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Special Attention:  
Section 8 Public Housing Agencies  
and Indian Housing Authorities;  
Public Housing Office Directors;  
Administrators, Offices  
of Native American Programs

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**Notice PIH 97-38 (HA)**

Issued: July 15, 1997  
Expires: July 31, 1998

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Cross References:

Interim Notice PIH 96-61 (HA)  
Interim Notice PIH 97-29 (HA)

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Subject: **Form HUD-50058** - Special Instructions for Residents of  
Eligible Preservation Projects Who Receive Preservation  
Rental Vouchers or Certificates

**1. Applicability.** This notice applies only to the reporting of Form HUD-50058 data for a family who receives a special preservation Section 8 rental voucher or certificate under Interim Notice PIH 96-61 (HA) or under Interim Notice PIH 97-29 (HA), regarding provision of tenant-based rental voucher or certificate assistance to eligible residents of preservation eligible projects approved for prepayment of the mortgage or voluntary termination of the mortgage insurance contract. Preservation eligible projects are former HUD-subsidized Section 236 or Section 221(d)(3) projects.

**2. Purpose.** This Notice provides special instructions for completing Form HUD-50058 to accommodate the special requirements in Interim Notices PIH 96-61 and PIH 97-29. The affected lines are:

**Form HUD-50058:**

Line 21a (FMR)  
Line 22a (voucher payment standard)  
Line 13 (welfare rent)  
Line 22j (10% of total monthly income (i.e., minimum family contribution))

The corresponding fields for the 50058 electronic record format are field 28 in the Section 8 Certificate Record Format; field 28 in the Section 8 Voucher Record Format; field 29 in the Basic Record Format; and field 37 in the Section 8 Voucher Record Format.

Interim Notices PIH 96-61 and PIH 97-29 contain special statutory requirements for rental voucher or certificate assistance that is provided to residents of eligible preservation projects concerning:

- (a) the voucher payment standard,
- (b) the certificate fair market rent (FMR), and
- (c) the minimum family contribution.

Refer to Interim Notices PIH 96-61 and PIH 97-29 for the complete requirements concerning assistance for residents of eligible preservation projects under the Section 8 rental voucher or certificate programs.

**3. Housing Agencies Using HUD Family Reporting Software (FRS).**

The HUD FRS has not been updated at this time to accommodate the special instructions in this notice. HUD plans to release a new FRS version 2.0 in October 1997, which will accommodate these instructions. Housing agencies (HAs) using FRS and that have received allocations of preservation rental vouchers or certificates for residents of eligible preservation projects should not report those families to the Multifamily Tenant Characteristics System (MTCS) at this time. Any family who receives a preservation rental voucher or certificate should be reported to MTCS upon release and installation of FRS version 2.0.

**4. FMR/Payment Standard - STAYERS:** For a family who chooses to use its preservation rental certificate or rental voucher assistance in the same unit at the eligible preservation project and does **not** qualify for a smaller family unit size based on the HA's subsidy standards, enter the gross rent for the unit on line 21a or 22a of Form HUD-50058 (field 28 in the electronic record format), instead of entering the FMR or the voucher payment standard.

The gross rent must be reasonable in comparison with rents for comparable unassisted units in the market area.

*If the family qualifies for a smaller family unit size than the unit it occupies:*

**For FY 1996 preservation certificates and vouchers only:**

Follow normal program rules and enter the normal FMR or voucher payment standard on line 21a or 22a (field 28 in the electronic record format).

**For FY 1997 preservation certificates and vouchers only:**

If there is no appropriate size unit available at the

project, and if the family has not located an eligible unit elsewhere during the certificate or voucher term despite making a good faith effort, then enter the gross rent of the oversized unit provided it is determined to be reasonable. (Note that in this circumstance the HAP contract automatically terminates after one year and the family will then be assisted under the normal certificate or voucher program rules.)

**5. FMR/Payment Standard - MOVERS:** If the family moves from the eligible preservation project, the normal FMR or voucher payment standard applies. Fill line 21a or 22a according to normal rental certificate or rental voucher program rules.

**6. Minimum Family Contribution:** ALL families who receive special preservation rental voucher or certificate assistance under Interim Notices PIH 96-61 and PIH 97-29, must pay for rent no less than the rent the family had been paying at the project on the date of prepayment or voluntary termination. (Note that this requirement does NOT apply to families who were assisted under the rental voucher or certificate program on the effective date of the prepayment or voluntary termination and who choose to move.) This constitutes a new minimum rent provision for these families:

- a. If the family is assisted under the rental certificate program: Enter on line 13 of Form HUD-50058 (field 29 in the electronic basic record format) the highest of:
  - ▲ the monthly rent the family was paying on the date of prepayment or voluntary termination,
  - ▲ the monthly welfare rent, if any, or
  - ▲ the minimum rent established by the HA (\$0 to \$50).
  
- b. If the family is assisted under the rental voucher program: Enter on line 22j of Form HUD-50058 (field 37 in the electronic voucher record format) the highest of:
  - ▲ the monthly rent the family was paying on the date of prepayment or voluntary termination,
  - ▲ 10 percent of total monthly income, or
  - ▲ the minimum rent established by the HA (\$0 to \$50).

