  
Function Type: Opt-Out Action: FY 2014 - 6: Notification of the intention to Opt-out of the Section 8 Contract  
Effective Date: 06/01/2015 ARAMS Status:

HUD Refused to Renew Contract:  Yes  No  Unconfirmed

**Opt-Out Information**

Tenant Based Assistance Requested for Section 8 Units:  Yes  No  Unconfirmed

Date Funding Requested:

Date Funding Confirmed:

Date of Owner Opt-Out Notification to Tenants:

Residual Receipts Required to be returned to HUD:  Yes  No  Unconfirmed

Tenants Relocated:  Yes  No  Unconfirmed

Have all available program options, including MUP2M, been discussed with the owner?  Yes  No  Unconfirmed

Decision Comments:

Figure 17-99. Dates and Comments for Option 6

### To enter information for an Owner Opt-out (Option 6)

1. On the **Owner Opt-out** page, enter the following Information:
  - *HUD Refused to Renew Contract*, select radio button
  - *Tenant Based Assistance Requested for Section 8 Units*, select radio button
  - *Date Funding Requested* (mm/dd/yyyy)
  - *Date Funding Confirmed* (mm/dd/yyyy)
  - *Date of Owner Opt-Out Notification to Tenants* (mm/dd/yyyy)
  - *Residual Receipts Required to be returned to HUD*, select radio button
  - *Tenants Relocated*, select radio button
  - *Have all available program options, including MUP2M, been discussed with the owner?*, select radio button
  - *Decision Comments*
2. Click on **Save** and a message that the save was successful displays.

*Note: There are no navigational links across the top of the page for an Owner Opt-out (Option 6).*

## 17.5 Amend Rents

This section details the flow of the automated amend rent process in **iREMS** for contracts that have renewed under MAHRA for options 1a, 1b, 2, 3a, 3b, 4, and 5a. 150 days prior to the expiration date of the contract or the funding term **iREMS** will:

- Determine if a new comp study is due or if an existing comp study needs to be adjusted. If the latter, an auto OCAF adjustment of the comparable rents will occur.
- Determine if the contract or funding term is expiring and create the related amend rents record.
- Generate a contract based event notification advising the PM or PBCA that an amend rents record was created.

The PM or PBCA should validate and/or edit the information in **iREMS**.

Assuming that all amend rent documentation has been received; the following is applicable for completing the process for a renewal in **iREMS**.

1. Validate and save information on the **Function/Contract Selection** page.
2. Generate the Auto OCAF Letter
3. O/A sends letter back with rent increase selection
4. Set Rents Final Indicator to “yes” when complete.
5. Upon funding, Rent Schedule is signed and returned to O/A.

On the **Comparability Study Selection** page for Amend Rents on *Options 1a, 1b, 2, 4 and 5b* a **Fiscal Year** column has been added.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2013	04/23/2013	Owner		No	1	1450
						2	1750

Figure 17-100. Comparability Study Selection page

On the **Budget Selection** page for Amend Rents on *Options 2, 4 and 5b* a **Fiscal Year** column has been added.

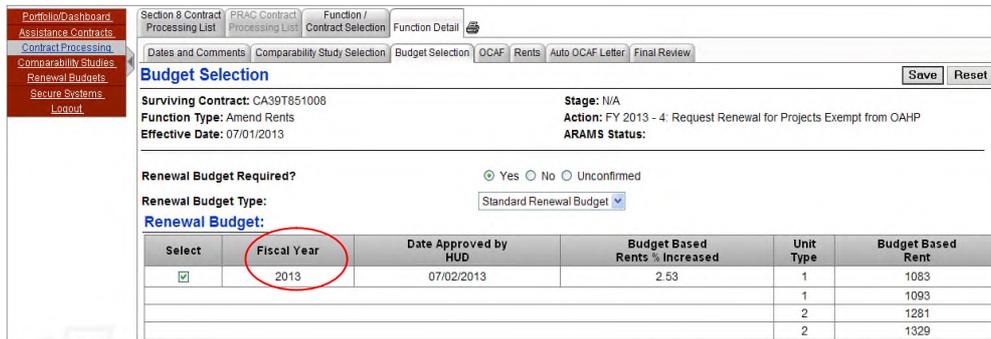


Figure 17-101. Budget Selection page

On the **Rents** page the *Utility Allowance Effective Date* will be added to all Amend Rent options. The *Utility Allowance Effective Date* field will initially come from TRACS. The changes will be made in iREMS and passed to ARAMS. After the record is locked, ARAMS will pass the change to TRACS.

Also on the **Rents** page, three fields will appear for all Amend Rent records. The fields are:

- Monthly Reserve for Replacement Deposit Amount (most recently entered amount):* **Existing**
- Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF):* **Modified**
- Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above):* **New**

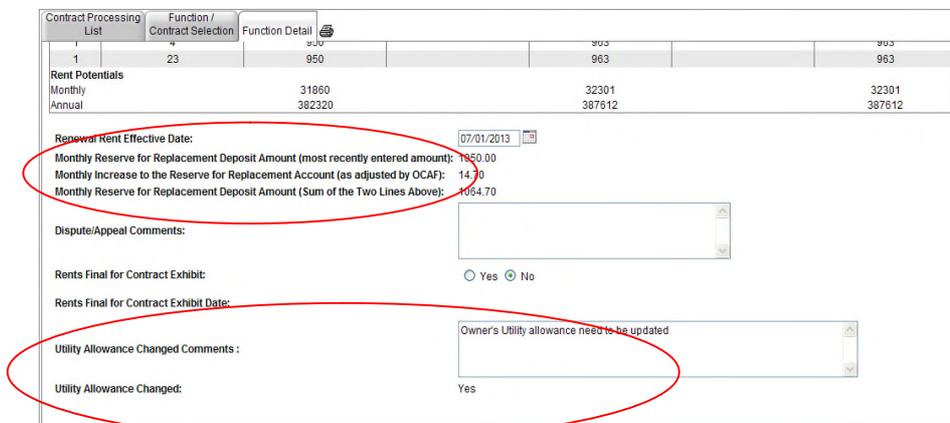


Figure 17-102. Rents page

iREMS sends this data to ARAMS which in turn updates other HUD systems. iREMS will receive renewal status updates from these systems and display the current status of the renewal.

### 17.5.1 1a and 1b Amend Rents without a Comparability Study Due

If the rents are expiring on a multi-term contract or stage already renewed under MAHRA, and the contract/stage is not expiring, iREMS will create an amend rents record. If the contract was previously

renewed using options 1a or 1b, and a new comparability study is not due, the contract is eligible for an auto OCAF increase, and many of the fields on the amend rents detail pages will be pre-populated. Some of the fields are editable on the 1a/1b amend rents pages.

Once an Amend Rents Record is created a contract-based event notification (*Amend Rents Record Created, Automatic Rent Increase Notification Due*) message is sent to the assigned PM or PBCA.

If a new comparability study is not due and the appraiser's signature date is not older than five years, the system will adjust by OCAF for the OCAF comparison. If the most recent comparability study has the same fiscal year as the fiscal year of the new contract renewal or rent effective date, no additional comparability study data needs to be added. If the comparability study does not have the same fiscal year as the fiscal year of the new contract renewal or rent effective date, iREMS will use existing comp study data and create a new comparability study record to adjust by the OCAF factor for the fiscal year, as occurs if the comparability study is adjusted by OCAF manually via the system.

In addition, if a valid comparability study exists in the system (i.e., one that will not become more than five years old), iREMS will automatically associate the comparability study to the renewal. The association will remain editable.

PBCAs and PMs are required to finalize the amend rents record. You have the option of updating the amend rents record (e.g., updating the debt service used in the OCAF calculation) until the rents are finalized. Once the amend rents record is set to rent final the processing status will be set to Completed. After the record is finalized and the record is picked up by ARAMS you can no longer make any changes. The PM or PBCA will generate the letter and exhibit A and send to the owner for signature and rent increase type then update the dates in the OCAF tab and then finalize.

**To update an automated MAHRA Amend Rent increase:**

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.

Select	Contract #	Stage	Expiration Date at Contract Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA39T851008	N/A	06/30/2030	N

Surviving Contract: CA39T851008  
 HUD Policy: User Guide  
 Fiscal Year: 2013  
 Contract Function: MAHRA Amend Rent Increases  
 Contract Action Selection: 1a: Mark-Up-To-Market Eligibility  
 Processing Status(if applicable): Option Selected - In Process

**Figure 17-103. Function/Contract Selection page**

*Note: The message “Please Confirm fields pre-set by the system and save” only displays the first time you access the record. Validate the information and click on save. The message is replaced by the “save successful message”. You will not see the message the next time you select this record.*

2. The following information is pre-populated:

- *Contract*
- *HUD Policy*
- *Fiscal Year*
- *Contract Function*
- *Contract Action Selection*
- *Processing Status*

3. Click on **Save**.

4. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

**Dates and Comments** [Save] [Reset]

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 07/01/2013      ARAMS Status:

**Amend Rents Dates**

Amend Rents Effective Date: 07/01/2013  
 Amend Rents Expiration Date: 06/30/2014

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:  
 Contract Effective Date: 06/26/2010  
 Length of Contract in Months: 240  
 Contract Expiration Date: 06/30/2030

**Decision Comments:**  
 Rent Final 7/24/13 but IREMS rent tab cannot be set to final due to system issue with rent expiration date not matching contract anniversary date. Funding Coordinator please enter rents to TRACS manually.

Figure 17-104. Dates and Comments page

5. Validate the following pre-populated fields on the **Dates and Comments** page:

- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*
- *Contract Effective Date*
- *Contract Expiration Date*

6. Click on the *Comparability Study* tab and the **Comparability Study Selection** page displays.

**Comparability Study Selection** [Save] [Reset]

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 07/01/2013      ARAMS Status:

Comparability Study Required?  Yes  No  Unconfirmed

Comparability Study:

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2013	04/23/2013	Owner		No	1	1450
						2	1750

Figure 17-105. Comparability Study page

7. Select "No" in the Comparability Study Required field.
8. Click on **Save** and the *Save Successful* message displays.
9. Click on the *OCAF* tab and the **OCAF** page displays.

**OCAF** **Save** **Reset**

Surviving Contract: CA39T851008 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 07/01/2013 ARAMS Status:

Eligible for Auto OCAF:  Yes  No

Date Auto OCAF Sent to Owner:

Date Rents Package Received from Owner:

Owner Selected Auto OCAF:  Yes  No  Unconfirmed

**OCAF Rent Adjustments**

Annual Rent Potential for all Section 8 Units Included in the Current Process:	370320.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	508800.00
Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process:	379776.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	12372.00
Annual Project Rent Potential:	382692.00
Expiring Section 8 Portion of Total Rent Potential:	0.97
Annual Project Debt Service: Note: Already includes MIP amount	153657.00
Annual Expiring Section 8 Share of Debt Service:	149047.29
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	221272.71
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%)	226361.98
OCAF Adjusted Contract Rent Potential:	375409.27
Rent Increase Factor:	1.014

Figure 17-106. OCAF

10. Validate the following fields:
  - *Eligible for Auto OCAF*
  - *Date Auto OCAF Sent to Owner*
  - *Date Rents Package Received from Owner*
  - *Owner Selected Auto OCAF*
  - *Annual Rent Potential for all Section 8 Units included in the Current Process*
  - *Annual Comparable Rent Potential for Units Included in the Current Process*
  - *Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)*
  - *Annual Rent Potential Non-Section 8 Units*
  - *Annual Project Debt Service: Note: Already includes MIP amount*

*Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor" is automatically changed. The following warning message will display:*

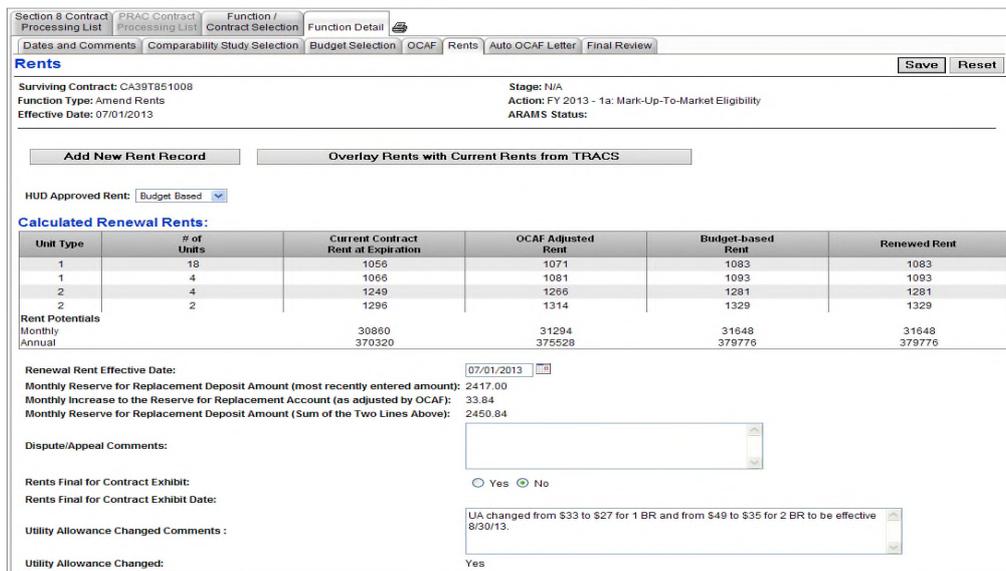


The 'Rent Increase Factor' value has changed. Click OK to overlay the current OCAF Adjusted Rent amounts in the rent table with the newly calculated values.

OK

When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.

11. Click on the *Rents* tab and the **Rents** page displays.



Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Budget Selection | OCAF | Rents | Auto OCAF Letter | Final Review

**Rents** [Save] [Reset]

Surviving Contract: CA39T851008 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 07/01/2013 ARAMS Status:

[Add New Rent Record] [Overlay Rents with Current Rents from TRACS]

HUD Approved Rent: Budget Based

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	18	1056	1071	1083	1083
1	4	1066	1081	1093	1093
2	4	1249	1266	1281	1281
2	2	1296	1314	1329	1329
<b>Rent Potentials</b>					
Monthly		30860	31294	31640	31640
Annual		370320	375528	379776	379776

Renewal Rent Effective Date: 07/01/2013

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 2417.00

Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 33.84

Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 2450.84

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments: UA changed from \$33 to \$27 for 1 BR and from \$49 to \$35 for 2 BR to be effective 8/30/13.

Utility Allowance Changed: Yes

Figure 17-107. Rents page

12. Validate the following pre-populated fields:

- *Calculated Renewal Rents*
- *Renewal Rent Effective Date*
- *Monthly Reserve for Replacement Deposit Amount*
- *Monthly Increase to the Reserve for Replacement Account*

13. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.

The screenshot shows a web application interface for generating an OCAF letter. At the top, there are navigation tabs: 'Section 8 Contract Processing List', 'PRAC Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below these are sub-tabs: 'Dates and Comments', 'Comparability Study Selection', 'Budget Selection', 'OCAF', 'Rents', 'Auto OCAF Letter', and 'Final Review'. The main heading is 'Auto OCAF Letter Input' with a 'Generate Letter' button on the right.

Contract details include: Surviving Contract: CA39T851008, Function Type: Amend Rents, Effective Date: 07/01/2013, Stage: N/A, Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility, and ARAMS Status.

Recipient information fields include: Addressee (Default to Project Address), Recipient Name (VIVENTE I, INC.), Street (2400 ENBORG LN), City (SAN JOSE), State (CALIFORNIA), Zip (95128-2641), Date (10/22/2013), Property Name (Vivente I), Contract Number (CA39T851008), Primary Financing Number (121EH229), Comparability Study Expiration Date (N/A), Rent Increase Effective Date (07/01/2013), Rent Increase Factor (1.014%), Sender Name (Select a Name), and Sender Title.

Figure 17-108. Auto OCAF Letter Input page

14. Click on drop down menu for the Addressee and a list of addressees' displays.



Figure 17-109. Addressee drop down list

15. Select the appropriate address. (Defaults to Project Address)

16. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)

17. Click on **Generate Letter** and a *File Download* box displays.

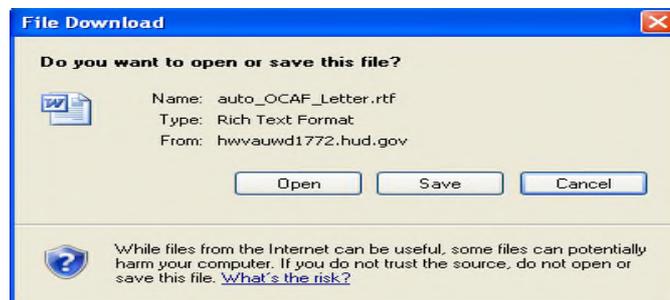


Figure 17-110. File Download box

18. Click on **Open** and the letter is generated in **Microsoft Word**.

(options 1 and options 3 generate the Letter A)

	<b>U.S. Department of Housing and Urban Development</b> San Francisco Multifamily Hub 600 Harrison Street, 3rd Floor San Francisco, CA 94107-1387
VIVENTE I, INC. 2400 ENBORG LN SAN JOSE, CA 95128-2641	10/22/2013
Subject: Automatic OCAF Rent Increase Vivente I CA39T851008/121EH229 Rent Comparability Study Expires: N/A	
Dear Owner/ Mortgagor:	
Vivente I is in a multi-year Housing Assistance Payments Contract and, as such, is eligible for an automatic OCAF rent increase to become effective 07/01/2013. The rent increase factor is 1.014. The debt service amount used in the calculation of new rents is \$153,657.00.	
Should you elect this rent increase, the new rents for Vivente I will be as indicated on the attached Exhibit A. Complete, execute, and return three (3) forms HUD-92458 Rent Schedule Low Rent Housing to your HUD/PBCA within 10 days of receipt of this package.	
Indicate below which rent increase option you are requesting be applied in the upcoming contract year. Complete the Project information section that follows, and return this Notice and any attachments to your HUD/PBCA within 10 days of receipt of this package (check one).	
<input type="checkbox"/> I elect to receive the attached automatic OCAF rent increase.	
<input type="checkbox"/> I elect to receive the attached automatic OCAF rent increase, and am submitting a Utility Analysis and recommendation for a change to the Utility Allowances. Supporting documentation is enclosed.	
<input type="checkbox"/> I request a <b>zero</b> budget-based rent adjustment in lieu of the OCAF adjustment and understand that this will result in renewed funding at current rents. I further understand that the OCAF adjustment for this year may not be recouped retroactively in the future. If applicable, I am submitting a Utility Analysis and recommendation for a change to the Utility Allowances. My signature on this letter certifies that I have reviewed the project's income and expenses and they are at levels that will enable me to continue to provide decent, safe and sanitary housing.	
Attachment Amend Rents Auto OCAF Part B	form HUD-9627 (02/2009)

Figure 17-111. Auto OCAF Rent Increase Letter A - page 1

<input type="checkbox"/> I request a Budget Based Rent Increase for the upcoming contract year. The required documentation for this rent increase is enclosed. If applicable, I am submitting a Utility Analysis and recommendation for a change to the Utility Allowances.	
<input type="checkbox"/> Other: _____	
Attachment Amend Rents Auto OCAF Part B	form HUD-9627 (02/2009)

Figure 17-112. Auto OCAF Rent Increase Letter A - page 2

I (We) hereby **certify** that the debt service amount of \$153,657.00 and the non-section 8 rent potential amount of \$12,372.00 are true, accurate and complete to the best of my (our) knowledge and belief.

Project Name: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Should you have any questions, please contact our office. It is very important that you send your response to the attention of \_\_\_\_\_ .

Sincerely,

Jane Mills  
 Project Manager

OMB Control #2502-0587  
 Exp. (10/31/2012)

Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for purposes of determining rent adjustments and will be used for estimating new rents. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. No confidentiality is assured.

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Attachment form HUD-9627 (02/2009)  
 Amend Rents Auto OCAF Part B

Figure 17-113. Auto OCAF Rent Increase Letter A - page

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")  
 BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: CA39T851008  
 FHA Project Number: 121EH229  
 Effective Date of the Rent Increase: 07/01/2013

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
18	1	\$1,083.00	\$27.00	\$1,110.00
4	1	\$1,093.00	\$27.00	\$1,120.00
4	2	\$1,281.00	\$35.00	\$1,316.00
2	2	\$1,329.00	\$35.00	\$1,364.00

**Do not submit a Gross Rent Change through TRACS until the HUD-92458 Rent Schedule has been returned to you duly executed from your HUD/PBCA office.**

Note: (1) This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with the Renewal Contract.  
 (2) These rents are applicable with the Amend Rents Automatic OCAF for this effective Date.

Attachment form HUD-9627 (02/2009)  
 Amend Rents Auto OCAF Part B

Figure 17-114. Exhibit A - Letter A – page 4

19. Use **Microsoft Word** to print your document.
20. Click on  to close the **Auto OCAF Letter**.
21. Click on *Final Review* tab to review all information.

### 17.5.2 1a and 1b Amend Rents with a Comparability Study Due

If the rents are expiring on a multi-term contract already renewed under MAHRA, *and the contract is not expiring*, iREMS will create an amend rents record. If the contract was previously renewed using options 1a or 1b, and a new comparability study is due only certain fields are pre-populated for the new 1a/1b amend rents pages.

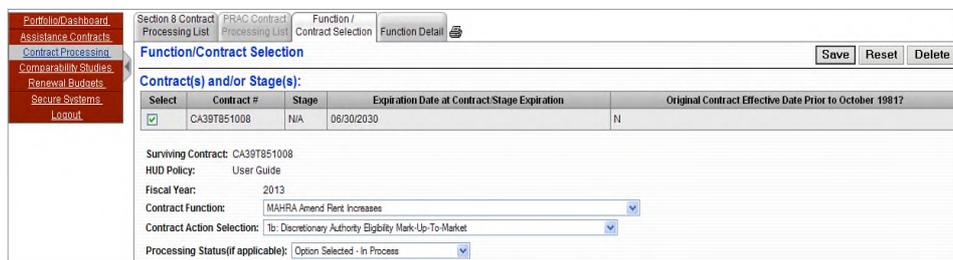
If the contract most recently renewed under options 1a, or a 1b, the comparability study expires if the appraiser's signature date will be 5 years or older at the expiration of the contract or the new rent effective date of the amend rents record.

Once an amend rents record is created a contract-based event notification (*Amend Rents Record Created, Comp Study Due - New Rents Must be set to Comparable*) will be generated and sent to the assigned PM and CA. PMs and PBCAs can link from the event directly to the **Function/Contract Selection** page displaying the data for the related amend rents record.

PMs and PBCAs are required to finalize the amend rents record. You have the option of updating the amend rents record until the rents are finalized. The Rents Final for Contract Exhibit radio button is disabled until the *Date Rents Package Received from Owner* field is populated with a valid date. Once the Amend Rents record is set to rent final the Processing Status will be set to Completed and the record is ready to be picked up by **ARAMS**. Once a record is picked up by **ARAMS** no changes can be made.

#### To update an automated MAHRA 1a/1b Amend Rent increase:

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.



Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA39T851008	N/A	06/30/2030	N

Surviving Contract: CA39T851008  
 HUD Policy: User Guide  
 Fiscal Year: 2013  
 Contract Function: MAHRA Amend Rent Increases  
 Contract Action Selection: To: Discretionary Authority Eligibility Mark-Up-To-Market  
 Processing Status(if applicable): Option Selected - In Process

Figure 17-115. Function/Contract Selection page

2. The following information is pre populated:
  - *Contract Number*

- *HUD Policy*
  - *Fiscal Year*
  - *Contract Function*
  - *Contract Action Selection*
  - *Processing Status*
3. Fill in the following information:
- *Date Owner Signed Submission*
  - *Date Owner Submission Package Initially Received*
  - *Date Complete Package Received from Owner*
  - *Is the Owner Debarred or Suspended?*
  - *Does the Owner Have Material Violations?*
4. Click on **Save** and the *Save Successful* message displays
5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

The screenshot shows a web application interface with a navigation bar at the top containing tabs: 'Section 8 Contract Processing List', 'PRAC Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the navigation bar is a sub-navigation bar with tabs: 'Dates and Comments', 'Comparability Study Selection', 'OCAF', 'Rents', 'Auto OCAF Letter', and 'Final Review'. The 'Dates and Comments' tab is active, and it contains a 'Save' and 'Reset' button. The main content area displays the following information:

Surviving Contract: CA39T851008  
Function Type: Amend Rents  
Effective Date: 07/01/2013

Stage: N/A  
Action: FY 2013 - 1b: Discretionary Authority Eligibility Mark-Up-To-Market  
ARAMS Status:

**Amend Rents Dates**

Amend Rents Effective Date: 07/01/2013  
Amend Rents Expiration Date: 06/30/2014

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:  
Contract Effective Date: 06/26/2010  
Length of Contract in Months: 240  
Contract Expiration Date: 06/30/2030

**Decision Comments:**

Rent Final 7/24/13 but IREMS rent tab cannot be set to final due to system issue with rent expiration date not matching contract anniversary date. Funding Coordinator please enter rents to TRACS manually.

Figure 17-116. Dates and Comments page

Validate the following pre-populated fields on the **Dates and Comments** page:

- *Amend Rent Effective Date*
  - *Amend Rent Expiration Date*
  - *Contract Effective Date*
  - *Contract Expiration Date*
6. Click on the *Comparability Study* tab and the **Comparability Study** page displays.

Figure 17-117. Comparability Study Selection page

7. Select “Yes” in the *Comparability Study Required* field. Check the box in front of the comparability study you want to apply to this option.
8. Click on **Save** and the *Save Successful* message displays
9. Click on the *OCAF* tab and the **OCAF** page displays

Figure 17-118. OCAF page

Validate the following fields

- *Eligible for Auto OCAF*
- *Date Auto OCAF Sent to Owner*
- *Date Rents Package Received from Owner*
- *Owner Selected Auto OCAF*
- *Annual Rent Potential for all Section 8 Units included in the Current Process*
- *Annual Comparable Rent Potential for Units Included in the Current Process*
- *Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the*

- *Current Process)*
- *Annual Rent Potential Non-Section 8 Units*
- *Annual Project Debt Service: Note: Already includes MIP amount*

*Note: When the “Annual Project Debt Service” is changed, the “Rent Increase Factor is automatically changed. The following warning message will display:*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

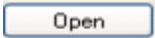
10. Click on the *Rents* tab and the **Rents** page displays.

Unit Type	# of Units	Current Gross Rent at Expiration	OCAF Adjusted Gross Rent	Renewed Gross Rent
1	18	1089	1104	1110
1	4	1099	1114	1120
2	4	1298	1315	1316
2	2	1345	1363	1364
<b>Rent Potentials</b>				
Monthly		31880	32314	32452
Annual		382560	387768	389424

**Figure 17-119. Rents page**

Validate the following pre-populated fields:

- *Calculated Renewal Rents*
- *Renewal Rent Effective Date*
- *Monthly Reserve for Replacement Deposit Amount*
- *Monthly Increase to the Reserve for Replacement Account*

11. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.
12. Click on drop down menu for the Addressee and a list of addressees' displays.
13. Select the appropriate address. (Default to Project Address)
14. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)
15. Click on  and a *File Download* box displays.
16. Click on  and the letter is generated in **Microsoft Word**.  
(options 1 and options 3 generate the Letter A)
17. Use **Microsoft Word** to print your document.
18. Click on  to close the **Auto OCAF Letter**.
19. Click on the *Final Review* tab to review all information.

### 17.5.3 Option 2 Amend Rents without a Comparability Study Due

If the rents or funding term is expiring on a multi-term contract already renewed under MAHRA, *and the contract is not expiring*, iREMS will create an amend rents record. If the contract was previously renewed using option 2, and a new comparability study is not due the following data will be pre-populated for the new option 2 amend rents pages:

Once an amend rents record is created a contract-based event notification (*Amend Rents Record Created, Automatic Rent Increase Notification Due to be Sent to Owner/Agent*) is generated and sent to the assigned PM and PBCA. You can link from the event directly to the **Contract/Option Selection** page displaying the data for the related amend rents record.

If a new comparability study is not due and the appraiser's signature date is not older than five years, the system will adjust by OCAF for the OCAF comparison. If the most recent comparability study has the same fiscal year as the fiscal year of the new contract renewal or rent effective date, no additional comparability study data needs to be added. If the comparability study does not have the same fiscal year as the fiscal year of the new contract renewal or rent effective date, iREMS will use existing comp study data and create a new comparability study record to adjust by the OCAF factor for the fiscal year, as occurs if the comparability study is adjusted by OCAF manually via the system.

In addition, if a valid comparability study exists in the system (i.e., one that will not become more than five years old), iREMS will automatically associate the comparability study to the renewal. The association will remain editable.

PMs and PBCAs are required to finalize the amend rents record. You have the option of updating the amend rents record until the rents are finalized and the record is picked up by **ARAMS**. The Rents Final for Contract Exhibit radio button is disabled until the *Date Rents Package Received from Owner* field is populated with a valid date. Once the Amend Rents record is set to rent final the Processing Status will be set to Completed.

In addition, you can generate the letter and an exhibit A by selecting the Auto OCAF tab on the detail pages. The letter contains a new rent schedule based upon the OCAF adjusted rents. Since the owner can receive a budget-based increase for this option, they will have to indicate if they want an increase other than the OCAF increase.

**To update an automated MAHRA 2 Amend Rent increase:**

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA397851008	N/A	06/30/2030	N

Surviving Contract: CA397851008  
 HUD Policy: User Guide  
 Fiscal Year: 2013  
 Contract Function: MAHRA Amend Rent Increases  
 Contract Action Selection: 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Processing Status(if applicable): Option Selected - In Process

**Figure 17-120. Function/Contract Selection page**

2. The following information is pre populated:
  - *Contract Number*
  - *HUD Policy*
  - *Fiscal Year*
  - *Contract Function*
  - *Contract Action Selection*

- *Processing Status*

3. Click on **Save**.

4. Click on the *Function Detail* tab and the **Dates and Comments** page displays.

**Dates and Comments** [Save] [Reset]

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Effective Date: 07/01/2013      ARAMS Status:

Exception Project Exempted from OAHF:   
 Annual Financial Statement Required To be Submitted to HUD? Yes

**Contract/Stage Date Information**  
 Contract/Stage Renewal Execution Date:  
 Contract Effective Date: 08/28/2010  
 Length of Contract in Months: 240  
 Contract Expiration Date: 08/30/2030

**Amend Rents Dates**  
 Amend Rents Effective Date:   
 Amend Rents Expiration Date:

Decision Comments:  
 Rent Final 7/24/13 but IREMS rent tab cannot be set to final due to system issue with rent expiration date not matching contract anniversary date. Funding Coordinator please enter rents to TRACS manually.

Figure 17-121. Dates and Comments page

5. Verify the following pre-populated fields:

- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*
- *Contract Effective Date*
- *Contract Expiration Date*

6. Click on the *Comparability Study Selection* link and the Comparability page displays.

**Comparability Study Selection** [Save] [Reset]

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Effective Date: 07/01/2013      ARAMS Status:

Comparability Study Required?  Yes  No  Alternative  Unconfirmed  
 Type of Alternative to Comparability Study Used:

**Comparability Study:**

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input type="checkbox"/>	2013	04/23/2013	Owner		No	1	1450
						2	1750

Figure 17-122. Comparability Study Selection page

7. Select “No” in the *Comparability Study Required* field.

*Note: For auto OCAF amend rents, if the comparability study is not expiring then the prior year's comp will automatically be increased by OCAF, and the new increased OCAF comparability study will be auto selected, but will remain editable.*

- Click on the *Budget Selection* tab and the **Budget Selection** page displays. Confirm if Renewal Budget is required and what Renewal Budget Type.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2013	07/02/2013	2.53	1	1083
				1	1093
				2	1281
				2	1329

Figure 17-123. Budget Selection page

- Click on the *OCAF* tab and the **OCAF** page displays.

Item	Amount
Annual Rent Potential for all Section 8 Units Included in the Current Process:	370320.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	0.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	12372.00
Annual Project Rent Potential:	382692.00
Annual Project Debt Service:	153657.00
Annual Expiring Section 8 Share of Debt Service:	149047.29
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	221272.71
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%):	226361.98
OCAF Adjusted Contract Rent Potential:	375409.27
Rent Increase Factor:	1.014

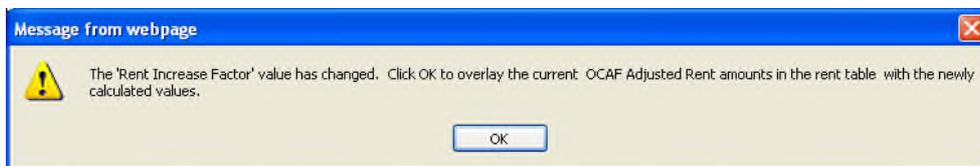
Figure 17-124. OCAF page

Verify the following fields.

- *Eligible for Auto OCAF*
- *Date Auto OCAF Sent to Owner*
- *Date Rents Package Received from Owner*

- Owner Selected Auto OCAF
- Annual Rent Potential for all Section 8 Units included in the Current Process
- Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process
- Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)
- Annual Rent Potential Non-Section 8 Units
- Annual Project Debt Service: Note: Already includes MIP amount

Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:



When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.

10. Click on the *Rents* tab and the **Rents** page displays.

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	18	1056	1071	1083	1071
1	4	1066	1081	1093	1081
2	4	1249	1266	1281	1266
2	2	1296	1314	1329	1314
<b>Rent Potentials</b>					
Monthly		30860	31294	31648	31294
Annual		370320	375528	379776	375528

Figure 17-125. Rents page

11. Validate the following pre-populated fields:

- Calculated Renewal Rents
- Renewal Rent Effective Date
- Monthly Reserve for Replacement Deposit Amount
- Monthly Increase to the Reserve for Replacement Account

*Note: HUD Approved Rents drop-down will go to blank if the rent is modified by the user in any of the Calculated Renewal Rents Detail records. This is to indicate that there has been a manual override to the calculated amounts. However, the user should be able to change the utility allowance on the rent detail page and the HUD Approved Rents drop down will not be affected.*

*Note: For option 2 where the comparability study is not expiring, the only options that should appear in the 'HUD Approved rent drop down should include: <blanks>, 'OCAF Adjusted' and 'Budget-Based'. If you attempt to select 'Budget-based' and the budget-based rent potential exceeds the comparable rent potential, an error message (Budget-based rent potential cannot exceed the comparable rent potential) displays.*

12. Click on **Save** and the *save successful* message displays.

13. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.

The screenshot shows the 'Auto OCAF Letter Input' page. At the top, there are navigation tabs: 'Dates and Comments', 'Comparability Study Selection', 'Budget Selection', 'OCAF', 'Rents', 'Auto OCAF Letter', and 'Final Review'. The 'Auto OCAF Letter' tab is active. Below the tabs, there is a 'Generate Letter' button. The main form area contains the following fields:

- Surviving Contract: CA39T851008
- Function Type: Amend Rents
- Effective Date: 07/01/2013
- Stage: N/A
- Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents
- ARAMS Status:

The 'Addressee' field is a dropdown menu currently showing 'Default to Project Address'. Other fields include Recipient Name (VIVENTE I, INC.), Street (2400 ENBORO LN), City (SAN JOSE), State (CALIFORNIA), Zip (95128-2641), Date (10/22/2013), Property Name (Vivente I), Contract Number (CA39T851008), Primary Financing Number (121EH229), Comparability Study Expiration Date (04/23/2018), Rent Increase Effective Date (07/01/2013), Rent Increase Factor (1.014%), Sender Name (Select a Name), and Sender Title.

Figure 7-126. Auto OCAF Letter Input page

14. Click on drop down menu for the Addressee and a list of addressees' displays.

- Default to Project Address
- 942792552 - Owner/ Mortgagor - VIVENTE I, INC.
- 953634787 - Management Agent - ABI Ltd.
- N/A - Management Agent Contact - Cindy A. Stein
- N/A - Management Agent Site Manager - William Damiani
- N/A - Owner/ Mortgagor Contact - Cindy Stein
- 942792552 - Owner/ Mortgagor - Southlawn Palms

Figure 17-127. Addressee drop down list

15. Select the appropriate address. (Defaults to Project Address)
16. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)
17. Click on  and a *File Download* box displays.



18. Click on  and the letter is generated in **Microsoft Word**.  
(option 2 and option 4 generate the Letter *B*)

	<b>U.S. Department of Housing and Urban Development</b> San Francisco Multifamily Hub 600 Harrison Street, 3rd Floor San Francisco, CA 94107-1387
SUNNYVALE LIFE, INC. 450 Old San Francisco Road SUNNYVALE, CA 94086-6392	03/19/2012
Subject: Automatic OCAF Rent Increase LIFES GARDEN CA39L000063/12138079 Rent Comparability Study Expires: 05/26/2014	
Dear Owner/ Mortgagor:	
<p>LIFES GARDEN is in a multi-year Housing Assistance Payments Contract and, as such, is eligible for an automatic OCAF rent increase to become effective 10/01/2011. The rent increase factor is 1.014. The debt service amount used in the calculation of new rents is \$390,876.17.</p> <p>Should you elect this rent increase, the new rents for LIFES GARDEN will be as indicated on the attached Exhibit A. Complete, execute, and return three (3) forms HUD-92458 Rent Schedule Low Rent Housing to your HUD/PBCA within 10 days of receipt of this package.</p> <p>Indicate below which rent increase option you are requesting be applied in the upcoming contract year. Complete the Project information section that follows, and return this Notice and any attachments to your HUD/PBCA within 10 days of receipt of this package (check one).</p> <p><input type="checkbox"/> I elect to receive the attached automatic OCAF rent increase.</p> <p><input type="checkbox"/> I elect to receive the attached automatic OCAF rent increase, and am submitting a Utility Analysis and recommendation for a change to the Utility Allowances. Supporting documentation is enclosed.</p> <p><input type="checkbox"/> I request a <b>zero</b> budget-based rent adjustment in lieu of the OCAF adjustment and understand that this will result in renewed funding at current rents. I further understand that the OCAF adjustment for this year may not be recouped retroactively in the future. If applicable, I am submitting a Utility Analysis and recommendation for a change to the Utility Allowances. My signature on this letter certifies that I have reviewed the project's income and expenses and they are at levels that will enable me to continue to provide decent, safe and sanitary housing.</p>	
<small>Attachment Amend Rents Auto OCAF Part B</small>	<small>Form HUD-9627 (02/2009)</small>

Figure 17-128. Auto OCAF Rent Increase Letter B - page 1

I request a Budget Based Rent Increase for the upcoming contract year. The required documentation for this rent increase is enclosed. If applicable, I am submitting a Utility Analysis and recommendation for a change to the Utility Allowances.

Other: \_\_\_\_\_

---

Attachment form HUD-9627 (02/2009)  
Amend Rents Auto OCAF Part B

Figure 17-129. Auto OCAF Rent Increase Letter B - page 2

I (We) hereby **certify** that the debt service amount of \$390,876.17 and the non-section 8 rent potential amount of \$582,192.00 are true, accurate and complete to the best of my (our) knowledge and belief.

Project Name: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Should you have any questions, please contact our office. It is very important that you send your response to the attention of \_\_\_\_\_.

Sincerely,

Laura Moore  
Project Manager

OMB Control #2502-0587  
Exp. (10/31/2012)

Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for purposes of determining rent adjustments and will be used for estimating new rents. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. No confidentiality is assured.

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

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Attachment form HUD-9627 (02/2009)  
Amend Rents Auto OCAF Part B

Figure 17-130. Auto OCAF Rent Increase Letter B - page 3

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")  
 BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: CA39L000063  
 FHA Project Number: 12138079  
 Effective Date of the Rent Increase: 10/01/2011

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
75	0	\$741.00	\$50.00	\$791.00
75	1	\$864.00	\$0.00	\$864.00

**Do not submit a Gross Rent Change through TRACS until the HUD-92458 Rent Schedule has been returned to you duly executed from your HUD/PBCA office.**

Note: (1) This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with the Renewal Contract.  
 (2) These rents are applicable with the Amend Rents Automatic OCAF for this effective Date.

Attachment  
 Amend Rents Auto OCAF Part B

form HUD-9627 (02/2009)

Figure 17-131. Exhibit A - Part B – page 4

19. Use Microsoft Word to print your document.
20. Click on  to close the **Auto OCAF Letter**.
21. Click on the *Final Review* tab to review all information.

### 17.5.4 Option 2 Amend Rents with a Comparability Study Due

If the rents or funding term is expiring on a multi-term contract already renewed under MAHRA, *and the contract is not expiring*, iREMS will create an amend rents record. If the contract was previously renewed using option 2, and a new comparability study is due data will be pre-populated for the new option 2 amend rents on specific pages.

If the contract most recently renewed under option 2, the comparability study expires if the appraiser's signature date will be 5 years or older at the expiration of the contract or the new rent effective date of the amend rents record.

Once an amend rents record is created a contract-based event notification (*Amend Rents Record Created, Comp Study Due – New Rents must be set to Comparable*) is generated and sent to the assigned PM

and/or PBCA. You can link from the event directly to the **Contract/Option Selection** page displaying the data for the related amend rents record.

PMs and PBCAs are required to finalize the amend rents record. You have the option of updating the amend rents record until the rents are finalized and the record is picked up by **ARAMS**. The Rents Final for Contract Exhibit radio button is disabled until the *Date Rents Package Received from Owner* field is populated with a valid date. Once the Amend Rents record is set to rent final the Processing Status will be set to Completed.

**To update an automated MAHRA 2 Amend Rents Only rent increase:**

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.



**Figure 17-132. Function/Contract Selection page**

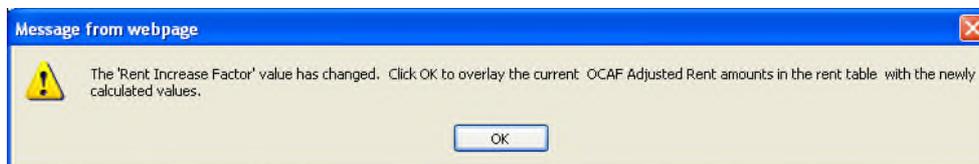
2. The following information is pre populated:
  - *Contract Number*
  - *HUD Policy*
  - *Fiscal Year*
  - *Contract Function*
  - *Contract Action Selection*
  - *Processing Status*
3. Click on save and the *Function Detail* tab opens to the **Dates and Comments** page with the following fields pre-populated:
  - *Amend Rent Effective Date*
  - *Amend Rent Expiration Date*
  - *Contract Effective Date*
  - *Contract Expiration Date*
4. Click on the *Comparability* link and the Comparability page displays.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input type="checkbox"/>	2013	04/23/2013	Owner		No	1	1450
						2	1750

Figure 17-133. Comparability Study Selection page

5. Select “Yes” in the *Comparability Study Required* field. Check the box in front of the comparability study you want to apply to this option.
6. Click on the *Budget Selection* tab and the **Budget Selection** page displays. Confirm if Renewal Budget is required and what Renewal Budget Type.
7. Click on the *OCAF* tab and the **OCAF** page displays. Validate the following fields:
  - *Eligible for Auto OCAF*
  - *Date Auto OCAF Sent to Owner*
  - *Date Rents Package Received from Owner*
  - *Owner Selected Auto OCAF*
  - *Annual Rent Potential for all Section 8 Units included in the Current Process*
  - *Annual Comparable (Owner’s) Rent Potential for Units Included in the Current Process*
  - *Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)*
  - *Annual Rent Potential Non-Section 8 Units*
  - *Annual Project Debt Service: Note: Already includes MIP amount*

*Note: When the “Annual Project Debt Service” is changed, the “Rent Increase Factor is automatically changed. The following warning message will display:*



*When the user switches to the Rents tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

8. Click on the *Rents* tab and the **Rents** page displays.

Section 8 Contract Processing List PRAC Contract Processing List Function / Contract Selection Function Detail

Dates and Comments Comparability Study Selection Budget Selection OCAF Rents Auto OCAF Letter Final Review

**Rents** Save Reset

Surviving Contract: CA39T851008 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Effective Date: 07/01/2013 ARAMS Status:

Add New Rent Record Overlay Rents with Current Rents from TRACS

HUD Approved Rent: OCAF Adjusted

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	18	1056	1071	1083	1071
1	4	1066	1081	1093	1081
2	4	1249	1266	1281	1266
2	2	1296	1314	1329	1314
<b>Rent Potentials</b>					
Monthly		30860	31294	31648	31294
Annual		370320	375528	379776	375528

Renewal Rent Effective Date: 07/01/2013

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 2417.00  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 33.84  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 2450.84

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments :  
 UA changed from \$33 to \$27 for 1 BR and from \$49 to \$35 for 2 BR to be effective 8/30/13.

Utility Allowance Changed: No

Figure 17-134. Rents page

Validate the following pre-populated fields:

- *Calculated Renewal Rents*
- *Renewal Rent Effective Date*
- *Monthly Reserve for Replacement Deposit Amount*
- *Monthly Increase to the Reserve for Replacement Account*

9. Click on **Save** and the *save successful* message displays.
10. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.
11. Click on drop down menu for the Addressee and a list of addressees' displays.
12. Select the appropriate address. (Default to Project Address)
13. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)
14. Click on **Generate Letter** and a *File Download* box displays.
15. Click on **Open** and the letter is generated in **Microsoft Word**. (options 2 and options 4 generate the Letter B)
16. Use **Microsoft Word** to print your document.

17. Click on  to close the **Auto OCAF Letter**.
18. Click on the *Final Review* tab to review all information.

### 17.5.5 Option 3a and 3b Amend Rents

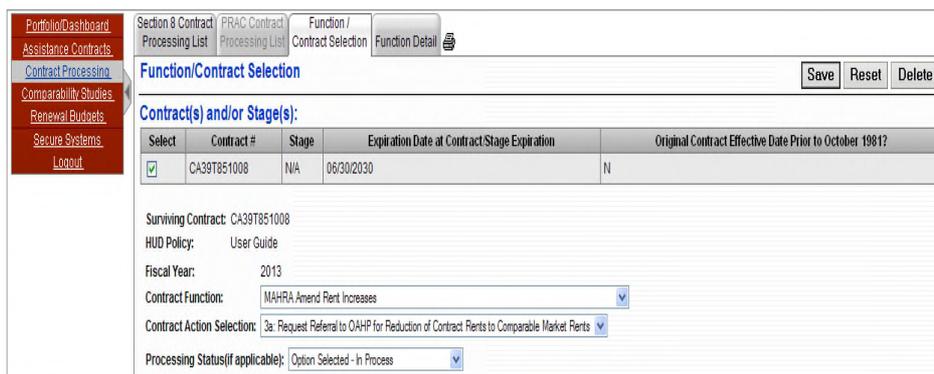
If the rents or funding term is expiring on a multi-term contract already renewed under MAHRA, *and the contract is not expiring*, iREMS will create an amend rents record. If the contract was previously renewed using option 3a or 3b, the OCAF adjusted rents will be determined and loaded as the New Rents. Comparability studies do not expire and are not required in these instances.

Once an amend rents record is created a contract-based event notification (*Amend Rents Record Create, Automatic Rent Increase Notification Due to be Sent to Owner/Agent*) is generated and sent to the assigned PM or PBCA. You can link from the event directly to the **Contract/Option Selection** page displaying the data for the related amend rents record.

PMs and PBCAs are required to finalize the amend rents record. You have the option of updating the amend rents record until the rents are finalized and the record is picked up by **ARAMS** and prior to generating the letter. Budget-based increases cannot be used in these instances. The Rents Final for Contract Exhibit radio button is disabled until the *Date Rents Package Received from Owner* field is populated with a valid date. You are still required to manually set the rents final indicator. Once the Amend Rents record is set to rent final the Processing Status will be set to Completed.

#### To update an automated MAHRA 3a or 3b Amend Rents increase:

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.



Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA39T851008	N/A	06/30/2030	N

Surviving Contract: CA39T851008  
 HUD Policy: User Guide  
 Fiscal Year: 2013  
 Contract Function: MAHRA Amend Rent Increases  
 Contract Action Selection: 3a: Request Referral to OAHF for Reduction of Contract Rents to Comparable Market Rents  
 Processing Status(if applicable): Option Selected - In Process

Figure 17-135. Function/Contract Selection page

2. The following information is pre populated:

- *Contract Number*
- *HUD Policy*
- *Fiscal Year*
- *Contract Function*
- *Contract Action Selection*
- *Processing Status*

3. Click on **Save**.

4. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

The screenshot shows a web application interface with a breadcrumb trail: Section 8 Contract Processing List > PRAC Contract Processing List > Function / Contract Selection > Function Detail. The 'Function Detail' tab is active, and the 'Dates and Comments' sub-tab is selected. The page title is 'Dates and Comments'. There are 'Save' and 'Reset' buttons in the top right. The main content area displays the following information:

- Surviving Contract: CA39T851008
- Function Type: Amend Rents
- Effective Date: 07/01/2013
- Stage: N/A
- Action: FY 2013 - 3a: Request Referral to OAHF for Reduction of Contract Rents to Comparable Market Rents
- ARAMS Status:

Annual Financial Statement Required To be Submitted to HUD? Yes

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:	
Contract Effective Date:	06/26/2010
Length of Contract in Months:	240
Contract Expiration Date:	06/30/2030

**Amend Rents Dates**

Amend Rents Effective Date:	07/01/2013
Amend Rents Expiration Date:	06/30/2014

Decision Comments:

Rent Final 7/24/13 but IREMS rent tab cannot be set to final due to system issue with rent expiration date not matching contract anniversary date. Funding Coordinator please enter rents to TRACS manually.

Figure 17-136. Dates and Comments page

Validate for following pre-populated fields:

- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*
- *Contract Effective Date*
- *Contract Expiration Date*

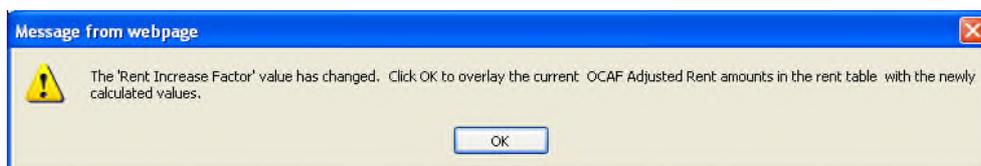
5. Click on the *OCAF tab* and the **OCAF** page displays

Figure 17-137. OCAF page

Validate for following pre-populated fields:

- *Eligible for Auto OCAF*
- *Date Auto OCAF Sent to Owner*
- *Date Rents Package Received from Owner*
- *Owner Selected Auto OCAF*
- *Annual Rent Potential for all Section 8 Units included in the Current Process*
- *Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)*
- *Annual Rent Potential Non-Section 8 Units*
- *Annual Project Debt Service: Note: Already includes MIP amount*

*Note: When the “Annual Project Debt Service” is changed, the “Rent Increase Factor is automatically changed. The following warning message will display:*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

6. Click on the *Rents* tab and the **Rents** page displays.

Section 9 Contract Processing List PRAC Contract Processing List Function / Contract Selection Function Detail

Dates and Comments OCAF Rents Auto OCAF Letter Final Review

**Rents** Save Reset

Surviving Contract: CA39T851008 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 3a: Request Referral to OAHF for Reduction of Contract Rents to Comparable Market Rents  
 Effective Date: 07/01/2013 ARAMS Status:

Rents: Add New Rent Record Overlay Rents with Current Rents from TRACS

HUD Approved Rent: OCAF Adjusted

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Renewed Rent
1	18	1056	1071	1071
1	4	1066	1081	1081
2	4	1249	1266	1266
2	2	1296	1314	1314
<b>Rent Potentials</b>				
Monthly		30860	31294	31294
Annual		370320	375528	375528

Renewal Rent Effective Date: 07/01/2013

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 2417.00  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 33.84  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 2450.84

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No  
 Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments :  
 LJA changed from \$33 to \$27 for 1 BR and from \$49 to \$35 for 2 BR to be effective 8/30/13.

Utility Allowance Changed: No

Figure 17-138. Rents page

Validate the following pre-populated fields:

- *Calculated Renewal Rents*
- *Renewal Rent Effective Date*
- *Monthly Reserve for Replacement Deposit Amount*
- *Monthly Increase to the Reserve for Replacement Account*

7. Click on **Save** and the *save successful* message displays.
8. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.
9. Click on drop down menu for the Addressee and a list of addressees' displays.
10. Select the appropriate address. (Default to Project Address)
11. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)
12. Click on **Generate Letter** and a *File Download* box displays.
13. Click on **Open** and the letter is generated in **Microsoft Word**. (options 1 and options 3 generate the Letter A)
14. Use **Microsoft Word** to print your document.

15. Click on  to close the **Auto OCAF Letter**.

16. Click on the *Final Review* tab to review all information.

### 17.5.6 Option 4 Amend Rents

If the rents or funding term is expiring on a multi-term contract already renewed under MAHRA, *and the contract is not expiring*, iREMS will create an amend rents record. If the contract was previously renewed using an option 4, the OCAF adjusted rents will be determined and loaded as the New Rents. Comparability studies are not required in these instances.

Once the amend rent record is created a contract-based event notification (*Amend Rents Record Created, Automatic Rent Increase Notification Due to be Sent to Owner/Agent*) is generated and sent to the assigned PM and PBCA. You can link from the event directly to the **Contract/Option Selection** page displaying the data for the related amend rents record.

You have the option of updating the record (e.g., updating the debt service used in the OCAF calculation or changing the New Rents to budget-based) until the rents are finalized and the record is picked up by ARAMS. PMs and PBCAs are still required to manually set the rents final indicator.

The Rents Final for Contract Exhibit radio button will be disabled until the *Date Rents Package Received from Owner* is populated with a valid date. Once you have set the rent final indicator to yes the Processing Status will be set to Completed.

In addition, you can generate the Auto OCAF letter and exhibit A for the amend rent record. The letter will contain the new rent schedule reflecting the OCAF rents. The owner can receive a budget-based increase for this option, so you will have to indicate if they want an increase other than the OCAF increase.

#### To update an automated MAHRA 4 Amend Rent increase:

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.

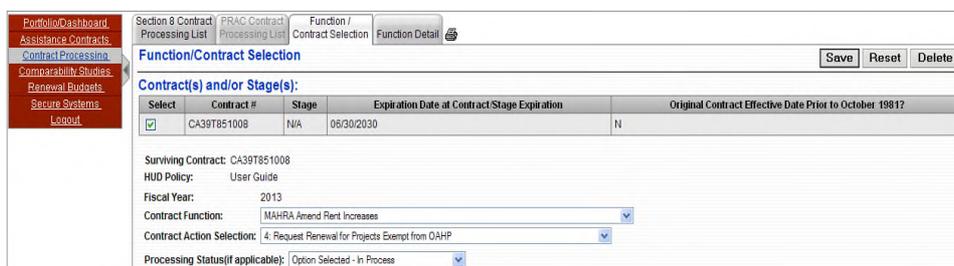


Figure 17-139. Function/Contract Selection page

2. The following information is pre populated:

- *Contract Number*
- *HUD Policy*
- *Fiscal Year*
- *Contract Function*
- *Contract Action Selection*
- *Processing Status*

3. Click on **Save**.

4. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

Figure 17-140. Dates and Comments page

5. Validate the following pre-populated fields:

- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*
- *Contract Effective Date*
- *Contract Expiration Date*

6. Click on the *Comparability Study* tab and the **Comparability Study** page displays. Select “No” in the *Comparability Study Required* field.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input type="checkbox"/>	2013	04/23/2013	Owner		No	1	1450
						2	1750

Figure 17-141. Comparability Study Selection page

- Click on the *Budget Selection* tab and the **Budget Selection** page displays.

The screenshot shows the 'Budget Selection' page with the following details:

- Surviving Contract: CA39T851008
- Function Type: Amend Rents
- Effective Date: 07/01/2013
- Stage: N/A
- Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHF
- ARAMS Status:

Renewal Budget Required?  Yes  No  Unconfirmed

Renewal Budget Type: Standard Renewal Budget

Select	Fiscal Year	Date Approved by HJID	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2013	07/02/2013	2.53	1	1093
<input type="checkbox"/>				1	1093
<input type="checkbox"/>				2	1281
<input type="checkbox"/>				2	1329

Figure 17-142. Budget Selection page

- Confirm if *Renewal Budget* is required and what *Renewal Budget Type*.
- Click on the *OCAF* tab and the **OCAF** page displays

The screenshot shows the 'OCAF' page with the following details:

- Surviving Contract: CA39T851008
- Function Type: Amend Rents
- Effective Date: 07/01/2013
- Stage: N/A
- Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHF
- ARAMS Status:

Eligible for Auto OCAF:  Yes  No

OCAF Rent Adjustments

Annual Rent Potential for all Section 8 Units Included in the Current Process:	370320.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	0.00
Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process:	0.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	370320.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	153657.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	153657.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	216663.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%)	221646.25
OCAF Adjusted Contract Rent Potential:	375303.25
Rent Increase Factor:	1.013

Figure 17-143. OCAF page

Validate the following fields:

- Eligible for Auto OCAF*
- Date Auto OCAF sent to Owner*
- Date Rents Package Received from Owner*
- Owner Selected Auto OCAF*
- Annual Rent Potential for all Section 8 Units included in the Current Process*
- Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process*
- Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)*

- Annual Rent Potential Non-Section 8 Units
- Annual Project Debt Service: Note: already includes MIP amount

Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:



When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.

10. Click on the *Rents* tab and the **Rents** page displays.

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	18	1056	1071	1083	1071
1	4	1066	1081	1093	1081
2	4	1249	1266	1281	1266
2	2	1296	1314	1329	1314
Rent Potentials					
Monthly		30880	31294	31648	31294
Annual		370320	375528	379776	375528

Figure 17-144. Rents page

Validate the following pre-populated fields:

- Calculated Renewal Rents
- Renewal Rent Effective Date
- Monthly Reserve for Replacement Deposit Amount
- Monthly Increase to the Reserve for Replacement Account

11. Click on **Save** and the *save successful* message displays.

12. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.
13. Click on drop down menu for the Addressee and a list of addressees' displays.
14. Select the appropriate address. (Default to Project Address)
15. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)
16. Click on  and a *File Download* box displays.
17. Click on  and the letter is generated in **Microsoft Word**.  
(option 2 and option 4 generate the Letter B)
18. Use **Microsoft Word** to print your document.
19. Click on  to close the **Auto OCAF Letter**.
20. Click on the *Final Review* tab to review all information.

### 17.5.7 Option 5a

If the rents or funding term is expiring on a multi-term contract already renewed under MAHRA, and the contract is not expiring, iREMS will create an amend rents record. If the contract was previously renewed using an option 5a for demo restructured loans only, the OCAF adjusted rents will be determined.

Once the amend rent record is created a contract-based event notification (*Amend Rents Record Created, Automatic Rent Increase Notification Due to be Sent to Owner/Agent*) is generated and sent to the assigned PM and PBCA. You can link from the event directly to the **Contract/Option Selection** page displaying the data for the related amend rents record.

You have the option of updating the record (e.g., updating the debt service used in the OCAF calculation) until the rents are finalized and the record is picked up by ARAMS. You can do this prior to the letter being generated. Budget-based increases cannot be used in these instances. PMs and PBCAs are still required to manually set the rents final indicator.

The Rents Final for Contract Exhibit radio button will be disabled until the *Date Rents Package Received from Owner* is populated with a valid date. Once you have set the rent final indicator to

yes the Processing Status will be set to Completed.

In addition, you can generate the letter and exhibit for the amend rent record. The letter will contain the new rent schedule reflecting the OCAF rent.

**To update an automated MAHRA 5a Amend Rent increase:**

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.

The screenshot shows the 'Function/Contract Selection' page. At the top, there are tabs for 'Section 8 Contract Processing List', 'PRAC Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the tabs is a 'Function/Contract Selection' header with 'Save', 'Reset', and 'Delete' buttons. A table titled 'Contract(s) and/or Stage(s):' contains one row with the following data:

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA39T851008	N/A	06/30/2030	N

Below the table, the following information is displayed:

- Surviving Contract: CA39T851008
- HUD Policy: User Guide
- Fiscal Year: 2013
- Contract Function: MAHRA Amend Rent Increases (dropdown menu)
- Contract Action Selection: 5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project (dropdown menu)
- Processing Status(if applicable): Option Selected - In Process (dropdown menu)

**Figure 17-145. Function/Contract Selection page**

2. The following information is pre populated:

- *Contract Number*
- *HUD Policy*
- *Fiscal Year*
- *Contract Function*
- *Contract Action Selection*
- *Processing Status*

3. Click on **Save**.

4. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

Section 8 Contract Processing List | PRAC Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | OCAF | Rents | Auto OCAF Letter | Final Review

**Dates and Comments** [Save] [Reset]

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project  
 Effective Date: 07/01/2013      ARAMS Status:

**Amend Rents Dates**

Amend Rents Effective Date: 07/01/2013  
 Amend Rents Expiration Date: 06/30/2014

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:  
 Contract Effective Date: 06/26/2010  
 Length of Contract in Months: 240  
 Contract Expiration Date: 06/30/2030

Decision Comments:  
 Rent Final 7/24/13 but IREMS rent tab cannot be set to final due to system issue with rent expiration date not matching contract anniversary date. Funding Coordinator please enter rents to TRACS manually.

Figure 17-146. Dates and Comments page

5. Validate the following pre-populated fields:

- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*
- *Contract Effective Date*
- *Contract Expiration Date*

6. Click on the *OCAF* tab and the **OCAF** page displays

Dates and Comments | OCAF | Rents | Final Review

**OCAF** [Save] [Reset]

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 5a: Request Contract Renewal for a Portfolio Re-engineering Demonstration Project  
 Effective Date: 07/01/2013      ARAMS Status:

Eligible for Auto OCAF:  Yes  No

**OCAF Rent Adjustments**

Annual Rent Potential for all Section 8 Units Included in the Current Process:	370320.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	370320.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	153657.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	153657.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	216663.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%):	221646.25
OCAF Adjusted Contract Rent Potential:	375303.25
Rent Increase Factor:	1.013

Validate the following fields:

- *Eligible for Auto OCAF*
- *Date Auto OCAF sent to Owner*
- *Date Rents Package Received from Owner*
- *Owner Selected Auto OCAF*
- *Annual Rent Potential for all Section 8 Units included in the Current Process*

- Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)
- Annual Rent Potential Non-Section 8 Units
- Annual Project Debt Service: Note: already includes MIP amount

Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:



When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.

7. Click on the *Rents* tab and the **Rents** page displays.

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Renewed Rent
1	18	1056	1071	1071
1	4	1066	1081	1081
2	4	1249	1266	1266
2	2	1296	1314	1314
<b>Rent Potentials</b>				
Monthly		30860	31294	31294
Annual		370320	375528	375528

Figure 17-147. Rents page

Validate the following pre-populated fields:

- Calculated Renewal Rents
- Renewal Rent Effective Date
- Monthly Reserve for Replacement Deposit Amount
- Monthly Increase to the Reserve for Replacement Account

8. Click on **Save** and the *save successful* message displays.

9. Click on the *Auto OCAF Letter* tab and the **Auto OCAF letter Input** page displays.
10. Click on drop down menu for the Addressee and a list of addressees' displays.
11. Select the appropriate address. (Default to Project Address)
12. Click on the drop down menu for the Senders Name and select the appropriate name. The name and title display. (Optionally enter a name and title)
13. Click on  and a *File Download* box displays.
14. Click on  and the letter is generated in **Microsoft Word**.
15. Use **Microsoft Word** to print your document.
16. Click on  to close the **Auto OCAF Letter**.
17. Click on the *Final Review* tab to review all information.

### 17.5.8 Option 5b

Option 5b is not part of the Auto Amend Rent process. Therefore, all amend rent information and increases must be entered manually.

#### To update a MAHRA 5b Amend Rent increase:

1. From the **Contract Processing List** page, click on the Amend Rent record and the **Function/Contract Selection** page displays.

Figure 17-148. Function/Contract Selection page

2. Enter the following information:

- *Contract Function*
- *Contract Action Selection*
- *Processing Status*
- *Date Owner Submission Package Initially Received*
- *Date Complete Package Received from Owner*
- *Is the Owner Debarred or Suspended*
- *Does the Owner Have Material Violations*

3. Click on save and the *Function Detail* tab opens to the **Dates and Comments** page.

Figure 17-149. Dates and Comments page

4. Enter the following fields:

- *Plan of Action Date*
- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*

5. Click on the *Comparability Study Selection* link and the Comparability page displays. Confirm if Comparability Study is required.
  
6. Click on the *Budget Selection* tab and the **Budget Selection** page displays. Confirm if Renewal Budget is required and what Renewal Budget Type.
  
7. Click on the *OCAF* tab and the **OCAF** page displays

OCAF	
Surviving Contract: CA39T851008	Stage: N/A
Function Type: Amend Rents	Action: FY 2013 - 5b: Request Contract Renewal for a Preservation Project
Effective Date: 07/01/2013	ARAMS Status:
Eligible for Automatic OCAF: No	
<b>OCAF Rent Adjustments</b>	
Annual Rent Potential for all Section 8 Units Included in the Current Process:	370320.00
Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:	0.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	370320.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	153657.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	153657.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	216663.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%):	221646.25
OCAF Adjusted Contract Rent Potential:	375303.25
Rent Increase Factor:	1.013

Validate the following fields:

- *Eligible for Automatic OCAF*
- *Annual Rent Potential for all Section 8 Units included in the Current Process*
- *Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process*
- *Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process)*
- *Annual Rent Potential Non-Section 8 Units*
- *Annual Project Debt Service: Note: Already includes MIP amount*

*Note: When the "Annual Project Debt Service" is changed, the "Rent Increase Factor is automatically changed. The following warning message will display:*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

8. Click on the **Rents** tab and the **Rents** page displays.

Surviving Contract: CA39T851008      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2013 - 5b: Request Contract Renewal for a Preservation Project  
 Effective Date: 07/01/2013      ARAMS Status:

HUD Approved Rent:

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	OCAF Adjusted Rent	Budget-based Rent	AAF Adjusted Rent	Renewed Rent
1	18	1056		1071	1083		1083
1	4	1006		1081	1093		1093
2	4	1249		1266	1281		1281
2	2	1296		1314	1329		1329
<b>Rent Potentials</b>							
Monthly		30860		31294	31648		31648
Annual		370320		375528	379776		379776

Renewal Rent Effective Date:

Monthly Reserve for Replacement Deposit Amount (most recently entered amount): 2417.00  
 Monthly Increase to the Reserve for Replacement Account (as adjusted by OCAF): 33.84  
 Monthly Reserve for Replacement Deposit Amount (Sum of the Two Lines Above): 2450.84

Utility Allowance Changed Comments :

Utility Allowance Changed:  No  Yes  No

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Figure 17-150. Rents page

Validate the following pre-populated fields:

- *Calculated Renewal Rents*
- *Renewal Rent Effective Date*
- *Monthly Reserve for Replacement Deposit Amount*
- *Monthly Increase to the Reserve for Replacement Account*

9. Click on  and the *save successful* message displays.

10. Click on the *Final Review* tab to review all information.

## 17.6 Rent Adjustments

You can enter and execute Rent Adjustments and Rent Corrections (Contracts not yet Renewed or not yet Eligible for MAHRA) in the **Subsidy Administration** business area by selecting the *Contract Processing* sidebar option. Multifamily staff assigned to the property and PBCAs assigned to the contract can perform this function. This contract process includes:

- Rental Assistance Demonstration Conversion (**RAD**) contracts
- Rent adjustments for multi-term contracts that have not yet renewed under MAHRA or not eligible to renew under MAHRA
- Manual corrections for rents for both contracts that have renewed under MAHRA and contracts that have not renewed under MAHRA.

*Note: Rental Assistance Demonstration Conversion contracts have been added by TRACS as a new program type under Project-based Section 8 HAP. The goal of the RAD program is to preserve and improve at-risk housing. Contracts that convert over to the RAD program will sign a 20 year non-MAHRA HAP contract and require OCAF yearly rent adjustments. Rent Adjustment functionality has been modified to add OCAF Adjustments to the Contract Action Selection.*

*Note: On a Manual Rental Adjustment when an UA Amount Changes without a UA Effective Date change a warning message will display. When an UA Effective Date changes with an UA Amount change a warning message will display.*

**Rent Adjustments** [Save] [Reset]

Contract: CAPF0028401 Stage: N/A  
 Effective Date: 05/01/2012 Total Number of Contracted Units: 21  
 Expiration Date: 04/30/2032 ARAMS Status: Not Executed

Rent Increase Type: Manual Correction

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount	Utility Allowance Effective Date
<input type="checkbox"/>	2		10	908	947	150	150	
<input type="checkbox"/>	3		11	1276	1331	184	184	

HUD Approved Date: [ ] Rent Adjustment Effective Date: 10/01/2005 [ ]  
 Execution Date: [ ] Utility Allowance Changed: N

Utility Allowance Changed Comments: [ ]  
 Comments: [ ]

[Cover Letter Input] [Execute]

Figure 17-151. Rent Adjustments page

OCAF, Budget Based, AAF or Manual Correction Rent Adjustments information can be added and updated for the contract. Unit rent information can be added, updated, or deleted from the **REMS Rent Adjustment** page.

When a user processes a Rent Adjustment (AAF Adjusted, Budget Based or Manual Correction) they are able to click on the **Cover Letter Input** button to generate a user letter prior to clicking on the **Execute** button. The Rent Adjustment can be reviewed and the *adjusted rent amounts* and/or

*adjusted utility amounts* can be verified. The user can make changes prior to the rent adjustment being locked in ARAMS "Executed" status. The user can still generate the letter after execution.

A cover letter is then generated, along with a Notification of Section 8 Gross Rents Form, and a Revised Exhibit A (Identification of Units ("Contract Units") by size and Applicable Contract Rents) form. The Notification form requires the owner's signature and HUD's signature.

The **Function/Contract Selection** page allows you to enter the following types of rent adjustments/corrections: OCAF adjustments, *AAF Adjusted*, *Budget Based*, or *Manual Correction*. You can update information for the existing unit types displayed, or you can add or delete unit types.

The **Rent Adjustments** page displays unit, rent and utility information in a table format. The table columns consist of *Unit Type*, *Unit Type Name*, *Current Rent Amount*, *Adjusted Rent Amount*, *Current Utility Allowance Amount*, and *Adjusted Utility Allowance Amount*. The *Unit Type*, *Unit Type Name*, *Adjusted Rent Amount*, and *Adjusted Utility Allowance Amount* fields are editable. You can also enter the *HUD Approved Date*, *Rent Adjustment Effective Date*, and any comments. The *Rent Increase Type* and *Executed Date* fields are system generated and view-only.

You can specify an overall increase percentage, or individual percentage increases with each unit type for Budget Based increases. For AAF Adjusted, Budget Based or Manual Corrections, you can update existing rent and utility allowance amounts by dollar amounts. For an OCAF adjusted type, the renewed rents are calculated with a rent increase factor determined by the OCAF and the OCAF calculations.

## 17.6.1 RAD adjustments

### To enter a New OCAF Adjustment:

New **RAD** contracts are entered into **TRACS**. **TRACS** sends *RAD* contract information to iREMS during the nightly interface. The user enters *OCAF Adjustments* for the RAD contract in years 2 to 20.

1. From the **Contract Processing List** page, click on **Add**.



Figure 17-152. Contract Processing List

2. The **Function/Contract Selection** page displays.

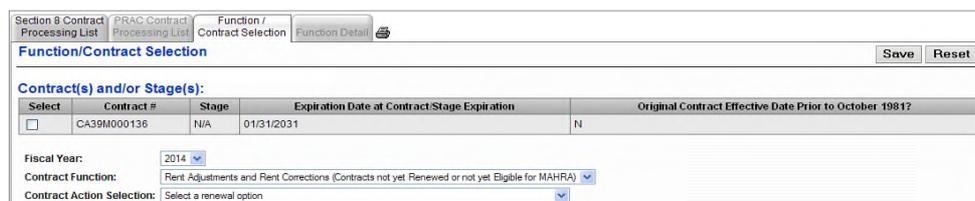


Figure 17-153. Function Contract Selection Page

3. Select the Contract and/or stage associated with the rent adjustment.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input type="checkbox"/>	CA39M000136	N/A	01/31/2031	N

Fiscal Year: 2014

Contract Function: Rent Adjustments and Rent Corrections (Contracts not yet Renewed or not yet Eligible for MAHRA)

Contract Action Selection: OCAF Adjustment

Figure 17-154. Function Contract Selection Page

4. Enter the following information:
  - **Fiscal Year** – select from the drop down list
  - **Contract Function** - select “Rent Adjustments and Rent Corrections (Contracts not yet Renewed or not yet Eligible for MAHRA)” from the drop-down list
  - **Contract Action Selection** - select “OCAF Adjustment” from the drop-down list

*Note: “OCAF Adjustment” was added for RAD contract rent adjustments*

5. The **Function/Contract Selection** page refreshes, displaying the three requested dates.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA39M000136	N/A	01/31/2031	N

Fiscal Year: 2014

Contract Function: Rent Adjustments and Rent Corrections (Contracts not yet Renewed or not yet Eligible for MAHRA)

Contract Action Selection: OCAF Adjustment

Date Owner Signed Submission: 10/01/2013

Date Owner Submission Package Initially Received: 10/08/2013

Date Complete Package Received from Owner: 10/15/2013

Figure 17-155. Function Contract Selection Page (with requested dates)

6. Enter the requested dates. Click on **Save** and the save was successful message displays.
7. Click on the **Function Detail** tab and the **Dates and Comments - Rent Adjustments** page displays.

Figure 17-157. Dates and Comments- *Rent Adjustments* page

8. Enter the requested dates. (Enter *Comments*, if available) Click on **Save** and the save was successful message displays

 *Note: “HUD Approved Date” must be entered if greater than 5%. “Effective Date” must be entered, prior to leaving the Dates and Comments page.*

9. Click on the **OCAF** tab. The *OCAF – Rent Adjustments* page will display.

Rent Increase Type: OCAF Adjustment	
Annual Rent Potential for all Section 8 Units included in the Current Process:	2855520.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	2855520.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	0.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	2855520.00
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%)	2921196.96
OCAF Adjusted Contract Rent Potential:	2921196.96
Rent Increase Factor:	1.023

Figure 17-158. *OCAF – Rent Adjustment* page

10. Verify or modify the editable fields. Click on **Save**.

*Note: A warning message displays if the user changes the debt service enough to change the rent increase factor.*



*When the user switches to the Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amounts base on the new Rent Increase Factor.*

11. Click on the **Rents** tab. The *Rent Adjustment* page displays.

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount	Utility Allowance Effective Date
<input type="checkbox"/>	0	0266SQFT	132	1303	1332	0	0	01/01/1900
<input type="checkbox"/>	1	0445SQFT	46	1434	1466	0	0	01/01/1900

**Figure 17-159. Rents - Rent Adjustments page**

12. Verify the displayed data and click on **Save** and a message displays that the save was successful.

*Note: The adjusted rent amount is calculated from the current rents multiplied by the rent increase factor from the OCAF page. This field is not editable on the Rents page. However, the adjusted utility amount is editable.*

*Note: Prior to clicking on **Execute** the user should review the RAD Rent Adjustment record. Any modifications will need to be completed prior to executing the record.*

To review the RAD Rent Adjustment record data:

1. On the **Function Detail** section click **Final Review**.



- The **Final Review** page will display. This page gives you a review of previously stored data from *Dates and Comments*, *OCAF* and *Rents*. Data can be viewed on this page but any changes must be modified on the specific input page.

Section 8 Contract Processing List		PRAC Contract Processing List		Function / Contract Selection		Function Detail	
Dates and Comments		OCAF		Rents		Final Review	
<b>Rent Adjustments</b>							
Contract:	CA39M000136	Stage:			N/A		
Effective Date:	02/01/2011	Total Number of Contracted Units:			178		
Expiration Date:	01/31/2031	ARAMS Status:			Not Executed		
Rent Increase Type: OCAF Adjustment							
HUD Approved Date:	10/01/2013	Rent Adjustment Effective Date:			10/01/2013		
Execution Date:							
Comments:							
Annual Rent Potential for all Section 8 Units Included in the Current Process: 2855520.00							
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process): 0.00							
Annual Rent Potential Non-Section 8 Units: 0.00							
Annual Project Rent Potential: 2855520.00							
Expiring Section 8 Portion of Total Rent Potential: 1.00							
Annual Project Debt Service: 100000.00							
Note: Already includes MIP amount							
Annual Expiring Section 8 Share of Debt Service: 100000.00							
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service: 2755520.00							
Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%): 2818896.96							
OCAF Adjusted Contract Rent Potential: 2918896.96							
Rent Increase Factor: 1.022							
Utility Allowance Changed Comments:							
Utility Allowance Changed Indicator: No							
<b>Rent Adjustment Rents</b>							
Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount	
0	0268SQFT	132	1303	1332	0	0	
1	0445SQFT	46	1434	1466	0	0	

Figure 17-160. Final Review page

**To Execute the RAD Rent Adjustment record:**

- Click on **Execute** to execute the rent adjustment and the following message displays.



Figure 17-161. Rent adjustment warning message

*Note: If rent adjustment is executed, the user will not be able to edit any information.*

*Note: If there are any open records in the renewal table with this FY, the following Warning message will display. Click on  or .*



- To proceed, click on . When executed the  button displays.

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount	Utility Allowance Effective Date
<input type="checkbox"/>	0	0286SQFT	132	1303	1332	0	0	01/01/1900
<input type="checkbox"/>	1	0445SQFT	46	1434	1466	0	0	01/01/1900

**Figure 17-162. Rent adjustment - Cover Letter Input**

- Click on  and the *Cover Letter Input* page will display.

Section 8 Contract Processing List PRAC Contract Processing List Function / Contract Selection Function Detail

**Cover Letter Input** Generate Report Reset Back

**Contract Information**

Contract:	CA39M000136	Stage:	N/A
Effective Date:	02/01/2011	Total Number of Contracted Units:	178
Expiration Date:	01/31/2031	ARAMS Status:	Not Executed

**Cover Letter Information**

Addressee:

Attention:

Additional Paragraph:

Sender Phone:

Sender Name:

Sender Title:

**Notification Contract Signature**

Name:

Title:

Figure 17-163. Cover Letter Input page

4. Enter the following information , where applicable:

*Addressee, from drop-down*

*Attention*

*Additional paragraph*

*Sender Phone*

*Sender Name, from drop-down*

*Sender Title*

Notification Contract Signature:

*Name*

*Title*

5. Click on Generate Report. The pages of the letter will display.



NOTIFICATION OF SECTION 8 GROSS RENTS  
 IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE  
 AND APPLICABLE CONTRACT RENTS

Section 8 Number: NYRD0017001 Rent Effective Date: 10/01/2012

Number of Units	Number of Bedrooms	Contract Rent
4	1	719

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Page 3 of 3

Figure 17-166. Page 3 of 3

**Modifying/Adding/Deleting unit type records for RAD:**

To modify the existing data on the *Rent Adjustment Rents for RAD:*

The User can modify the *Unit Type Name*, the *# of Units* and the *Adjusted Unit Allowance Amount* on the screen that displays.

The screenshot shows the 'Rent Adjustments' screen. At the top, there are tabs for 'Dates and Comments', 'OCAF', 'Rents', and 'Final Review'. Below the tabs, there are fields for 'Contract: NYRD0017001', 'Effective Date: 10/01/2009', 'Expiration Date: 09/30/2014', 'Stage: N/A', 'Total Number of Contracted Units: 4', and 'ARAMS Status: Not Executed'. The 'Rent Increase Type' is 'OCAF Adjustment'. Below this is a table titled 'Rent Adjustment Rents' with columns: 'Delete?', 'Unit Type', 'Unit Type Name', '# of Units', 'Current Rent Amount', 'Adjusted Rent Amount', 'Current Utility Allowance Amount', and 'Adjusted Utility Allowance Amount'. The table contains one row with values: '1', '0576SQFT', '4', '702', '719', '37', and '37'. Red arrows point to the 'Unit Type Name', '# of Units', and 'Adjusted Utility Allowance Amount' fields. At the bottom right, there are 'Save' and 'Reset' buttons.

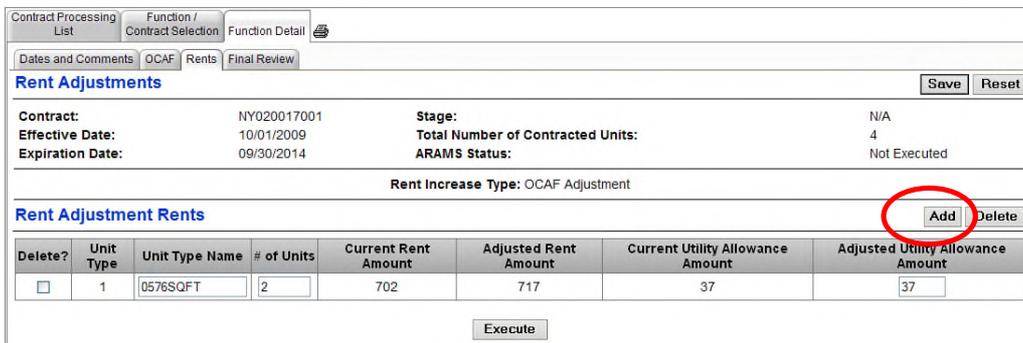
Figure 17-167. Rents – Rent Adjustments

1. Click into the box you want to modify. Make the change, and then click on **Save**.

 *Note: The total # of Units must match the Total Number of Contracted Units.*

**To add a new rent type to the Rent Adjustment Rents for RAD:**

The User can add new rent types to the Rent Adjustment page.



Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | OCAF | Rents | Final Review

**Rent Adjustments** Save Reset

Contract: NY020017001      Stage: N/A  
 Effective Date: 10/01/2009      Total Number of Contracted Units: 4  
 Expiration Date: 09/30/2014      ARAMS Status: Not Executed

Rent Increase Type: OCAF Adjustment

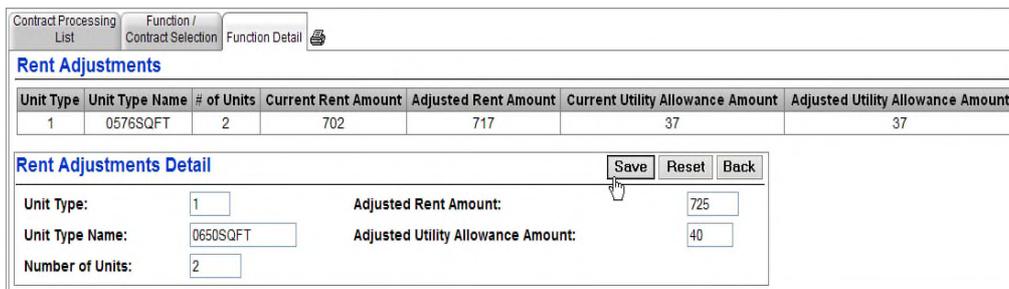
**Rent Adjustment Rents** Add Delete

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount
<input type="checkbox"/>	1	0576SQFT	2	702	717	37	37

Execute

**Figure 17-168. Rent – Rent Adjustments - Add**

1. Click on **Add**. The *Rent Adjustments Detail* sections will display.



Contract Processing List | Function / Contract Selection | Function Detail

**Rent Adjustments**

Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount
1	0576SQFT	2	702	717	37	37

**Rent Adjustments Detail** Save Reset Back

Unit Type:       Adjusted Rent Amount:   
 Unit Type Name:       Adjusted Utility Allowance Amount:   
 Number of Units:

**Figure 17-169. Rent Adjustments Detail page**

2. Enter the following information, if applicable:

*Unit Type*  
*Unit Type Name*  
*Number of Units*  
*Adjusted Rent Amount*  
*Adjusted Utility Allowance Amount*

- Click on **Save**. The **Rent Adjustment** page now displays the added *Unit Type*.

The screenshot shows the 'Rent Adjustments' page for contract NY020017001. It includes fields for Contract, Effective Date, Expiration Date, Stage, Total Number of Contracted Units, and ARAMS Status. Below this is a section for 'Rent Adjustment Rents' with an 'Add' and 'Delete' button. A table lists three unit types with their respective amounts.

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount
<input type="checkbox"/>	1	0650SQFT	2	0	725	0	40
<input type="checkbox"/>	1	0576SQFT	2	702	717	37	37

Figure 17-170. Rent Adjustment – Unit Type

To delete a rent type from the *Rent Adjustment Rents for RAD*:

The User can add new rent types to the Rent Adjustment page.

This screenshot is similar to Figure 17-170 but shows the 'Delete' button in the 'Rent Adjustment Rents' section circled in red. In the table below, the 'Delete?' checkbox for the first row (Unit Type 1, 0576SQFT) is also checked and circled in red.

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount
<input checked="" type="checkbox"/>	1	0576SQFT	4	0	719	0	37
<input type="checkbox"/>	1	0650SQFT	2	0	725	0	40
<input type="checkbox"/>	1	0576SQFT	2	702	717	37	37

Figure 17-171. Rent Adjustment Rents – (Delete)

1. Under the “Delete?” column, click on the box that is in front of the record you want to delete.
2. Click on **Delete**. The *Rent Adjustment Rents* sections displays without the deleted unit.

The screenshot shows the 'Rent Adjustments' page. At the top, there are tabs for 'Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below these are sub-tabs for 'Dates and Comments', 'OCAF', 'Rents', and 'Final Review'. The main content area is titled 'Rent Adjustments' and includes a 'Save' and 'Reset' button. Contract details are listed: Contract: NY020017001, Stage: N/A, Effective Date: 10/01/2009, Total Number of Contracted Units: 4, Expiration Date: 09/30/2014, ARAMS Status: Not Executed. Below this, it states 'Rent Increase Type: OCAF Adjustment'. A section titled 'Rent Adjustment Rents' has 'Add' and 'Delete' buttons. A table follows with columns: Delete?, Unit Type, Unit Type Name, # of Units, Current Rent Amount, Adjusted Rent Amount, Current Utility Allowance Amount, and Adjusted Utility Allowance Amount. The table contains two rows of data. At the bottom, there is an 'Execute' button and links for 'Dates and Comments', 'OCAF', 'Rents', and 'Final Review'.

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount
<input type="checkbox"/>	1	0650SQFT	2	0	725	0	40
<input type="checkbox"/>	1	0576SQFT	2	702	717	37	37

Figure 17-172. Rent Adjustment Rents

## Printing Documents Associated with Rent Adjustments for RAD

Once you have executed a rent adjustment, you can print the associated documents. The **Rent Adjustment Report Input** page allows you to specify what information to include in the cover letter that is sent to the owner and PBCA, including name and title of addressee, the name and title of sender, and information related to the Notification of Contract Signature.

### To generate and print RAD documents:

1. On the **Rent Adjustments** page, click on **Execute** and the following warning message displays.



Figure 17-173. Warning Message

2. Click on **OK** and the **Rent Adjustments** page displays with the message that the save was successful. The **Cover Letter Input** button displays on the page.

- Click on  and the *Cover Letter Input* page displays.

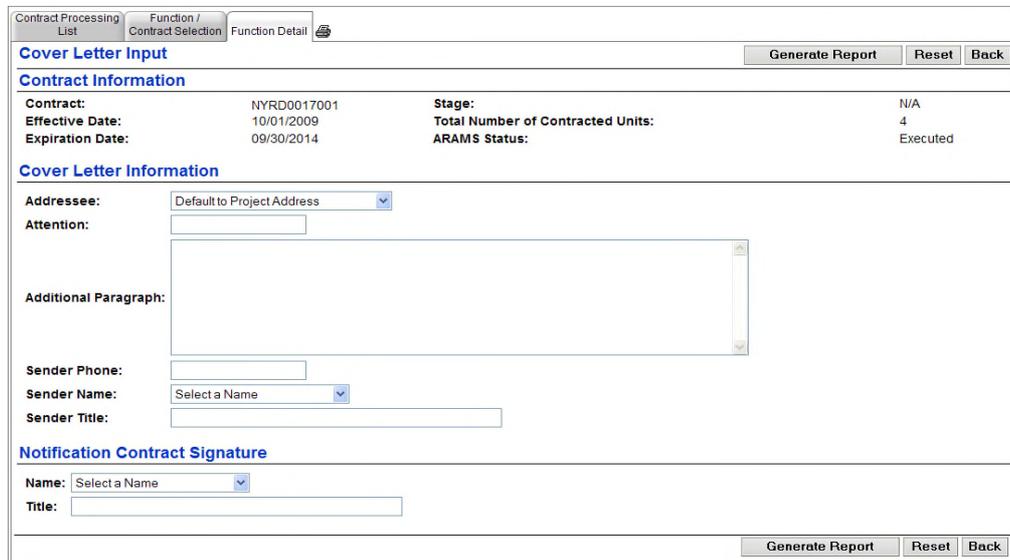


Figure 17-174. RAD Rent Adjustment Cover Letter Input page

- Enter the following information, where applicable:

*Addressee, from drop-down*

*Attention*

*Additional paragraph*

*Sender Phone*

*Sender Name, from drop-down*

*Sender Title*

Notification Contract Signature:

*Name*

*Title*

- Click on  and the documents are generated.
- The page displays the documents with a menu bar that allows you to navigate through the pages, search the document for items, print, or download.

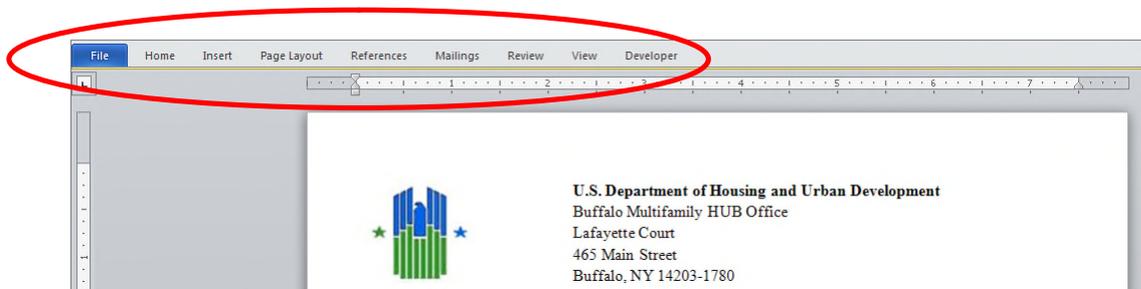


Figure 17-175. Letter Menu Bar

## 17.6.2 Rent Adjustments for Non-MAHRA contracts and Manual Corrections

To enter a New Rent Adjustments:

1. From the **Contract Processing List** page, click on **Add** and the **Function/Contract Selection** page displays.

Figure 17-176. Function Contract Selection Page-Rent Adjustments

2. Select the Contract and/or stage associated with the rent adjustment.
3. Enter the following information:
  - *Fiscal Year*, from the drop-down list
  - *Contract Function*, select *Rent Adjustments and Rent Corrections (Contracts not yet Renewed or not yet Eligible for MAHRA)*, from the drop-down list
  - *Contract Action Selection*, from the drop-down list

*Note: The three date fields are not required fields, however, if at least one of the dated fields is selected, a warning message will display when the user saves the record. The following message will display:*



*Note: The Manual Correction” Contract Action Selection does not display the dates.*

4. The **Function/Contract Selection** page refreshes, displaying the applicable fields.
5. Click on **Save** and the save was successful message displays.
6. Click on the **Function Detail** tab and the **Rent Adjustment** page displays.

The Rent Increase field is populated by selection on the Contract Function Selection page.

Figure 17-177. iREMS Rent Adjustments - AAF Adjusted

Overall rent or utility increase by %

Figure 17-178. Rent Adjustments - Budget Based

**Rent Adjustments** Save Reset

Contract: CA39T851008 Stage: N/A  
 Effective Date: 06/26/2010 Total Number of Contracted Units: 28  
 Expiration Date: 06/30/2030 ARAMS Status:

Rent Increase Type: Manual Correction

**Rent Adjustment Rents** Add Delete

Delete?	Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount	Utility Allowance Effective Date
<input type="checkbox"/>	1	0522SQFT	4	1066	1066	33	33	07/01/2012
<input type="checkbox"/>	1	01FL_0522SQFT	18	1066	1066	33	33	07/01/2012
<input type="checkbox"/>	2	0752SQFT	2	1296	1296	49	49	07/01/2012
<input type="checkbox"/>	2	01FL_0752SQFT	4	1249	1249	49	49	07/01/2012

HUD Approved Date:  Rent Adjustment Effective Date:   
 Execution Date:  Utility Allowance Changed: N

Utility Allowance Changed Comments:

Comments:

Cover Letter Input Execute

Figure 17-179. iREMS Rent Adjustments - Manual Correction

**To enter adjusted rent and utility allowance (when applicable) amounts for AAF Adjusted or Manual Corrections:**

1. Enter the following information:
  - *Adjusted Rent Amount*, in the field corresponding the correct unit type
  - *Adjusted Utility Allowance Amount*, (if applicable) in the field corresponding to the correct unit type
  - *HUD Approved Date*
  - *Rent Adjusted Approval Dates*
  - *Comments, if applicable*
2. Click on **Save** and a message displays that the save was successful.
3. Click on **Execute** to execute the rent adjustment and the following message displays:

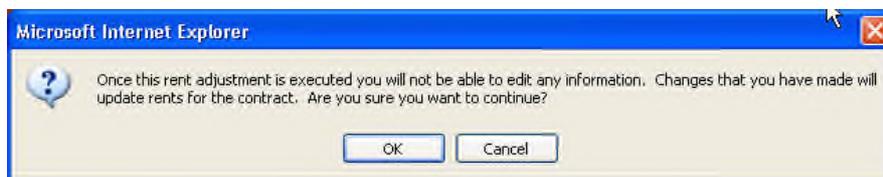


Figure 17-180. Rent Adjustment warning message

4. Click on **OK** and the **Rent Adjustments** page displays with a message that the execution was successful.

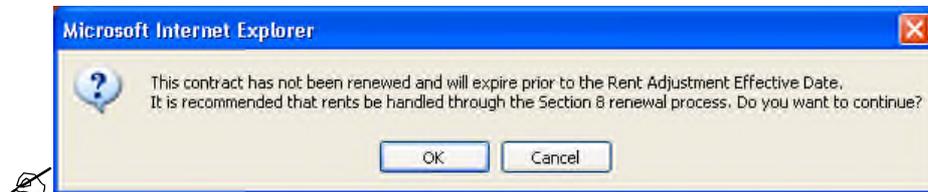
### Alternative option

Click on  to cancel the execution process.

 *Note: You must save the rent adjustment information before you can execute the rent adjustment.*

 *Note: You may enter some or all of the information for a rent adjustment and save the record for later execution. However, the rent adjustment will not be effective until it is executed.*

 *Note: If you attempt to execute a rent adjustment for a contract that has no renewal the following message will display:*



### To enter adjusted rent and utility allowance (when applicable) amounts for a Budget Based adjustment:

1. Enter the following information:
  - Overall Rent Increase %
  - Overall Utility %, if applicable

**OR**

  - Rent Increase %, in the field corresponding the correct unit type
  - Utility Increase %, (if applicable) in the field corresponding to the correct unit type.
  - HUD Approved Date
  - Rent Adjustment Approval Date
  - Comments, if applicable
2. Click  and a message that the save was successful displays.
3. Click on  to execute the rent adjustment, and the following message displays.

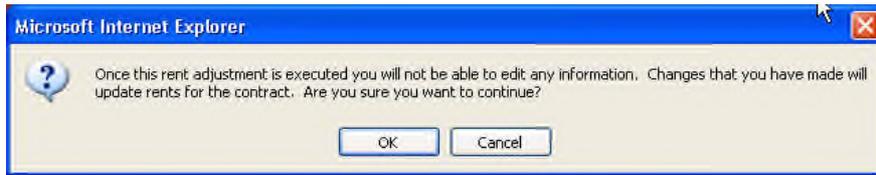
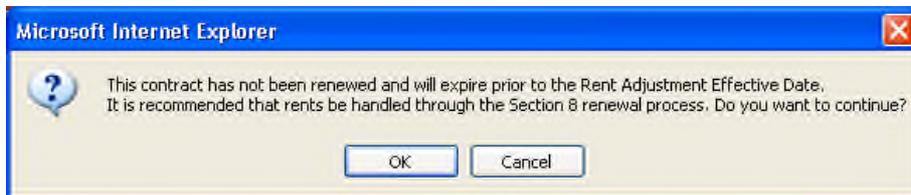


Figure 17-181. Rent adjustment warning message

*Note: If you attempt to execute a rent adjustment for a contract that has no renewal the following message will display.*



4. Click  and the **Rent Adjustments** page displays with a message that the execution was successful.

#### Alternative option

Click on  to cancel the execution process.

### Adding/Deleting unit type records:

The number of units entered for a rent adjustment MUST match the number of units in the contract in order to execute the rent adjustment. Adding more units or deleting units from the total contract amount will result in the following error message.



Figure 17-182. Warning message when units are mismatched

### To add a unit type rent record:

1. From the **Function/Contract Selection** page, click on the *Function Detail* tab and the **Rent Adjustments** page displays.
2. Click on **Add** and the **Rent Adjustments** page, and the **Rent Adjustments Detail** page displays.

Unit Type	Unit Type Name	# of Units	Current Rent Amount	Adjusted Rent Amount	Current Utility Allowance Amount	Adjusted Utility Allowance Amount	Utility Allowance Effective Date
1	0522SQFT	4	1066	1066	33	33	07/01/2012
1	01FL_0522SQFT	18	1056	1056	33	33	07/01/2012
2	0752SQFT	2	1296	1296	49	49	07/01/2012
2	01FL_0752SQFT	4	1249	1249	49	49	07/01/2012

Rent Adjustments Detail			
Unit Type:	<input type="text"/>	Adjusted Rent Amount:	<input type="text"/>
Unit Type Name:	<input type="text"/>	Adjusted Utility Allowance Amount:	<input type="text"/>
Number of Units:	<input type="text"/>	Utility Allowance Effective Date:	<input type="text"/>

Figure 17-183. iREMS Rent Adjustments Detail - add unit type

3. Enter the following information:
  - *Unit Type*
  - *Unit Type Name*
  - *Number of Units*
  - *Adjusted Rent Amount*
  - *Adjusted Utility Allowance Amount*
  - *Utility Allowance Effective Date*

4. Click , and the **Rent Adjustments** page displays with the message that the save was successful.

#### Alternative option

Click on  to return the page to blank fields.

#### To delete a unit type rent record:

1. On the **Rent Adjustments** page, select the checkbox next to the unit type you want to delete.
2. Click on  and the **Rent Adjustments** page displays with the message that the delete was successful.

#### Alternative option

Click on  to return the page to blank fields.

### Printing Documents Associated with Rent Adjustments

Once you have executed a rent adjustment, you can print the associated documents. The **Rent Adjustment Report Input** page allows you to specify what information to include in the cover letter that is sent to the owner and PBCA, including name and title of addressee, the name and title of sender, and information related to the Notification of Contract Signature.

Once a rent adjustment has been executed, the **Rent Adjustment Report Input** page displays a  button at the bottom of the page.

#### To generate and print documents:

7. On the **Rent Adjustments** page, click on  and the following warning message displays.

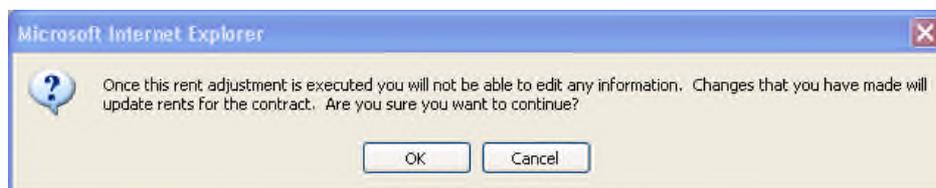


Figure 17-184. Rent Adjustment warning

8. Click on  and the **Rent Adjustments** page displays with the message that the save

was successful.

9. Click on  and the **Rent Adjustment Report Input** page displays.

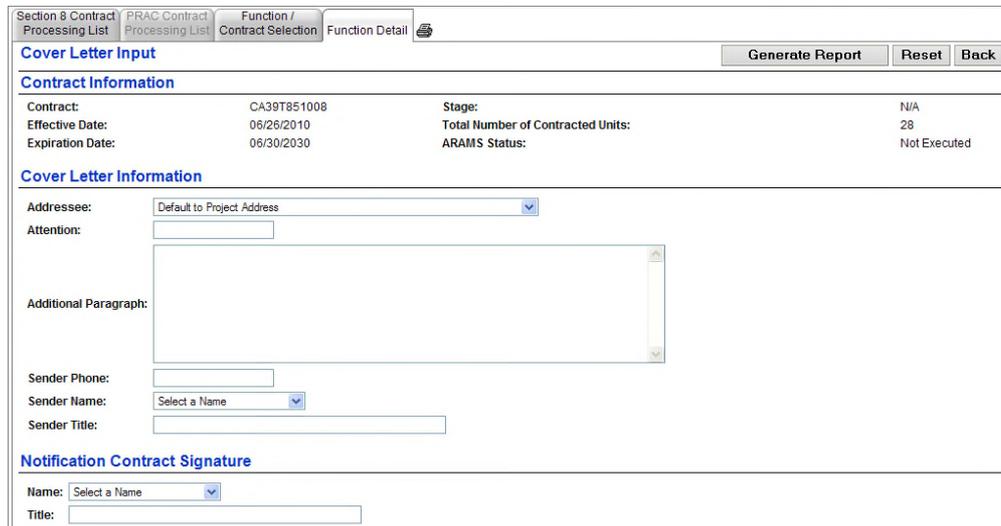


Figure 17-185. iREMS Rent Adjustment Cover Letter Input page

10. Enter the following information, where applicable:

- *Addressee, from drop-down*
- *Attention*
- *Additional paragraph*
- *Sender Phone*
- *Sender Name, from drop-down*
- *Sender Title*

Notification Contract Signature:

- *Name*
- *Title*

11. Click on  and the documents are generated.

### Alternative option

Click on  to return the fields to blank, or previously entered values.

The page displays the documents with a menu bar that allows you to navigate through the pages, search the document for items, print, or download.

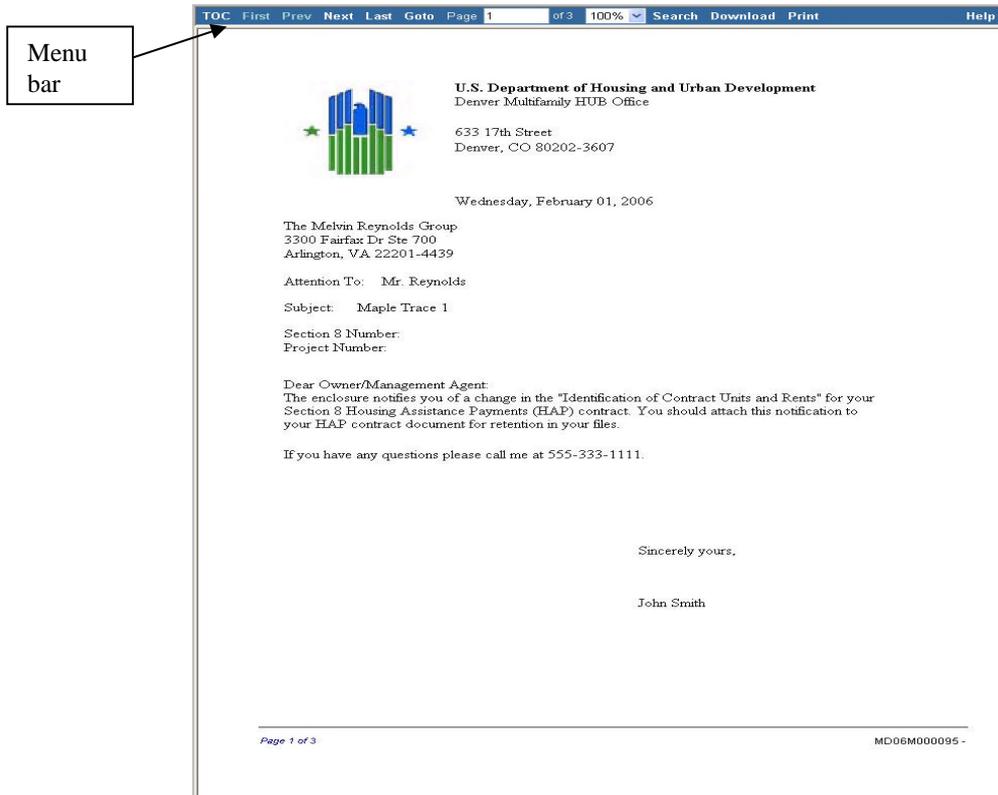


Figure 17-186. Sample Document for Rent Adjustments

*Note: Rent adjustments for staged contracts or retroactive rents cannot be done in iREMS. These types of rent adjustments must be executed in TRACS.*

#### To update or delete Rent Adjustments information:

Once Rent Adjustment information has been entered and saved in the **iREMS** Contract Processing business area, you access the record by selecting **Contract Processing** from the sidebar. All records for a selected property will display on the **Contract Processing List** page.

## 17.7 Comparability Study

The **Comparability Study List** page is the default that displays after you have selected a property and selected Comparability Studies from the sidebar. This page displays a comparability studies table with a list of all comparability studies associated with this property. Each comparability study displayed in the table accesses detail pages for the purpose of adding Rent Comparability Study (RCS) information. The pages and functionality are identical for each renewal option.

Contracts that renew for the first time under Option 1a/1b or Option 2 are required to submit a RCS. For the purpose of subsequent contract renewals, the RCS is valid for a period of five years. Owners are

required to submit a new RCS at the end of the five-year period. If HUD believes that contract rents have significantly exceeded comparable market rents, HUD may request one updated RCS during the five-year period.

RCS information is stored at the property level. If a current RCS exists for a property, the record displays on the **Comparability Study List** page. You can use an existing RCS by selecting the comparability study from the *Comparability Studies* table. If no RCS exists in the system, the table is blank. Once an RCS is entered for a property it displays in the table.

*Note: If an RCS is associated with a renewal that has been locked by ARAMS (i.e., if the status of the renewal in ARAMS is any status other than "Pending"), the information on the RCS detail pages for that RCS are also locked. This prevents any changes being made that could impact the renewal record as it moves through the process.*

You must keep detailed records in **iREMS** of which properties have completed the RCS. This information must include the date of the initial Section 8 contract renewal, since that is the date that marks the start of the five-year period. The RCS must include all Section 8 unit types for the property.

The **Comparability Study Detail** page allows you to add detailed comparability study information in relation to the Section 8 subsidized units on the property. Information on the **Comparability Study Detail** page includes the date the HUD form 92273 is signed by the appraiser, the submission, review, and accepted/approved dates, and comparable rents by unit type. The dates, source, unit types, and comparable rents display in table on the **Comparability Study List** page once the information is saved.

**To access the comparability study page**

1. From the **Subsidy Administration Portfolio/Dashboard**, click on a property and the **Assistance Contract** page displays.
  
2. Click on *Comparability Studies* in the sidebar and the **Comparability Studies List** page displays.

Fiscal Year	Date Appraiser Signed HUD 92273	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
2013	02/08/2011	Owner		Yes	1	1083.00
					2	1266.00
					3	1554.00
2012	02/08/2011	Owner	06/20/2012	Yes	1	1059.00
					2	1238.00
					3	1519.00
2011	02/08/2011	Owner	04/28/2011	No	1	1035.00
					2	1210.00
					3	1485.00

Figure 17-187. Comparability Study List page

*Note: On the Comparability Study List and the Comparability Study Selection within **Contract Processing** if there is a renewal that is associated to the comp study and that renewal is associated to a pending contract (ARAMS status at the top of the renewal past the status of 'PEND'), IREMS will display the pending contract execution date in the table column called "Execution Date of First Related Renewal". If there is a renewal that is associated to the comparability study but the renewal is not associated to any pending contract the "Execution Date of the First Related Renewal" will be blank.*

**To access an existing comparability study:**

1. From the **Subsidy Administration Portfolio/Dashboard**, click on a property and the **Assistance Contract** page displays.
2. Click on *Comparability Studies* in the sidebar and the **Comparability Studies** page displays with a list of all comparability studies for the contract.

Fiscal Year	Date Appraiser Signed HUD 92273	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
2013	02/08/2011	Owner		Yes	1	1083.00
					2	1266.00
					3	1554.00
2012	02/08/2011	Owner	06/20/2012	Yes	1	1059.00
					2	1238.00
					3	1519.00
2011	02/08/2011	Owner	04/28/2011	No	1	1035.00
					2	1210.00
					3	1485.00

**Figure 17-188. Comparability Studies page**

3. Highlight and click on one of the comparability studies listed in the table and the **Comparability Studies** page displays.

## 17.8 Comparability Study Detail

The **Comparability Study Detail** page allows you to add detailed comparability study information in relation to the Section 8 subsidized units on the property. Information on the **Comparability Study Detail** page includes the date the HUD form 92273 is signed by the appraiser, the submission, review, and accepted/approved dates, and comparable rents by unit type. The dates, source, unit types, and comparable rents display in table on the **Comparability Study List** page once the page is saved.

All of the renewal option detail pages that display a *Comparability Study* table, with buttons to access detail pages for the purpose of adding an RCS, have pages and functionality that are identical.

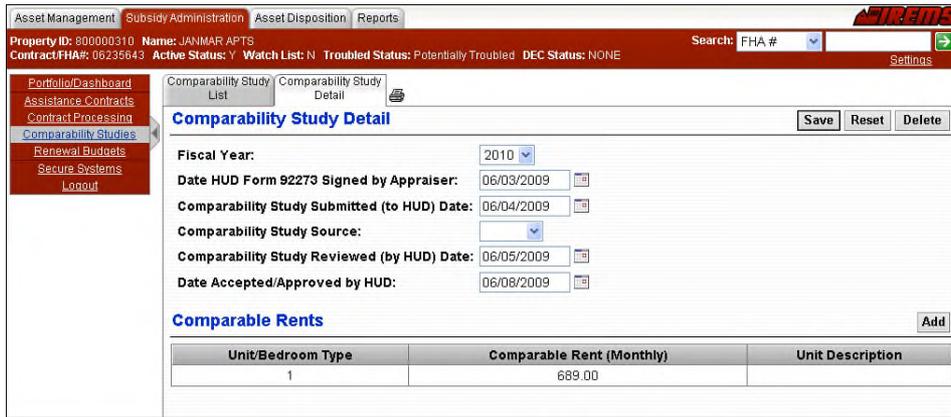


Figure 17-189. Comparability Study Detail page

**To add a comparability study:**

1. From the **Subsidy Administration Portfolio/Dashboard**, click on a property and the **Assistance Contract** page displays.
2. Click on *Comparability Studies* in the sidebar and the **Comparability Studies List** page displays.

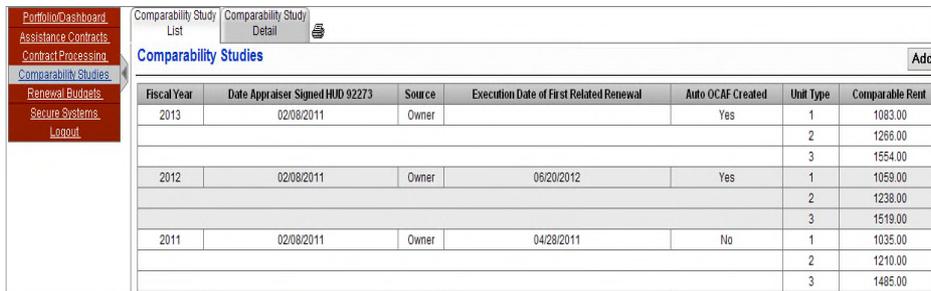


Figure 17-190. Comparability Studies page

3. Click on **Add** and the **Comparability Study Detail** page displays.

Asset Management Subsidy Administration Asset Disposition Reports

Property ID: 800000310 Name: JANMAR APTS  
Contract/FHA#: 06235643 Active Status: Y Watch List: N Troubled Status: Potentially Troubled DEC Status: NONE Search: FHA # Settings

Portfolio Dashboard  
Assistance Contracts  
Contract Processing  
Comparability Studies  
Renewal Budgets  
Secure Systems  
Logout

Comparability Study List Comparability Study Detail

**Comparability Study Detail** Save Reset

Fiscal Year: 2010  
Date HUD Form 92273 Signed by Appraiser:   
Comparability Study Submitted (to HUD) Date:   
Comparability Study Source:   
Comparability Study Reviewed (by HUD) Date:   
Date Accepted/Approved by HUD:

**Comparable Rents** Add

Unit/Bedroom Type	Comparable Rent (Monthly)	Unit Description
-------------------	---------------------------	------------------

Figure 17-191. Comparability Study Detail page

4. Enter the following information:
  - *Fiscal Year, from the drop-down list*
  - *Date HUD Form 92273 Signed by Appraiser (mm/dd/yyyy)*
  - *Comparability Study Submitted (to HUD) Date (mm/dd/yyyy)*
  - *Comparability Study Source, from the drop-down list*
  - *Comparability Study Reviewed (by HUD) Date (mm/dd/yyyy)*
  - *Date Accepted/Approved by HUD (mm/dd/yyyy)*
5. Click on **Save** and the save was successful message displays.

**To add comparable rent information:**

You can add comparable rent amounts according to unit types for a comparability study. The comparable rents display in a table on the **Comparability Study Detail** page. Each row becomes a link to a populated page for existing information.

1. From the **Comparability Study Detail** page, click on **Add** and the **Comparable Rent Detail** page displays.

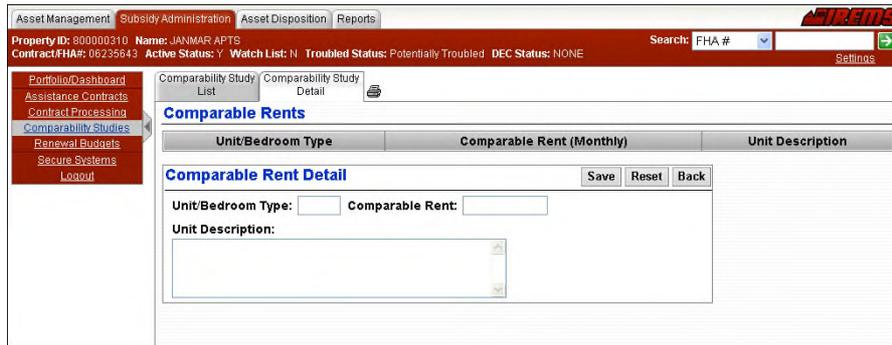


Figure 17-192. Comparable Rent Detail

2. Enter the following information:
  - *Unit Bedroom Type*
  - *Comparable Rent*
  - *Unit Description*
3. Click on **Save** and a message that the save was successful displays.
4. Repeat steps 1-3 until all rents have been entered.

*Note: You must enter separate records for identical bedroom types that vary in description. For instance, if a property has 2 different sizes of 1-bedroom units, or 1 bedroom units that have different features (i.e., a study), enter each 1 bedroom by clicking on the Add Comparable Rent button, and enter a description in the text box.*

**To Update a Comparability Study:**

1. From the **Comparability Studies** page, highlight and click on the comparability study in the list and the **Comparability Study Detail** page displays.

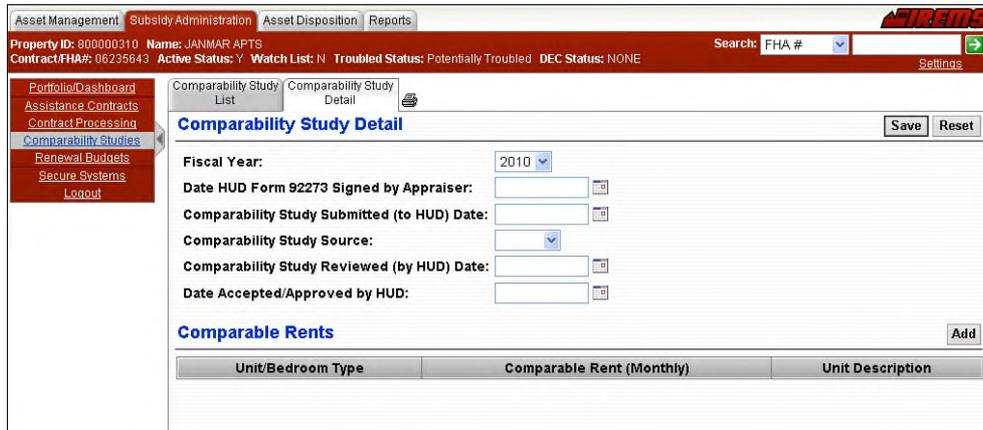


Figure 17-193. Comparable Study Detail page

2. Update information as required.
3. Highlight and click on a unit/bedroom type and the **Comparable Rent Detail** page displays.

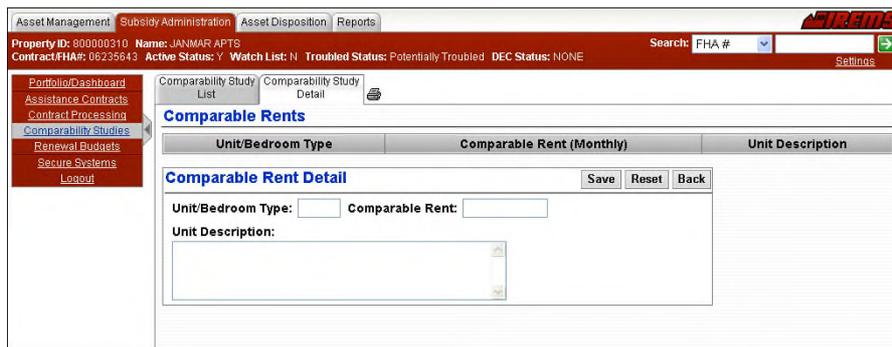


Figure 17-194. Comparability Rent Detail page

4. Make changes and click on **Save**. The save was successful message displays.
5. Repeat steps 3 -4 until all rents have been entered.
6. Click on **Save** in the **Comparability Study Detail** page to save any changes made to other information made on the page. The save was successful displays.

## 17.9 Renewal Budgets

For most properties, iREMS uses the entry of standard renewal budgets, including dates and percentage increases related to the rent and the utility allowance to calculate the budget-based adjusted rents and the related rent potential. However, for certain properties (i.e., those with 515/8 financing) a Rural Housing

Service (RHS) budget is appropriate instead. These budgets usually provide the adjusted rent by the unit type, rather than a standard percentage.

Once selected from the sidebar, the Renewal Budgets selection displays a Renewal Budget table, with links to access detail pages for the purpose of adding renewal budget information. The standard budget detail pages and functionality are identical for each renewal option. RHS Budgets display in a separate table and are available for option 2, option 4 and amend-rent function only. Selecting either the *Renewal budget* or *RHS budget* will determine which detailed page displays for entering information.

Renewal budget information is stored at the property level. If a current renewal budget record exists for a property that record displays both on the **Renewal Budget List** page and on the **Budget Selection** page. On the **Budget Selection** page you can use an existing renewal budget record by selecting the checkbox next to the record in the table. If no renewal budget exists in the system, the table is blank and you must access the *Renewal Budgets* selection from the sidebar to enter one. Once a renewal budget is entered for a property on the **Renewal Budget Detail** page, it displays on both the table on the **Renewal Budget List** page and on the **Budget Selection** page.

The **Renewal Budget Detail** page allows you to add detailed renewal budget information. Information on the **Renewal Budget Detail** page includes the date the budget is prepared, the submission, review, and accepted/approved dates, the annual budget-based rent potential, and the percentage increase of budget-based rents. The approval date, budget-based rents percentage increase, unit types, and budget-based rents display in table form on the renewal option detail page once it is saved.

**To add renewal budget information:**

1. From the **Contract Processing** page, click on *Renewal Budget* from the sidebar and the **Renewal Budget Lists** page displays.

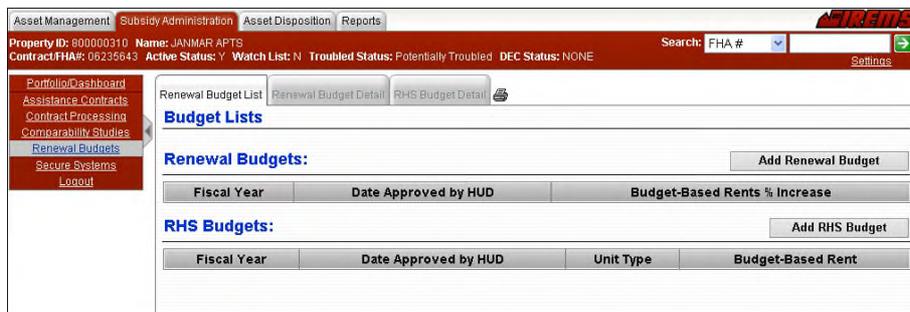


Figure 17-195. Renewal Budget Lists page

2. Select a Budget from the list or click on  and the **Renewal Budget Detail** page displays.

The screenshot shows the 'Renewal Budget Detail' page. At the top, there are tabs for 'Renewal Budget List', 'Renewal Budget Detail', and 'RHS Budget Detail'. The 'Renewal Budget Detail' tab is active. The page contains the following fields:

- Budget Prepared Date:
- Fiscal Year:
- Budget Submitted (to HUD) Date:
- Budget Reviewed (by HUD) Date:
- Budget Accepted/Approved (by HUD) Date:
- Budget-Based Rents % Increase/Decrease (if the Increase/Decrease is 6.5%, enter 0.065):
- Budget-Based Utility Allowance % Increase (if separate from rent and applicable):

Buttons for 'Save' and 'Reset' are located at the top right of the form area.

Figure 17-197. Renewal Budget Detail page

3. Enter the following information:
  - *Budget Prepared Date (mm/dd/yyyy)*
  - *Fiscal Year, from the drop-down list*
  - *Budget Submitted (to HUD) Date (mm/dd/yyyy)*
  - *Budget Reviewed (by HUD) Date (mm/dd/yyyy)*
  - *Date Accepted/Approved by HUD (mm/dd/yyyy)*
  - *Budget-Based Rents% Increase/Decrease*
  - *Budget Base Utility Allowance % Increase*
4. Click on **Save** and save was successful message displays.

**To update renewal budget information:**

1. From the **Contract Processing** page, click on *Renewal Budget* from the sidebar and the **Renewal Budget Lists** page displays.
2. Select a budget from the list and the **Renewal Budget Detail** page displays.
3. Enter the new data.
4. Click on **Save** and the save was successful message displays.

**To delete renewal budget information:**

1. From the **Renewal Budget Lists** page, click on a Renewal Budget link and the **Renewal Budget Detail** page displays.
2. Click on **Delete** and the delete confirmation dialog box displays.

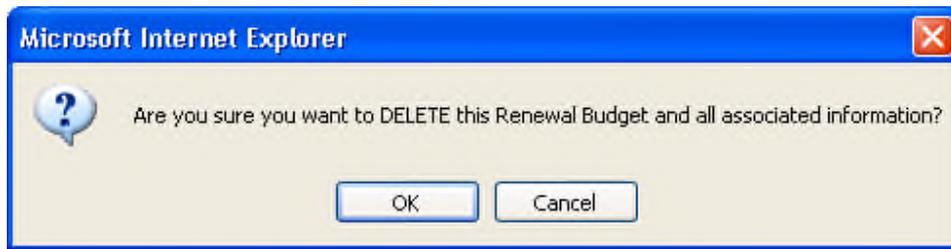


Figure 17-198. Delete Confirmation Dialog Box

3. Click on  to delete, and the **Renewal Budget Detail** page displays with a message that the delete was successful.

### Alternative Option

Click on  to cancel the delete function.

### To add RHS renewal budget information:

1. From the **Contract Processing** page, click on *Renewal Budget* from the sidebar and the **Renewal Budget Lists** page displays.

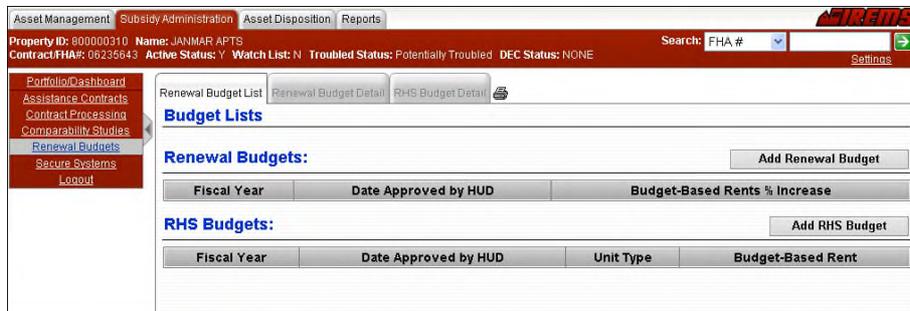


Figure 17-199. Renewal Budget Lists page

2. Click on  and the **RHS Budget** page displays.



Figure 17-200. RHS Budget Detail

3. Enter the following information:
  - *RHS Budget Operation Fiscal Year, from the drop-down list*
  - *Budget Submitted (to HUD) Date (mm/dd/yyyy)*
  - *Date Accepted/Approved by HUD (mm/dd/yyyy)*
  
4. Click on **Add Budget-Based Rent** and the RHS Budget-Based Rents page displays.

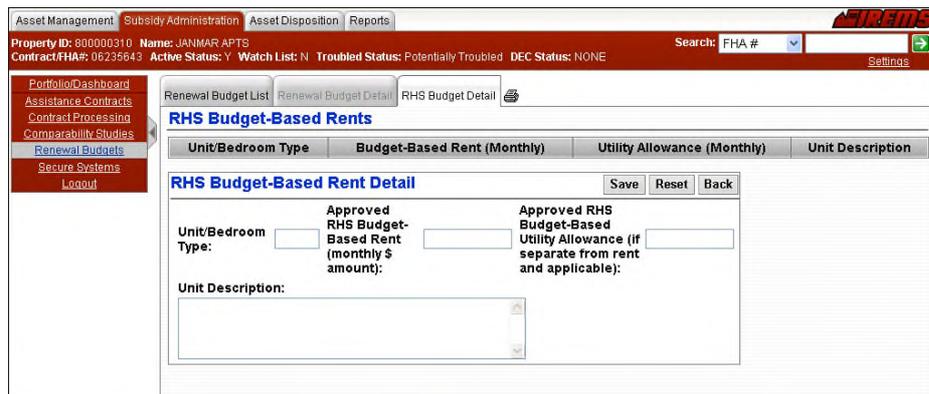


Figure 17-201. RHS Budget - Based Rent Detail page

*Note: If you attempt to enter a RHS budget with a submitted date that already exists for another RHS budget for the current property, the following warning message displays “A RHS Budget has already been entered with this Budget Submitted Date. Are you sure that you want to enter a second?” You can override the warning and save the record by selecting “OK”.*

5. Enter the following information:
  - *Unit/Bedroom Type*

- *Unit Description*
  - *Approved RHS Budget-Base Rent*
  - *Approved RHS Budget-Base Utility Allowance*
6. Click on  to save and the **RHS Budget Detail** page displays.
  7. Repeat steps 4-6 to add another new rent record.

## 17.10 Energy Performance Contracts (EPC)

The Energy Performance Contracts (EPC) is a program within HUD's multifamily housing group. This program is in compliance with one of HUD's strategic objectives: 'expand access to and availability of decent, affordable rental housing'. One of the key strategies of accomplishing this goal is to increase the energy efficiency of household appliances and lighting. This way, savings in energy costs can be used by HUD to provide additional housing.

HUD requires that the owner contracts with a company to install energy efficient utilities in agreed upon multifamily properties. The contractor has guaranteed to lower a certain amount of energy consumption for each property where this is done. The actual utilities that qualify will be specified at a later date. If an owner makes energy improvements that affect utility bills that HUD provides direct annual assistance for, this EPC program allows for a time period in which the owner captures these savings so they can repay the capital required to make the improvements.

The program will run at no cost to HUD since the energy saved is paying for improvements, and HUD will enter into a new HAP using the preservation exhibit.

The 2500 units participating in the Energy Performance Contract (EPC) Pilot, will receive an energy savings adjustment (ESA) based on their projected energy savings that will allow these properties to pay off the capital costs associated with energy conservation measures that they install. The savings will be realized over an estimated period of 8-12 years for each property. The energy adjustments are at the contract level. One contract on the property can have energy efficient entries and another not.

HUD will be able to capture the effective and expiration dates for the energy adjustment to determine the time period for the energy saving as well as other factors to determine the savings. The EPC program is available for options 1a, 1b, 2, 4 and 5b. Options 3 and 5a are not eligible; they will remain in auto OCAF.

An overview of some of the details and system changes are as follows:

- Contract PRAC owners will remain under their current contracts. Section 8 owners will enter a new 20 year HAP contract and sign the preservation exhibit that maintains the years remaining on their existing contract.

- Year 1 Adjustment (Year 1 is defined as the first rent anniversary date equal to or after the EPC Retrofit Completion date). For Option 1 the savings will be applied in a new rent increase factor that applies the savings in the rent adjustment. Option 2, 4 and 5b will apply the savings directly into the budget pulled into the rent adjustment. Year 1 Utility Allowances will be adjusted down by 50% of the projected energy savings.
- Year 2 Adjustment (Year 2 is defined as the second rent anniversary date equal to or after the EPC Retrofit Completion date). For Option 1 the savings will be applied in a new rent increase factor that applies the savings in the rent adjustment. Option 2, 4 and 5b will apply the savings directly into the budget pulled into the rent adjustment.
  - Utility Allowance. The budget line-item for utility allowance or the Utility Allowance is expected to at least decrease by the amount of the rent adjustment up.
- OCAF (Year 3 Adjustment to end of the EPC Term). Operating Cost Adjustment Factor (OCAF), or a similar rate, will be applied to the total rent, including the ESA (Energy Savings Adjustment). The ESA should be considered a comp adjustment and not applied to the OCAF since a property cannot get an adjustment and an OCAF in the same year, so the OCAF sheet is not being used. A separate rent increase factor will be figured. In addition, for the term of the EPC program these contracts will not participate in auto ocaf and will not be subject to limiting the budget increase to comps.
- Contract Rider. A rider will be placed on the property contract that allows for these adjustments and requires the ESA is removed when the EPC contract term or amortization period ends.
- Junior Lien. HUD will allow a junior lien to be place on the property.
- Incentive Payments. Owners will be able to request an incentive payment annually for up to 15% of the projected savings amount from an escrow account they set up, if savings are greater than required to pay applicable debt service and measurement and verification costs.
- Threshold Requirements:
  - The sum of the annual debt service and measurement and verification fee, if applicable, will be at least 80% of the projected savings amount.
  - Owners will also be required to agree to replace any of the ECMs with equal or higher performing ones from an energy consumption basis after the ESRA contract terminates for the term remaining on the contract.

There will be no changes to the security rules for the new EPC screen and Contract Processing Function detail screens. Both Housing (PM, BPM, SPM) and PBCA (CA, BCA, SCA) can update the contract processing screens, and Housing for the EPC screen.

## 17.10.1 Energy Performance Contract Renewals

PRAC owners will remain under their current contracts. Section 8 owners will enter a new 20 year HAP contract and sign the preservation exhibit that maintains the years remaining on their existing contract.

For Contract Processing Renewal the online will identify EPC contracts based on the effective and expiration date of the EPC, and if the renewal contract effective date fall within the EPC identified effective and expiration dates then the Contract Processing – Function Detail – Dates and Comments will display the “Energy Performance Contract Indicator='Y'” label/field if the EPC enrollment indicator = ‘Y’. The energy adjusted effective and expiration dates will be at the contract level. One contract on the property can have energy efficient entries and another not.

A rider will be placed on the property contract that allows for these adjustments and requires the ESA is removed when the EPC contract term or amortization period ends.

### 17.10.1.1 EPC Renewals for Options 1a, 1b and 2

Energy Performance Contract Renewals for Options 1a, 1b and 2 are entered **without** the request to track the *EPC Yearly Savings*.

To enter an EPC Renewal for Options 1a, 1b and 2:

1. From the **Subsidy Administration** section, click on *Assistance Contracts* from the sidebar and the **Assistance Contract List** page displays.

Contract #	Current Contract Status	TRACS Contract Status	Program	Doc. Type	Exp. Date	Staged	EPC Enrollment	Contract Authority	Budget Authority
CA39H113089	Active - Active	Active	HFDAB NC	HAP	10/31/2013	N	N	437120.00	13255008.00

First Contract or Stage Expiration Date Pursuant to MAHRA:

DUNS Number:

Does Owner Participate in LHPRA/ELHPA?  Yes  No  Unconfirmed

Discuss Preservation:

Owner/Field Offices Contacts Narrative: Assistance Contracts

Summary Narrative: Assistance Contracts

Contract Administrator Narrative: Assistance Contracts

Figure 17-202. Assistance Contract List page

*Note: The “EPC Enrollment” column has an “N” displayed.*

2. Click on the record in the **Assistance Contract List** table and the **Assistance Contract Status** page displays.

Assistance Contract List Assistance Contract Status Assistance Contract Detail Current Contract Administrator/ Contact Contract Administrator History

**Assistance Contract Status** Save Reset

Contract Number: CA39H113089 TRACS Contract Status: Active  
 Program Type: HFDA/8 NC Status Update:  Automatic  Manual  
 Contract Administered By: HUD Current Contract Status: Active - Active

**Stages**

Stage Number	Stage Effective Date	Stage Expiration Date	TRACS Status	Next Expiring
Staged [N]				

**Energy Performance Contract**

Energy Performance Contract Enrollment Indicator:  Yes  No

Figure 17-203. Assistance Contract Status page

*Note: The “Energy Performance Contract Enrollment Indicator: is listed as “No”.*

- Click “Yes” for the *Energy Performance Contract Enrollment Indicator* field and the **Energy Performance Contract Details** page displays.

Assistance Contract List Assistance Contract Status Assistance Contract Detail Current Contract Administrator/ Contact Contract Administrator History

**Energy Performance Contract Details** Save Reset Back

Contract Number: CA39H113089  
 Energy Performance Contract Effective Date: 08/01/2013  
 Energy Performance Contract Term (Years): 10  
 Energy Performance Contract Expiration Date:  
 Energy Performance Retrofit Completion Date:  
 Energy Performance Contract Total Debt Amount: 100000  
 Energy Performance Contract Annual Debt Amount:  
 Energy Performance Contract Total Project Savings Amount: 50000  
 Energy Performance Contract Annual Project Savings Amount:  
 Energy Performance Contract 47.5% of Annual Project Savings Amount:  
 Energy Performance Contract Yearly Savings Tracking Indicator:  Yes  No

Figure 17-204. Energy Performance Contract Details page

- Enter the requested data.
- Click “No” for the “*Energy Performance Contract Yearly Savings Tracking Indicator*”

*Note: The “Energy Performance Retrofit Completion Date” will be entered when completed.*

*Note: For Options 1a, 1b and 2 click “No” for “Energy Performance Contract Yearly Savings Tracking Indicator”. For Option 4 and 5b click “Yes”.*

- Click on **Save** and the completed **Energy Performance Contract Details** page displays.

Figure 17-205. Energy Performance Contract Details (Options 1a, 1b and 2)

- Click on **Back** and the **Assistance Contract Status** page displays with the *Energy Performance Contract* table completed with the entered data.

Stage Number	Stage Effective Date	Stage Expiration Date	TRACS Status	Next Expiring
Staged [N]				

EPC Effective Date	EPC Term (Years)	EPC Expiration Date	EPC Retrofit Completion Date	EPC Yearly Saving
08/01/2013	10	07/31/2023		N

Figure 17-206. Assistance Contract Status page (Options 1a, 1b and 2)

- Click on the **Assistance Contract List** tab and the **Assistance Contract List** page displays with “Y” in the *EPC Enrollment* column of the table.

Contract #	Current Contract Status	TRACS Contract Status	Program	Doc Type	Exp Date	Stage	EPC Enrollment	Contract Authority	Budget Authority
CA39H113089	Active - Active	Active	HFD/8 NC	HAP	10/31/2013	N	Y	437120.00	13255008.00

Figure 17-207. Assistance Contract List page (Options 1a, 1b and 2)

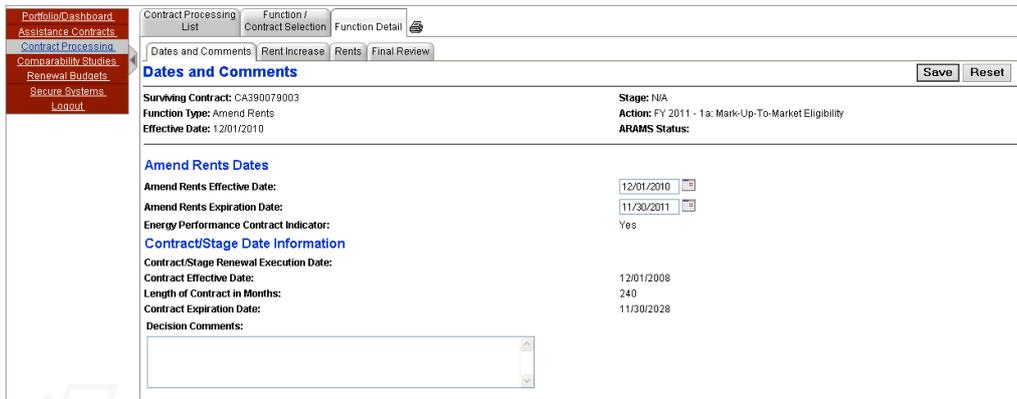


Figure 17-208. Dates and Comments (with EPC Indicator marked as “Yes”)

### 17.10.1.2 EPC Renewals for Options 4 and 5b

Energy Performance Contract Renewals for Options 4 and 5b are entered **with** the request to track the *EPC Yearly Savings*.

To enter an EPC Renewal for Options 4 and 5b:

1. From the **Subsidy Administration** section, click on *Assistance Contracts* from the sidebar and the **Assistance Contract List** page displays.

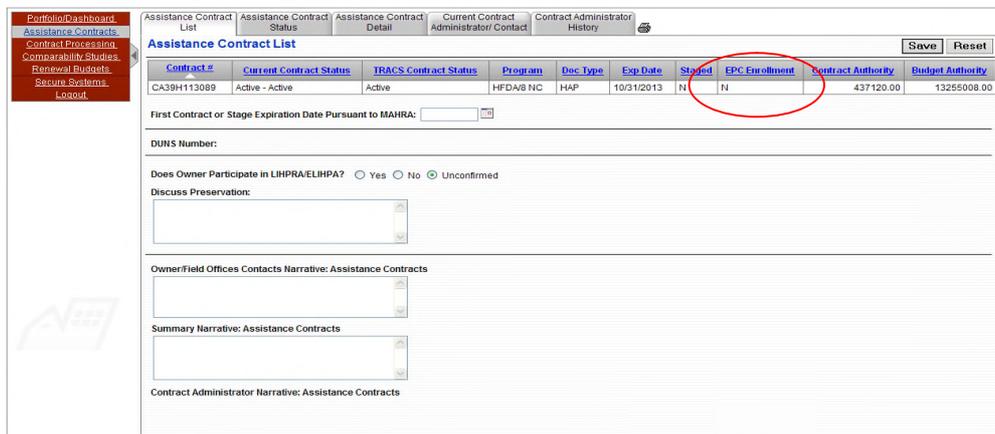


Figure 17-209. Assistance Contract List page

*Note: The “EPC Enrollment” column has an “N” displayed.*

2. Click on the **Assistance Contract Status** tab and the **Assistance Contract Status** page displays.

Assistance Contract List Assistance Contract Status Assistance Contract Detail Current Contract Administrator/ Contact Contract Administrator History

**Assistance Contract Status** Save Reset

Contract Number: CA39H113089 TRACS Contract Status: Active  
 Program Type: HFDA/8 NC Status Update:  Automatic  Manual  
 Contract Administered By: HUD Current Contract Status: Active - Active

**Stages**

Stage Number	Stage Effective Date	Stage Expiration Date	TRACS Status	Next Expiring
Staged [N]				

**Energy Performance Contract**

Energy Performance Contract Enrollment Indicator:  Yes  No

Figure 17-210. Assistance Contract Status page

*Note: The “Energy Performance Contract Enrollment Indicator: is listed as “No”.*

- Click “Yes” for the *Energy Performance Contract Enrollment Indicator* field and the **Energy Performance Contract Details** page displays.

Assistance Contract List Assistance Contract Status Assistance Contract Detail Current Contract Administrator/ Contact Contract Administrator History

**Energy Performance Contract Details** Save Reset Back

Contract Number: CA39H113089  
 Energy Performance Contract Effective Date: 08/01/2013  
 Energy Performance Contract Term (Years): 10  
 Energy Performance Contract Expiration Date:  
 Energy Performance Retrofit Completion Date:  
 Energy Performance Contract Total Debt Amount: 100000  
 Energy Performance Contract Annual Debt Amount:  
 Energy Performance Contract Total Project Savings Amount: 50000  
 Energy Performance Contract Annual Project Savings Amount:  
 Energy Performance Contract 47.5% of Annual Project Savings Amount:  
 Energy Performance Contract Yearly Savings Tracking Indicator:  Yes  No

Figure 17-211. Energy Performance Contract Details page

- Enter the requested data.
- Click “Yes” for the “*Energy Performance Contract Yearly Savings Tracking Indicator*”

*Note: The “Energy Performance Retrofit Completion Date” will be entered when completed.*

*Note: For Options 4 and 5a click “Yes” for “Energy Performance Contract Yearly Savings Tracking Indicator”. For Options 1a, 1b and 2 click on “No”*

- Click on **Save** and the **Energy Performance Contract Details** page displays with the *Energy Performance Contract Yearly Savings* section added.

**Energy Performance Contract Details** [Save] [Reset] [Back]

Contract Number: CA39H113089  
 Energy Performance Contract Effective Date: 08/01/2013  
 Energy Performance Contract Term (Years): 10  
 Energy Performance Contract Expiration Date: 07/31/2023  
 Energy Performance Retrofit Completion Date:   
 Energy Performance Contract Total Debt Amount: 100000  
 Energy Performance Contract Annual Debt Amount: 10000  
 Energy Performance Contract Total Project Savings Amount: 50000  
 Energy Performance Contract Annual Project Savings Amount: 5000  
 Energy Performance Contract 47.5% of Annual Project Savings Amount: 2375  
 Energy Performance Contract Yearly Savings Tracking Indicator:  Yes  No

**Energy Performance Contract Yearly Savings**

Note: Year 1 is the Annual Project Savings x 47.5%, Year 2 is the Annual Project Savings x 95%, Year 3 is Year 2 Savings x that year's OCAF, Year 4 is Year 3 Savings x that year's OCAF, etc.

Year	Adjustment Amount
1	0
2	0
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0

Figure 17-212. Energy Performance Contract Details (Options 4 and 5b) with Energy Performance Contract Yearly Savings table

- Click on **Back** and the **Assistance Contract Status** page displays with the *Energy Performance Contract* table completed with the entered data.

**Assistance Contract Status** [Save] [Reset]

Contract Number: CA39H113089 TRACS Contract Status: Active  
 Program Type: HFDA/B NC Status Update:  Automatic  Manual  
 Contract Administered By: HUD Current Contract Status: Active - Active

**Stages**

Stage Number	Stage Effective Date	Stage Expiration Date	TRACS Status	Next Expiring
Staged [N]				

**Energy Performance Contract**

Energy Performance Contract Enrollment Indicator:  Yes  No

EPC Effective Date	EPC Term (Years)	EPC Expiration Date	EPC Retrofit Completion Date	EPC Yearly Saving
08/01/2013	10	07/31/2023		Y

Figure 17-213. Assistance Contract Status page (Options 4 and 5b)

- Click on the **Assistance Contract List** tab and the **Assistance Contract List** page displays with “Y” in the *EPC Enrollment* column of the table.

Contract #	Current Contract Status	TRACS Contract Status	Program	Doc Type	Exp Date	Staged	EPC Enrollment	Contract Authority	Budget Authority
CA39H113089	Active - Active	Active	HFDA/8 NC	HAP	10/31/2013	N	Y	437120.00	13255008.00

Figure 17-215. Assistance Contract List page (Options 4 and 5b)

Surviving Contract: CA390079003  
 Function Type: Amend Rents  
 Effective Date: 12/01/2011

Stage: N/A  
 Action: FY 2012 - 1a: Mark-Up-To-Market Eligibility  
 ARAMS Status:

**Amend Rents Dates**

Amend Rents Effective Date: 12/01/2011  
 Amend Rents Expiration Date: 11/30/2012

Energy Performance Contract Indicator: Yes

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date:  
 Contract Effective Date: 12/01/2008  
 Length of Contract in Months: 240  
 Contract Expiration Date: 11/30/2028

Figure 17-216. Dates and Comments (EPC indicator "Yes")

### 17.10.2 Amend Rents for Energy Performance Contracts

**Year 1 Adjustment** (Year 1 is defined as the first rent anniversary date equal to or after the EPC Retrofit Completion date). Properties' Year 1 rent will be adjusted up by 47.5% of the projected annual energy savings based on their retrofit analysis for tenant paid utilities in market-based properties and both tenant and owner paid utilities in budget-based properties. Year 1 Utility Allowances will be adjusted down by 50% of the projected energy savings. This is a conservative approach that protects and benefits the residents, while capturing some of the savings for capital repayment and 2.5% of the projected savings for HUD.

**Year 2 Adjustment** (Year 2 is defined as the second rent anniversary date equal to or after the EPC Retrofit Completion date). In year 2, contract rents will be adjusted up by 95% (47.5% year 1 plus 47.5% year 2 = 95% by year 2) of projected savings for the duration of the time it takes for savings to pay back the capital costs and again for tenant paid utilities in market-based properties and both tenant and owner paid utilities in budget-based properties.

- **Utility Allowance.** The budget line-item for utility allowance or the Utility Allowance is expected to at least decrease by the amount of the rent adjustment up. In the cases where measures outperform their projection, the allowance will decrease more than the adjustment up and HUD will experience additional gains. In the cases where measures under perform their projection, Johnson Controls, the Energy Service Company provided the retrofits, has a guaranty that will provide the gap in savings at the end of the year.

OCAF (Year 3 to end of the EPC Term) Operating Cost Adjustment Factor (OCAF), or a similar rate, will be applied to the total rent, including the ESA (energy savings adjustment). The team has gotten approval for a waiver that would allow the debt associated with the Energy Performance Contract to not count against the OCAF calculation. For market-based properties, we are seeking to create a system addition to iREMS that will allow for OCAF to include the ESA. For budget-based properties, currently, field staff would have to manually apply the OCAF each year to the ESRA. The ESA should be considered a comp adjustment and not applied to the OCAF since a property cannot get an adjustment and an OCAF in the same year, so the OCAF sheet is not being used. A separate rent increase factor will be figured. In addition, for the term of the EPC program these contracts will not participate in auto OCAF and will not be subject to limiting the budget increase to comps.

### 17.10.2.1 Amend Rents for EPC Year 1 and Year 2 Adjustments

To enter an EPC Amend Rents for **Options 1a and 1b** for Year 1 and Year 2 Adjustments:

1. From the **EPC Details** page verify the *Energy Performance Retrofit Completion Date*.

Assistance Contract List	Assistance Contract Status	Assistance Contract Detail	Current Contract Administrator/ Contact	Contract Administrator History
<b>Energy Performance Contract Details</b> <span>Save</span> <span>Reset</span> <span>Back</span>				
Contract Number:		CA390079003		
Energy Performance Contract Effective Date:		12/01/2008		
Energy Performance Contract Term (Years):		<input type="text" value="10"/>		
Energy Performance Contract Expiration Date:		11/30/2018		
Energy Performance Retrofit Completion Date:		06/01/2010		
Energy Performance Contract Total Debt Amount:		360000		
Energy Performance Contract Annual Debt Amount:		36000		
Energy Performance Contract Total Project Savings Amount:		75000		
Energy Performance Contract Annual Project Savings Amount:		7500		
Energy Performance Contract 47.5% of Annual Project Savings Amount:		3562		
Energy Performance Contract Yearly Savings Tracking Indicator:		<input type="radio"/> Yes <input checked="" type="radio"/> No		

Figure 17-217. EPC Details page

2. From the **Contract Processing List** page, click on ADD and the **Function/Contract Selection** page displays.

Figure 17-218. Function/Contract Selection page

3. The following information needs be completed:
  - Contract (put a check mark in front of the selected Contract)
  - HUD Policy
  - Fiscal Year
  - Contract Function
  - Contract Action Selection
  - Processing Status
  - Date Owner Signed Submission
  - Date Owner Submission Package Initially Received

4. Click on **Save** .

5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

Figure 17-219. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:

- Amend Rent Effective Date
- Amend Rent Expiration Date

7. Click on **Save** and the *Save Successful* message displays.

- Click on the *Rent Increase* tab and the **Rent Increase** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Rent Increase | Rents | Final Review

**Rent Increase** [Save] [Reset]

Surviving Contract: CA390079003      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2012 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 12/01/2011      ARAMS Status:

**Rent Increase Calculations**

Annual Rent Potential for all Section 8 Units Included in the Current Process: 1115136.00  
 Energy Performance Contract Adjustment (47.5% of Annual Projected Utility Savings): 3562.00  
 Rent Increase Factor: 1.003

Figure 17-220. Rent Increase page

- Verify the information preprinted on this page.
- Click on **Save** and the *Save Successful* message displays.
- Click on the *Rents* tab and the **RENTS** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Rent Increase | Rents | Final Review

**Rents** [Save] [Reset]

Surviving Contract: CA390079003      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2012 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 12/01/2011      ARAMS Status:

[Add New Rent Record] [Overlay Rents with Current Rents from TRACS]

HUD Approved Rent:

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Gross Rent at Expiration	EPC Adjusted Gross Rent	Renewed Gross Rent
1	2	1104	1107	1107
1	14	1104	1107	1107
2	2	1357	1361	1361
2	46	1357	1361	1361
3	8	1611	1616	1616
Rent Potentials				
Monthly		95688	95968	95968
Annual		1148256	1151616	1151616

Renewal Rent Effective Date:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed:

Figure 17-221. Rents page

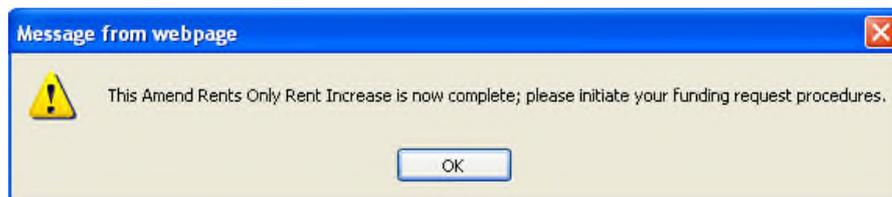
- Enter the following fields:
  - HUD Approved Rent (from the drop down)*
  - Renewal Rent Effective Date*

13. Click on **Save** and the *Save Successful* message displays.

14. When the user is ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



15. Click on *OK* and the following message box displays on the **RENT** page.



16. Click on *OK* and the Amend Rents record is complete.

**To enter an EPC Amend Rent for Option 2, 4 and 5b for Year 1 and Year 2 Adjustments:**

1. From the **EPC Details** page verify the *Energy Performance Retrofit Completion Date*.

Assistance Contract List	Assistance Contract Status	Assistance Contract Detail	Current Contract Administrator/ Contact	Contract Administrator History
<b>Energy Performance Contract Details</b>				
Contract Number:			CA390079003	
Energy Performance Contract Effective Date:			12/01/2008	
Energy Performance Contract Term (Years):			10	
Energy Performance Contract Expiration Date:			11/30/2018	
Energy Performance Retrofit Completion Date:			06/01/2010	
Energy Performance Contract Total Debt Amount:			360000	
Energy Performance Contract Annual Debt Amount:			36000	
Energy Performance Contract Total Project Savings Amount:			75000	
Energy Performance Contract Annual Project Savings Amount:			7500	
Energy Performance Contract 47.5% of Annual Project Savings Amount:			3562	
Energy Performance Contract Yearly Savings Tracking Indicator:			<input checked="" type="radio"/> Yes <input type="radio"/> No	
<b>Energy Performance Contract Yearly Savings</b>				
<small>Note: Year 1 is the Annual Project Savings x 47.5%, Year 2 is the Annual Project Savings x 95%, Year 3 is Year 2 Savings x that year's OCAF, Year 4 is Year 3 Savings x that year's OCAF, etc.</small>				
Year	Adjustment Amount			
1	2850			
2	0			
3	0			
4	0			
5	0			
6	0			
7	0			
8	0			
9	0			
10	0			

Figure 17-222. EPC Details page

- From the **Contract Processing List** page, click on ADD and the **Function/Contract Selection** page displays.

The screenshot shows the 'Function/Contract Selection' page. At the top, there are tabs for 'Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the tabs is a table with the following data:

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA390079003	N/A	11/30/2028	N

Below the table, there are several form fields and options:

- Combine Contracts and/or Stages: No
- Surviving Contract: CA390079003
- HUD Policy: User Guide (dropdown)
- Fiscal Year: 2012 (dropdown)
- Contract Function: MAHRA Amend Rent Increases (dropdown)
- Contract Action Selection: 4: Request Renewal for Projects Exempt from OAH (dropdown)
- Processing Status (if applicable): Option Selected - In Process (dropdown)
- Date Owner Signed Submission: 04/02/2010 (calendar)
- Date Owner Submission Package Initially Received: 04/05/2010 (calendar)
- Date Complete Package Received from Owner: 04/05/2010 (calendar)
- Is the Owner Debarred or Suspended?: Yes No Unconfirmed (radio buttons)
- Does the Owner Have Material Violations?: Yes No Unconfirmed (radio buttons)

Figure 17-223. Function/Contract Selection page

- The following information needs be completed:
  - Contract (put a check mark in front of the selected Contract)
  - HUD Policy
  - Fiscal Year
  - Contract Function
  - Contract Action Selection
  - Processing Status
  - Date Owner Signed Submission
  - Date Owner Submission Package Initially Received

- Click on **Save**.

- Click on the *Function Detail* tab. The **Dates and Comments** page displays.

The screenshot shows the 'Dates and Comments' page. At the top, there are tabs for 'Contract Processing List', 'Function / Contract Selection', and 'Function Detail'. Below the tabs are sub-tabs for 'Dates and Comments', 'Budget Selection', 'Rents', and 'Final Review'. The page contains the following information:

- Surviving Contract: CA390079003
- Function Type: Amend Rents
- Effective Date: 12/01/2011
- Stage: N/A
- Action: FY 2012 - 4: Request Renewal for Projects Exempt from OAH
- ARAMS Status:
- Exception Project Exempted from OAHP: (dropdown)
- Contract/Stage Date Information:
  - Contract/Stage Renewal Execution Date: 12/01/2008
  - Contract Effective Date: 12/01/2008
  - Length of Contract in Months: 240
  - Contract Expiration Date: 11/30/2028
- Amend Rents Dates:
  - Amend Rents Effective Date: 12/01/2011 (calendar)
  - Amend Rents Expiration Date: 11/30/2012 (calendar)
- Energy Performance Contract Indicator: Yes
- Decision Comments: (text area)

Figure 17-224. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:
  - *Amend Rent Effective Date*
  - *Amend Rent Expiration Date*
7. Click on **Save** and the *Save Successful* message displays.
8. Click on the *Budget Selection* tab and the **Budget Selection** page displays.

Figure 17-225. Budget Selection page

9. Enter the following fields on the **Budget Selection** page:
  - *Click on “Yes” for the Renewal Budget Required field*
  - *Select the Renewal Budget Type (from the drop down)*
10. Click on **Save** and the *Renewal Budget* table displays.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2012	05/10/2012	5.00	1	1133
				1	1133
				2	1383
				2	1383
				3	1634

Figure 17-226. Budget Selection page

11. Select the *Renewal Budget* you want to apply to this record
12. Click on **Save** and the *Save Successful* message displays.
13. Click on the *Rents* tab and the **Rents** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Budget Selection | Rents | Final Review

**Rents** [Save] [Reset]

Surviving Contract: CA390079003      Stage: N/A  
 Function Type: Amend Rents      Action: FY 2012 - 4: Request Renewal for Projects Exempt from OAHF  
 Effective Date: 12/01/2011      ARAMS Status:

[Add New Rent Record]      [Overlay Rents with Current Rents from TRACS]

HUD Approved Rent: [Budget Based]

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	Budget-based Rent	Renewed Rent
1	2	1079	1133	1133
1	14	1079	1133	1133
2	2	1317	1383	1383
2	46	1317	1383	1383
3	8	1556	1634	1634
<b>Rent Potentials</b>				
Monthly		92928	97584	97584
Annual		1115136	1171008	1171008

Renewal Rent Effective Date: 12/01/2011

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed: No

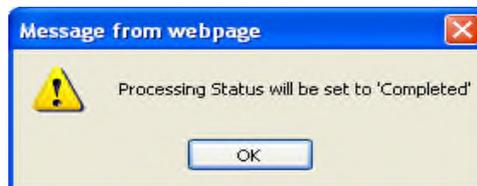
Figure 17-227. Rents page

14. Enter the following fields:

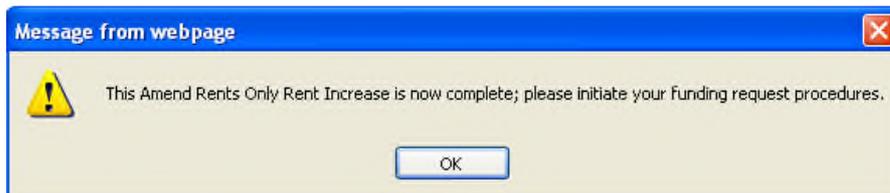
- HUD Approved Rent (from the drop down)
- Renewal Rent Effective Date

15. Click on **Save** and the *Save Successful* message displays.

16. When the user is ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



17. Click on *OK* and the following message box displays on the **RENT** page.



18. Click on *OK* and the Amend Rents record is complete.

### 17.10.2.2 Amend Rents for EPC Year 3 to the end of the term

To enter an EPC Amend Rent for **Options 1a and 1b** for the Year 3 to the end of the term:

1. From the **EPC Details** page verify the *Energy Performance Retrofit Completion Date*

Assistance Contract List	Assistance Contract Status	Assistance Contract Detail	Current Contract Administrator/ Contact	Contract Administrator History
<b>Energy Performance Contract Details</b>				
Contract Number:	CA390079003			
Energy Performance Contract Effective Date:	12/01/2008			
Energy Performance Contract Term (Years):	<input type="text" value="10"/>			
Energy Performance Contract Expiration Date:	11/30/2018			
Energy Performance Retrofit Completion Date:	06/01/2010			
Energy Performance Contract Total Debt Amount:	360000			
Energy Performance Contract Annual Debt Amount:	36000			
Energy Performance Contract Total Project Savings Amount:	75000			
Energy Performance Contract Annual Project Savings Amount:	7500			
Energy Performance Contract 47.5% of Annual Project Savings Amount:	3562			
Energy Performance Contract Yearly Savings Tracking Indicator:	<input type="radio"/> Yes <input checked="" type="radio"/> No			

Figure 17-228. EPC Details page

2. From the **Contract Processing List** page, click on ADD and the **Function/Contract Selection** page displays.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA390079003	N/A	11/30/2028	N

Combine Contracts and/or Stages:  No

Surviving Contract: CA390079003

HUD Policy:

Fiscal Year:

Contract Function:

Contract Action Selection:

Processing Status(if applicable):

Date Owner Signed Submission:

Date Owner Submission Package Initially Received:

Date Complete Package Received from Owner:

Is the Owner Debarred or Suspended?  Yes  No  Unconfirmed

Does the Owner Have Material Violations?  Yes  No  Unconfirmed

Figure 17-229. Function/Contract Selection page

3. The following information needs be completed:
  - *Contract (put a check mark in front of the selected Contract)*
  - *HUD Policy*
  - *Fiscal Year*
  - *Contract Function*

- *Contract Action Selection*
- *Processing Status*
- *Date Owner Signed Submission*
- *Date Owner Submission Package Initially Received*

4. Click on **Save**.

5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

Figure 17-230. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:

- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*

7. Click on **Save** and the *Save Successful* message displays.

8. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2012	05/21/2008	Owner	09/07/2012	Yes	1	1170
<input type="checkbox"/>						2	1365
<input type="checkbox"/>						3	1661

Figure 17-231. Comparability Study Selection page

9. Enter the following fields on the **Comparability Study Selection** page:
  - Click on “Yes” for the *Comparability Study Required* field
  - Select the “Comparability Study” (from the table)
10. Click on **Save** and the *Save Successful* message displays.
11. Click on the *OCAF* tab and the **OCAF** page displays.

The screenshot shows the OCAF page with the following details:

Surviving Contract: CA390079003	Stage: N/A
Function Type: Amend Rents	Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility
Effective Date: 12/01/2012	ARAMS Status:

Annual Rent Potential for all Section 8 Units Included in the Current Process:	1115136.00
Annual Comparable Rent Potential for Units Included in the Current Process:	1170336.00
Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):	0.00
Annual Rent Potential Non-Section 8 Units:	0.00
Annual Project Rent Potential:	1115136.00
Expiring Section 8 Portion of Total Rent Potential:	1.00
Annual Project Debt Service:	0.00
Note: Already includes MIP amount	
Annual Expiring Section 8 Share of Debt Service:	0.00
Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service:	1115136.00
Annual Expiring Section 8 Rent Potential Attributed to Operations Multiplied by the Published OCAF (2.300%):	1140784.13
OCAF Adjusted Contract Rent Potential:	1140784.13
Lesser of OCAF or Final Comparable Market Rent Potential:	1140784.13
Rent Increase Factor (Based upon Lesser of OCAF vs. Comps):	1.023

Figure 17-232. OCAF page

12. Verify or correct the OCAF information.
13. Click on **Save** and the *Save Successful* message displays.
14. Click on the *Rents* tab and the **Rents** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | OCAF | Rents | Final Review

**Rents** Save Reset

Surviving Contract: CA390079003 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 1a: Mark-Up-To-Market Eligibility  
 Effective Date: 12/01/2012 ARAMS Status:

Add New Rent Record | Overlay Rents with Current Rents from TRACS

HUD Approved Rent: OCAF Adjusted

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Gross Rent at Expiration	Comparable Gross Rent	OCAF Adjusted Gross Rent	Renewed Gross Rent
1	2	1104	1195	1123	1123
1	14	1104	1195	1123	1123
2	2	1357	1405	1381	1381
2	46	1357	1405	1381	1381
3	8	1611	1716	1639	1639
<b>Rent Potentials</b>					
Monthly		95688	100288	97368	97368
Annual		1148256	1203456	1168416	1168416

Renewal Rent Effective Date: 12/01/2011

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed: No

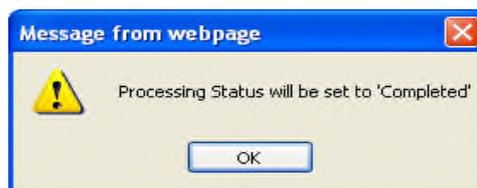
Figure 17-233. Rents page

15. Enter the following fields:

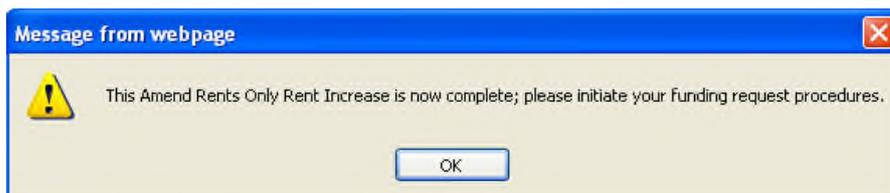
- HUD Approved Rent (from the drop down)
- Renewal Rent Effective Date

16. Click on **Save** and the *Save Successful* message displays.

17. When ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



18. Click on *OK* and the following message box displays on the **RENT** page.



19. Click on *OK* and the Amend Rents record is complete.

To enter an EPC Amend Rent for **Options 2, 4 and 5b** for the Year 3 to the end of the term:

1. From the **EPC Detail** page verify the *Energy Performance Retrofit Completion Date*

Year	Adjustment Amount
1	2850
2	5700
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0

Figure 17-234. EPC Details page

2. From the **Contract Processing List** page, click on **ADD** and the **Function/Contract Selection** page displays.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	CA390079003	N/A	11/30/2028	N

Figure 17-235. Function/Contract Selection page

3. The following information needs be completed:
  - *Contract (put a check mark in front of the selected Contract)*
  - *HUD Policy*
  - *Fiscal Year*
  - *Contract Function*
  - *Contract Action Selection*
  - *Processing Status*
  - *Date Owner Signed Submission*
  - *Date Owner Submission Package Initially Received*

4. Click on **Save** .

5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

Contract Processing List Function / Contract Selection Function Detail

Dates and Comments Comparability Study Selection Budget Selection OCAF Rents Final Review

**Dates and Comments** Save Reset

Surviving Contract: CA390079003 Stage: N/A  
Function Type: Amend Rents Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHP  
Effective Date: 12/01/2012 ARAMS Status:

Exception Project Exempted from OAHP: [Dropdown]

**Contract/Stage Date Information**

Contract/Stage Renewal Execution Date: 12/01/2008  
Contract Effective Date: 12/01/2008  
Length of Contract in Months: 240  
Contract Expiration Date: 11/30/2028

**Amend Rents Dates**

Amend Rents Effective Date: 12/01/2012 [Calendar Icon]  
Amend Rents Expiration Date: 11/30/2013 [Calendar Icon]

Energy Performance Contract Indicator: Yes

Decision Comments: [Text Area]

Figure 17-236. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:
  - *Amend Rent Effective Date*
  - *Amend Rent Expiration Date*
7. Click on **Save** and the *Save Successful* message displays.
8. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2013	05/21/2008	Owner	09/07/2012	Yes	1	1170
<input type="checkbox"/>						2	1365
<input type="checkbox"/>						3	1661

Figure 17-237. Comparability Study Selection page

9. Enter the following fields on the **Comparability Study Selection** page:

- Click on “Yes” for the *Comparability Study Required* field
- Select the “Comparability Study” (from the table)

10. Click on **Save** and the *Save Successful* message displays.

11. Click on the *Budget Selection* tab and the **Budget Selection** page displays:

Figure 17-238. Budget Selection page

12. Enter the following information on the Budget Selection page:

- Click on “Yes” for the *Renewal Budget Required* field
- Select the *Renewal Budget Type* (from the drop down)

13. Click on **Save** and the *Renewal Budget table* displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Budget Selection | OCAF | Rents | Final Review

**Budget Selection** [Save] [Reset]

Surviving Contract: CA390079003 | Stage: N/A  
 Function Type: Amend Rents | Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHF  
 Effective Date: 12/01/2012 | ARAMS Status:

Renewal Budget Required?  Yes  No  Unconfirmed

Renewal Budget Type: [Standard Renewal Budget]

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2012	05/10/2012	5.00	1	1133
				1	1133
				2	1383
				2	1383
				3	1634

Figure 17-239. Budget Selection page

14. Select the *Renewal Budget* you want to apply to this record
15. Click on **Save** and the *Save Successful* message displays
16. Click on the *OCAF* tab and the **OCAF** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Budget Selection | OCAF | Rents | Final Review

**OCAF** [Save] [Reset]

Surviving Contract: CA390079003 | Stage: N/A  
 Function Type: Amend Rents | Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHF  
 Effective Date: 12/01/2012 | ARAMS Status:

Annual Rent Potential for all Section 8 Units Included in the Current Process: 1115136.00

Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process: 1171008.00

Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process): 0.00

Annual Rent Potential Non-Section 8 Units: 0.00

Annual Project Rent Potential: 1115136.00

Expiring Section 8 Portion of Total Rent Potential: 1.00

Annual Project Debt Service: 0.00

Note: Already includes MIP amount

Annual Expiring Section 8 Share of Debt Service: 0.00

Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service: 1115136.00

Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.300%): 1140784.13

OCAF Adjusted Contract Rent Potential: 1140784.13

Lesser of OCAF or Budget-Based Rent Potential: 1140784.13

Rent Increase Factor (Based upon Lesser of OCAF vs. Budgets): 1.023

Figure 17-240. OCAF page

17. Verify or correct the OCAF information.
18. Click on **Save** and the *Save Successful* message displays.
19. Click on the *Rents* tab and the **Rents** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Budget Selection | OCAF | Rents | Final Review

**Rents** [Save] [Reset]

Surviving Contract: CA390079003 | Stage: N/A  
 Function Type: Amend Rents | Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAFP  
 Effective Date: 12/01/2012 | ARAMS Status:

[Add New Rent Record] [Overlay Rents with Current Rents from TRACS]

HUD Approved Rent: [OCAF Adjusted]

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	2	1079	1170	1082	1133	1082
1	14	1079	1170	1082	1133	1082
2	2	1317	1365	1321	1383	1321
2	46	1317	1365	1321	1383	1321
3	8	1556	1661	1561	1634	1561
<b>Rent Potentials</b>						
Monthly		92928	97528	93208	97584	93208
Annual		1115136	1170336	1118496	1171008	1118496

Renewal Rent Effective Date: [12/01/2011]

Dispute/Appeal Comments: [Text Area]

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date: [Text Area]

Utility Allowance Changed Comments: [Text Area]

Utility Allowance Changed: No

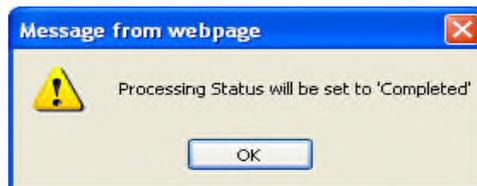
Figure 17-241. Rents page

20. Enter the following fields:

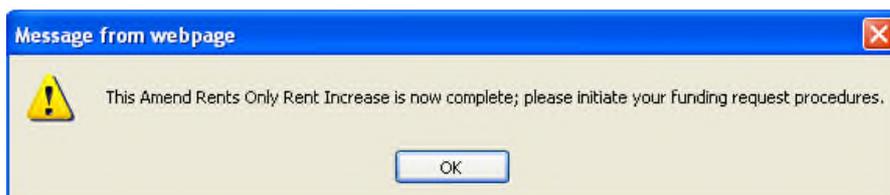
- HUD Approved Rent (from the drop down)
- Renewal Rent Effective Date

21. Click on **Save** and the *Save Successful* message displays.

22. When ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



23. Click on *OK* and the following message box displays on the **RENT** page.



24. Click on *OK* and the Amend Rents record is complete.

### 17.10.2.3 Amend Rents for the FINAL year of the EPC term

To enter an EPC Amend Rent for **Options 1a, 1b and 2** for the FINAL Year of the term:

1. From the **EPC Details** page verify the *Energy Performance Retrofit Completion Date*

Assistance Contract List	Assistance Contract Status	Assistance Contract Detail	Current Contract Administrator/ Contact	Contract Administrator History
<b>Energy Performance Contract Details</b>				
Contract Number:		KY360013020		
Energy Performance Contract Effective Date:		09/01/2002		
Energy Performance Contract Term (Years):		10		
Energy Performance Contract Expiration Date:		08/31/2012		
Energy Performance Retrofit Completion Date:		03/01/2003		
Energy Performance Contract Total Debt Amount:		250000		
Energy Performance Contract Annual Debt Amount:		25000		
Energy Performance Contract Total Project Savings Amount:		60000		
Energy Performance Contract Annual Project Savings Amount:		6000		
Energy Performance Contract 47.5% of Annual Project Savings Amount:		2850		
Energy Performance Contract Yearly Savings Tracking Indicator:		<input type="radio"/> Yes <input checked="" type="radio"/> No		

Figure 17-242. EPC Details page

2. From the **Contract Processing List** page, click on ADD and the **Function/Contract Selection** page displays.

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	KY360013020	N/A	08/31/2022	N

Combine Contracts and/or Stages:  No

Surviving Contract: KY360013020

HUD Policy:

Fiscal Year:

Contract Function:

Contract Action Selection:

Processing Status (if applicable):

Date Owner Signed Submission:

Date Owner Submission Package Initially Received:

Date Complete Package Received from Owner:

Is the Owner Debarred or Suspended?  Yes  No  Unconfirmed

Does the Owner Have Material Violations?  Yes  No  Unconfirmed

Figure 17-243. Function/Contract Selection page

3. The following information needs be completed:
  - *Contract (put a check mark in front of the selected Contract)*
  - *HUD Policy*
  - *Fiscal Year*
  - *Contract Function*
  - *Contract Action Selection*
  - *Processing Status*
  - *Date Owner Signed Submission*
  - *Date Owner Submission Package Initially Received*

4. Click on **Save**.
5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

The screenshot shows the 'Dates and Comments' page for contract KY360013020. The page is divided into several sections:

- Contract Information:** Surviving Contract: KY360013020, Function Type: Amend Rents, Effective Date: 09/01/2013.
- Stage and Action:** Stage: N/A, Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents, ARAMS Status: [blank].
- Exception Project Exempted from OAHP:** [dropdown menu]
- Annual Financial Statement Required To be Submitted to HUD?:** Yes
- Contract/Stage Date Information:**
  - Contract/Stage Renewal Execution Date: [blank]
  - Contract Effective Date: 09/01/2002
  - Length of Contract in Months: 240
  - Contract Expiration Date: 08/31/2022
- Amend Rents Dates:**
  - Amend Rents Effective Date: 09/01/2013
  - Amend Rents Expiration Date: 08/31/2014
  - Energy Performance Contract Indicator: Yes
- Decision Comments:** [text area]

Figure 17-244. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:
  - *Amend Rent Effective Date*
  - *Amend Rent Expiration Date*

*Note: The Dates and Comments page is slightly different for Options 1a and 1b. These options do not have the “Exception Project Exempted from OAHF” or the “Annual Financial Statement Required to be Submitted to HUD?” fields that display on Option 2.*

7. Click on **Save** and the *Save Successful* message displays.
8. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Rents | Final Review

**Comparability Study Selection** [Save] [Reset]

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Effective Date: 09/01/2013 ARAMS Status:

Comparability Study Required?  Yes  No  Alternative  Unconfirmed

Type of Alternative to Comparability Study Used: Partially Non-assisted units are used for comparability studies

Comparability Study:

Select	Fiscal Year	Date Appraiser Signed HUD	Source	Execution Date of First Related Renewal	Auto OCAF Created	Unit Type	Comparable Rent
<input checked="" type="checkbox"/>	2013	04/01/2013	HUD		No	1	475
<input type="checkbox"/>						2	650
<input type="checkbox"/>						3	780

Figure 17-245. Comparability Study Selection page

9. Enter the following fields on the **Comparability Study Selection** page:

- Click on “Yes” for the *Comparability Study Required* field
- Select the “Comparability Study” (from the table)

10. Click on **Save** and the *Save Successful* message displays.

11. Click on the *Rents* tab and the **Rents** page displays.

Contract Processing List | Function / Contract Selection | Function Detail

Dates and Comments | Comparability Study Selection | Rents | Final Review

**Rents** [Save] [Reset]

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 2: Request Renewal Without Restructuring at or Below Comparable Rents  
 Effective Date: 09/01/2013 ARAMS Status:

Add New Rent Record | Overlay Rents with Current Rents from TRACS

HUD Approved Rent: Comparable

Calculated Renewal Rents:

Unit Type	# of Units	Current Contract Rent at Expiration	Comparable (HUD 92273) Rent	Renewed Rent
1	24	363	475	475
2	24	466	650	650
3	1	611	780	780

Rent Potentials

	20507	27780	27780
Monthly			
Annual	246084	333360	333360

Renewal Rent Effective Date: 09/01/2013

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed: No

Figure 17-246. Rents page

12. Enter the following fields:

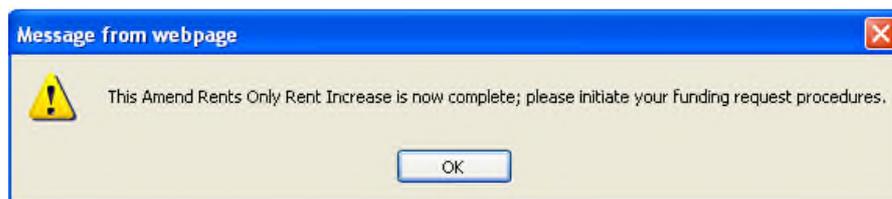
- *HUD Approved Rent* (from the drop down)
- *Renewal Rent Effective Date*

13. Click on **Save** and the *Save Successful* message displays.

- When ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



- Click on *OK* and the following message box displays on the **RENT** page.



- Click on *OK* and the Amend Rents record is complete.

**To enter an EPC Amend Rent for Option 4 for the FINAL Year of the term:**

- From the **EPC Detail** page verify the *Energy Performance Retrofit Completion Date*

The screenshot shows the "Energy Performance Contract Details" page. It includes fields for Contract Number (KY360013020), Effective Date (09/01/2002), Term (10 years), Expiration Date (08/31/2012), and Retrofit Completion Date (03/01/2003). Below this is a table for "Energy Performance Contract Yearly Savings" with 10 rows and two columns: "Year" and "Adjustment Amount".

Year	Adjustment Amount
1	2850
2	5700
3	5814
4	5988
5	6228
6	6353
7	6544
8	6806
9	6942
10	7150

Figure 17-247. EPC Details page

- From the **Contract Processing List** page, click on **ADD** and the **Function/Contract Selection**

page displays.

Figure 17-248. Function/Contract Selection page

3. The following information needs be completed:

- *Contract (put a check mark in front of the selected Contract)*
- *HUD Policy*
- *Fiscal Year*
- *Contract Function*
- *Contract Action Selection*
- *Processing Status*
- *Date Owner Signed Submission*
- *Date Owner Submission Package Initially Received*

4. Click on **Save** .

5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

Figure 17-249. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:

- *Exception Project Exempted from OAHP (from drop down)*
- *Amend Rent Effective Date*
- *Amend Rent Expiration Date*

7. Click on **Save** and the *Save Successful* message displays.

8. Click on the *Budget Selection* tab and the **Budget Selection** page displays.

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2013	04/17/2013	5.00	1	381
				2	489
				3	642

**Figure 17-250. Budget Selection page**

9. Enter the following fields on the **Budget Selection** page:

- *Click on “Yes” for the Renewal Budget Required field*
- *Select Renewal Budget Type (from down down)*
- *Select the “Renewal Budget” (from the table)*

10. Click on **Save** and the *Save Successful* message displays.

11. Click on the *OCAF* tab and the **OCAF** page displays.

Contract Processing List Function / Contract Selection Function Detail

Dates and Comments Budget Selection OCAF Rents Final Review

**OCAF** Save Reset

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHF  
 Effective Date: 09/01/2013 ARAMS Status:

---

Annual Rent Potential for all Section 8 Units Included in the Current Process: 246084.00  
 Annual Budget-Based Rent Potential for Section 8 Units Included in the Current Process: 258264.00  
 Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process): 0.00  
 Annual Rent Potential Non-Section 8 Units: 0.00  
 Annual Project Rent Potential: 246084.00  
 Expiring Section 8 Portion of Total Rent Potential: 1.00  
 Annual Project Debt Service: 24466.43  
 Note: Already includes MIP amount  
 Annual Expiring Section 8 Share of Debt Service: 24466.43  
 Escalated Value of EPC Adjustment as of Final year of the EPC Loan: 7150.00  
 Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service: 214467.57  
 Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.600%): 220043.73  
 OCAF Adjusted Contract Rent Potential: 244510.16  
 Lesser of OCAF or Budget-Based Rent Potential: 244510.16  
 Rent Increase Factor (Based upon Lesser of OCAF vs. Budgets): 0.994

Figure 17-251. OCAF page

12. Verify or correct the OCAF information.

*Note: The Escalated Value of EPC Adjustment as of the Final year of the EPC Loan field is displayed on this OCAF page*

13. Click on **Save** and the *Save Successful* message displays.

14. Click on the *Rents* tab and the **Rents** page displays.

Contract Processing List Function / Contract Selection Function Detail

Dates and Comments Budget Selection OCAF Rents Final Review

**Rents** Save Reset

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 4: Request Renewal for Projects Exempt from OAHF  
 Effective Date: 09/01/2013 ARAMS Status:

---

**Add New Rent Record** **Overlay Rents with Current Rents from TRACS**

HUD Approved Rent: OCAF Adjusted

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Renewed Rent
1	24	363	361	361
2	24	466	463	463
3	1	611	607	607
<b>Rent Potentials</b>				
Monthly		20507	20383	20383
Annual		246084	244596	244596

Renewal Rent Effective Date: 09/01/2013

Dispute/Appeal Comments:

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Utility Allowance Changed Comments:

Utility Allowance Changed: No

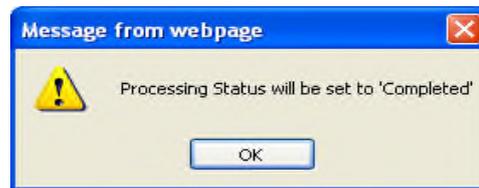
Figure 17-252. Rents page

15. Enter the following fields:

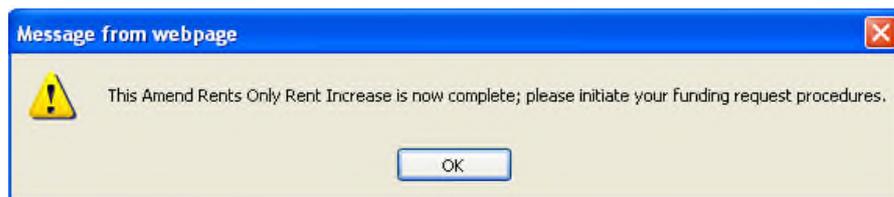
- *HUD Approved Rent (from the drop down)*
- *Renewal Rent Effective Date*

16. Click on  and the *Save Successful* message displays.

17. When ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



18. Click on *OK* and the following message box displays on the **RENT** page.



19. Click on *OK* and the Amend Rents record is complete.

**To enter an EPC Amend Rent for *Option 5b* for the FINAL Year of the term:**

1. From the **EPC Detail** page verify the *Energy Performance Retrofit Completion Date*

**Energy Performance Contract Details**

Contract Number: KY360013020  
 Energy Performance Contract Effective Date: 09/01/2002  
 Energy Performance Contract Term (Years): 10  
 Energy Performance Contract Expiration Date: 08/31/2012  
 Energy Performance Retrofit Completion Date: 03/01/2003  
 Energy Performance Contract Total Debt Amount: 250000  
 Energy Performance Contract Annual Debt Amount: 25000  
 Energy Performance Contract Total Project Savings Amount: 60000  
 Energy Performance Contract Annual Project Savings Amount: 6000  
 Energy Performance Contract 47.5% of Annual Project Savings Amount: 2850  
 Energy Performance Contract Yearly Savings Tracking Indicator:  Yes  No

**Energy Performance Contract Yearly Savings**

Note: Year 1 is the Annual Project Savings x 47.5%, Year 2 is the Annual Project Savings x 95%, Year 3 is Year 2 Savings x that year's OCAF, Year 4 is Year 3 Savings x that year's OCAF, etc.

Year	Adjustment Amount
1	2850
2	5700
3	5814
4	5988
5	6228
6	6353
7	6544
8	6806
9	6942
10	7150

Figure 17-253. EPC Details page

- From the **Contract Processing List** page, click on ADD and the **Function/Contract Selection** page displays.

**Function/Contract Selection**

Contract(s) and/or Stage(s):

Select	Contract #	Stage	Expiration Date at Contract/Stage Expiration	Original Contract Effective Date Prior to October 1981?
<input checked="" type="checkbox"/>	KY360013020	N/A	08/31/2022	N

Surviving Contract: KY360013020  
 HUD Policy: User Guide  
 Fiscal Year: 2013  
 Contract Function: MAHRA Amend Rent Increases  
 Contract Action Selection: Request Contract Renewal for a Preservation Project  
 Processing Status (if applicable):  
 Date Owner Signed Submission: 04/17/2013  
 Date Owner Submission Package Initially Received: 04/17/2013  
 Date Complete Package Received from Owner: 04/17/2013  
 Is the Owner Debarred or Suspended?  Yes  No  Unconfirmed  
 Does the Owner Have Material Violations?  Yes  No  Unconfirmed

Figure 17-254. Function/Contract Selection page

- The following information needs to be completed:
  - Contract (put a check mark in front of the selected Contract)
  - HUD Policy
  - Fiscal Year
  - Contract Function
  - Contract Action Selection
  - Processing Status
  - Date Owner Signed Submission
  - Date Owner Submission Package Initially Received

4. Click on **Save**.
5. Click on the *Function Detail* tab. The **Dates and Comments** page displays.

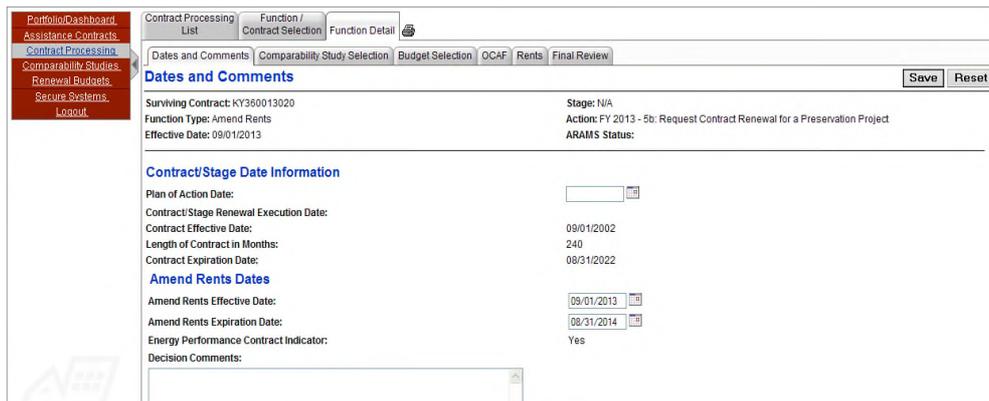


Figure 17-255. Dates and Comments page

6. Enter the following fields on the **Dates and Comments** page:
  - *Plan of Action Date*
  - *Amend Rent Effective Date*
  - *Amend Rent Expiration Date*
7. Click on **Save** and the *Save Successful* message displays.
8. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

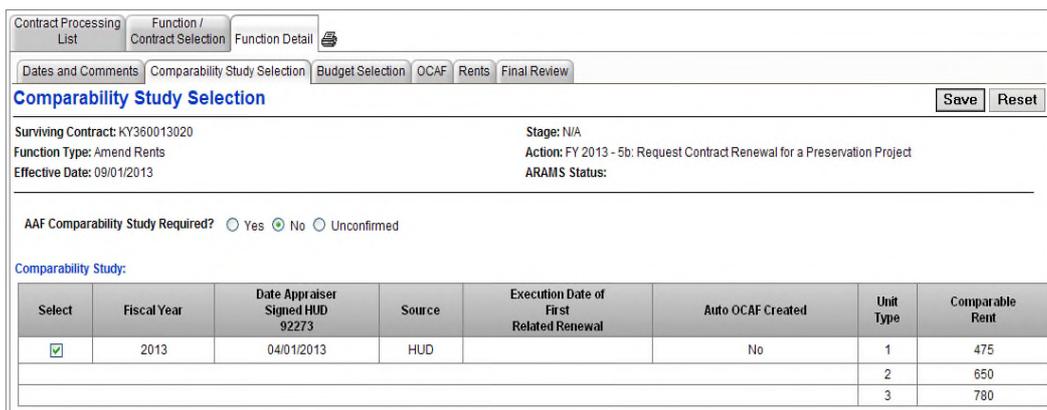


Figure 17-256. Comparability Study Selection page

9. Enter the following fields on the **Comparability Study Selection** page:

- *Confirm if an AAF Comparability Study is Required*
- *Select the “Comparability Study” (from the table)*

10. Click on **Save** and the *Save Successful* message displays.

11. Click on the *Budget Selection* tab and the **Budget Selection** page displays.

**Budget Selection** **Save** **Reset**

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 5b: Request Contract Renewal for a Preservation Project  
 Effective Date: 09/01/2013 ARAMS Status:

Renewal Budget Required?  Yes  No  Unconfirmed

**Renewal Budget:**

Select	Fiscal Year	Date Approved by HUD	Budget Based Rents % Increased	Unit Type	Budget Based Rent
<input checked="" type="checkbox"/>	2013	04/17/2013	5.00	1	381
				2	489
				3	642

**Figure 17-257. Budget Selection page**

12. Enter the following fields on the **Budget Selection** page:

- *Click on “Yes” for the Renewal Budget Required field*
- *Select the “Renewal Budget” (from the table)*

13. Click on **Save** and the *Save Successful* message displays.

14. Click on the *OCAF* tab and the **OCAF** page displays.

**OCAF** Save Reset

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 5b: Request Contract Renewal for a Preservation Project  
 Effective Date: 09/01/2013 ARAMS Status:

---

Annual Rent Potential for all Section 8 Units Included in the Current Process:

Annual Comparable (Owner's) Rent Potential for Units Included in the Current Process:

Annual Rent Potential for all Non-Expiring Section 8 Units (Not Included in the Current Process):

Annual Rent Potential Non-Section 8 Units:

Annual Project Rent Potential: 246084.00

Expiring Section 8 Portion of Total Rent Potential: 1.00

Annual Project Debt Service:

Note: Already includes MIP amount

Annual Expiring Section 8 Share of Debt Service: 24466.43

Escalated Value of EPC Adjustment as of Final year of the EPC Loan: 7150.00

Annual Expiring Section 8 Rent Potential Less Expiring Section 8 Share of Debt Service: 214467.57

Annual Expiring Section 8 Rent Potential Attributed to Operation Multiplied by the Published OCAF (2.600%): 220043.73

OCAF Adjusted Contract Rent Potential: 244510.16

Lesser of OCAF or Correlated Comparable Rent Potential: 244510.16

Rent Increase Factor (Based upon Lesser of OCAF vs. Comps): 0.994

Figure 17-258. OCAF page

15. Verify or correct the OCAF information.

*Note: The Escalated Value of EPC Adjustment as of the Final year of the EPC Loan field is displayed on this OCAF page*

16. Click on **Save** and the *Save Successful* message displays.

17. Click on the *Rents* tab and the **Rents** page displays.

**Rents** Save Reset

Surviving Contract: KY360013020 Stage: N/A  
 Function Type: Amend Rents Action: FY 2013 - 5b: Request Contract Renewal for a Preservation Project  
 Effective Date: 09/01/2013 ARAMS Status:

---

**Add New Rent Record** **Overlay Rents with Current Rents from TRACS**

HUD Approved Rent:

**Calculated Renewal Rents:**

Unit Type	# of Units	Current Contract Rent at Expiration	OCAF Adjusted Rent	Budget-based Rent	Renewed Rent
1	24	363	361	381	381
2	24	466	463	489	489
3	1	611	607	642	642
<b>Rent Potentials</b>					
Monthly		20507	20383	21522	21522
Annual		246084	244596	258264	258264

Renewal Rent Effective Date:

Utility Allowance Changed Comments:

Utility Allowance Changed:  No

Rents Final for Contract Exhibit:  Yes  No

Rents Final for Contract Exhibit Date:

Figure 17-259. Rents page

18. Enter the following fields:

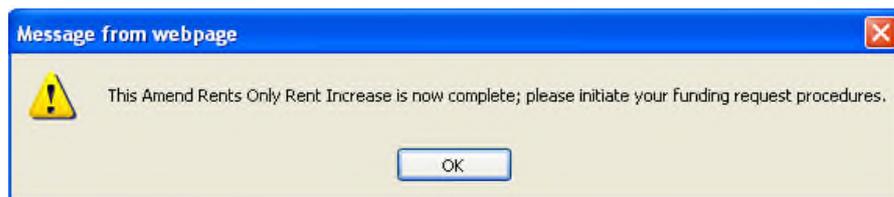
- *HUD Approved Rent (from the drop down)*
- *Renewal Rent Effective Date*

19. Click on **Save** and the *Save Successful* message displays.

20. When ready to **finalize** this record, click “Yes” in the *Rents Final for Contract Exhibit* field. The following message box displays on the **RENT** page.



21. Click on *OK* and the following message box displays on the **RENT** page.



22. Click on *OK* and the Amend Rents record is complete.

## 17.11 Project Rental Assistance Contracts (PRAC)

Renewals and Rent Adjustments for the PRAC, *Project Rental Assistance Contracts* are entered into iREMS for processing. PRAC contains the new form of rental assistance subsidy for the Section 202 and Section 811 capital advance programs. The term of a PRAC contract is 3 years and the contracts are subsequently renewed every year for a 1 year term. PRACs are HUD-administered. Rent Adjustments are currently only Budget Based and Manual.

IREMS models PRAC renewals as just a renewal with no expiration date extensions. This translates into a “modified extensions” in TRACS/ICON and shall retain the records/entries associated with the

original term of the contract while creating new entries with a new effective date, expiration date and term at the time of every subsequent renewal for the PRAC contract.

The iREMS system does not allow the creation of short term renewals for PRAC contracts. The iREMS system does not allow the merger of stages or contracts while renewing a PRAC contract. A PRAC contract does not allow for an Opt-out at renewal.

Contract Administrators and PBCA do not have access to PRAC records.