Chapter 17: Contract Processing

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17

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:

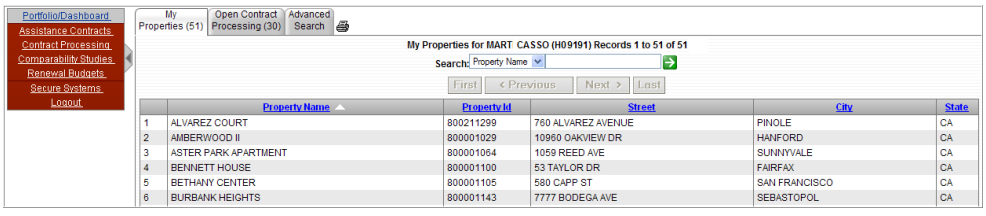
Once you access the *Subsidy Administration* tab, the **Subsidy Administration Portfolio/Dashboard** page displays, showing a list of all active properties with assistance contracts associated with them.

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.

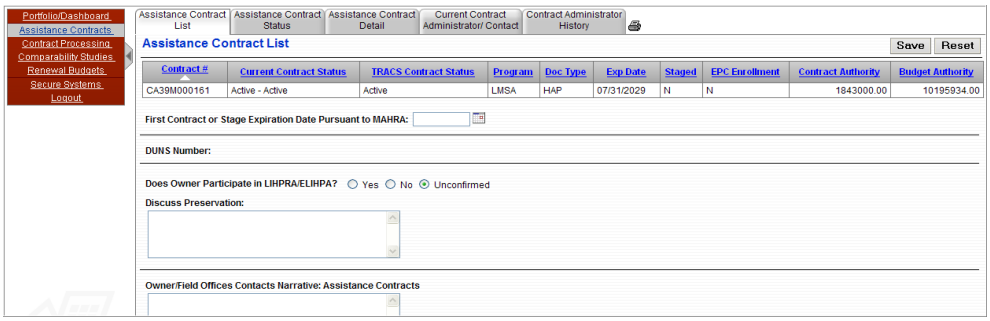
> ✍ *Note: The Property Header located at the top of the page, displays the* Property ID, Name, Contract/FHA#, Active *Status*, Watch List, Troubled Status and DEC Status. *This Header will appear on most of the pages in* ***iREMS****. There is also a search feature in the header that allows the user 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.



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.



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.

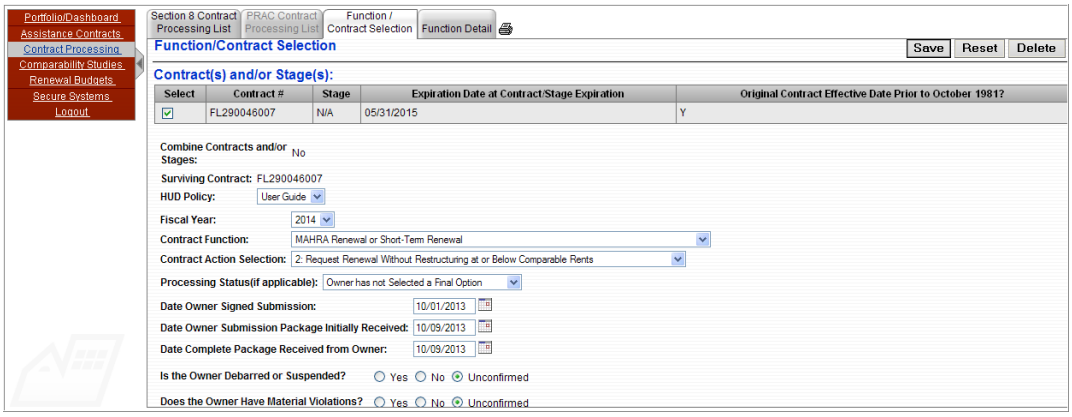
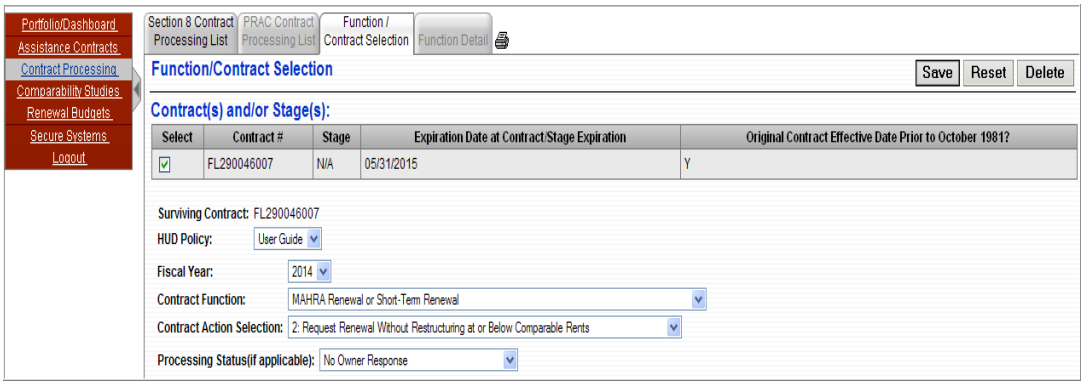


Figure 17-2. Function/Contract Selection

> ✍ *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.



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.

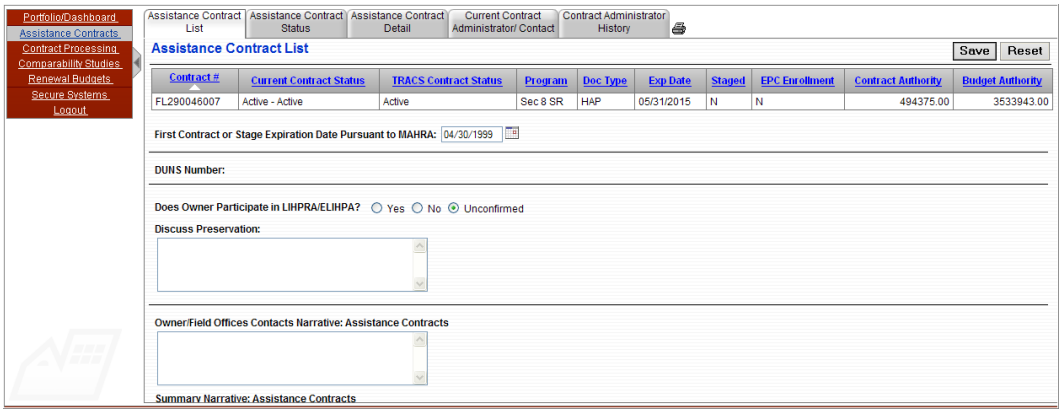


Figure 17-3. Assistance Contract List page

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

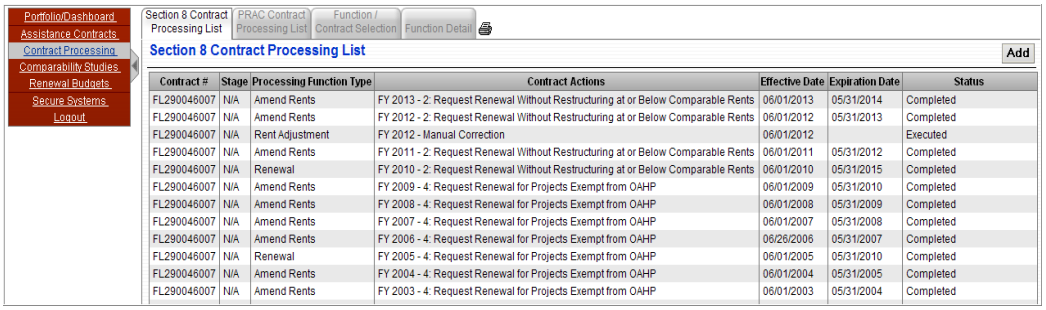


Figure 17-4. Section 8 Contract Processing List page

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

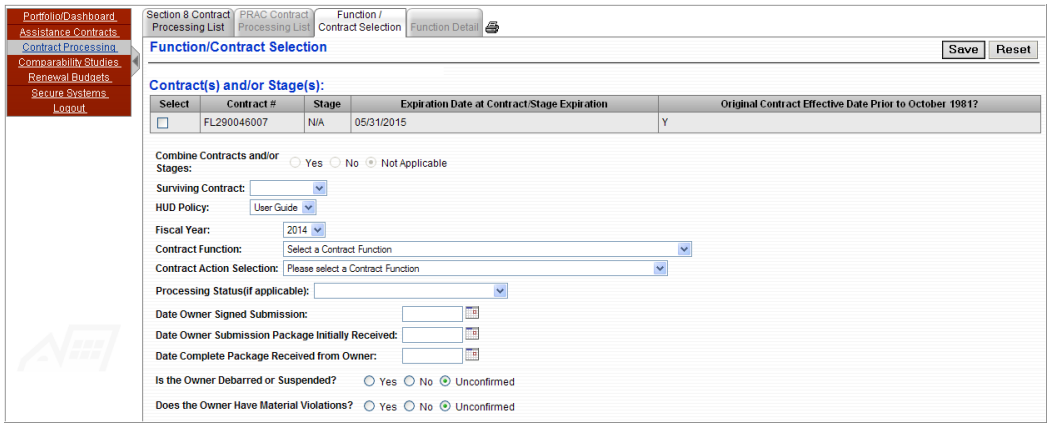


Figure 17-5. Function/Contract Selection page

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*

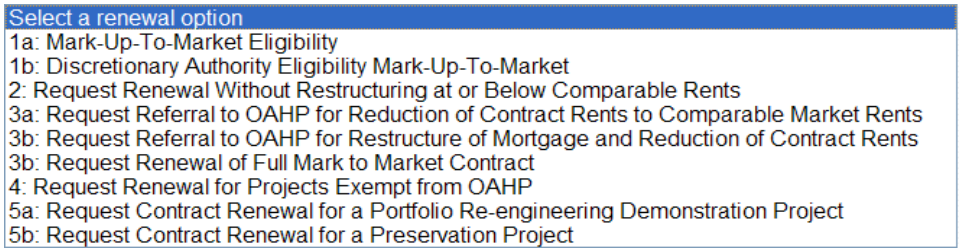
✍ *Note: The fiscal year of the new renewal is based on the expiration date of the prior contract or the prior term for a multi-term contract. A 9/30 expiration is counted and processed for renewal purposes in the fiscal year that the contract expired. Even though the effective date is in the following 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*



✍ *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*



✍ *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 Save and a message that the save was successful displays.

Alternative Option

Click on Reset 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 Add 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 Save 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 Save, the **Function Detail** tab displays.

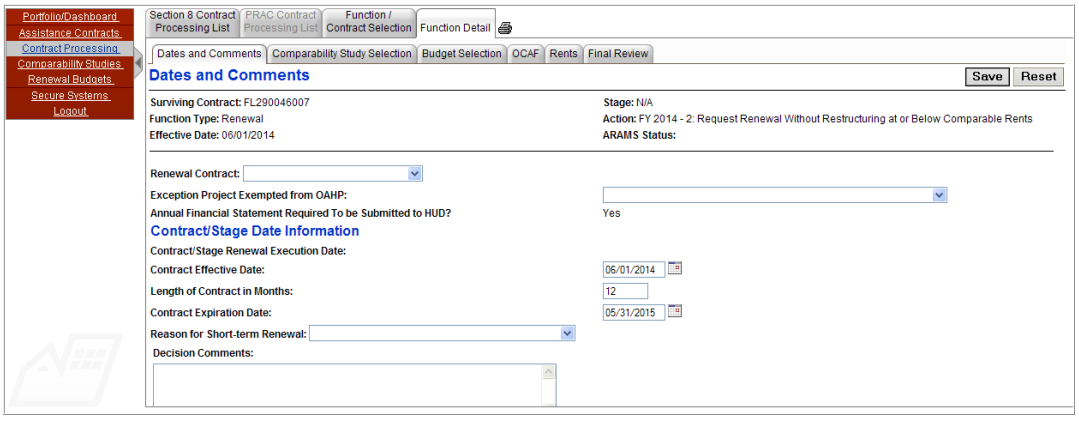


Figure 17-6. Function Detail page

✍ *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.

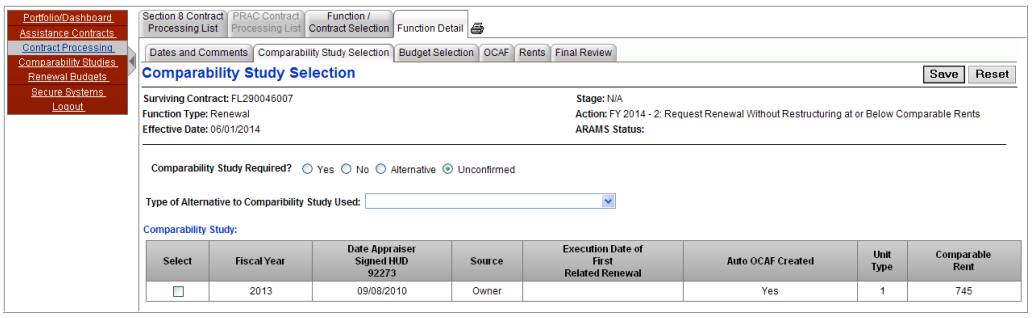


Figure 17-7. Comparability Study Selection page

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

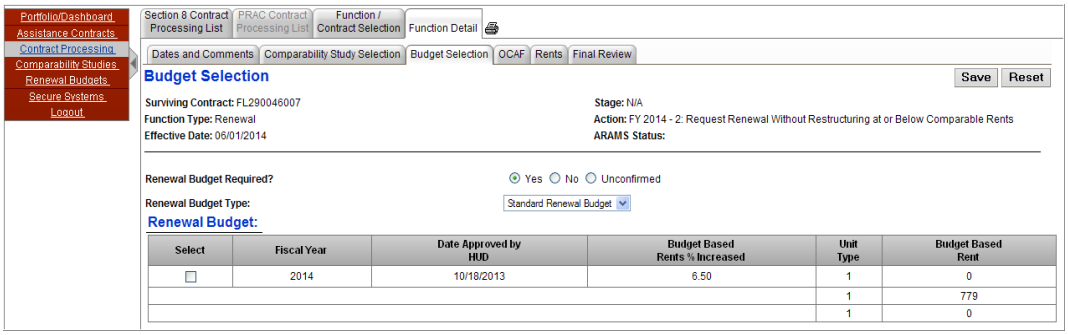
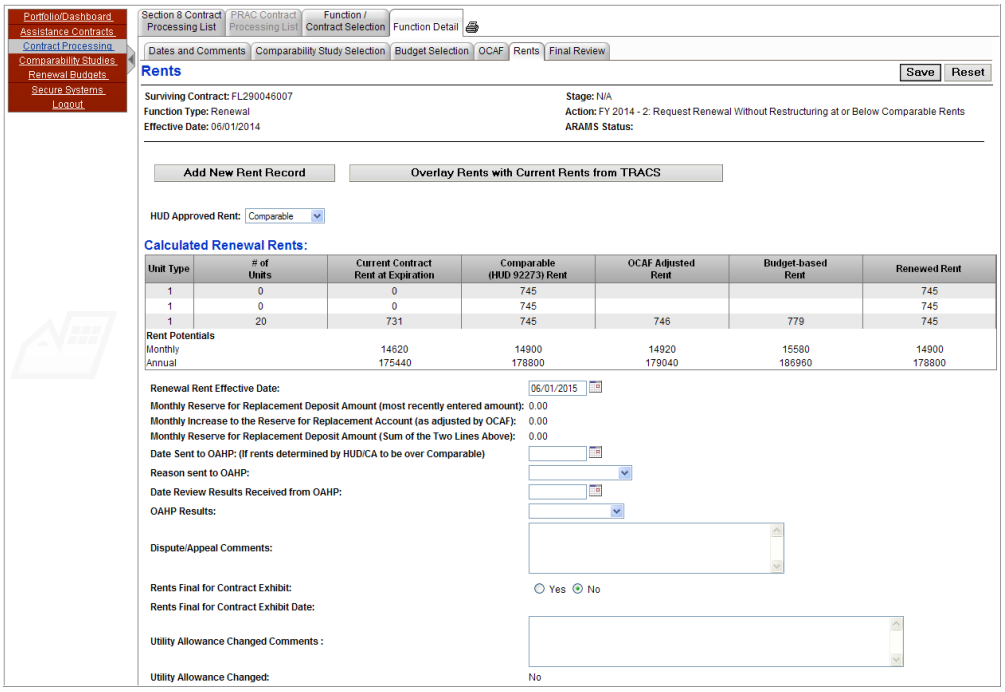


Figure 17-8. Budget Selection page

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**



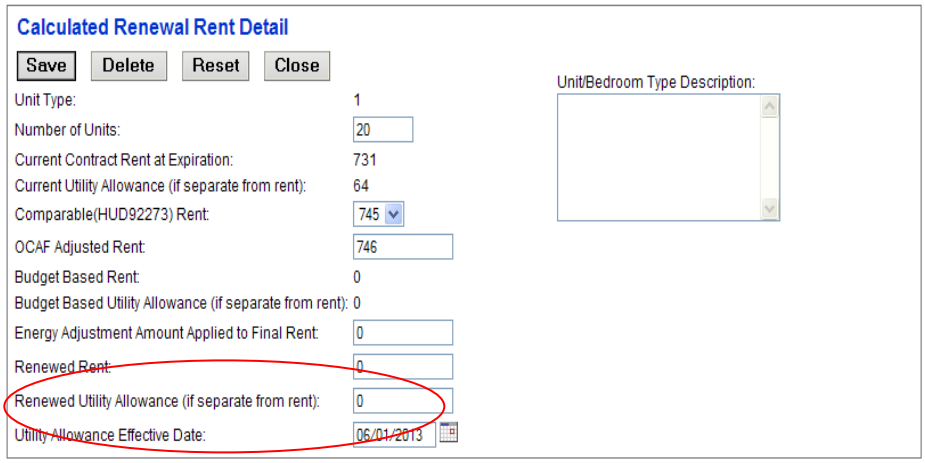


Figure 17-9. Calculated Renewal Rent Detail page

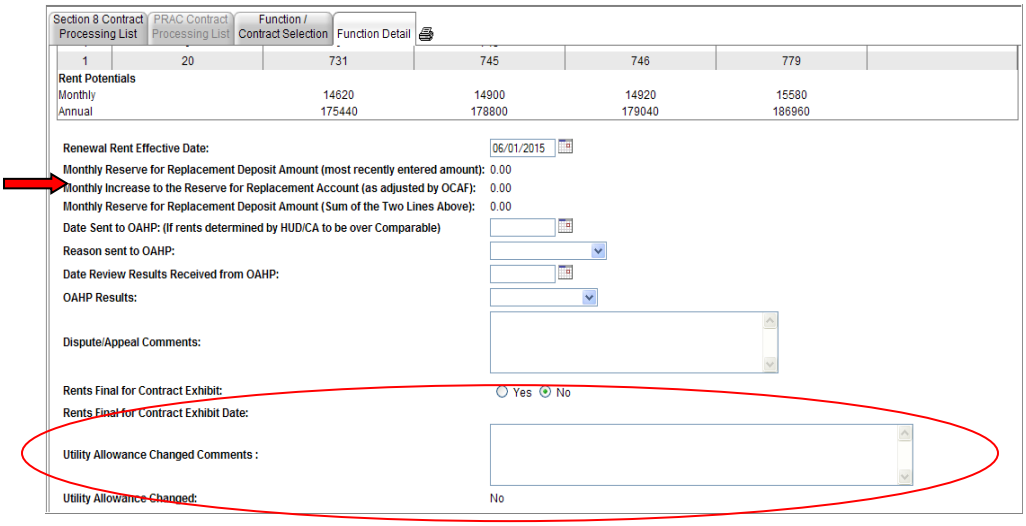


Figure 17-10. Rent page

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.

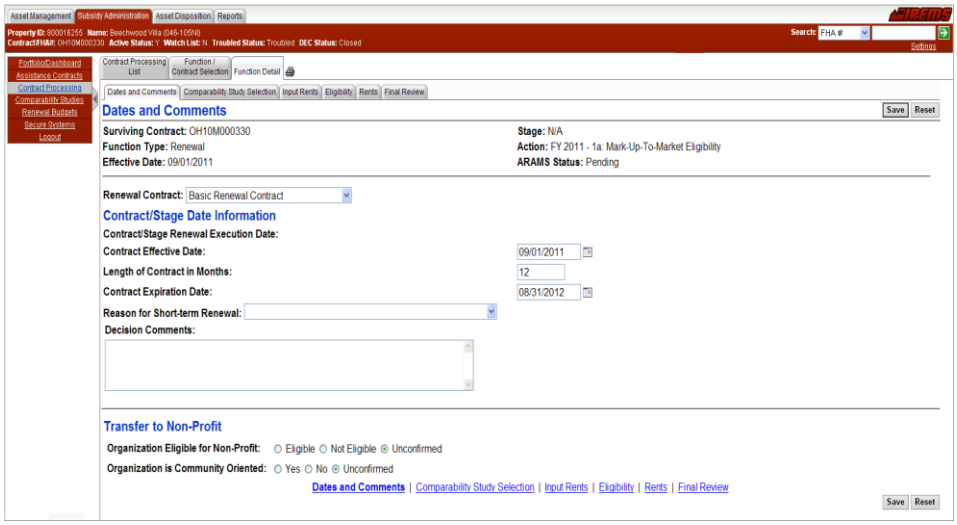


Figure 17-11. Dates and Comments Option 1a

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 Save 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 2*2.8, 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.

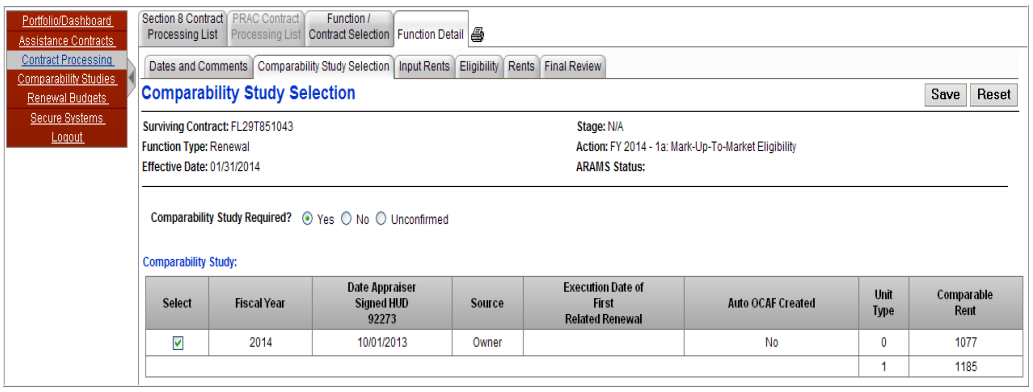


Figure 17-12. Comparability Study Selection for Option 1a

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

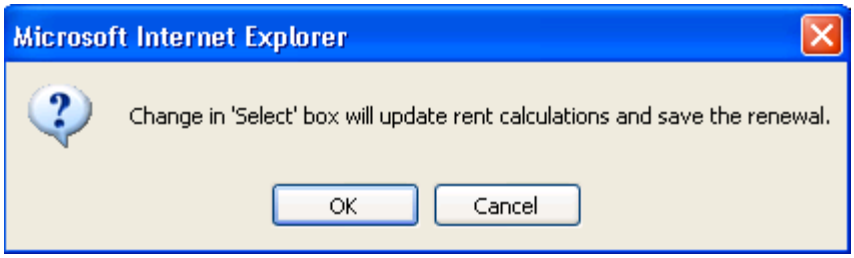


Figure 17-13. Confirmation Dialog box

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.

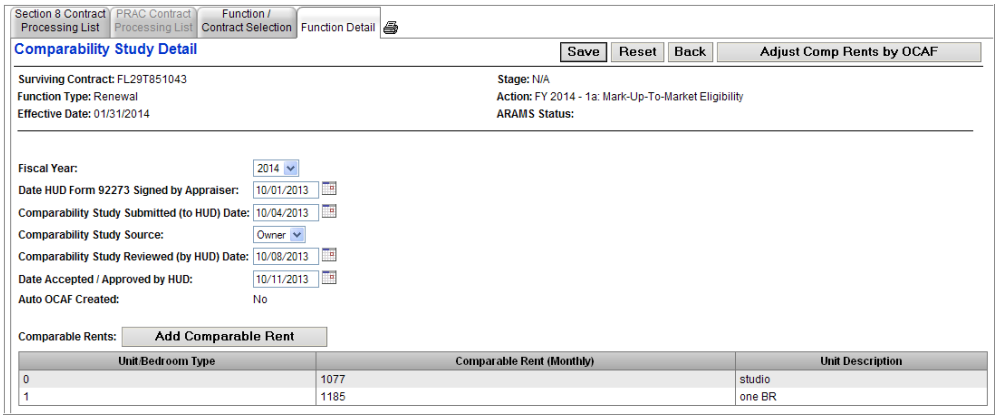


Figure 17-14. Comparability Study Detail page

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.

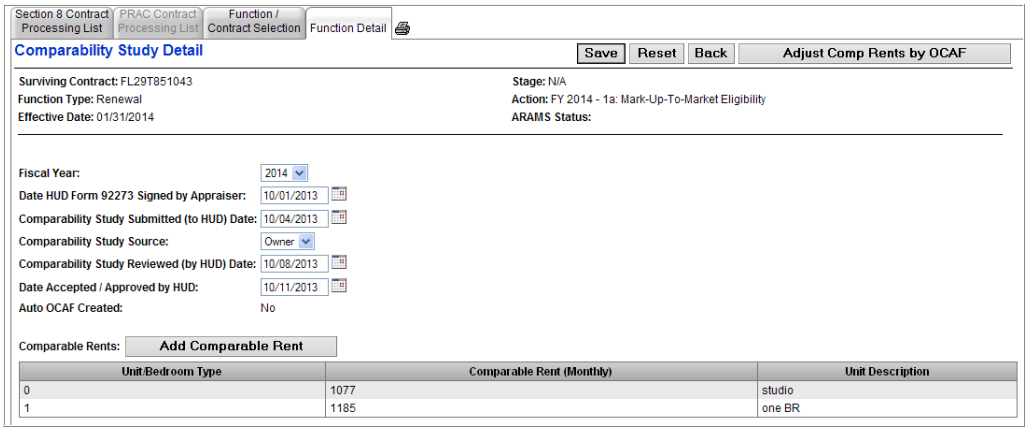


Figure 17-15. Comparability Study Detail page

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

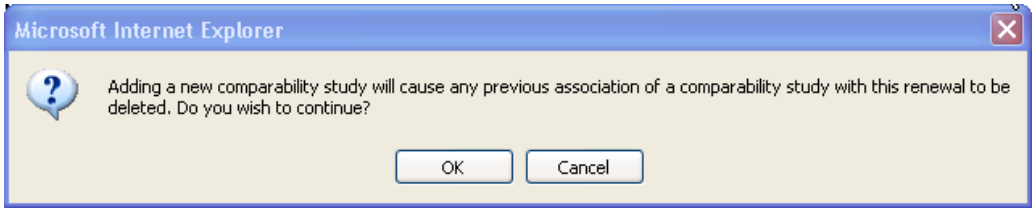


Figure 17-16. Confirmation message

3. Click on OK 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 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. 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:

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

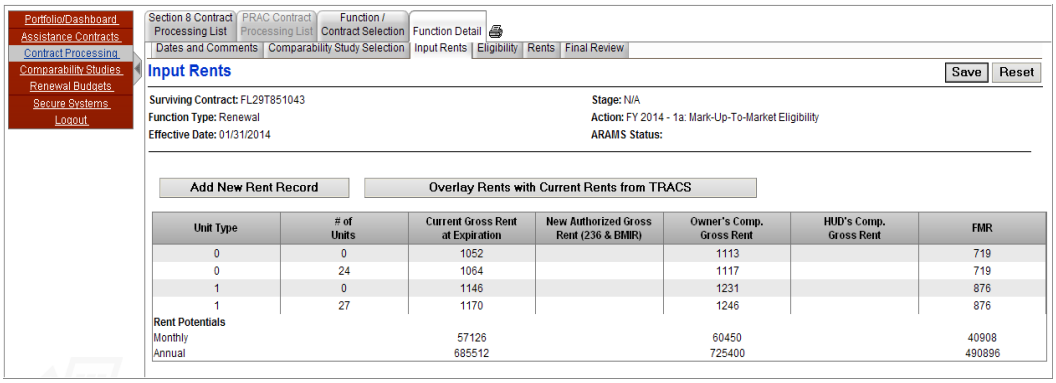


Figure 17-17. Input Rents page

2. Click on Add New Rent Record and the **Input Rents Detail** section displays.

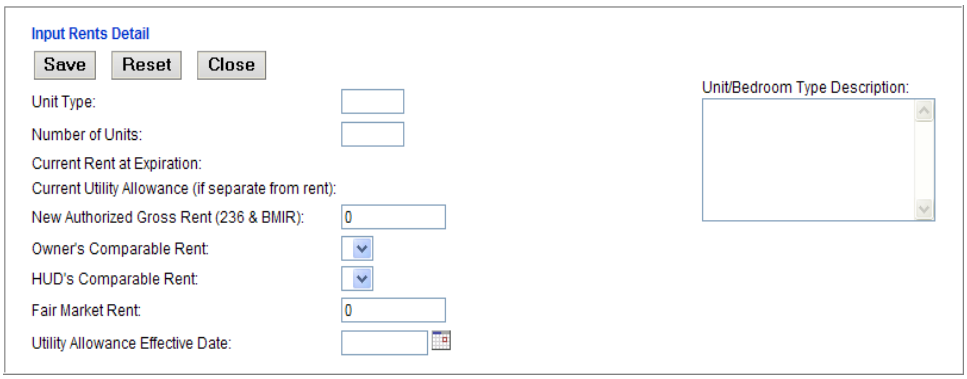


Figure 17-18. Input Rents Detail

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 Delete 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 Delete and the delete confirmation dialog box displays.

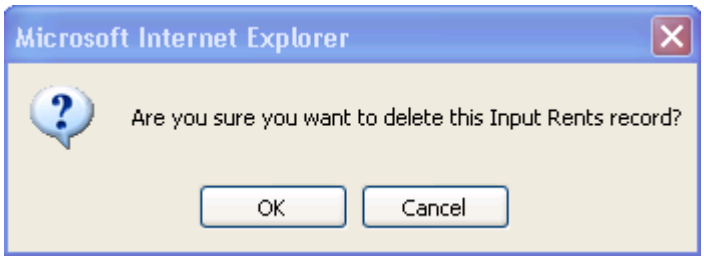


Figure 17-19. Delete Confirmation message

3. Click on OK 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 Overlay Rents with Current Rents from TRACS and the update confirmation dialog box displays.



Figure 17-20. Renewal Rents Confirmation message

2. Click on OK 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.

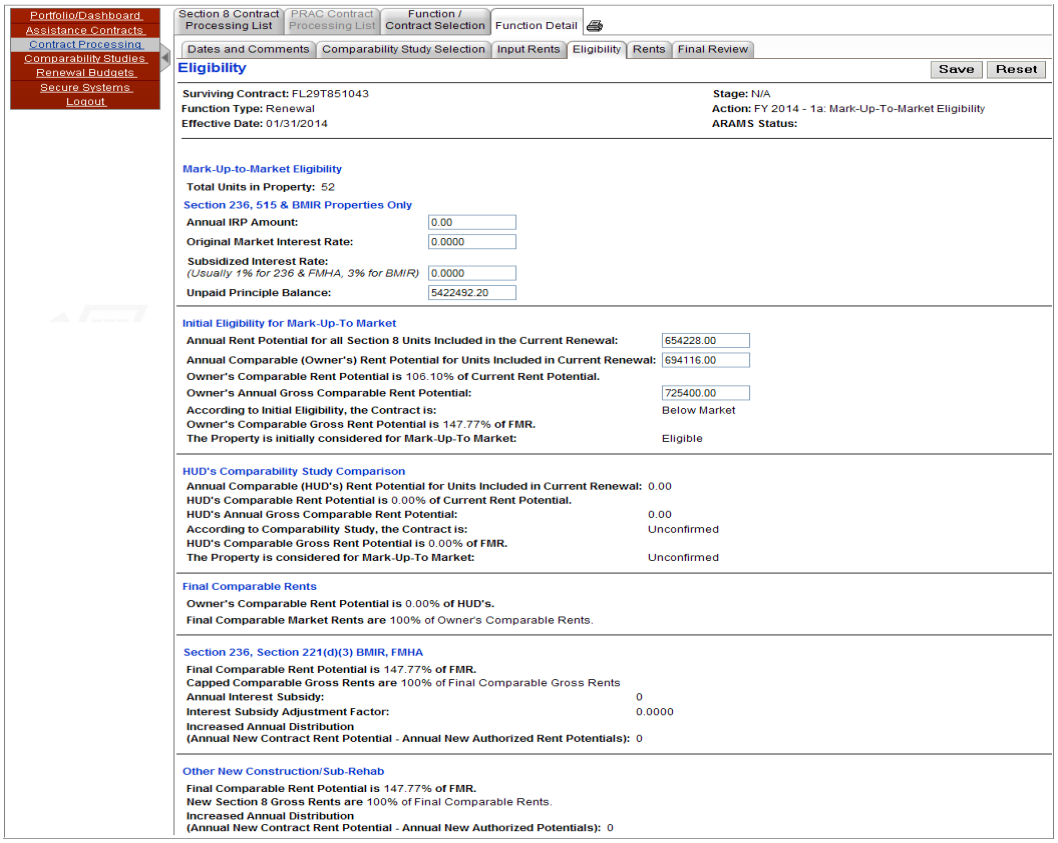


Figure 17-21. Eligibility page

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.

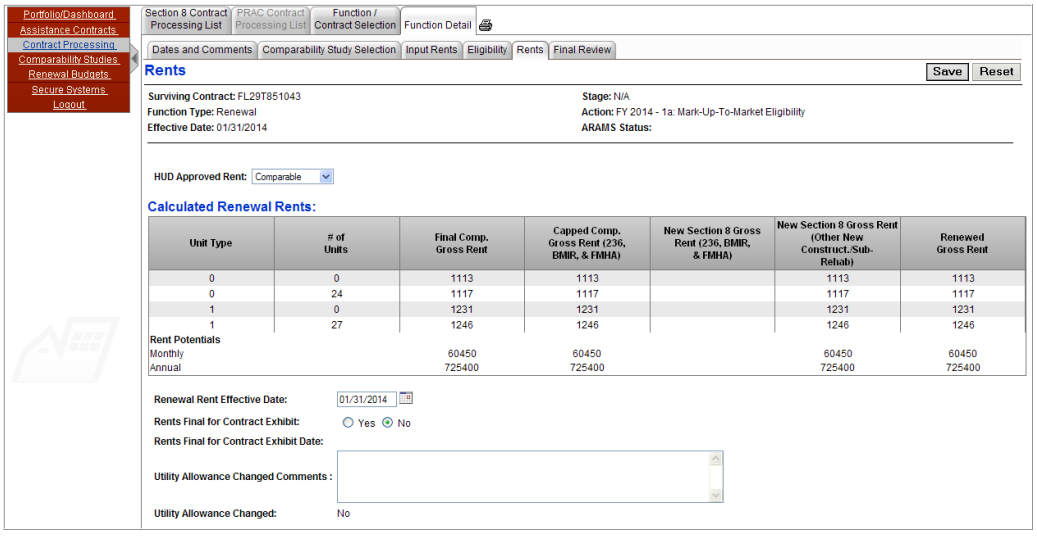


Figure 17-22. Rents page

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

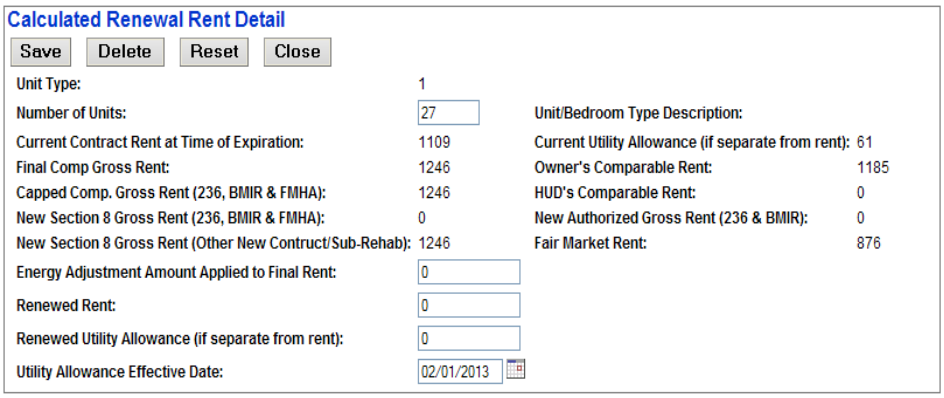


Figure 17-23. Calculated Renewal Rent Detail

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 Delete and the delete confirmation dialog box displays.



Figure 17-24. Delete Confirmation Dialog box

4. Click on OK 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.

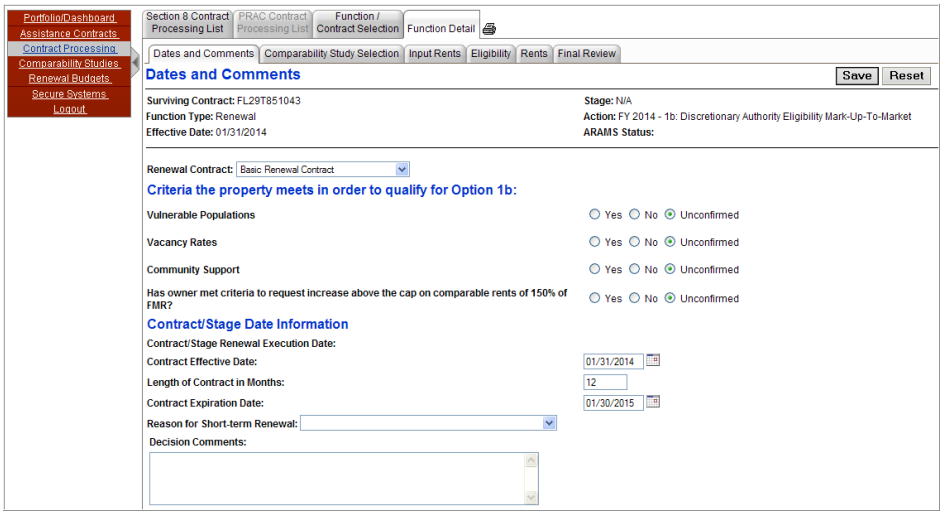


Figure 17-25. Dates and Comments for Option 1b

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 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*

3. Click on Save to save the information.

Alternative option

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

17.4.2.2 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 2*2.8, 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.

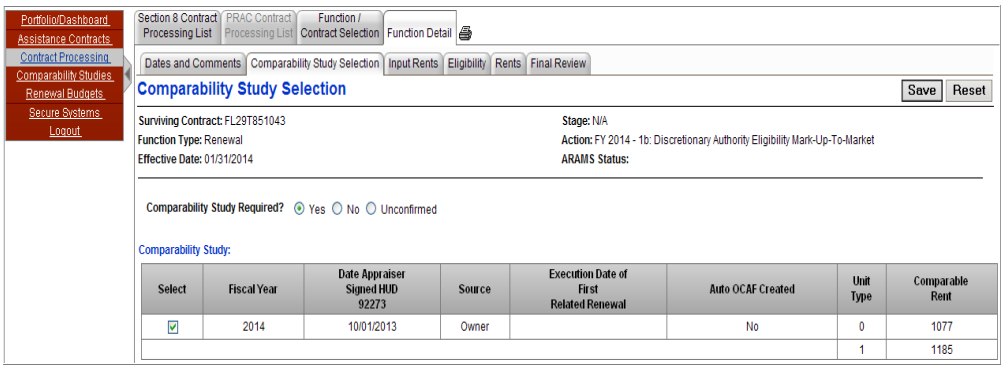


Figure 17-26. Comparability Study Selection for Option 1b

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

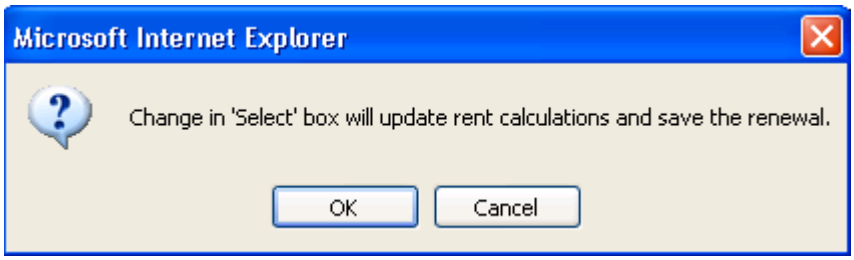


Figure 17-27. Confirmation Dialog box

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

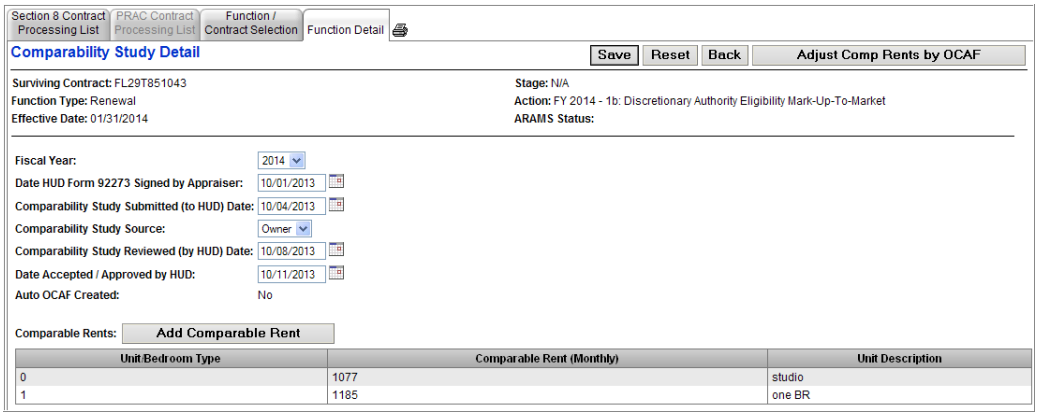


Figure 17-28. Comparability Study Detail page

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.

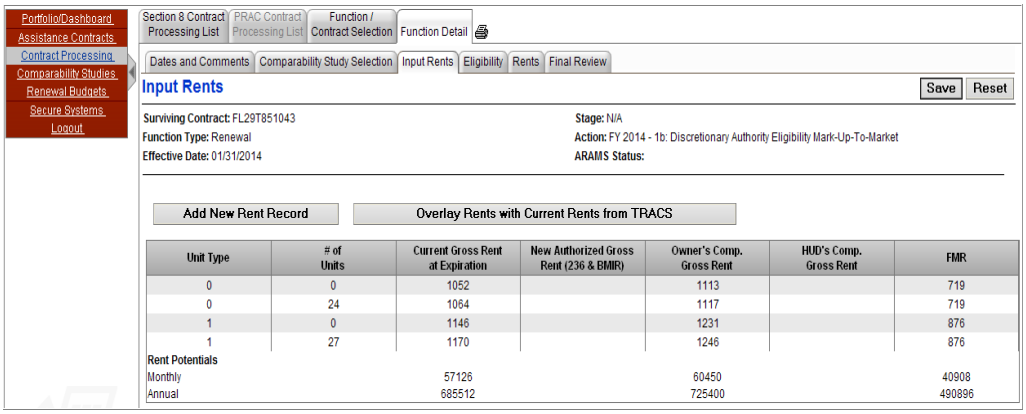


Figure 17-29. Input Rents page

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

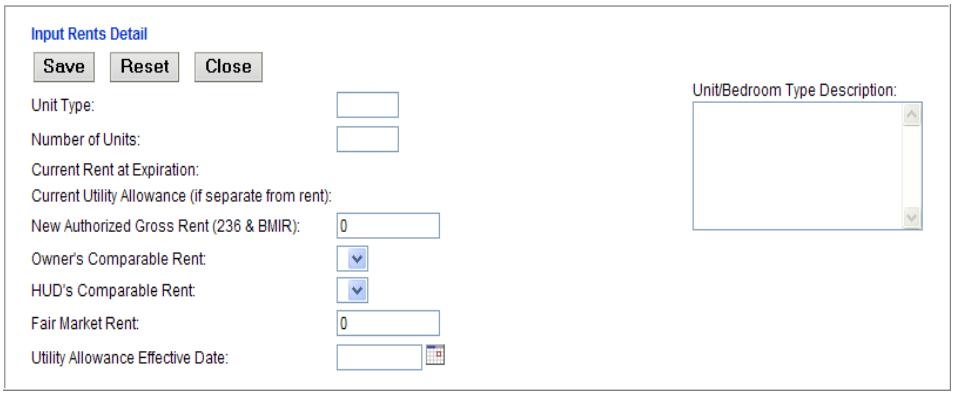


Figure 17-30. Input Rents Detail

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** 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 Delete 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 Delete and the delete confirmation dialog box displays.

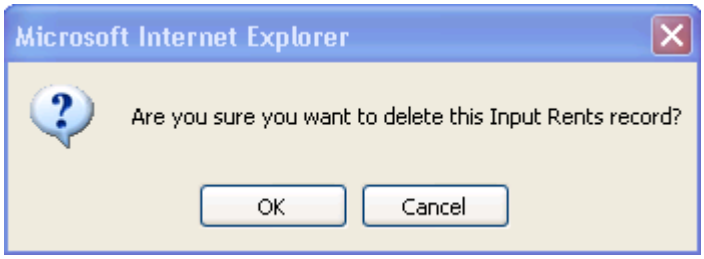


Figure 17-31. Delete Confirmaton Dialog box

3. Click on OK 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 Overlay Rents with Current Rents from TRACS and the update confirmation dialog box displays.



Figure 17-32. Confirmation Dialog box

2. Click on OK 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.

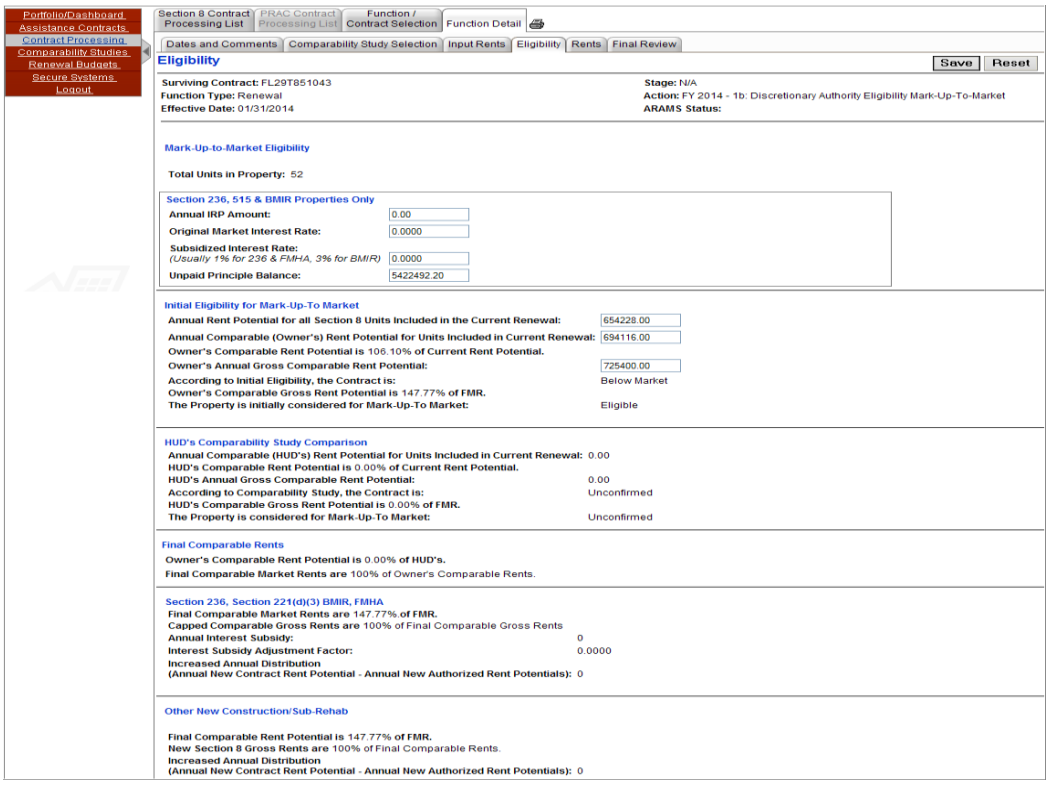


Figure 17-33. Eligibility

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 Save 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 Save 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.

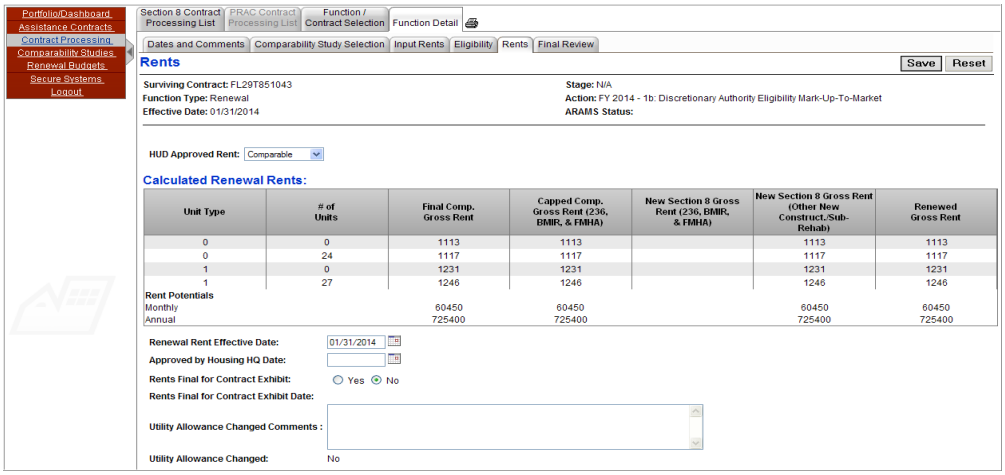


Figure 17-34. Calculated Renewal Rents page

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

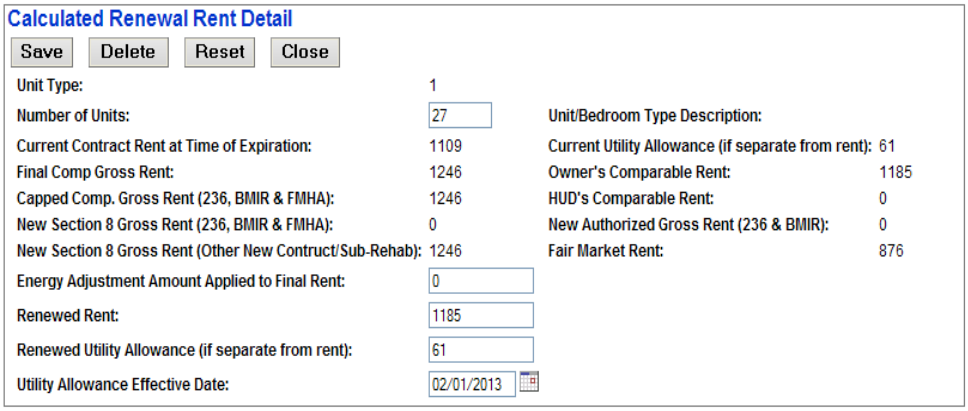


Figure 17-35. Calculated Renewal Rent Detail

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 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 Delete and the delete confirmation dialog box displays.



Figure 17-36. Delete Confirmation Dialog box

4. Click on OK 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.

Exception Project Exempted from OAHP	Definition
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.

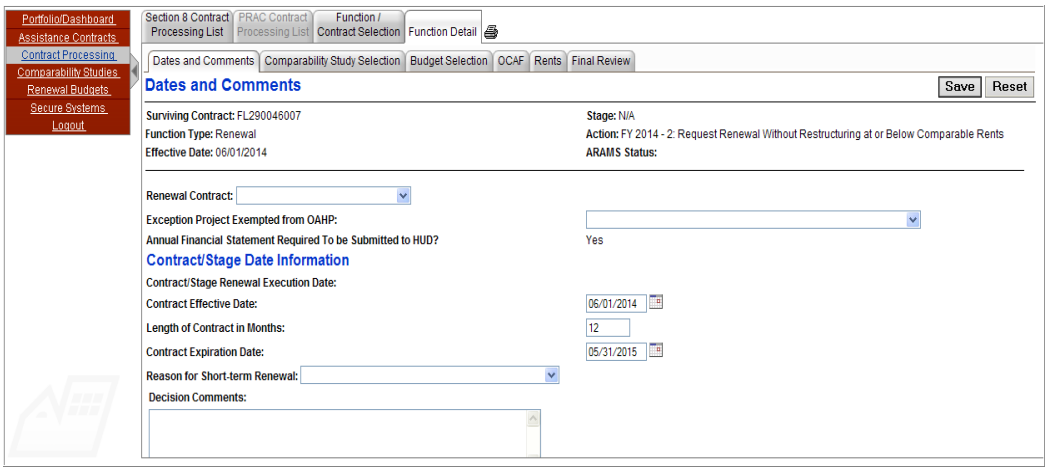


Figure 17-37. Dates and Comments page

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 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*

3. Click on Save 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 2*2.8, 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.

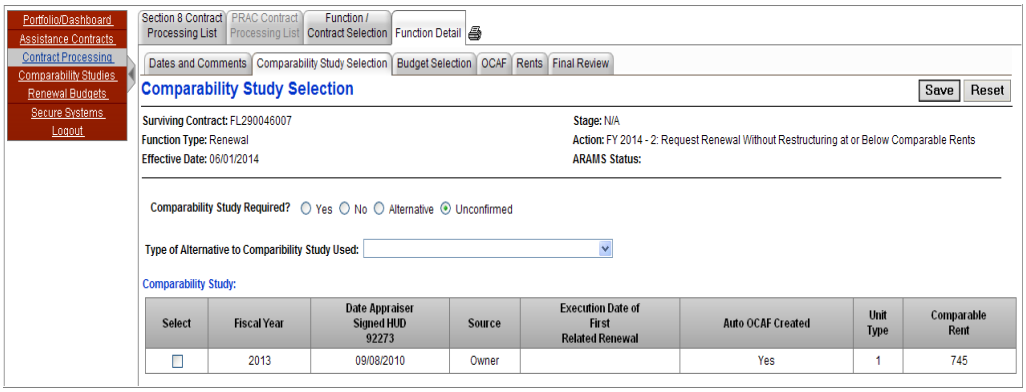


Figure 17-38. Comparability Study Selection page

3. Click in the Select checkbox next to the comparability study and a pop-up displays.
4. Click on OK to save or Cancel to reset the selection.

5. Click on Save 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.

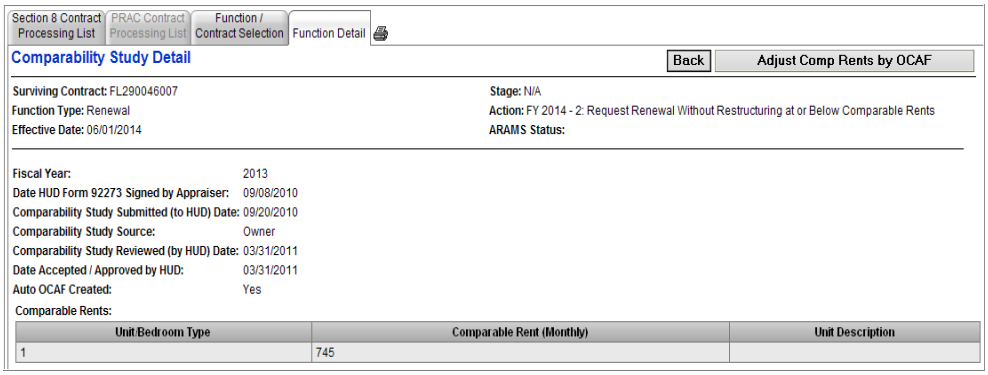


Figure 17-39. Comparability Study Detail page

4. Click on Adjust Comp Rents by OCAF and the following pop up window displays.



Figure 17-40. Dialog box

5. Click OK.
6. Click on Back 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.

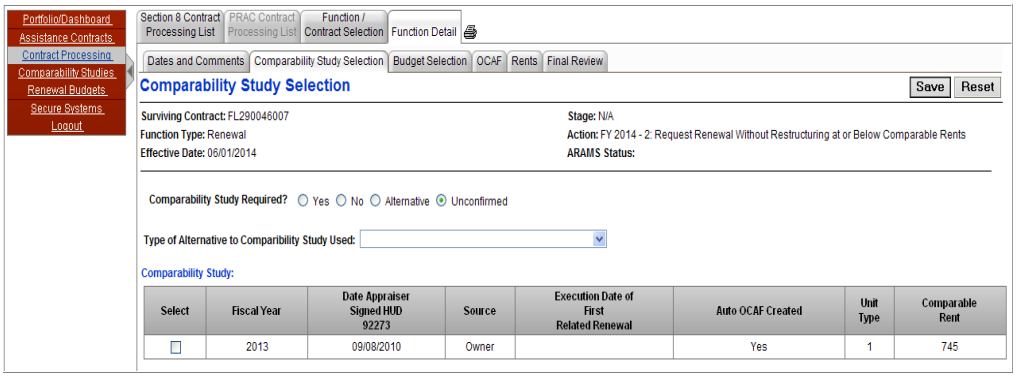


Figure 17-41. Comparability Study Selection page

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.

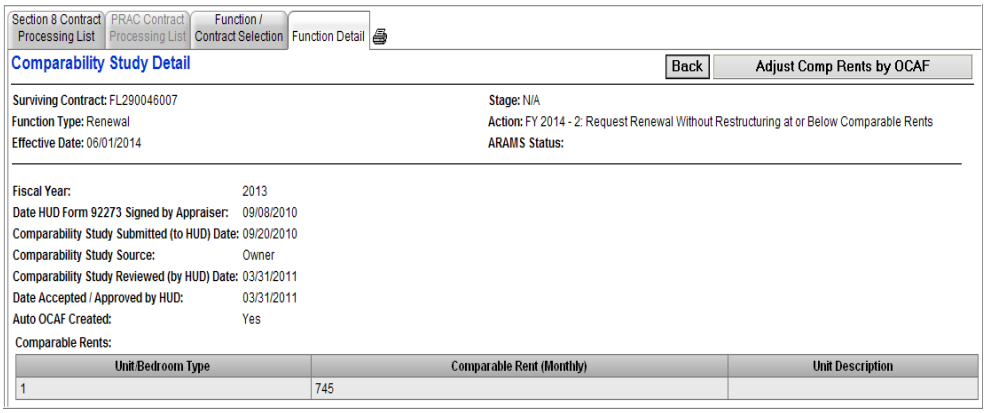


Figure 17-42. Comparability Study Detail page

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 Add Comparable Rent button to add a rent and the Comparable Rent Detail page displays.

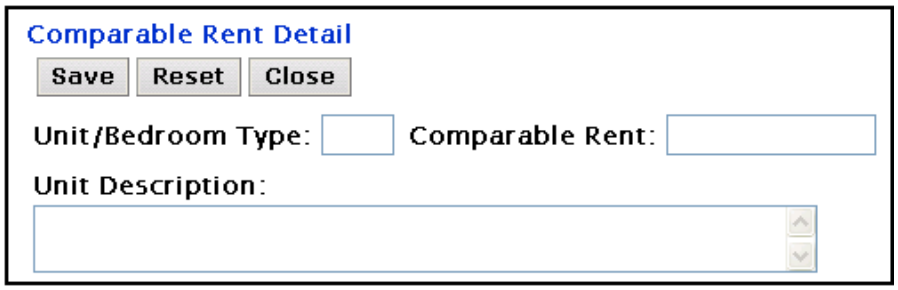


Figure 17-43. Comparable Rent Detail page

7. Add the rent information and click on Save. 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.

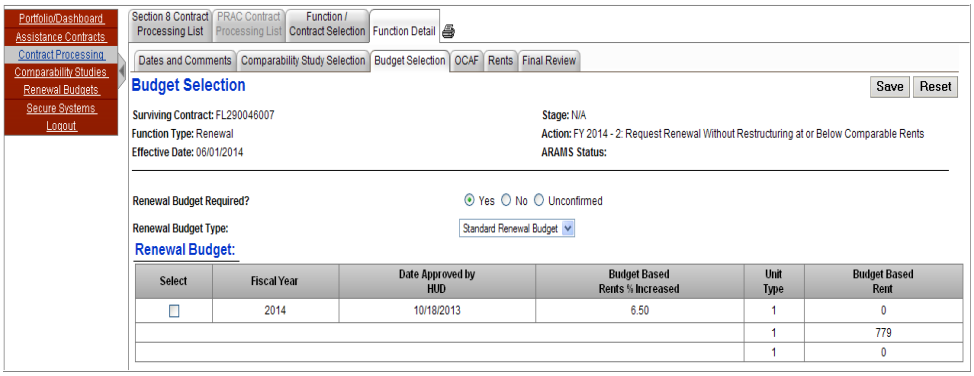


Figure 17-44. Budget Selection page

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.

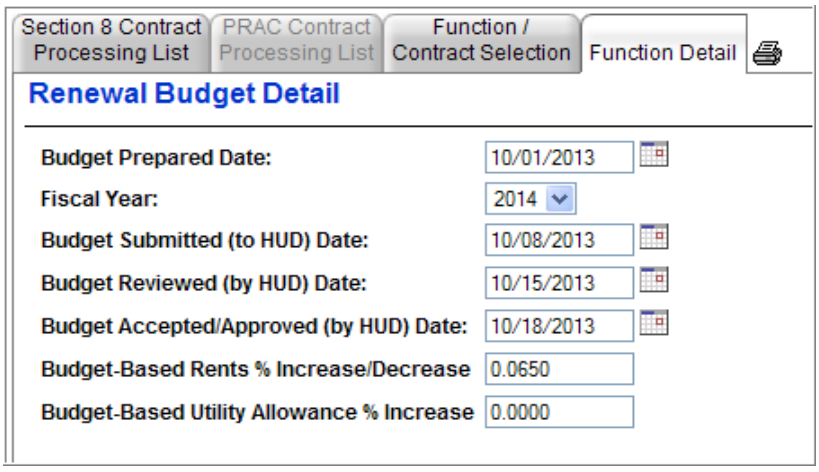


Figure 17-45. Budget Selection page

5. Update the required fields and click on Save. The save was successful message displays.

6. 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:

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

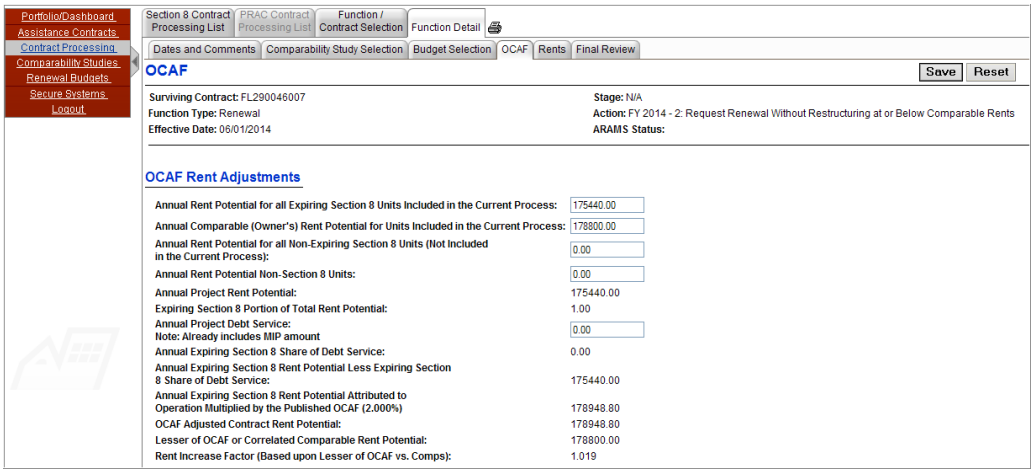
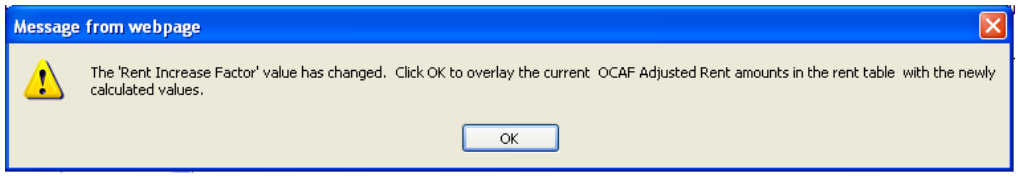


Figure 17-46. OCAF page

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 amonts base on the new Rent Increase Factor.

3. Click on Save 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 Save 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 Detai**l 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.

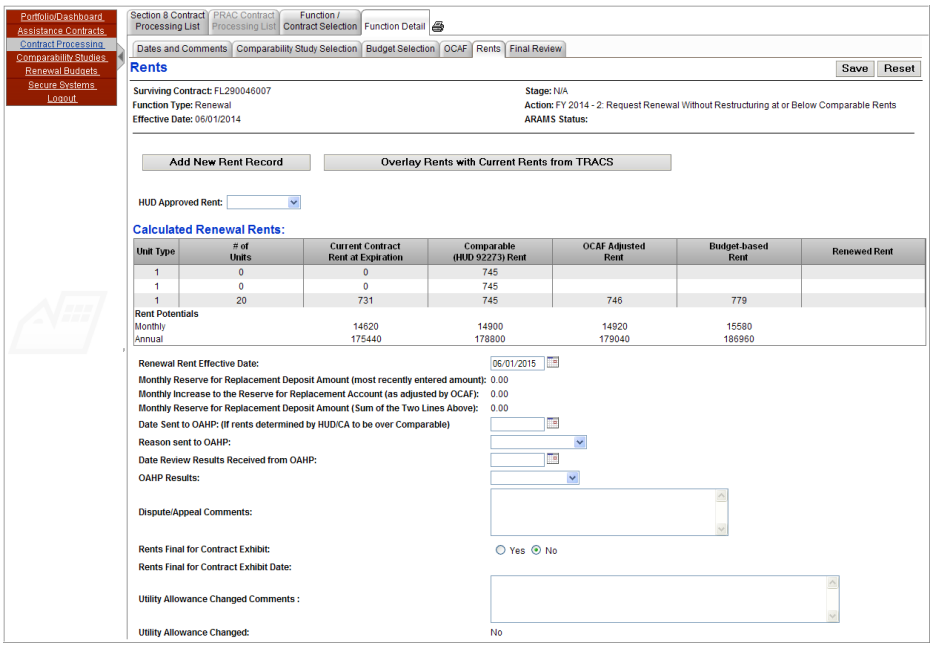


Figure 17-47. Rents page

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

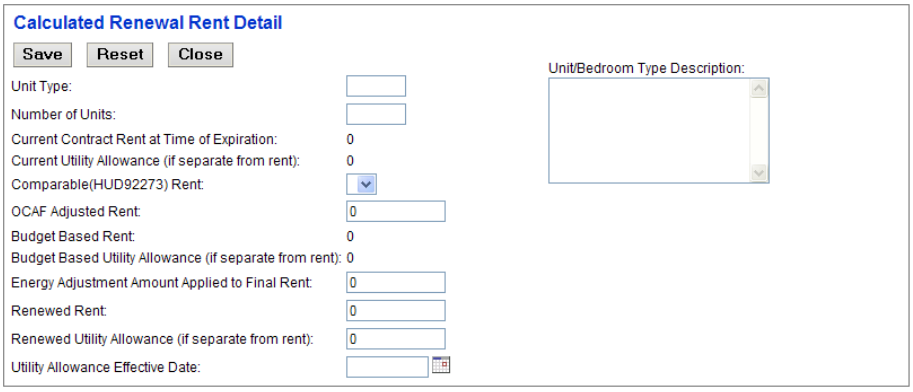


Figure 17-48. Calculated Renewal Rent Detail page

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.

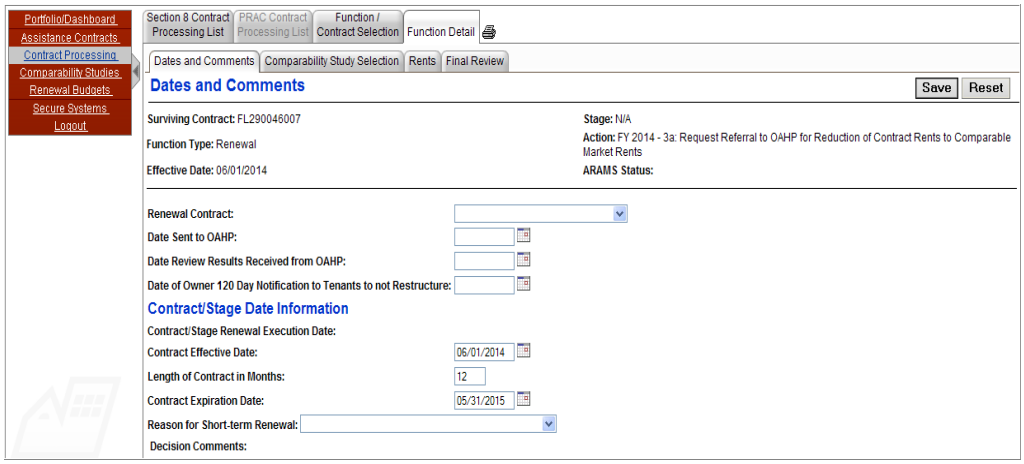


Figure 17-49. Option 3a Dates and Comments page

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 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 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.

17.4.5.2 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.
2. Click on the *Comparability Study Selection* tab and the **Comparability Study Selection** page displays.

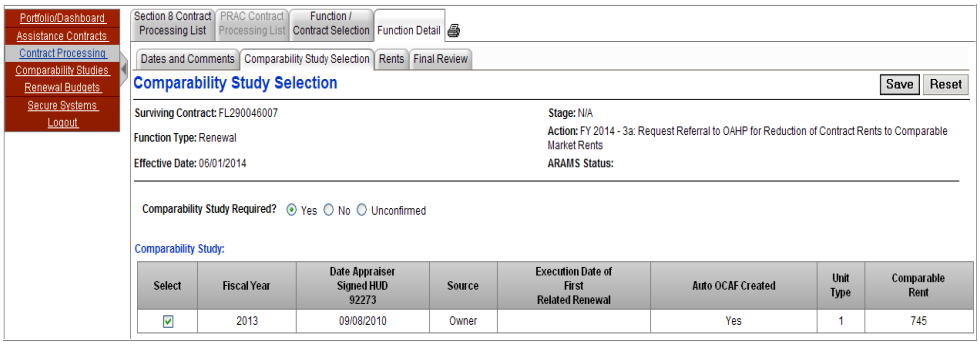


Figure 17-50. Comparability Study Selection for Option 3 a or 3b(referral)

3. 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:

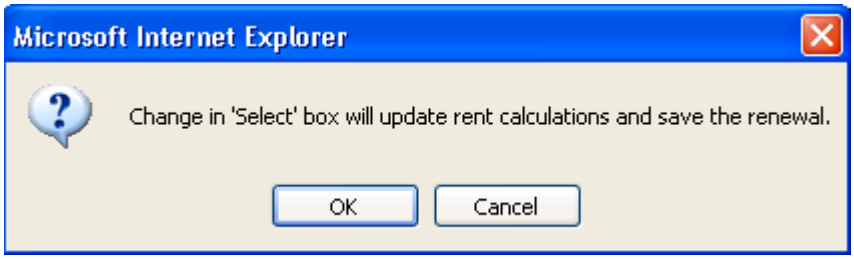


Figure 17-51. Dialog box

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

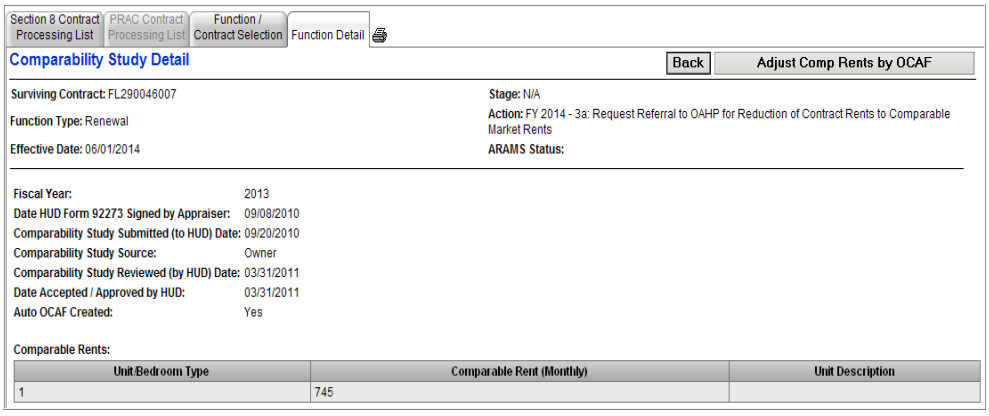


Figure 17-52. Comparability Study Detail page

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 

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.

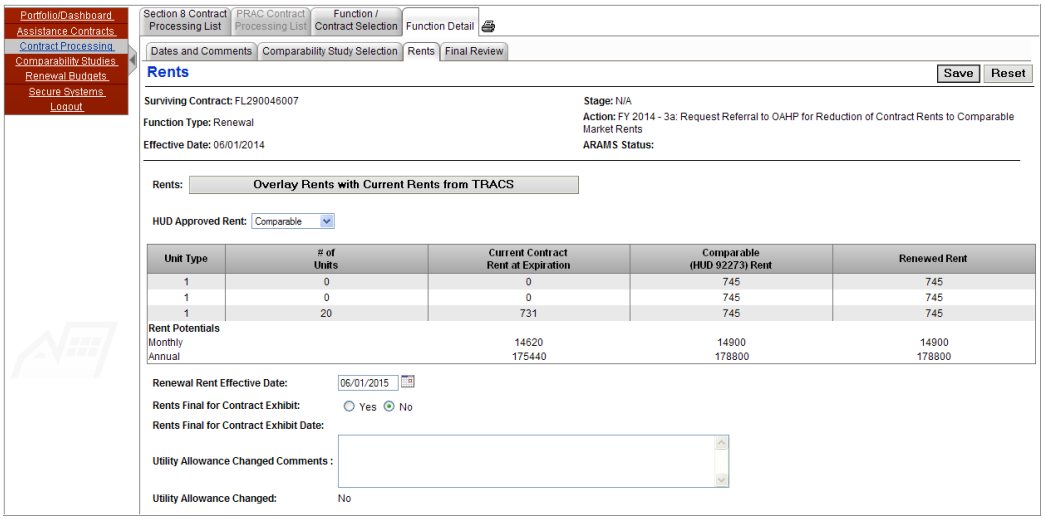


Figure 17-53. Rents page

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.

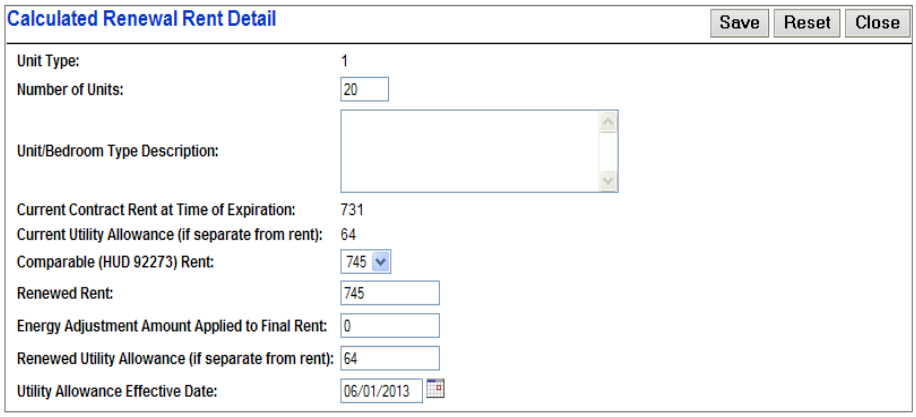


Figure 17-54. Calculated Renewal Rent Detail page

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 Save 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 Overlay Rents with Current Rents from TRACS and the following confirmation window displays:



Figure 17-55. Dialog box

3. Click on OK 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.

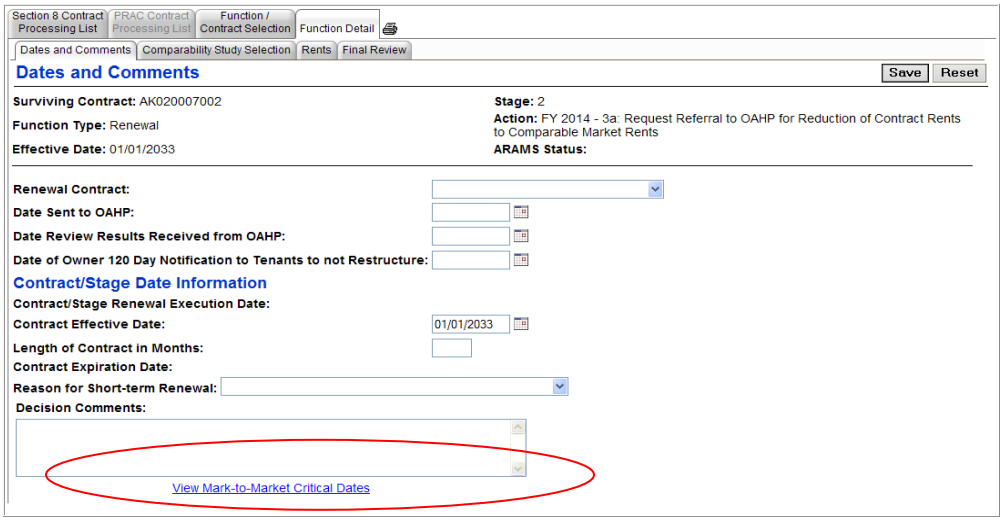


Figure 17-56. Dates and Comments (*View-Mark-to-Market Critical Dates*)

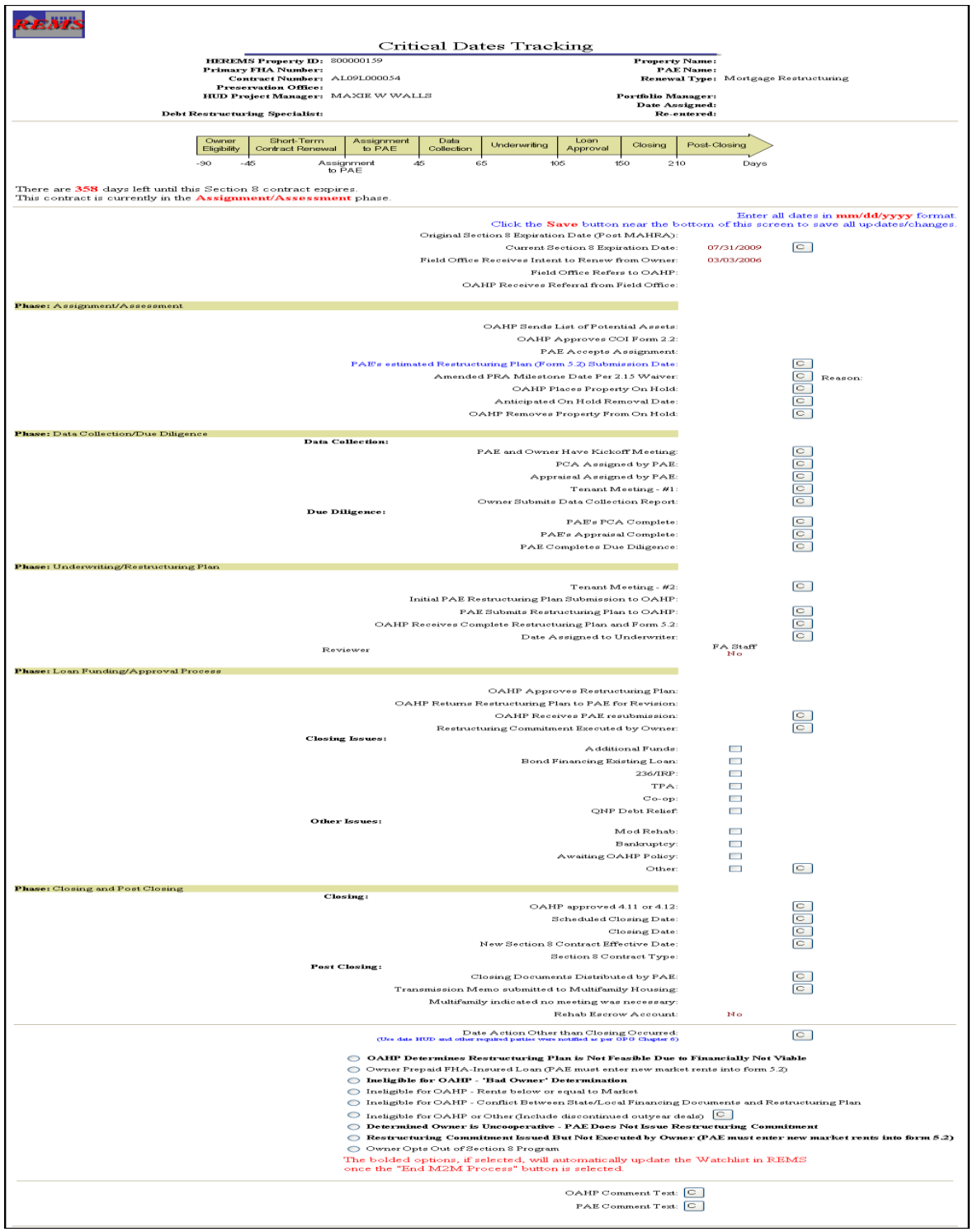


Figure 17-57. Critical Dates Tracking page

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.

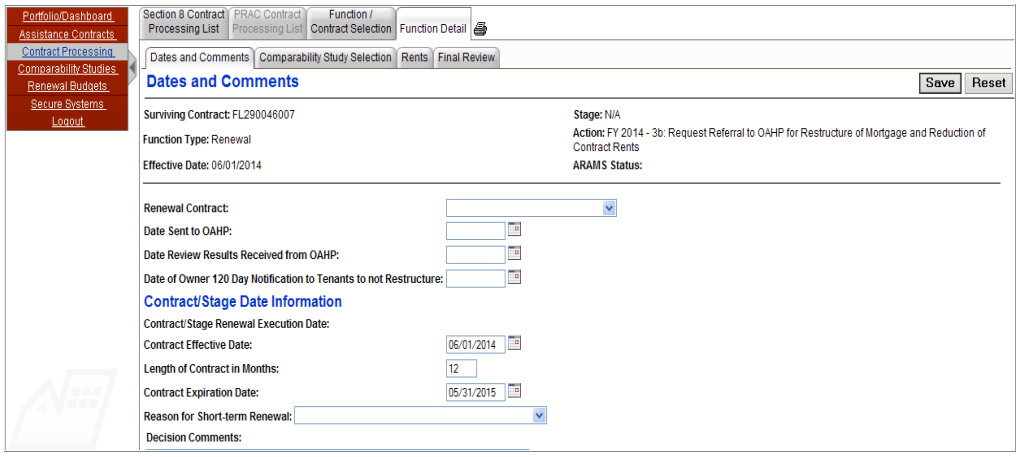


Figure 17-58. Date and Comments page

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 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.

17.4.6.2 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.

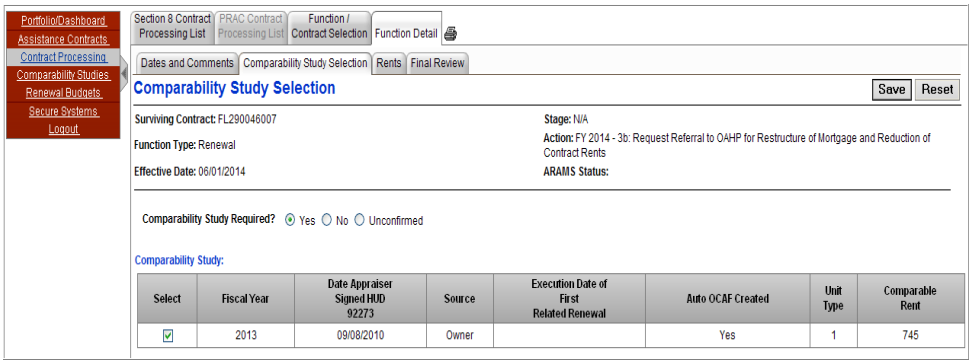


Figure 17-59. Comparability Study Selection page

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

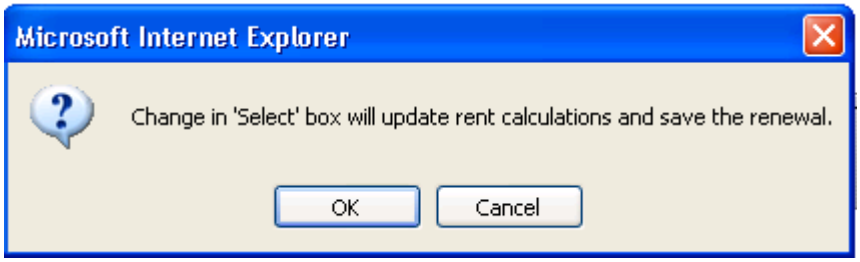


Figure 17-60. Dialog box

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.

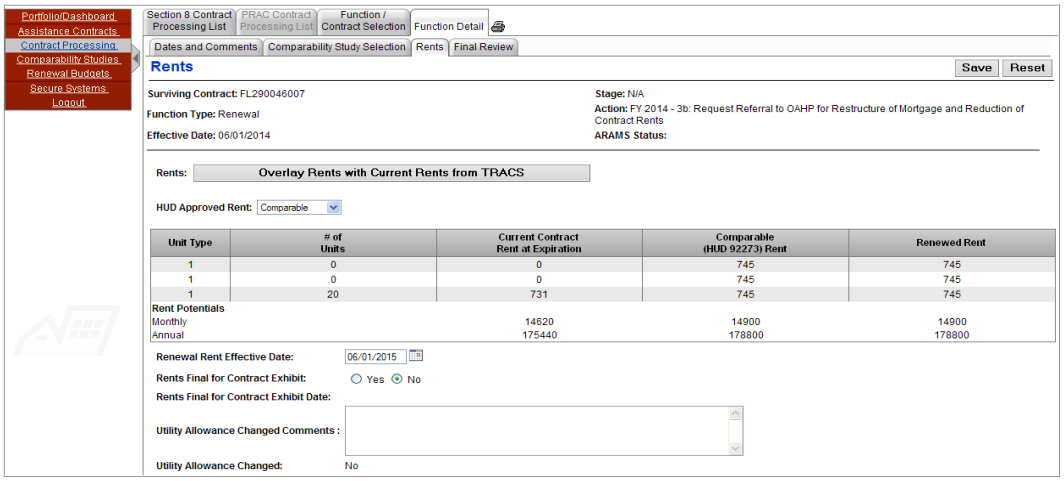


Figure 17-61. Rents page

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.

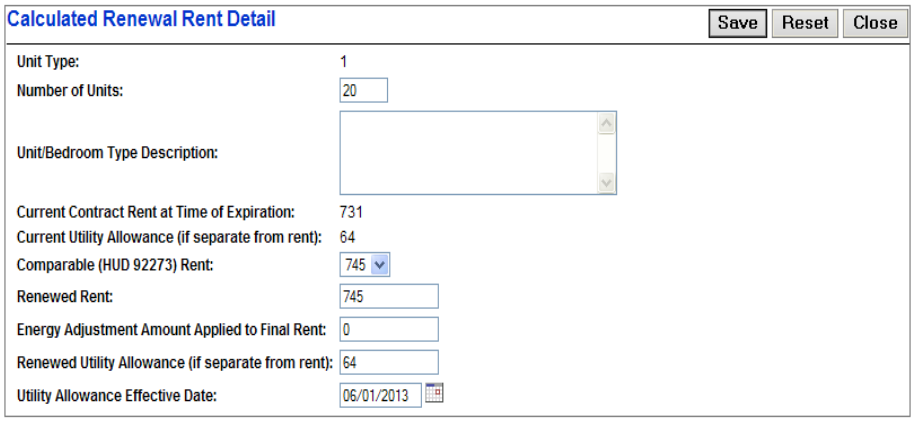


Figure 17-62. Calculated Renewal Rent Detail page

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 Save 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 Overlay Rents with Current Rents from TRACS and the following confirmation window displays:



Figure 17-63. Dialog box

3. Click on OK 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.

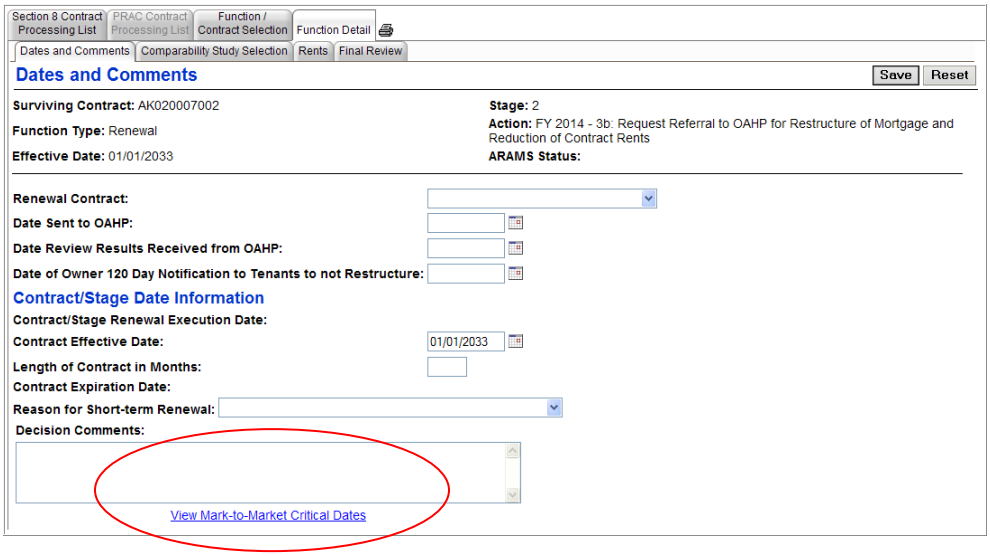


Figure 17-64. Dates and Comments (*View Mark-toMarket Critical Dates)*



Critical Dates Tracking

HEREMS Property ID: 800000089
Primary FHA Number: 17635020
Contract Number: AK020007002
Preservation Office: San Francisco
HUD Project Manager: LEONA L BLANKENSHIP
Debt Restructuring Specialist: NORMAN DAILEY
OAHP/PAE Underwriter:

Property Name: COHO PARK
PAE Name: ONTRA, Inc.
Renewal Type: Rent Reduction Only

There are -2575 days left until this Section 8 contract expires.
This contract is currently in the Rent Reduction Determination 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):	02/27/2003
Current Section 8 Expiration Date:	09/30/2006 C
Field Office Receives Request for Rent Reduction from Owner:	07/07/2006
Field Office Refers to OAHP:	
OAHP Receives Referral from Field Office:	10/24/2002
Phase: Assignment/Assessment	
OAHP Sends List of Potential Assets:	11/01/2002
OAHP 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 C
Tier 1 Incentive Due Date (Per PRA):	
Amended Tier 1 Incentive Due Date:	C
Amended Tier 1 Due Date (Per Rel. Mgr.):	C
Tier 2 Incentive Due Date (Per PRA):	
Amended Tier 2 Incentive Due Date:	C
Amended Tier 2 Due Date (Per Rel. Mgr.):	C
OAHP Places Property On Hold:	C
Anticipated On Hold Removal Date:	C
OAHP Removes Property From On Hold:	C
Phase: Rent Reduction Determination	
Tenant Notice Sent:	11/06/2002 C
PCA Assigned by PAE:	11/14/2002 C
Appraisal Assigned by PAE:	11/14/2002 C
PAE's PCA Complete:	C
PAE's Appraisal Complete:	C
Initial PAE Restructuring Plan Submission to OAHP:	01/24/2003
PAE Submits Justification for Recommendation (Form 10.2):	C
OAHP Receives Complete PAE Justification (Form 10.2) Submission:	01/30/2003 C
OAHP Approves PAE 'Lite' Recommendation:	02/13/2003 C
OAHP Notifies HUD Project Manager:	05/28/2003 C
PAE Sends New Sec. 8 Contract to Owner and Notifies HUD Project Manager:	C
PAE Receives Copy of Owner's Signed Sec. 8 Contract:	C
Status of Miscellaneous Items	
PAE Notifies Owner of Recommendation to Convert to Mortgage Restructuring:	C
OAHP Approves Tier 2 Conversion (Form 2.16):	C
OAHP Returns Submission to PAE for Revision:	C
OAHP Receives PAE Resubmission:	C
Number of Resubmissions:	0
New Section 8 Contract Effective Date:	10/01/2003 C *
Section 8 Contract Type:	Watchlist

PAE Final Section 8 Renewal Recommendation:
- Renew as Tier 1
- Renew as Tier 2
- **Watchlist - Ineligible, Recommended Conversion to Full**
- Not to Renew
- Ineligible for Mark-to-Market - Rents below or equal to Market
- Ineligible for Mark-to-Market - Other C
- Owner Opts Out of Section 8 Program

OAHP Comment Text: C *
PAE Comment Text: 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.

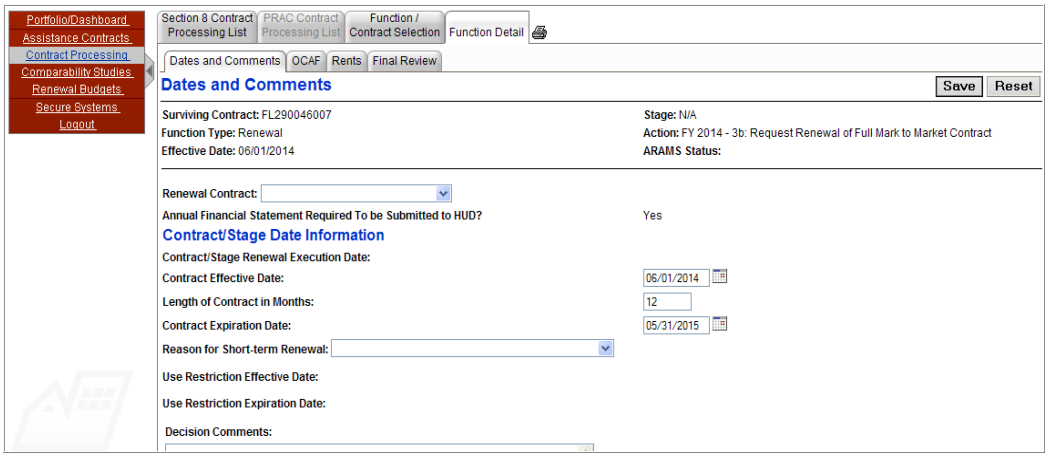


Figure 17-66. Date and Comments page

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.

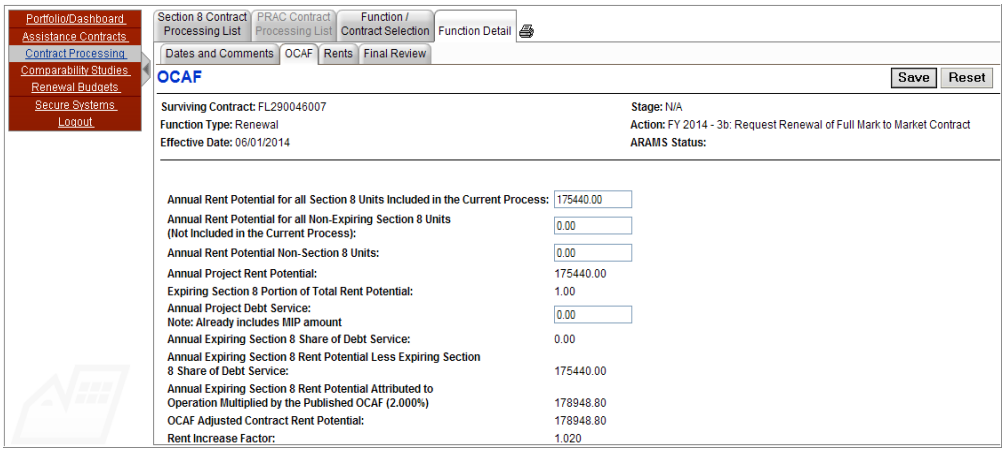


Figure 17-67. OCAF page

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 Save 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 Save 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 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.

> ✍ *Note: There is not a* 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.

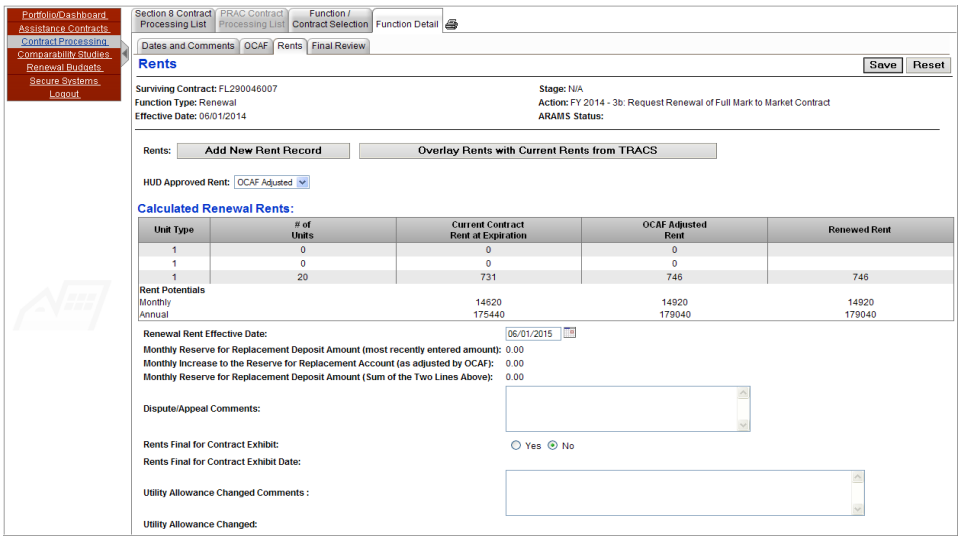


Figure 17-68. Rents page

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.

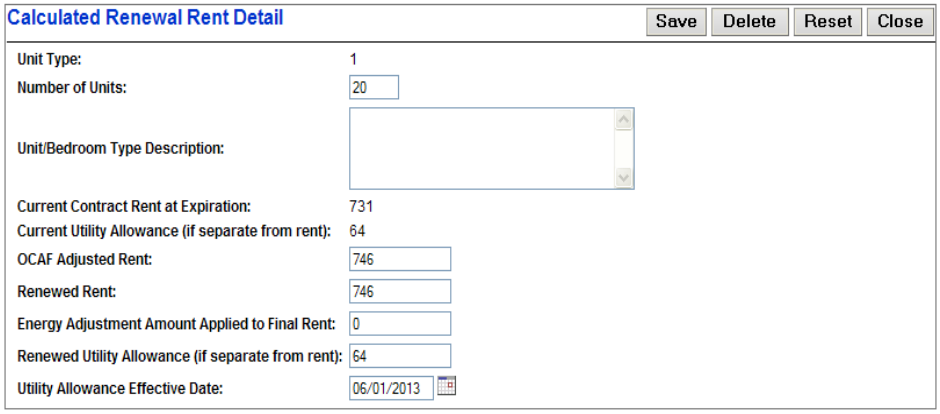


Figure 17-69. Calculated Renewal Rent Detail page

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 Overlay Rents with Current Rents from TRACS and the following confirmation window displays:



Figure 17-70. Dialog box

6. Click on OK 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.

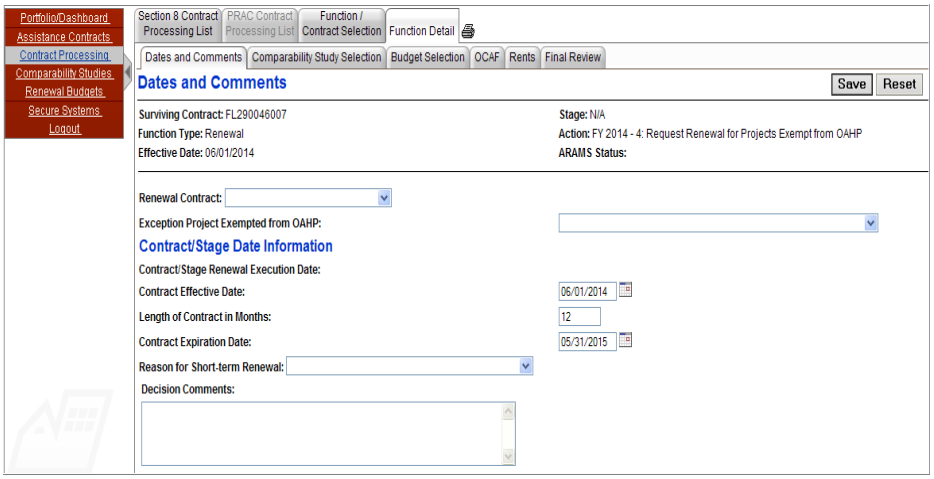


Figure 17-71. Dates and Comments for Option 4

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 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.

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.

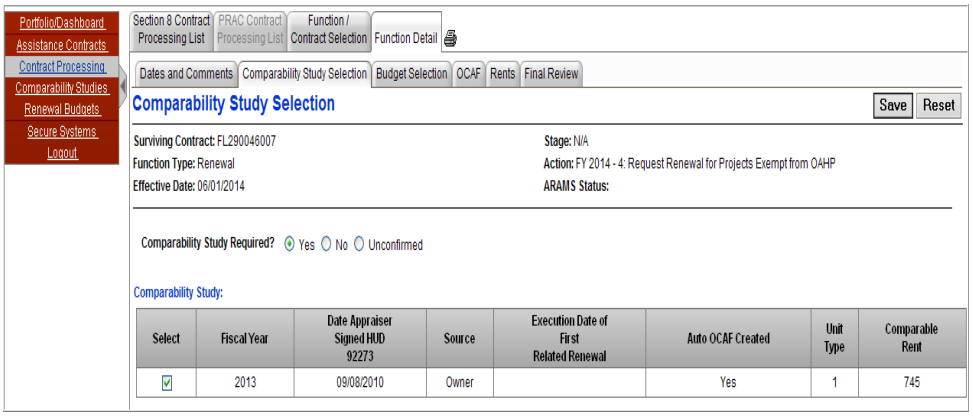


Figure 17-72. Comparability Study Selection page

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

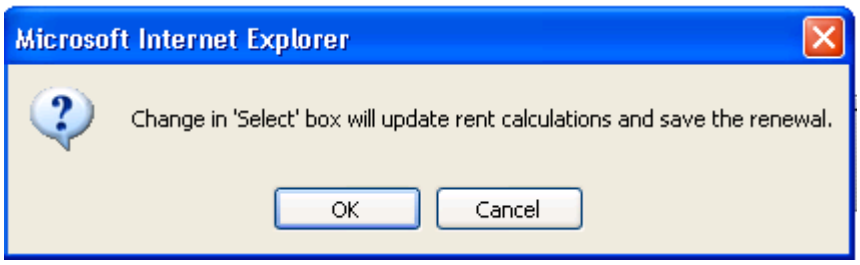


Figure 17-73. Dialog box

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

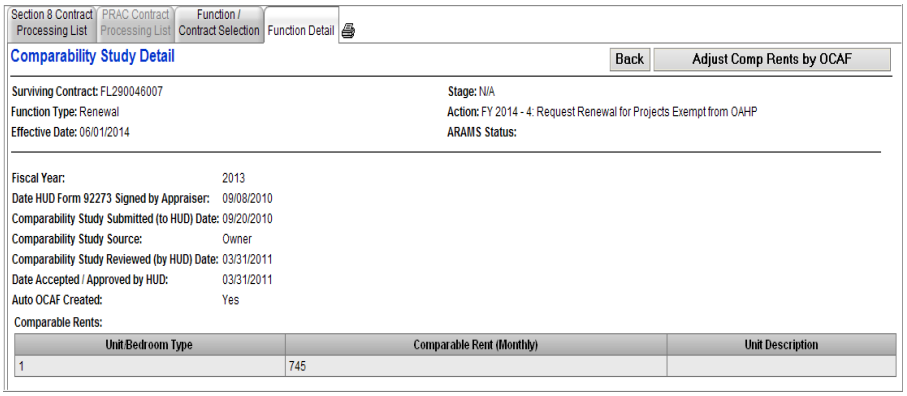


Figure 17-74. Comparability Study Detail page

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.

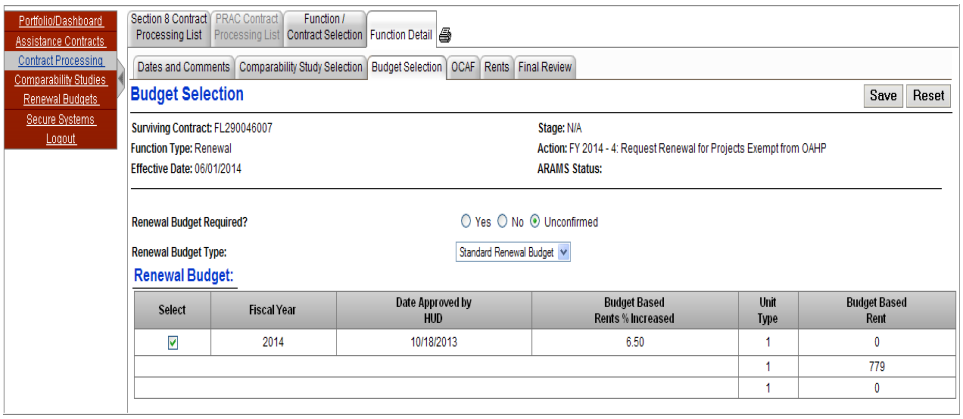


Figure 17-75. Budget Selection page

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.

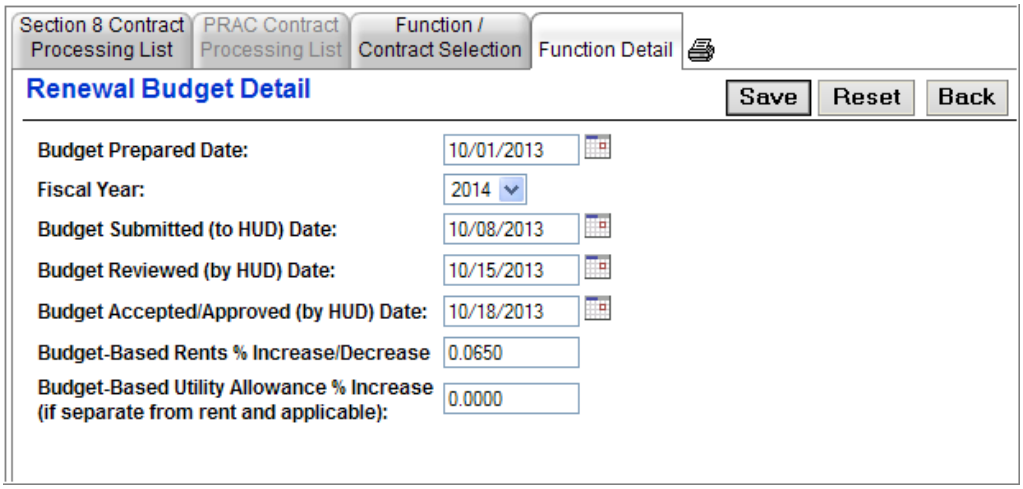


Figure 17-76. Budget Selection page

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.

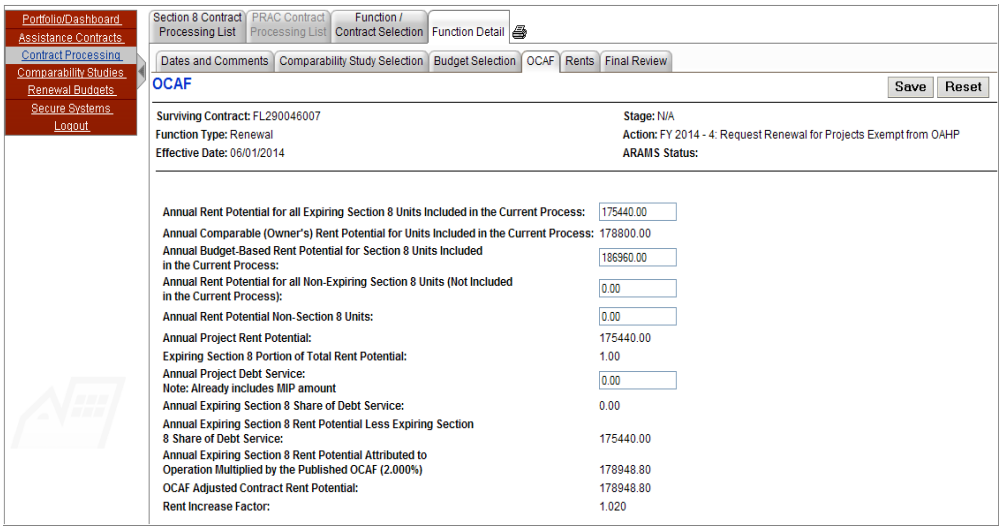
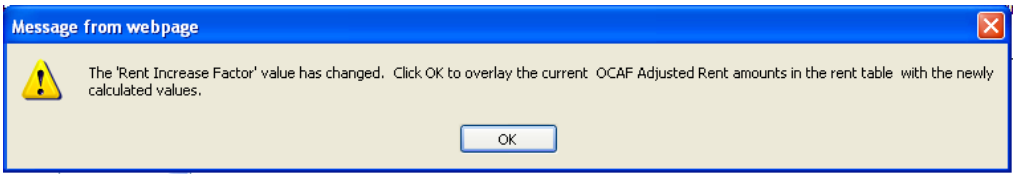


Figure 17-77. OCAF page

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 amonts base on the new Rent Increase Factor.

3. Click on Save 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 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 rent information:

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

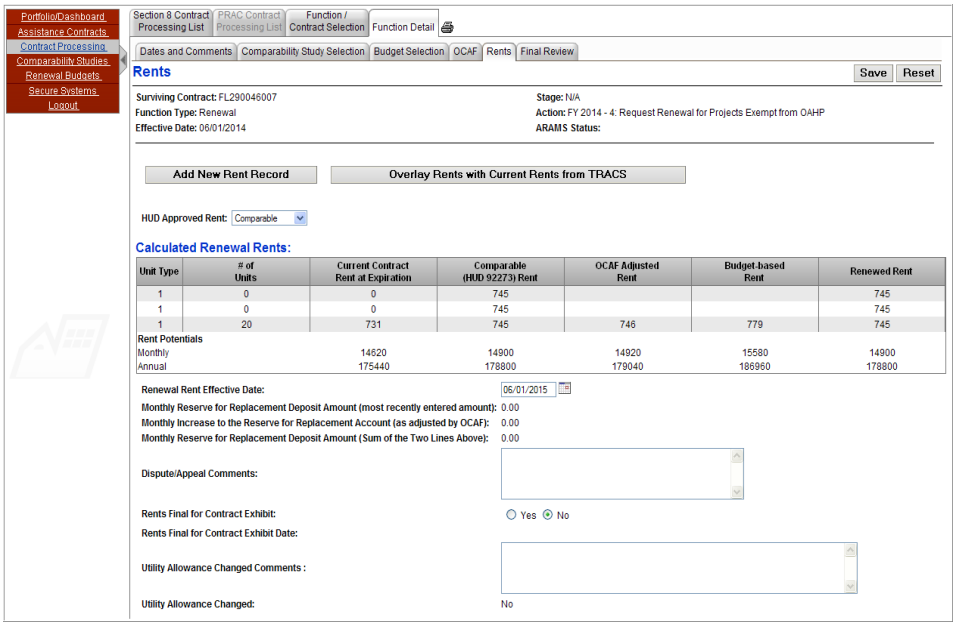


Figure 17-78. Rents page

2. 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*

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

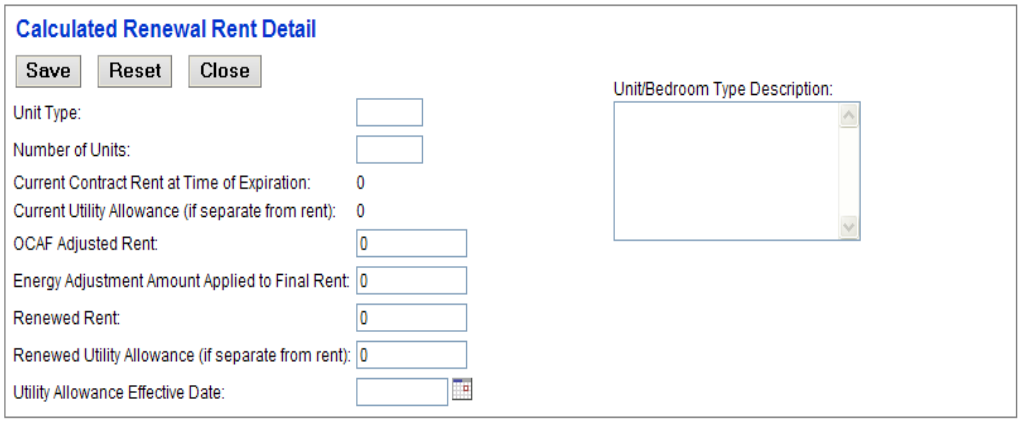


Figure 17-79. Calculated Rents Detail

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*
- *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* 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 Save 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.

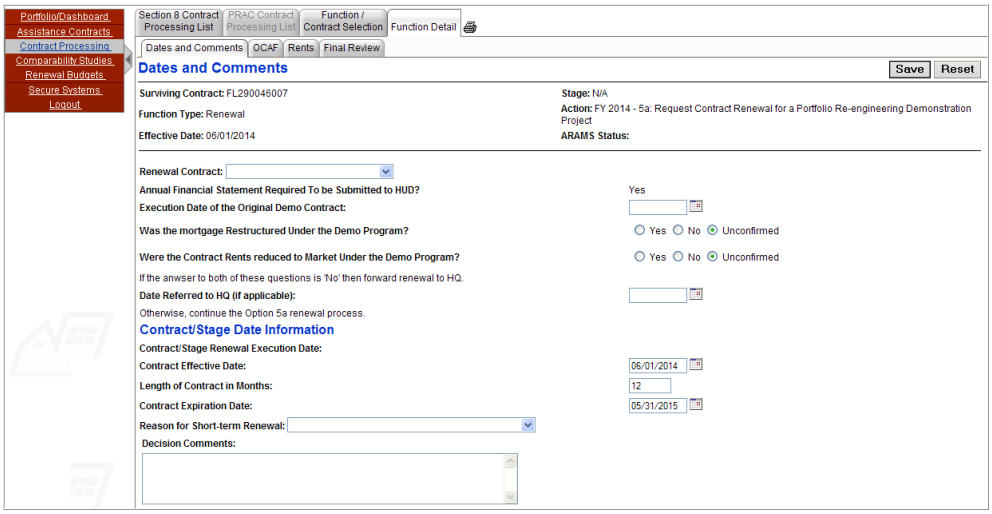


Figure 17-80. Dates and Comments page

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 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.

17.4.10.2 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.

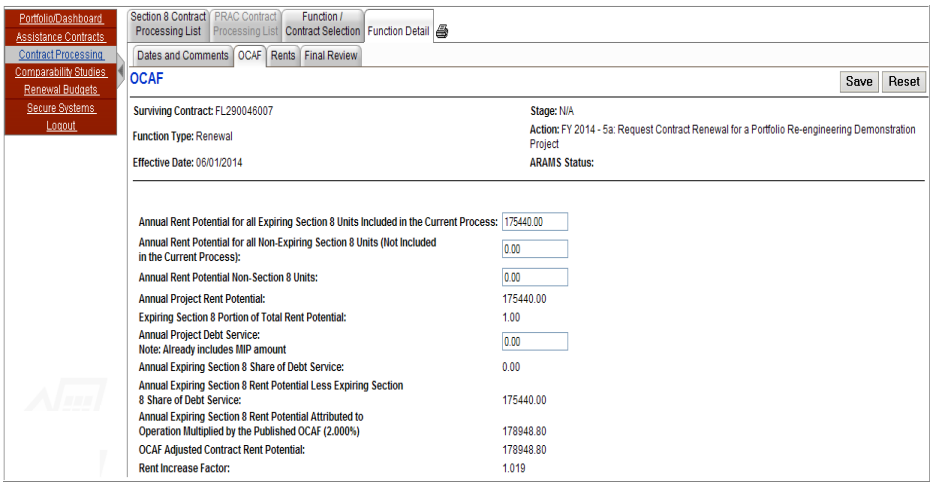
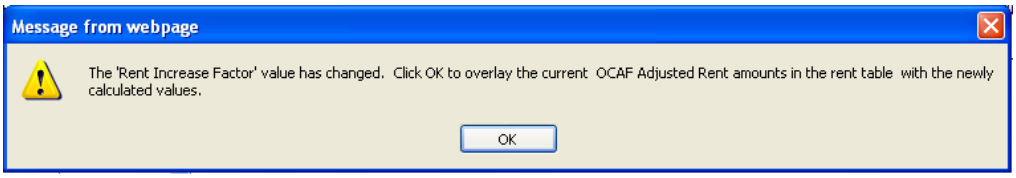


Figure 17-81. OCAF

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 amonts 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 Overlay Rents with Current Rents from TRACS 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.

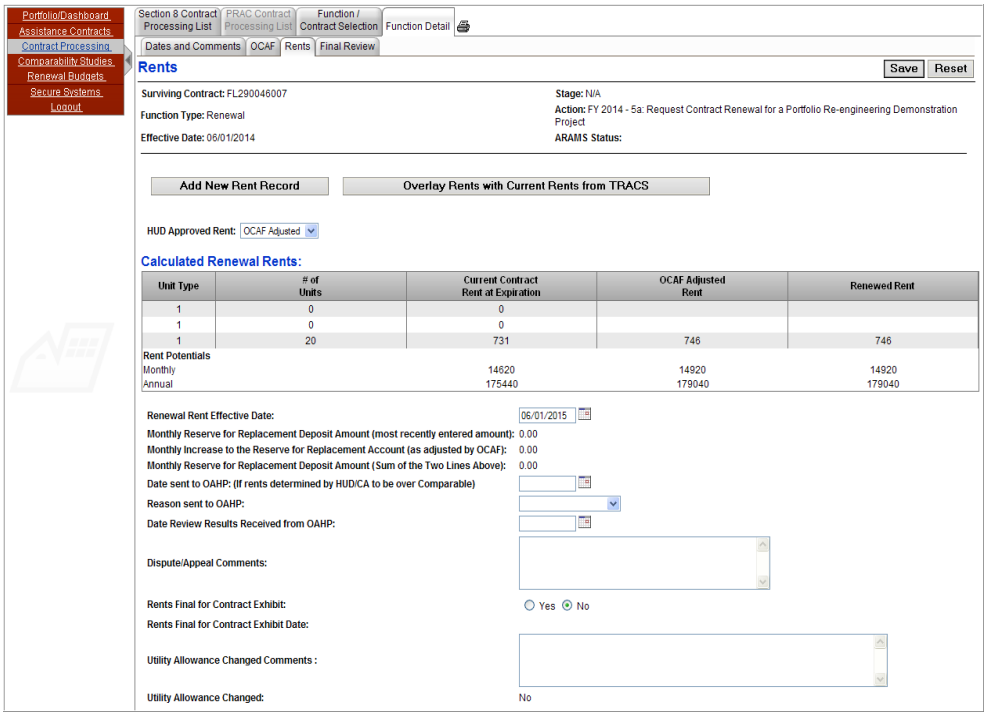


Figure 17-82. Rents page

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.

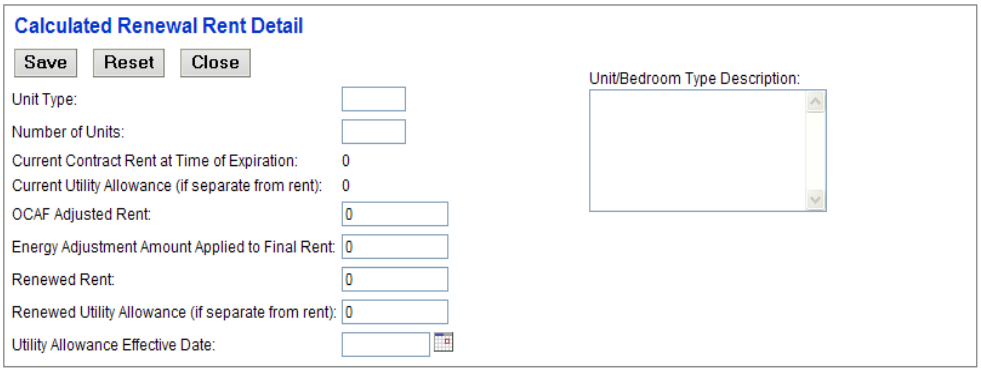


Figure 17-83. Calculated Renewal Rent Add page

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.

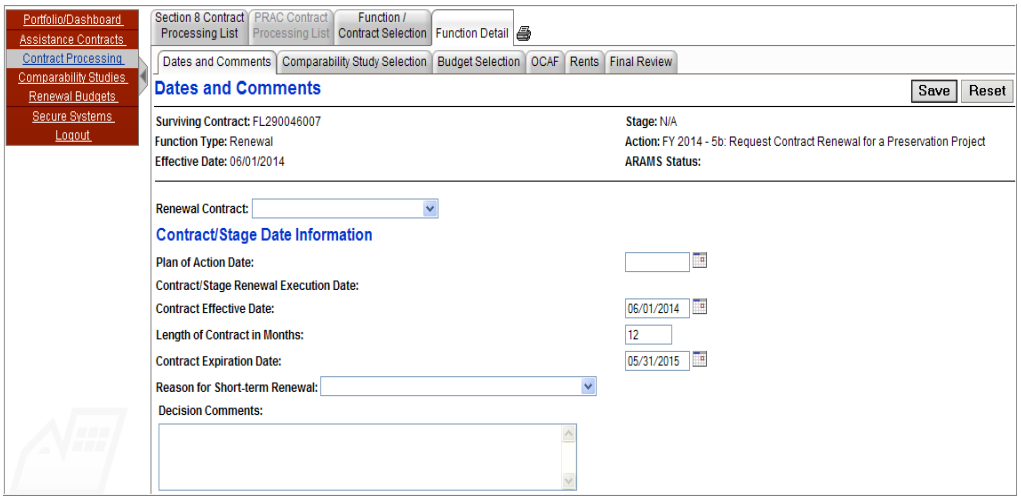


Figure 17-84. Dates and Comments page

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 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.

Alternative option

Click on Reset 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.

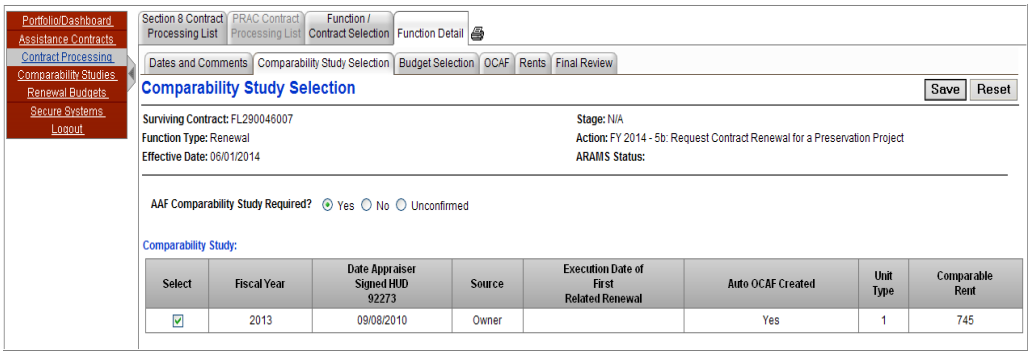


Figure 17-85. Comparability Study Selection

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.

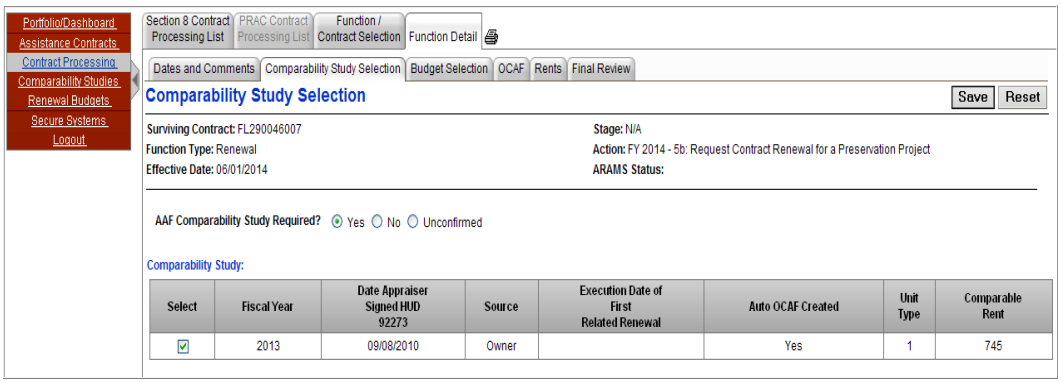


Figure 17-86. Comparability Study Selection page

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

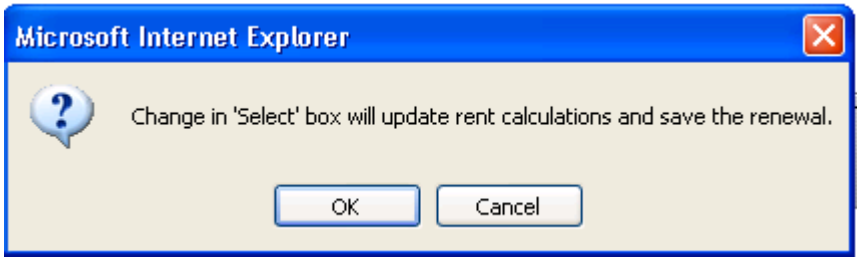


Figure 17-87. Dialog box

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

5. 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:

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

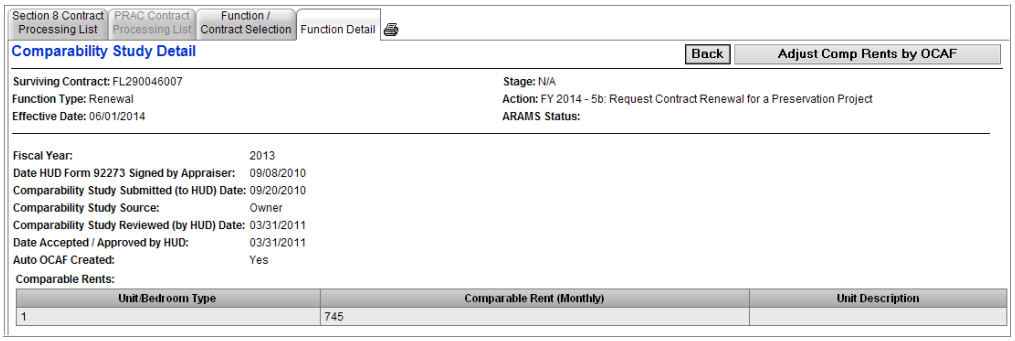


Figure 17-88. Comparability Study Detail page

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.

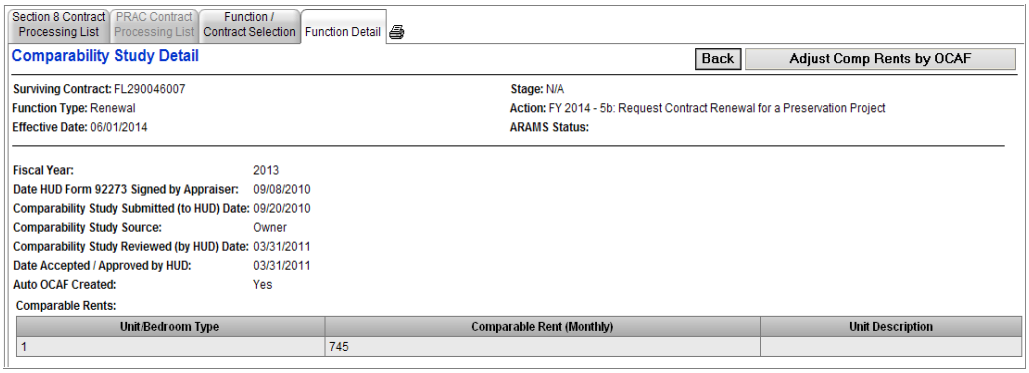


Figure 17-89. Comparability Study Detail page

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

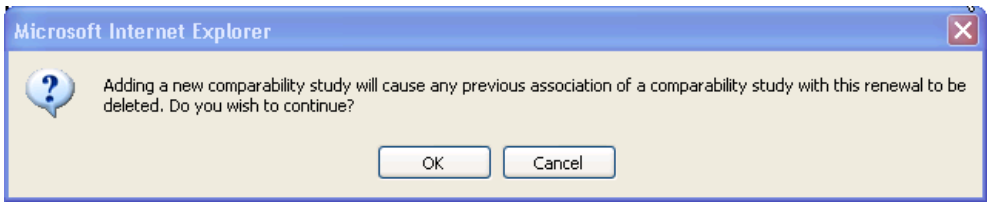


Figure 17-90. Comparability Dialog box

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

Alternative option

Click on Cancel 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.

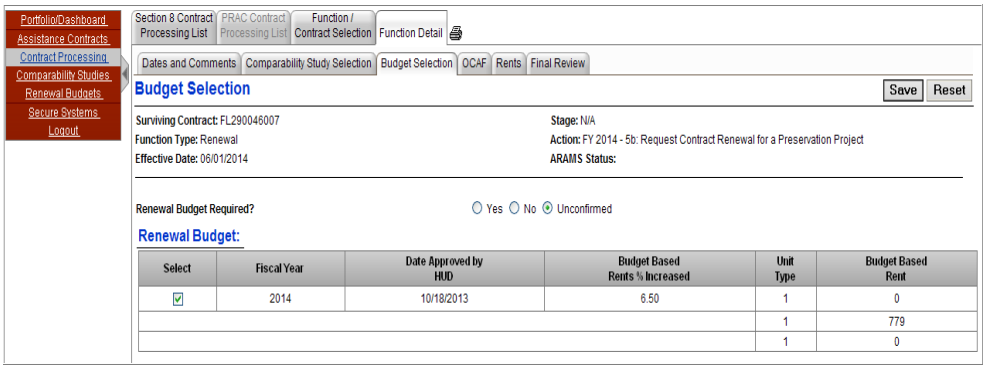


Figure 17-91. Budget Selection page

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

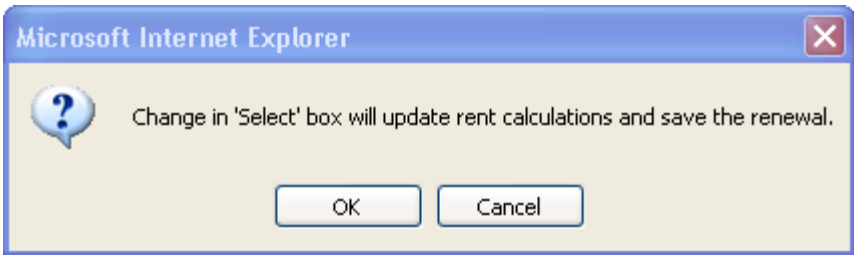


Figure 17-92. Renewal Dialog box

3. Click on OK to accept the changes or Cancel 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.

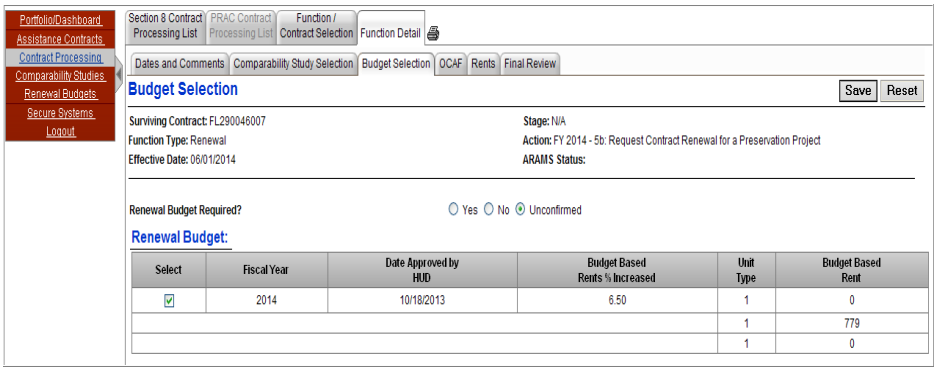


Figure 17-94. Budget Selection page

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

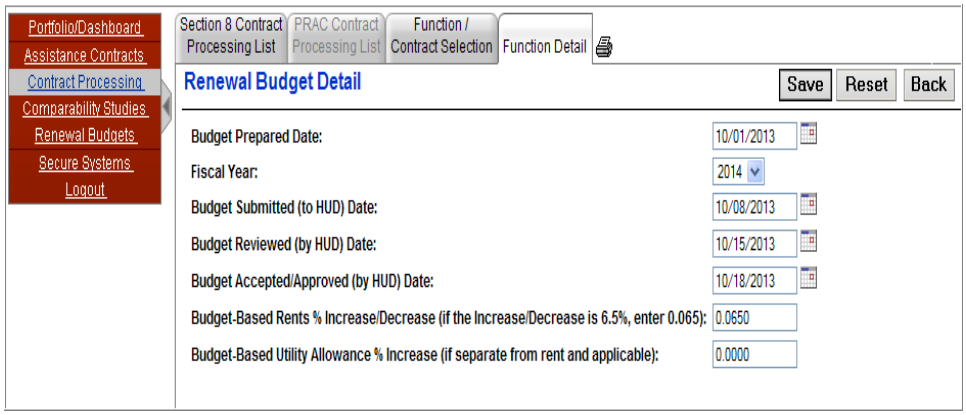


Figure 17-95. Renewal Budget Detail page

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.

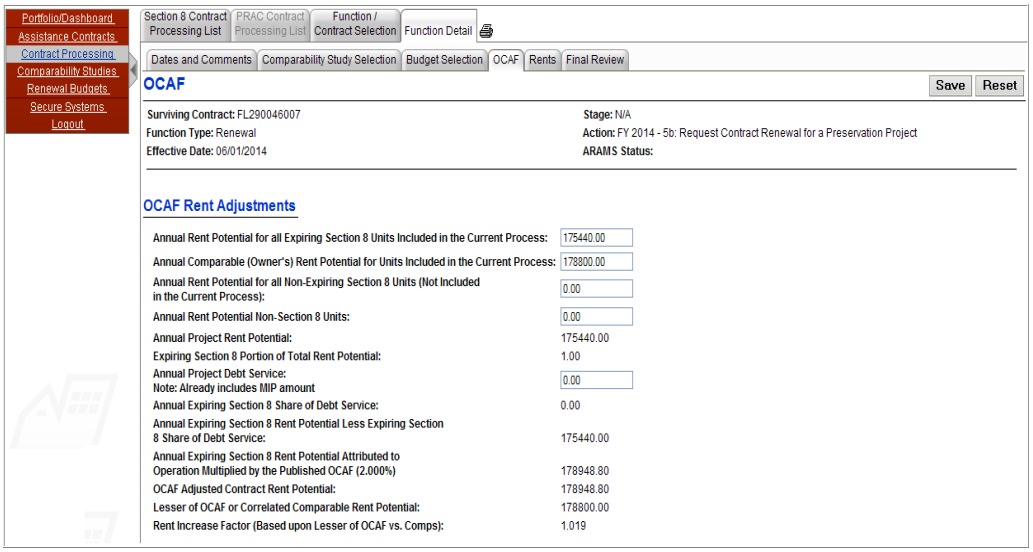


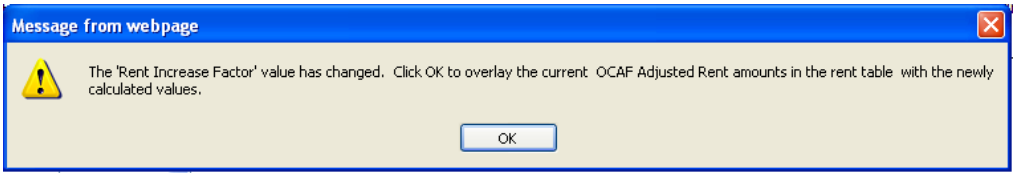
Figure 17-96. OCAF page

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 amonts base on the new Rent Increase Factor.

3. 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:

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

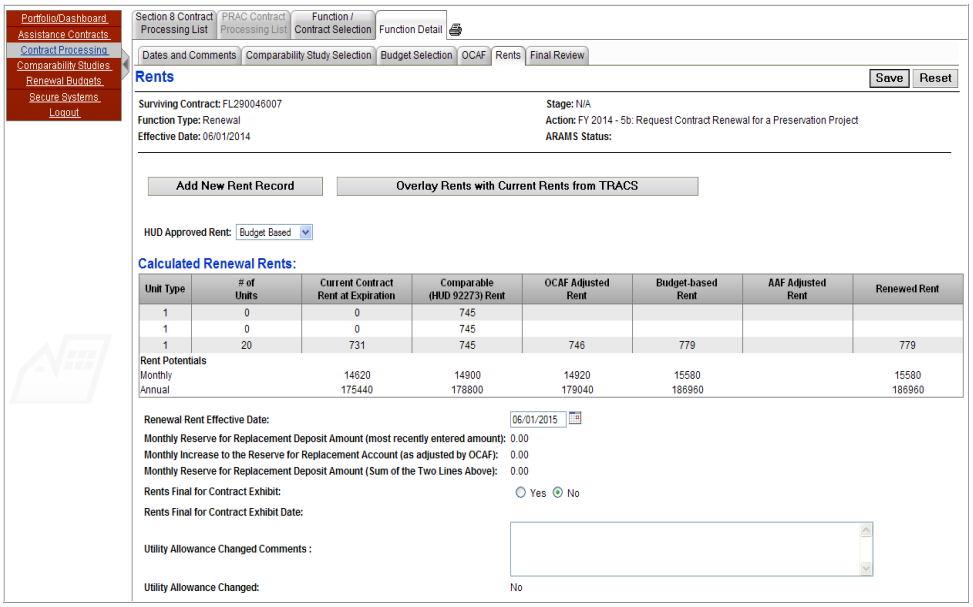


Figure 17-97. Rents page

2. Enter any of the following information:
   - *HUD Approved Rent, from drop-down*
   - *Renewal Rent Effective date, calendar*
   - *Rents Final for Contract Exhibit, radio button*

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

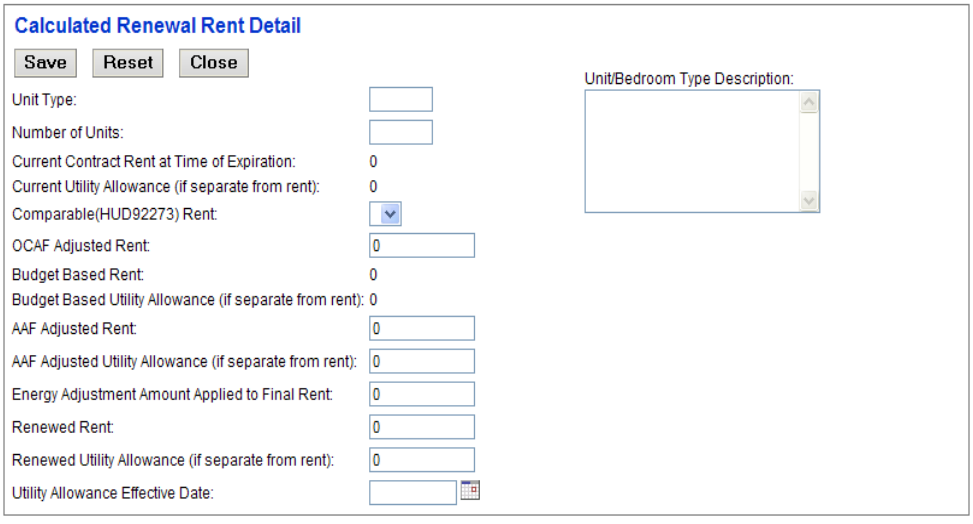


Figure 17-98. Calculated Rents Detail

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.*

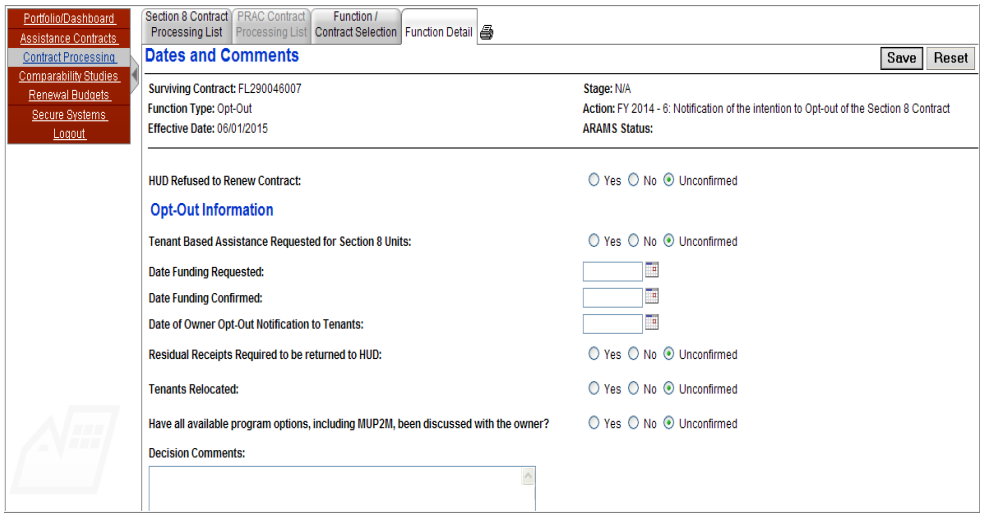


Figure 17-99. Dates and Comments for Option 6

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.

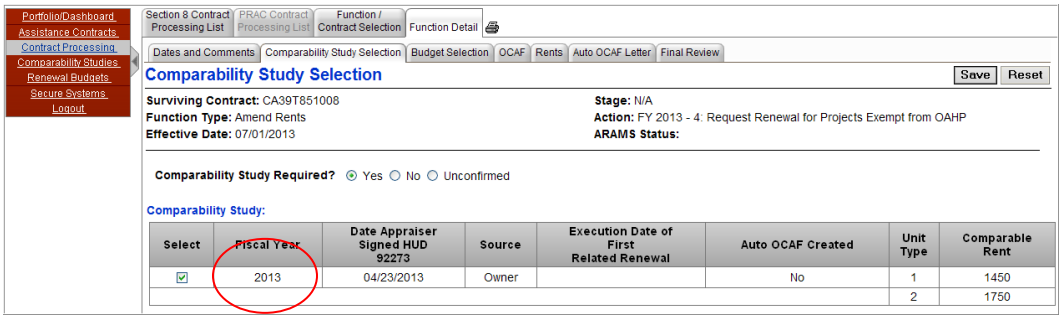


Figure 17-100. Comparability Study Selection page

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

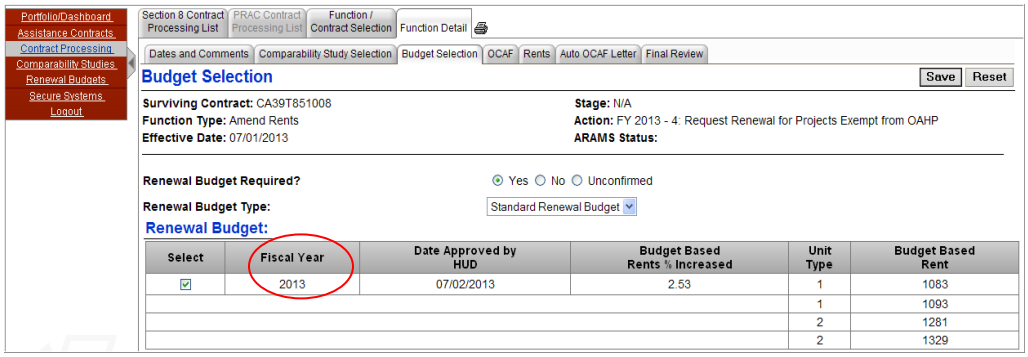


Figure 17-101. Budget Selection page

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**

.

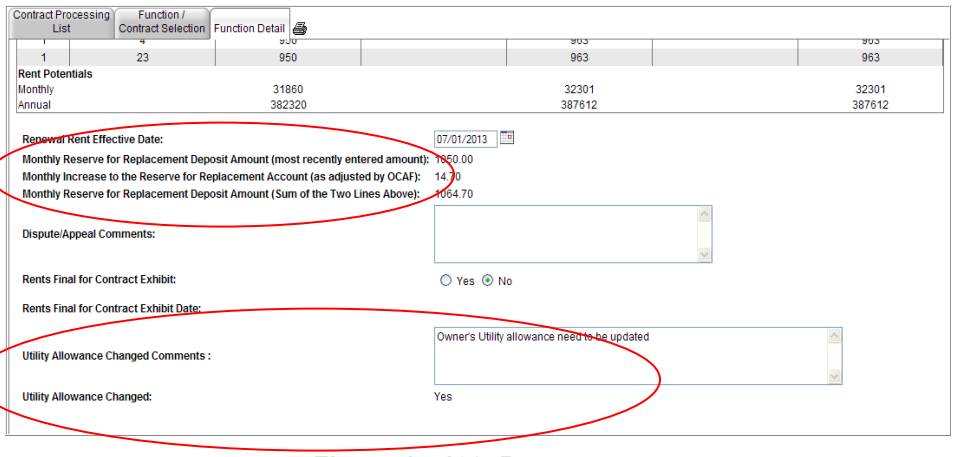


Figure 17-102. Rents page

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 <u>without</u> 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.

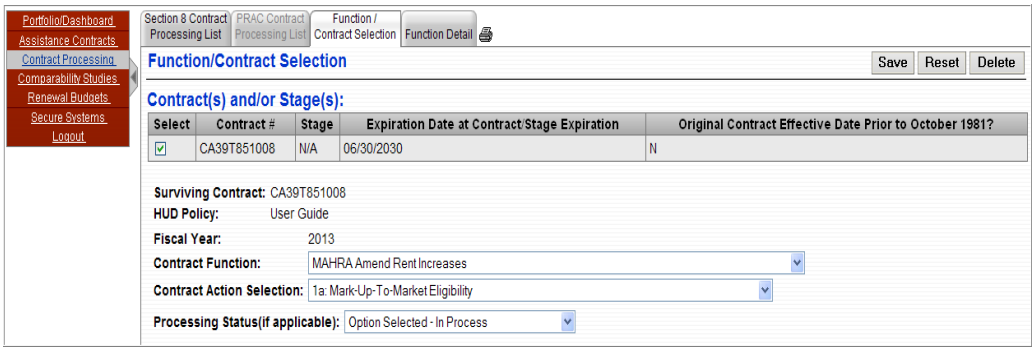


Figure 17-103. Function/Contract Selection page

> ✍ *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.

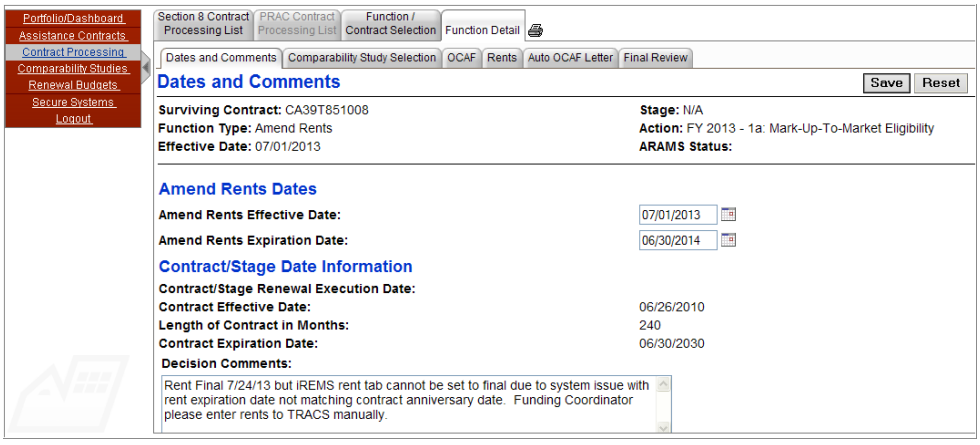


Figure 17-104. Dates and Comments page

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.

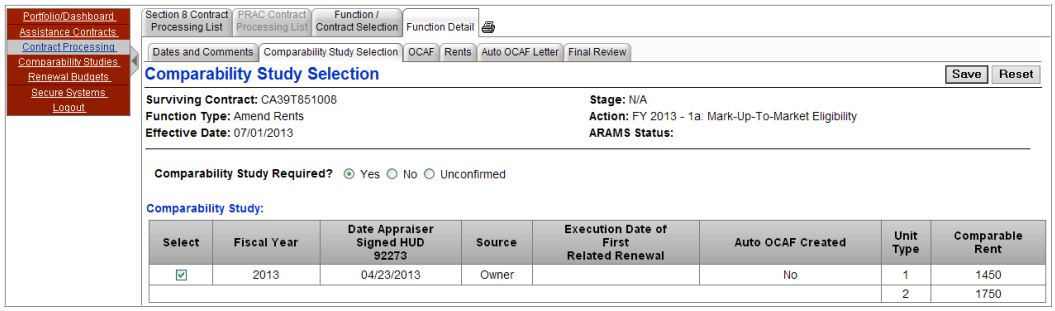


Figure 17-105. Comparability Study page

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.

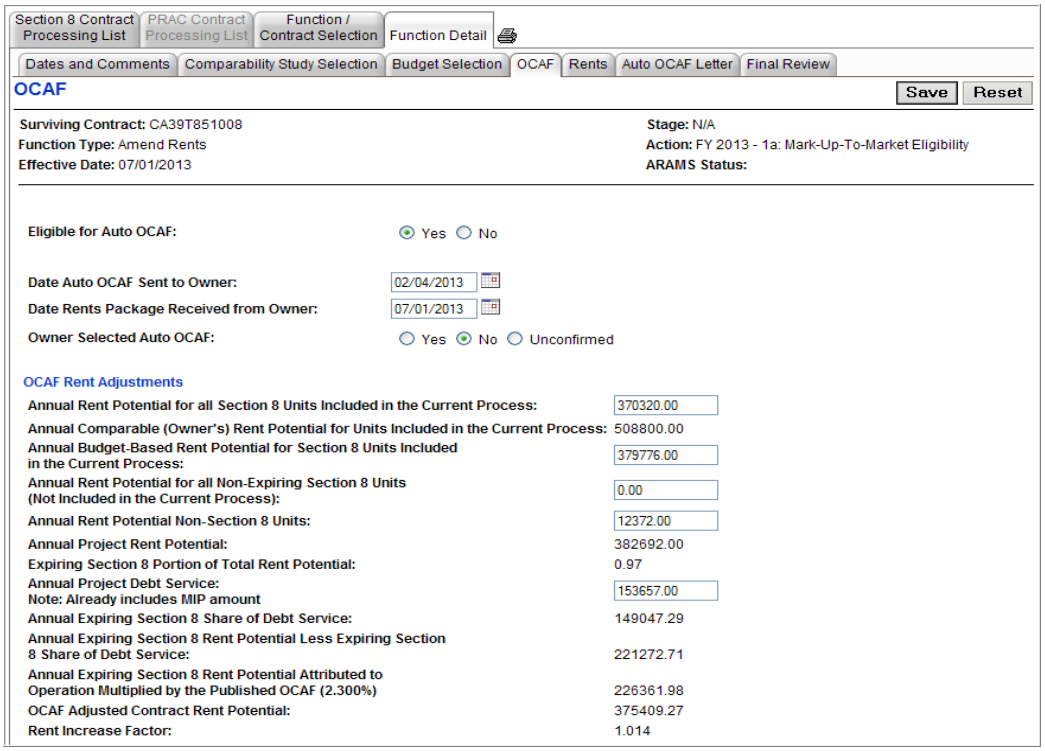
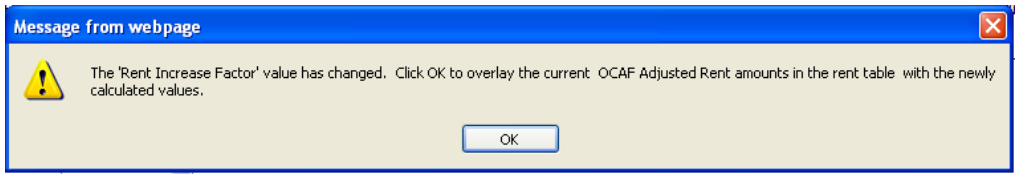


Figure 17-106. OCAF

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:



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

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

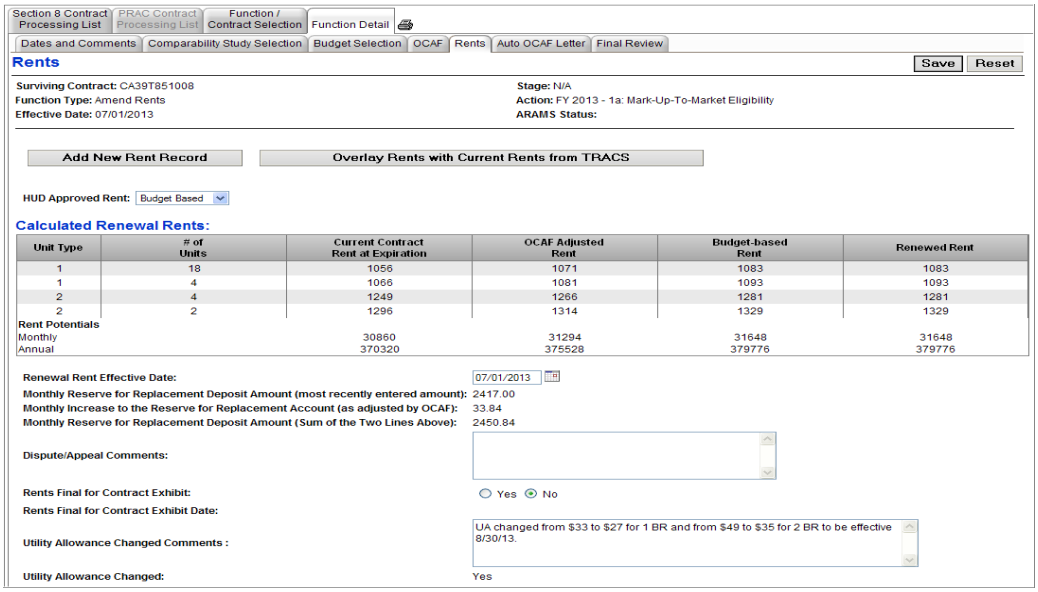


Figure 17-107. Rents page

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.

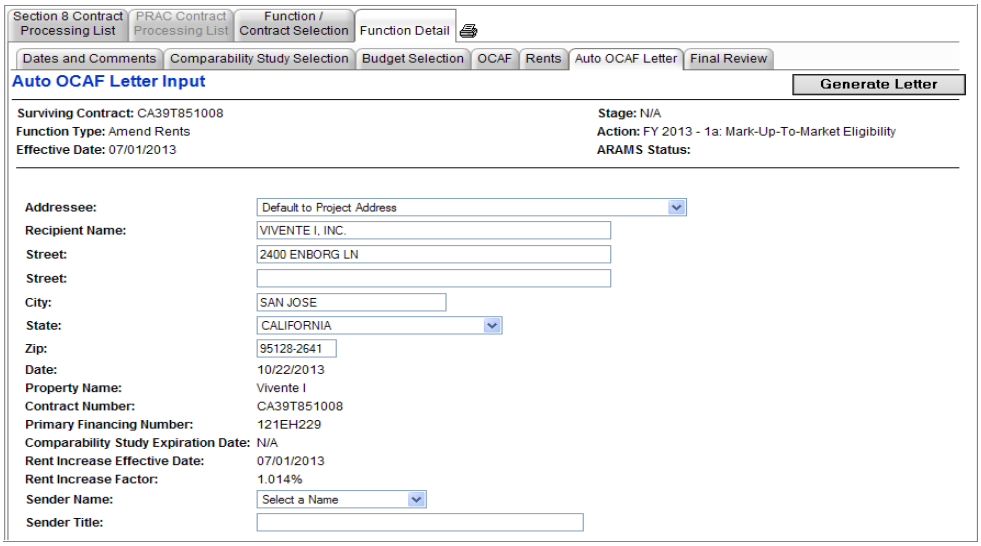


Figure 17-108. Auto OCAF Letter Input page

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.

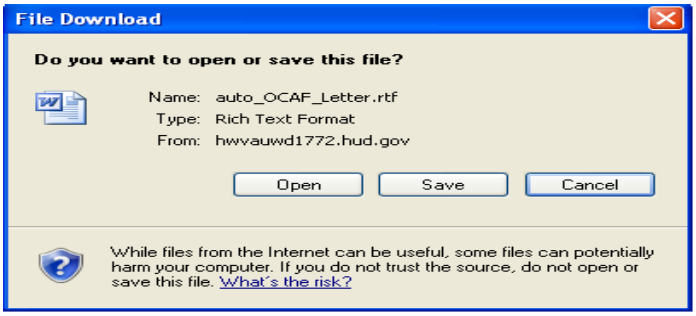
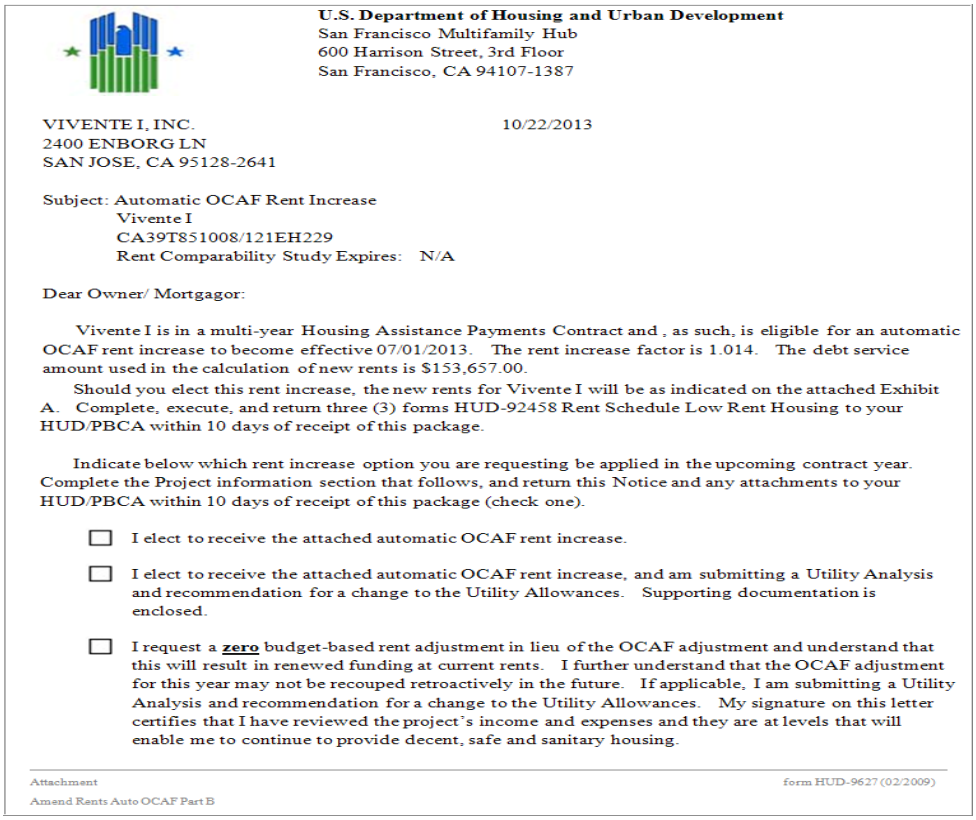


Figure 17-110. File Download box

18. Click on Open and the letter is generated in **Microsoft Word.**
(options 1 and options 3 generate the Letter *A*)



U.S. Department of Housing and Urban Development
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).

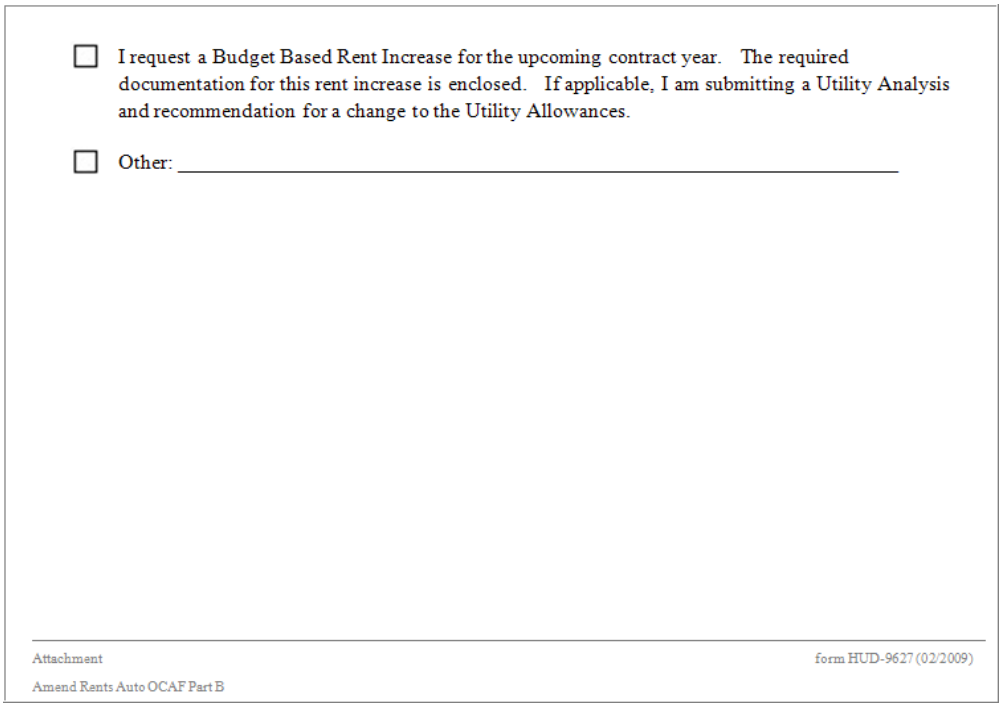
☐ I elect to receive the attached automatic OCAF rent increase.

☐ 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.

☐ I request a **zero** 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 form HUD-9627 (02/2009)
Amend Rents Auto OCAF Part B

Figure 17-111. Auto OCAF Rent Increase Letter *A* - 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 17-112. 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.

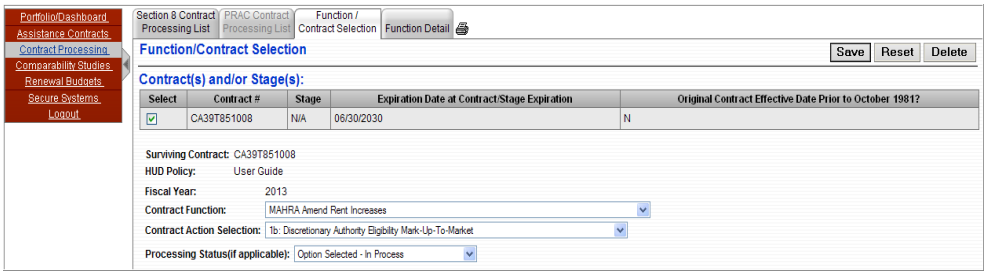


Figure 17-115. Function/Contract Selection page

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.

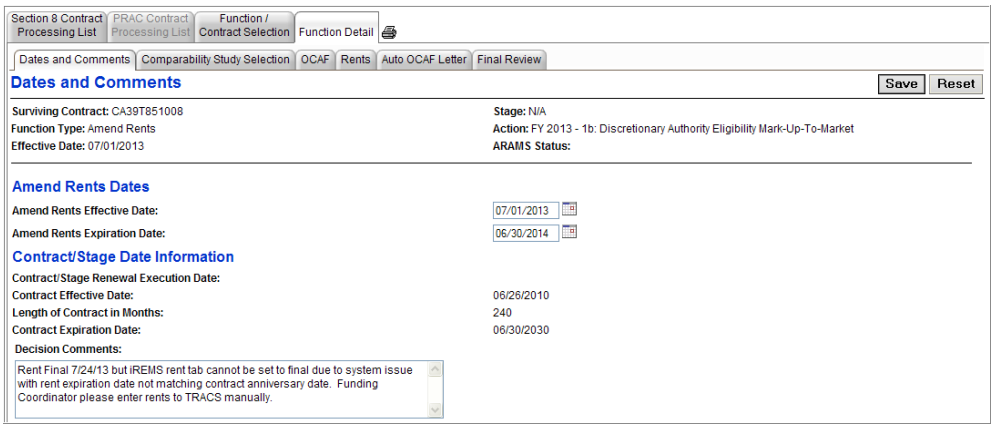


Figure 17-116. Dates and Comments page

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.

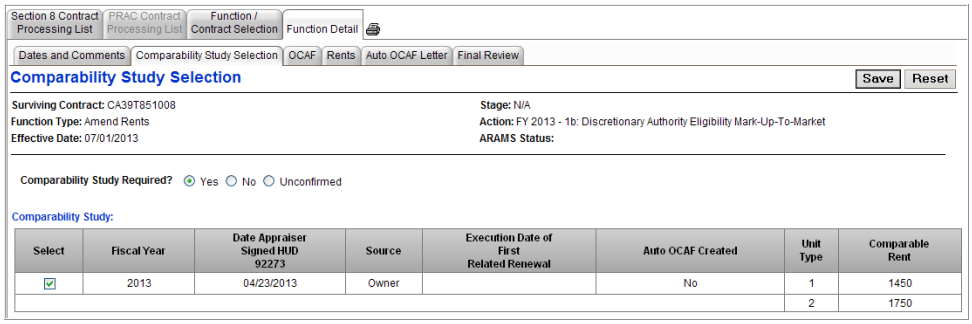


Figure 17-117. Comparability Study Selection page

7. Select "Yes" in the *Comparabilty 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

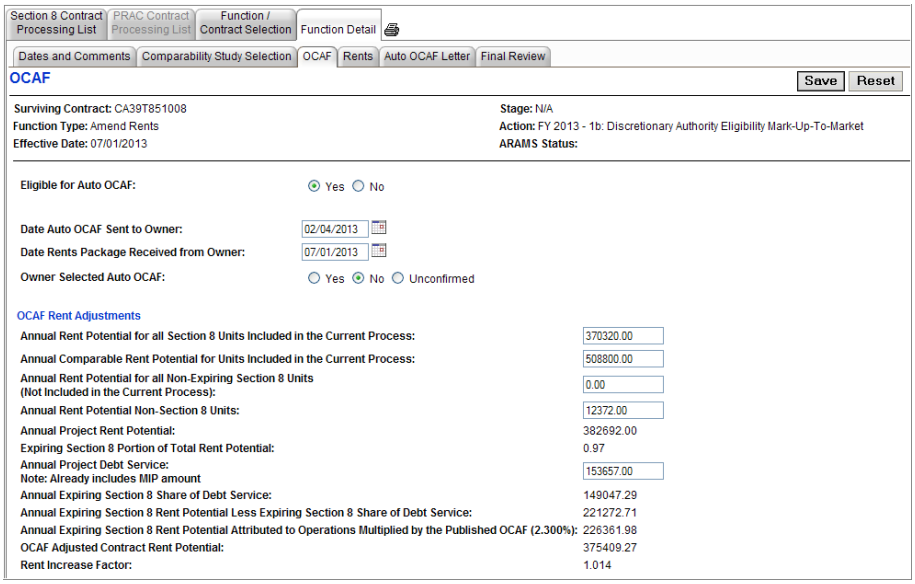


Figure 17-118. OCAF page

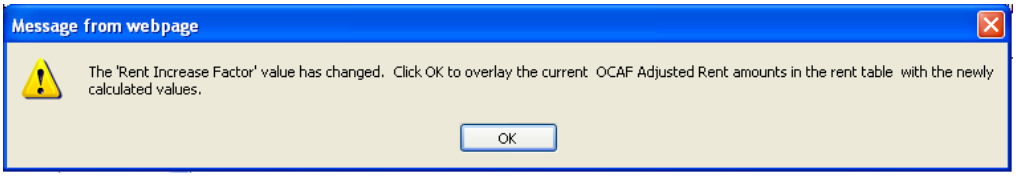
Validate the following fields

- *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 amonts base on the new Rent Increase Factor.

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

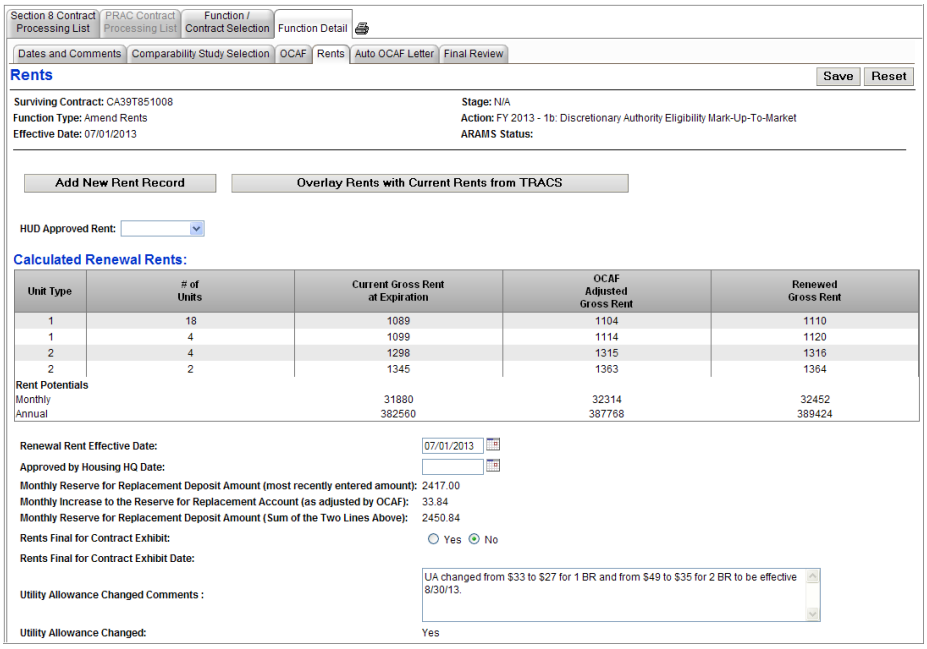


Figure 17-119. Rents page

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 <u>without</u> 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.

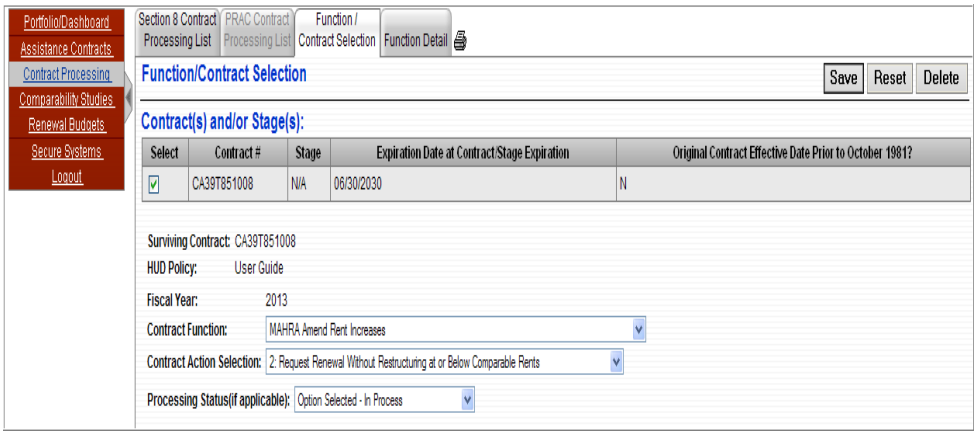


Figure 17-120. Function/Contract Selection page

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.

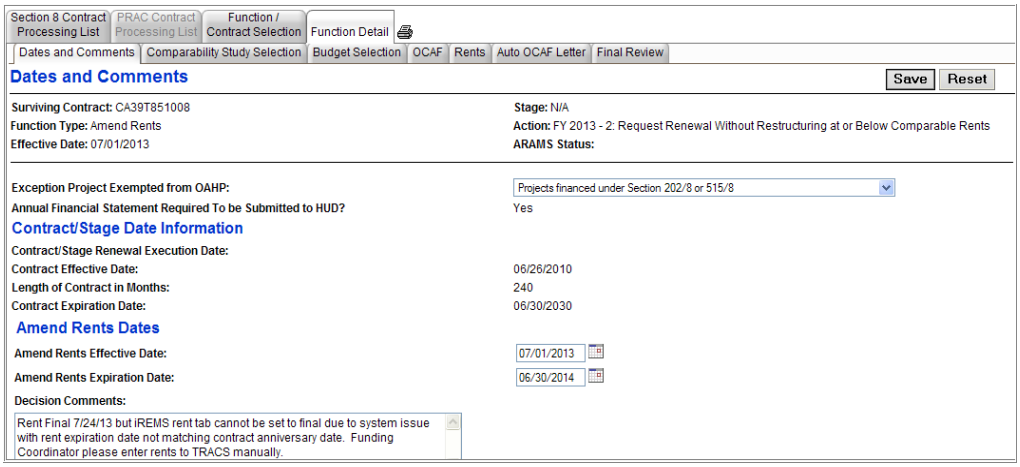


Figure 17-121. Dates and Comments page

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.

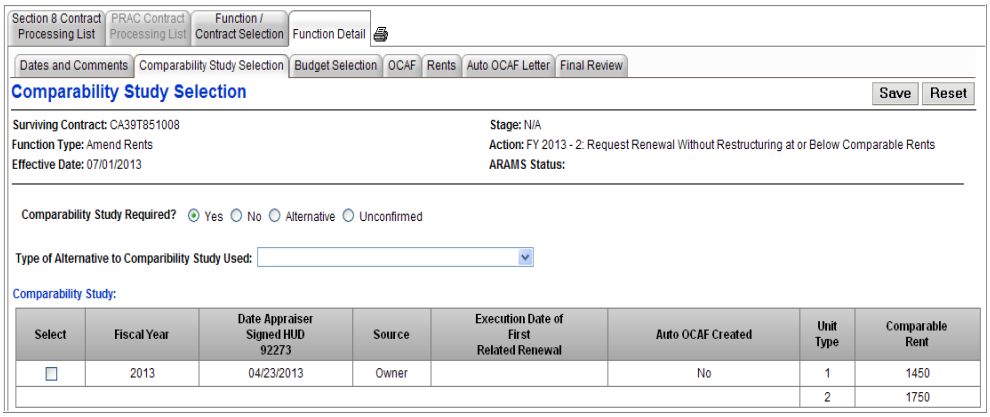


Figure 17-122. Comparability Study Selection page

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.*

8. Click on the *Budget Selection* tab and the **Budget Selection** page displays. Confirm if Renewal Budget is required and what Renewal Budget Type.

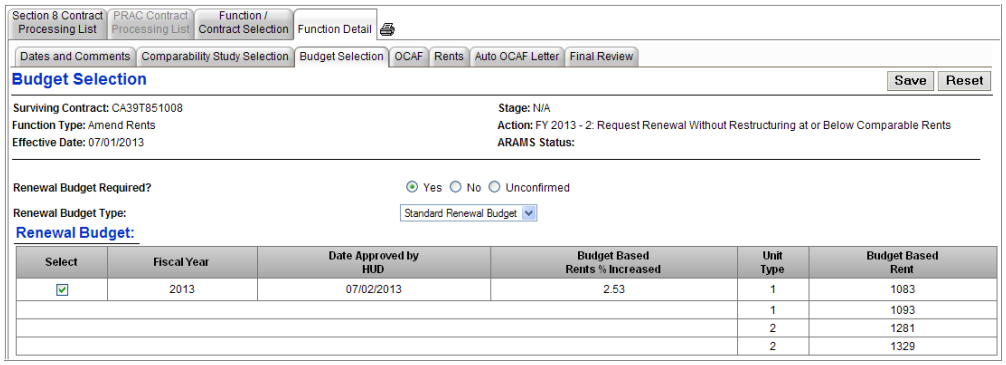


Figure 17-123. Budget Selection page

9. Click on the *OCAF* tab and the **OCAF** page displays.

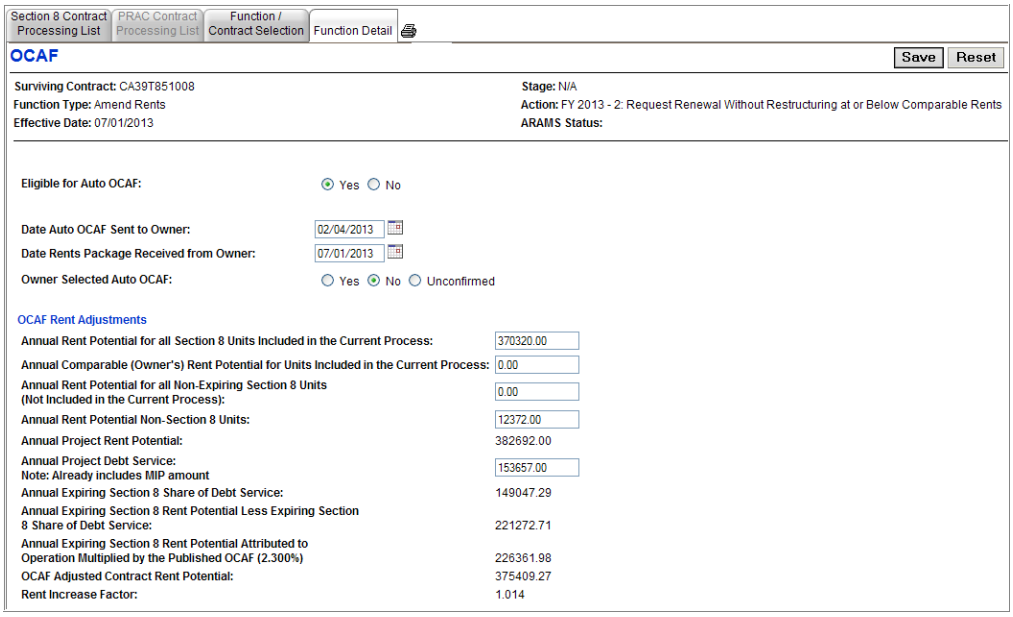


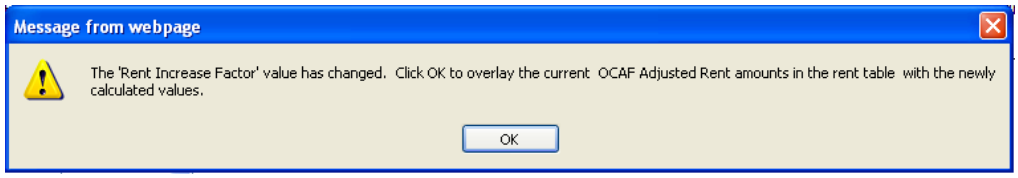
Figure 17-124. OCAF page

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 amonts base on the new Rent Increase Factor.

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

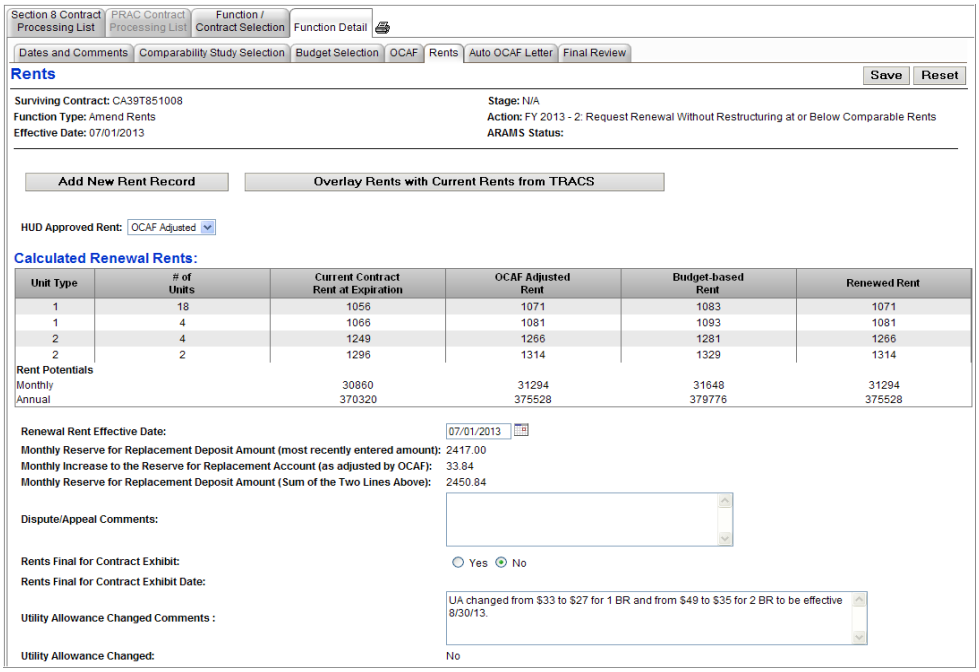


Figure 17-125. Rents page

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.

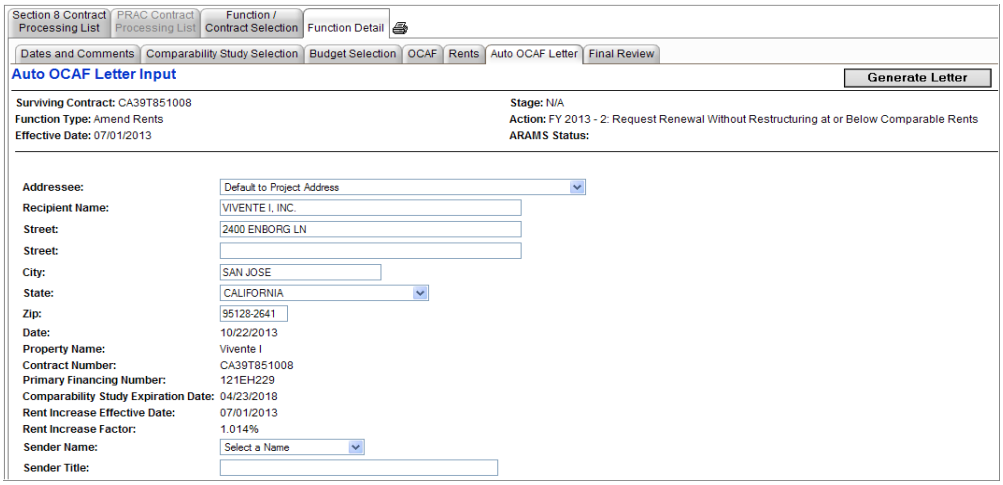


Figure 7-126. Auto OCAF Letter Input page

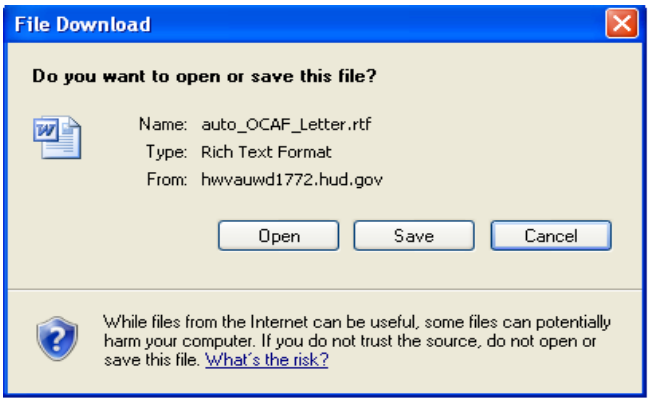
14. Click on drop down menu for the Addressee and a list of addressees' displays.



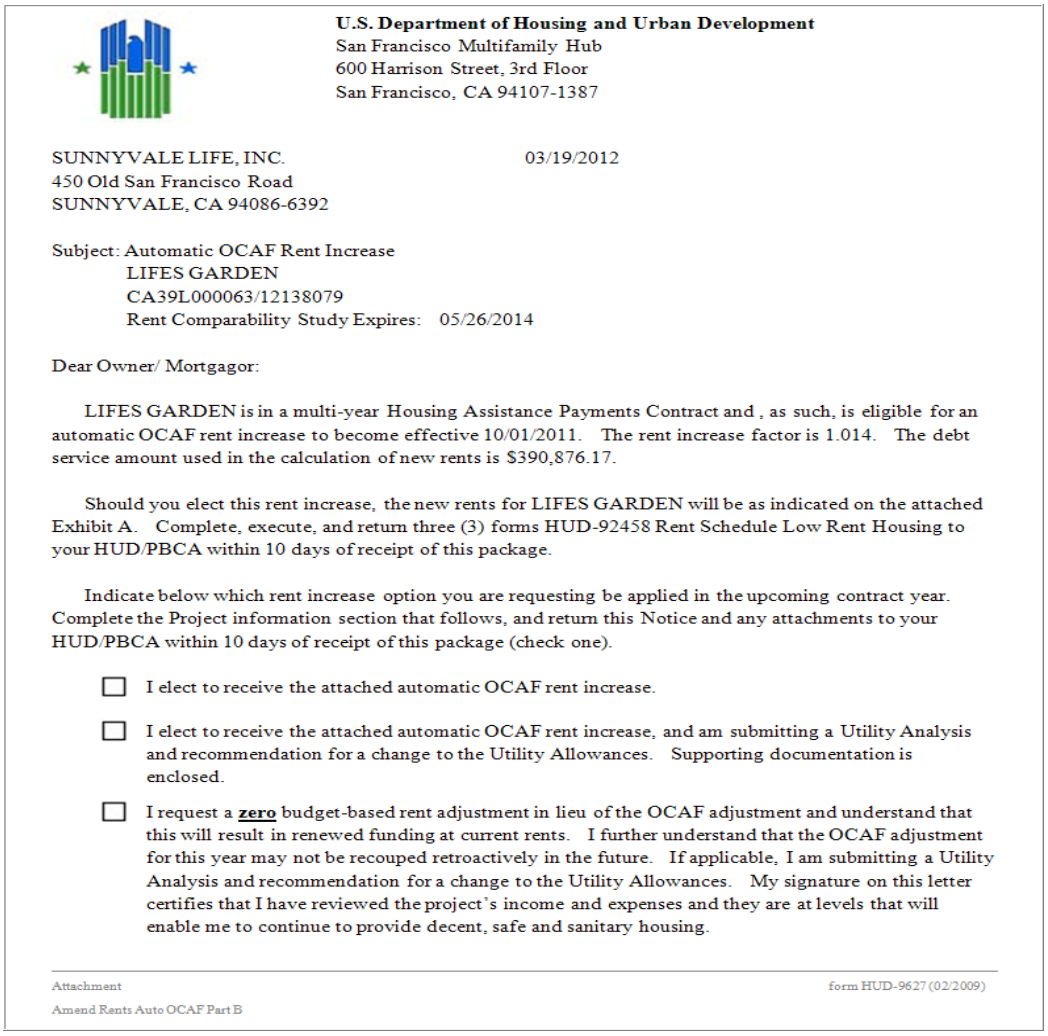
Figure 17-127. Addressee drop down list

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 Generate Letter and a *File Download* box displays.



18. Click on Open and the letter is generated in **Microsoft Word. (option 2 and option 4 generate the Letter *B*)**



U.S. Department of Housing and Urban Development
San Francisco Multifamily Hub
600 Harrison Street, 3rd Floor
San Francisco, CA 94107-1387

SUNNYVALE LIFE, INC. 03/19/2012
450 Old San Francisco Road
SUNNYVALE, CA 94086-6392

Subject: Automatic OCAF Rent Increase
LIFES GARDEN
CA39L000063/12138079
Rent Comparability Study Expires: 05/26/2014

Dear Owner/ Mortgagor:

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.

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.

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).

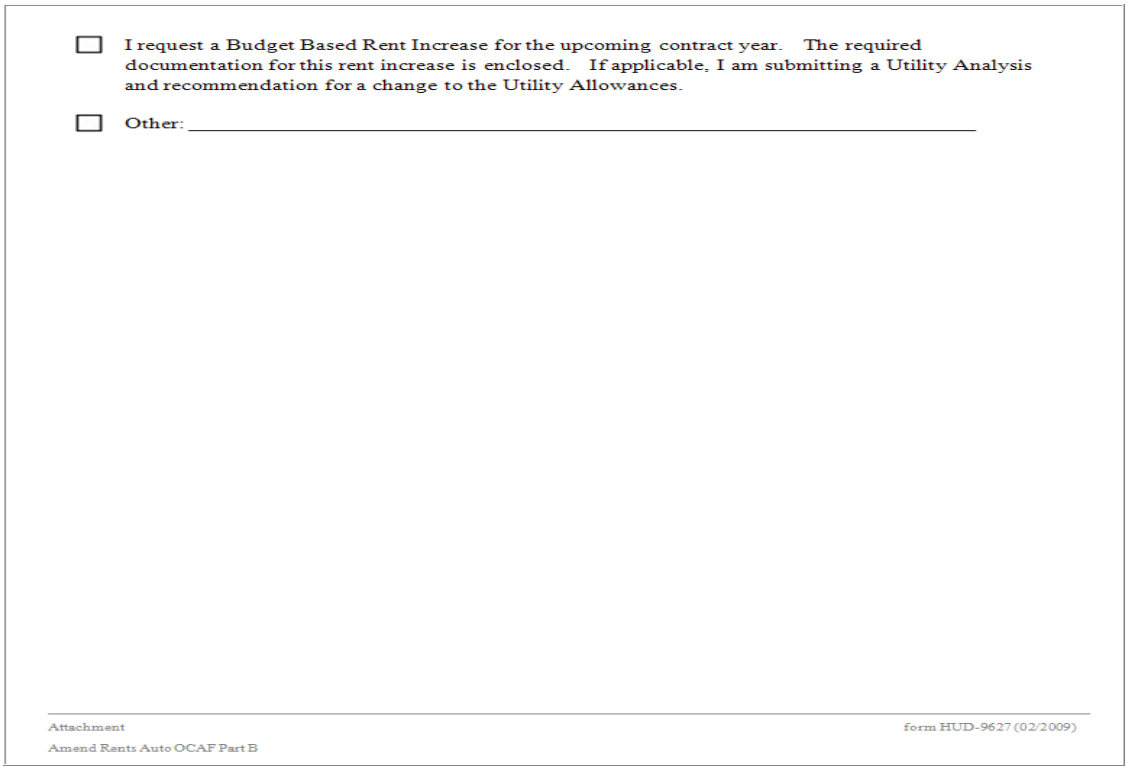
☐ I elect to receive the attached automatic OCAF rent increase.

☐ 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.

☐ I request a **zero** 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 form HUD-9627 (02/2009)
Amend Rents Auto OCAF Part B

Figure 17-128. Auto OCAF Rent Increase Letter *B* - page 1

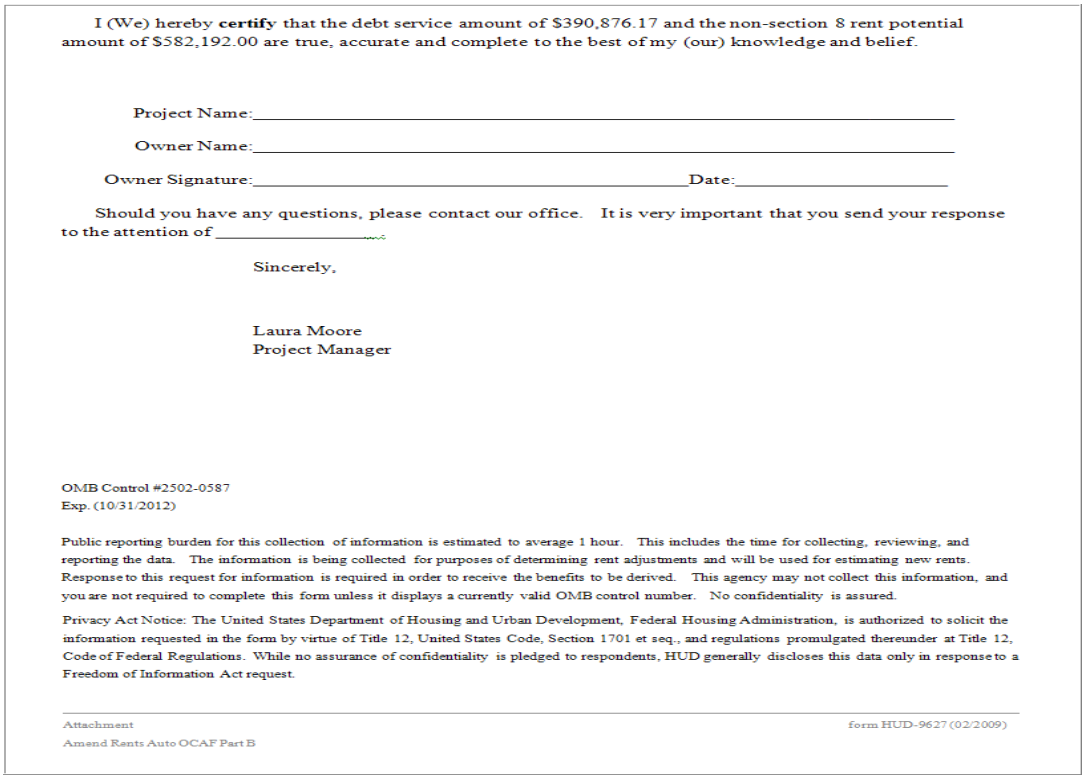


☐ I request a Budget Based Rent Increase for the upcoming contract year. The required documentation for this rent increase is enclosed. If applicable, I am submitting a Utility Analysis and recommendation for a change to the Utility Allowances.

☐ 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.

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

Figure 17-130. Auto OCAF Rent Increase *Letter B* - page 3

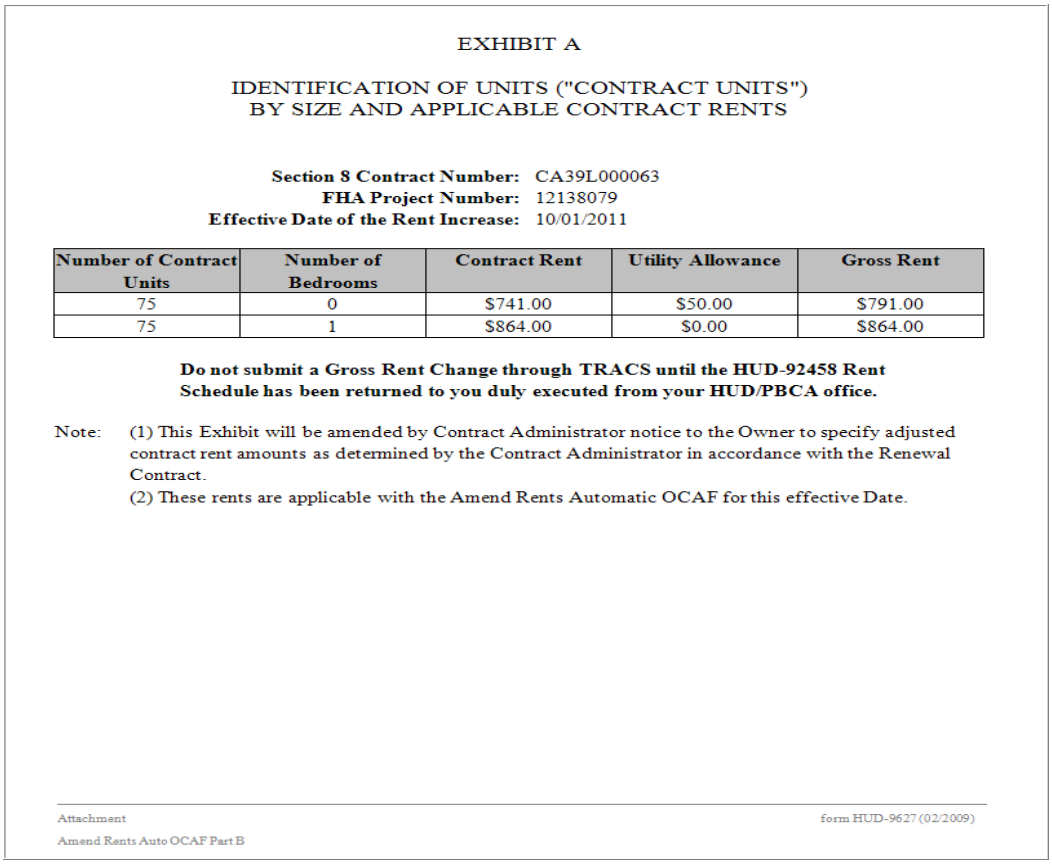


EXHIBIT A

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

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.

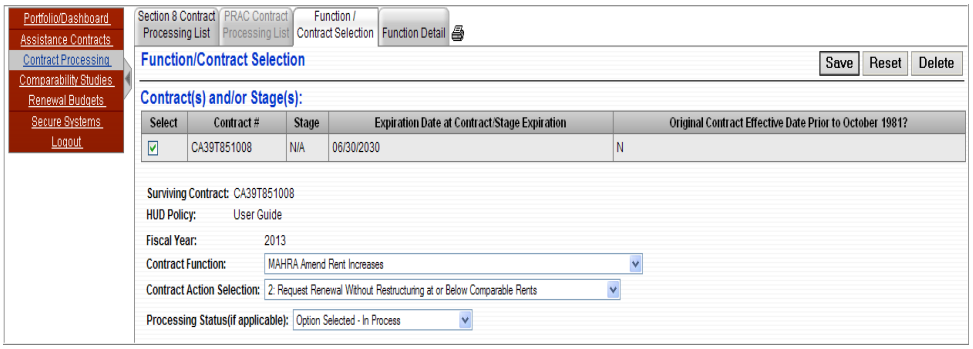


Figure 17-132. Function/Contract Selection page

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.

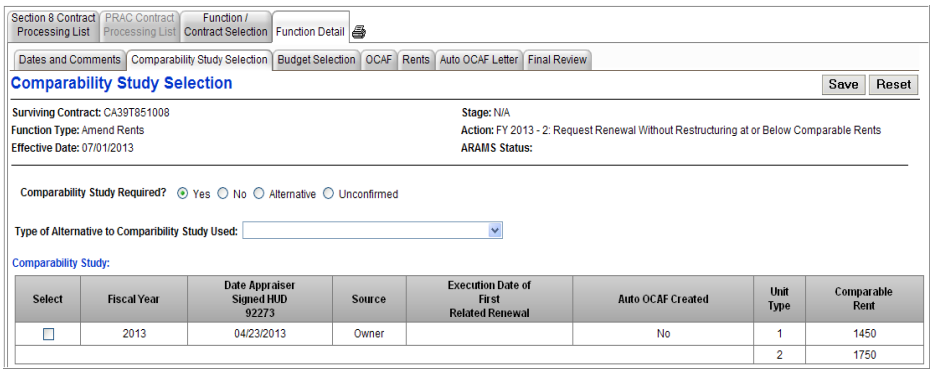
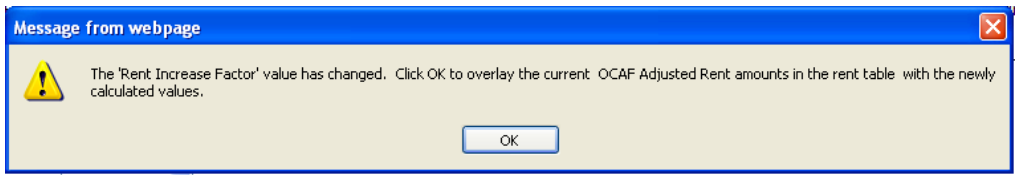


Figure 17-133. Comparability Study Selection page

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 Rent tab, the system shall display the newly recalculated OCAF Adjusted Rent amonts base on the new Rent Increase Factor.

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

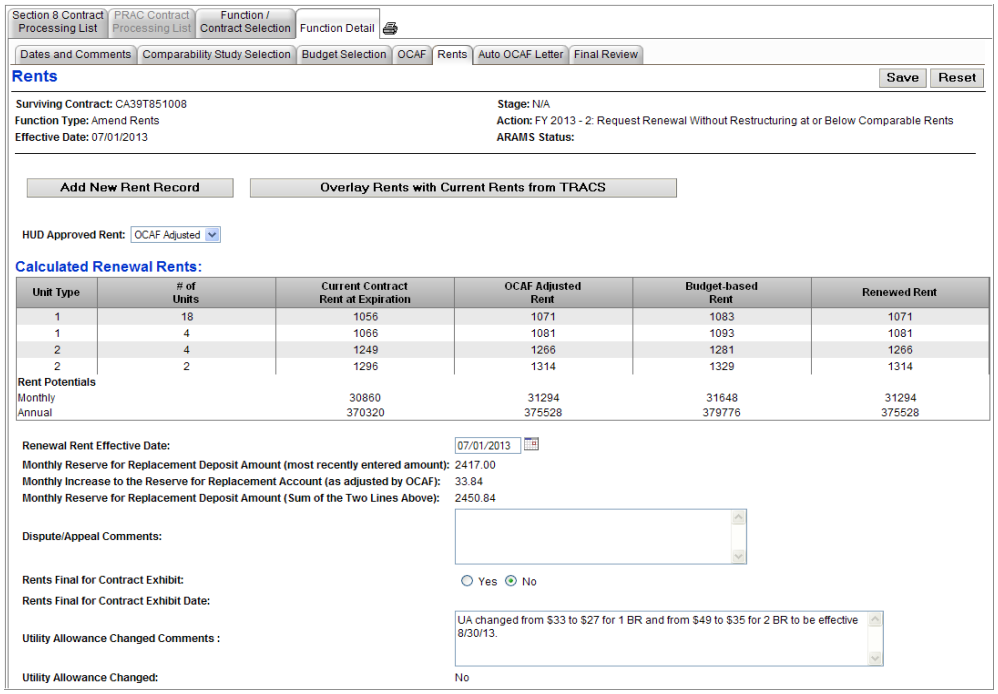


Figure 17-134. Rents page

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.



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.

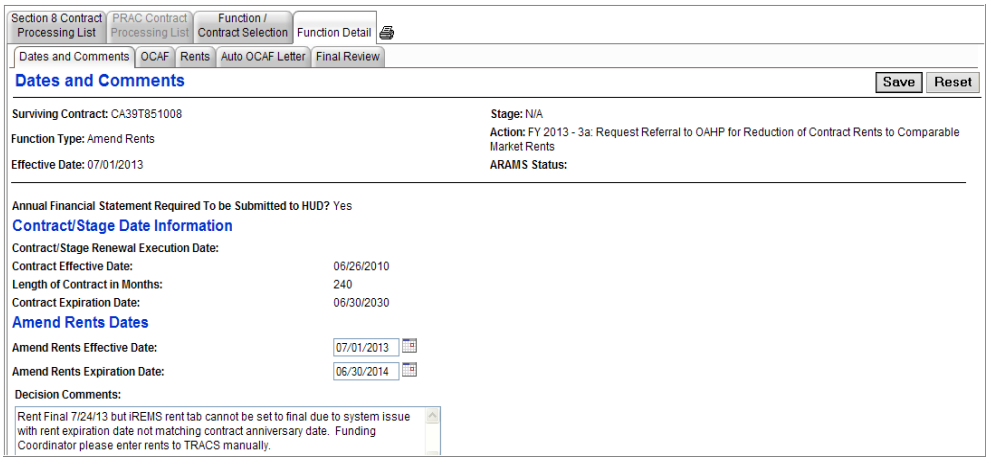


Figure 17-136. Dates and Comments page

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

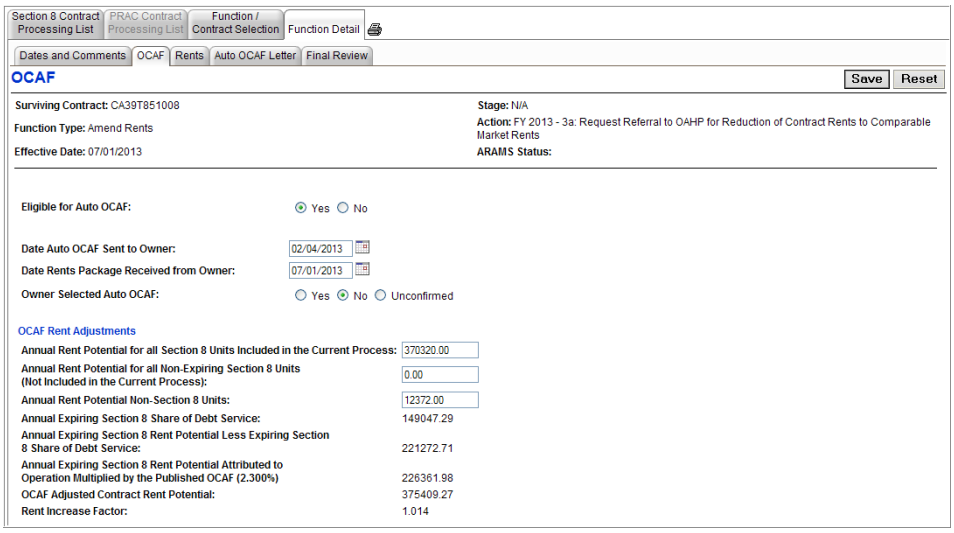
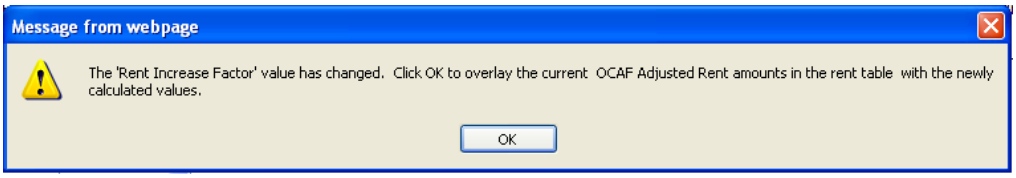


Figure 17-137. OCAF page

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 amonts base on the new Rent Increase Factor.

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

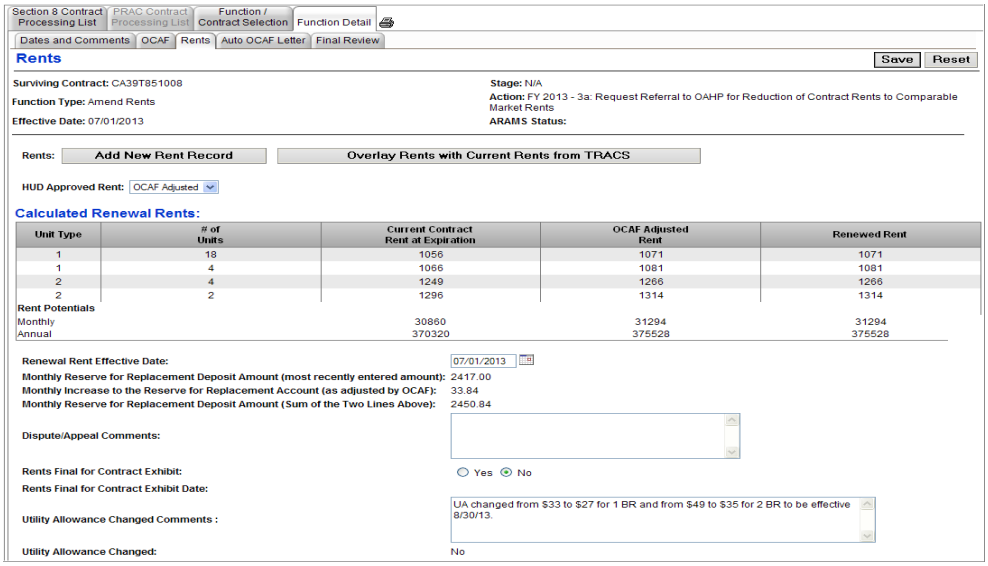


Figure 17-138. Rents page

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.

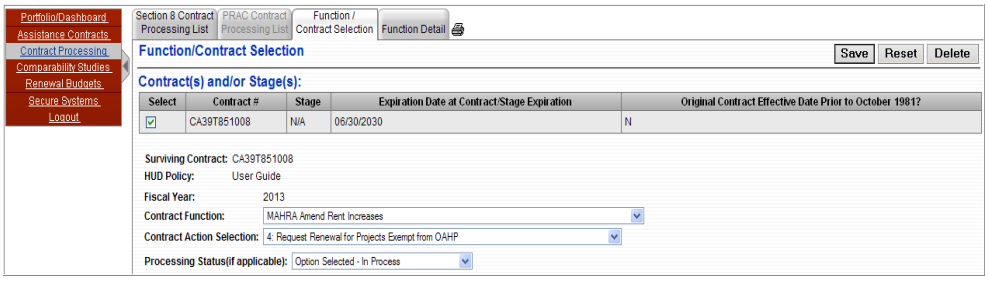


Figure 17-139. Function/Contract Selection page

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.

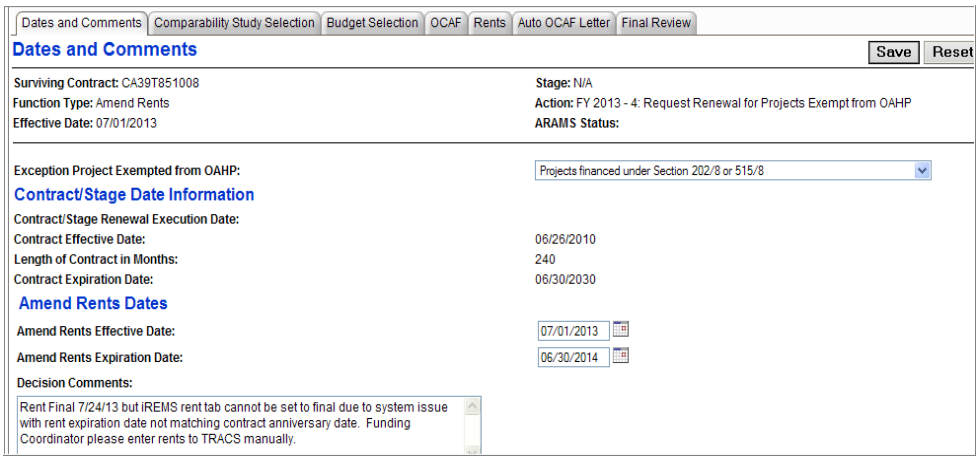


Figure 17-140. Dates and Comments page

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.

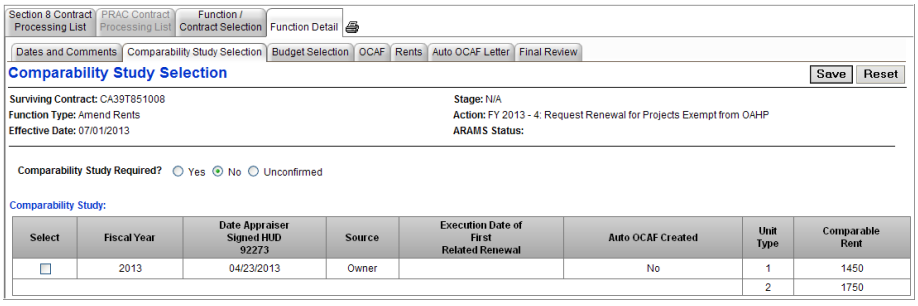


Figure 17-141. Comparability Study Selection page

7. Click on the *Budget Selection* tab and the **Budget Selection** page displays.

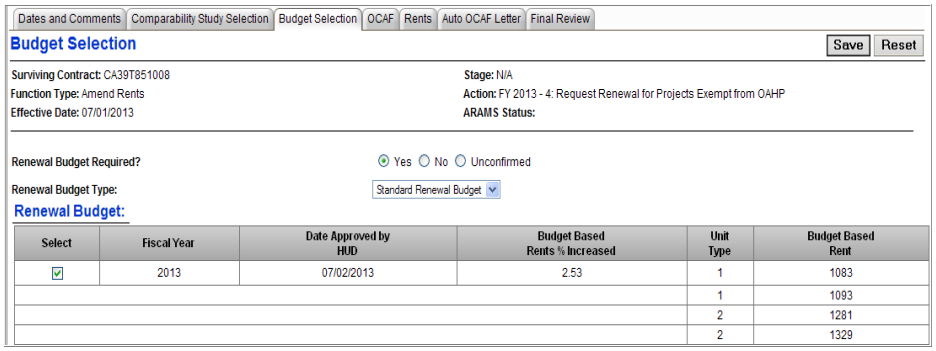


Figure 17-142. Budget Selection page

8. Confirm if *Renewal Budget* is required and what *Renewal Budget Type*.

9. Click on the *OCAF* tab and the **OCAF** page displays

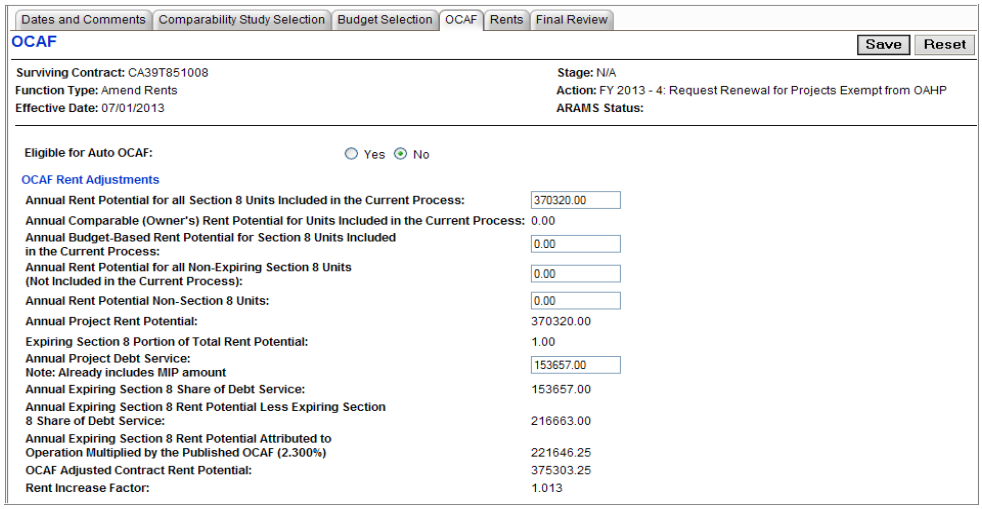


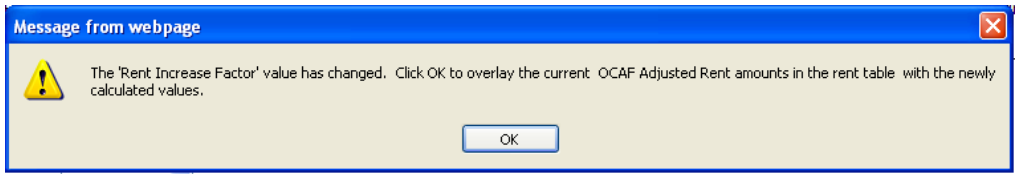
Figure 17-143. OCAF page

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 amonts base on the new Rent Increase Factor.

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

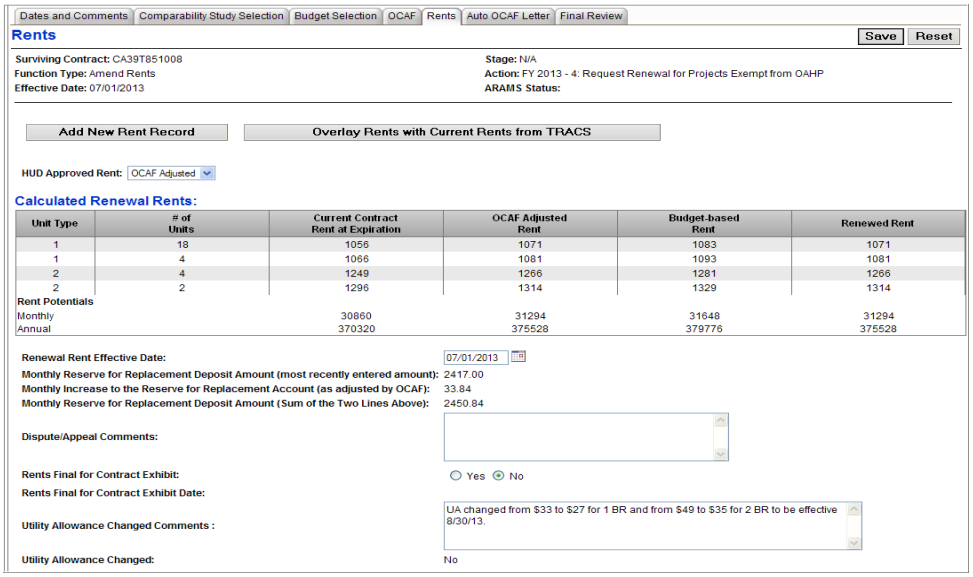


Figure 17-144. Rents page

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.

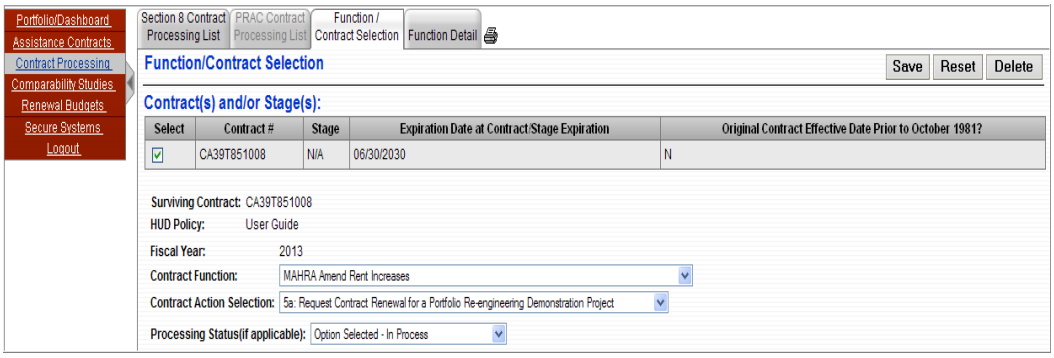


Figure 17-145. Function/Contract Selection page

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.

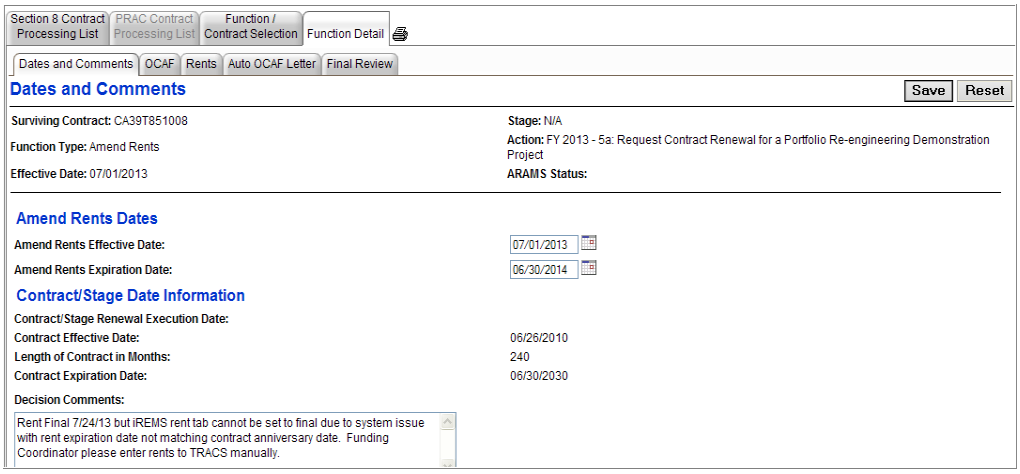
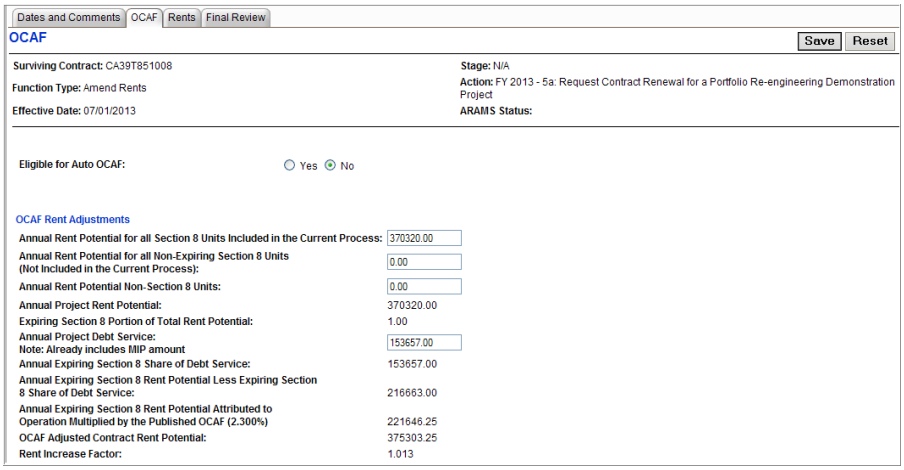


Figure 17-146. Dates and Comments page

5. Validate the following pre-populated fields:

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

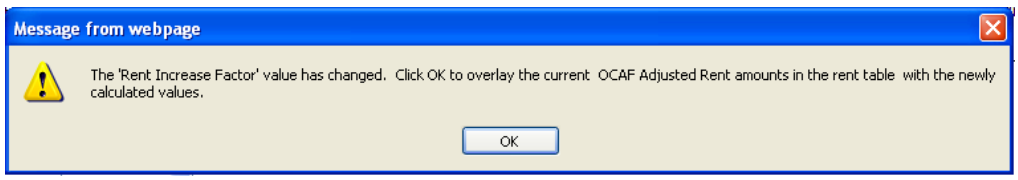
6. Click on the *OCAF* tab and the **OCAF** page displays



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 amonts base on the new Rent Increase Factor.

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

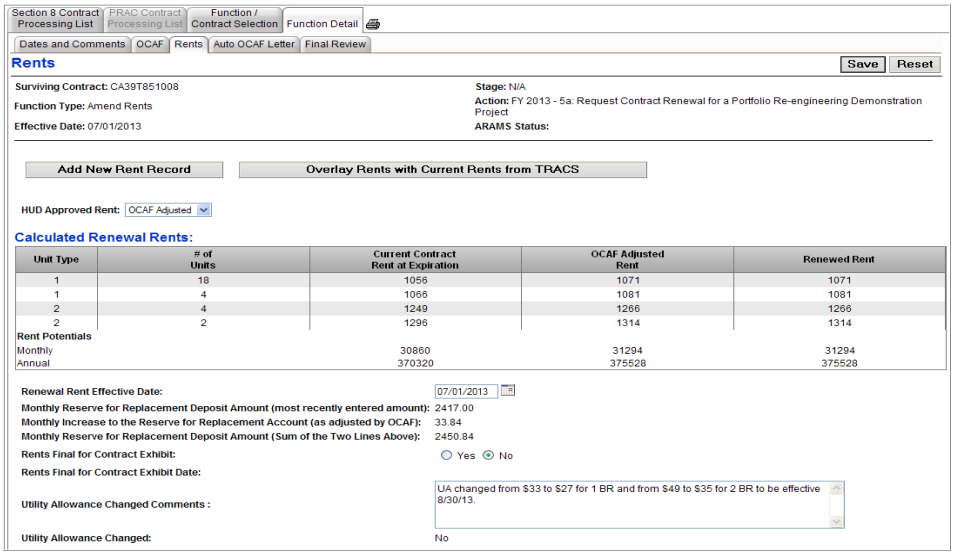


Figure 17-147. Rents page

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 Generate Letter and a *File Download* box displays.

14. Click on Open 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.

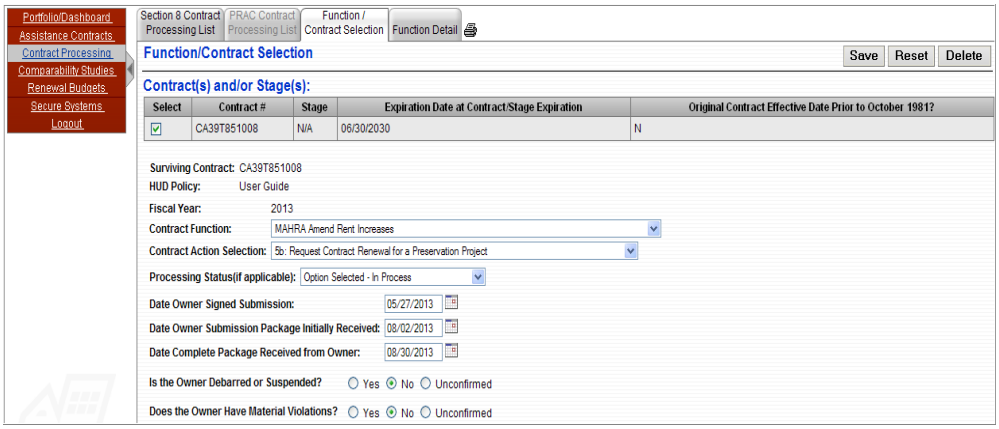


Figure 17-148. Function/Contract Selection page

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.

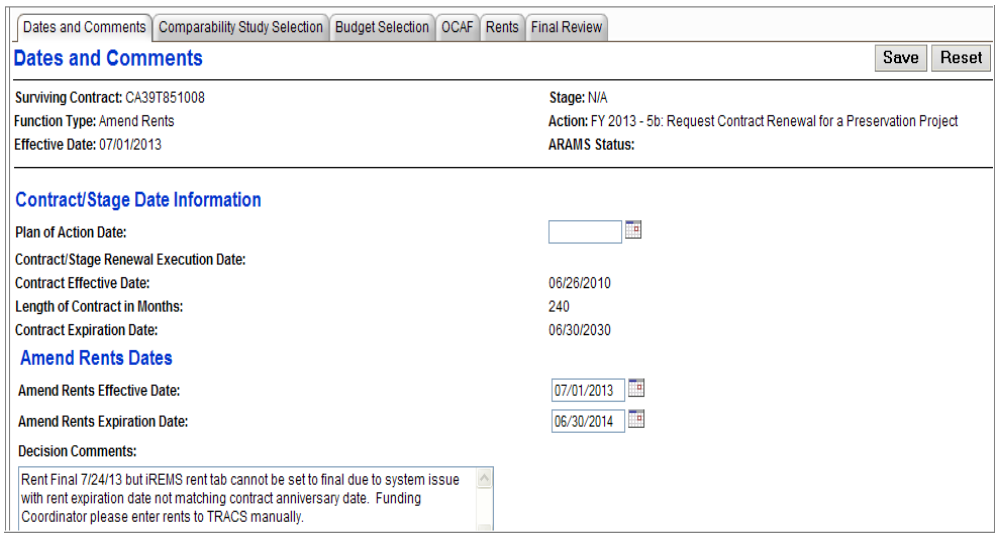


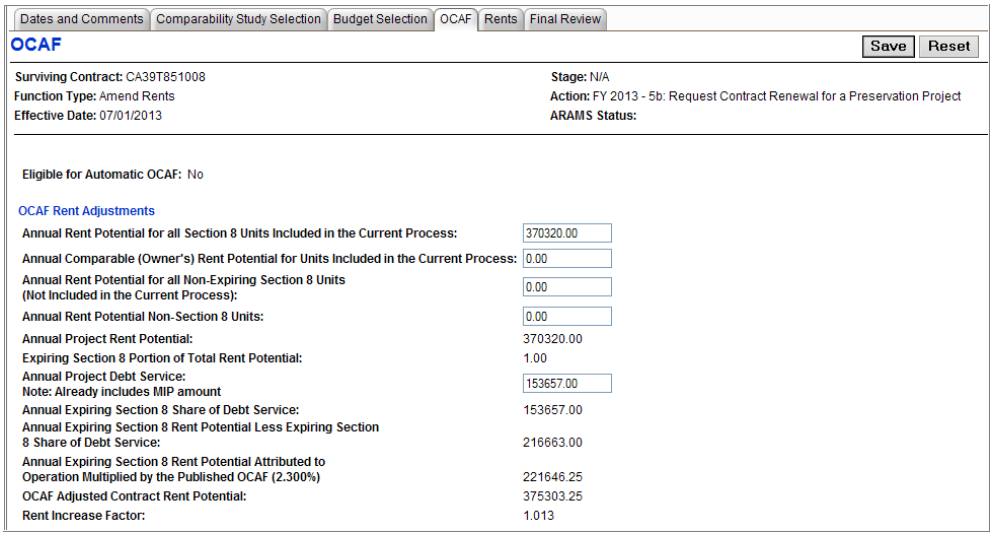
Figure 17-149. Dates and Comments page

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.

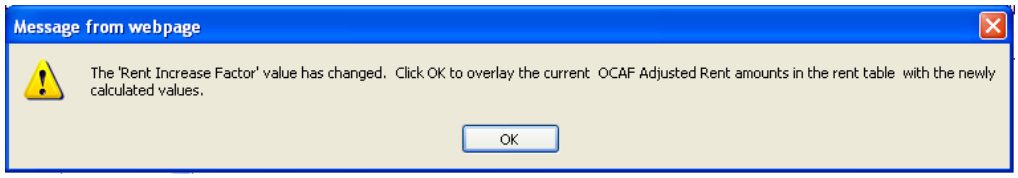
7. Click on the *OCAF* tab and the **OCAF** page displays



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 amonts base on the new Rent Increase Factor.

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

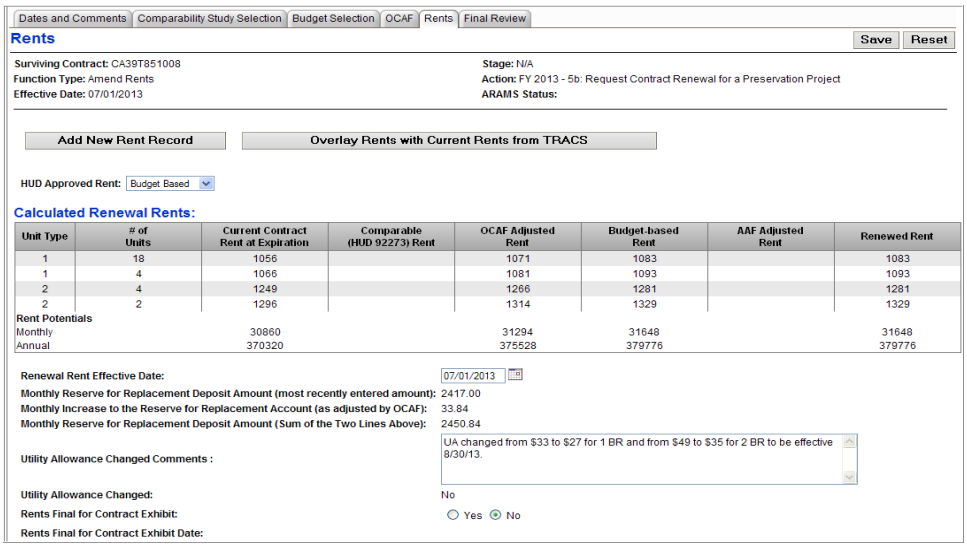


Figure 17-150. Rents page

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 Save 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. The Rent Adjustment contract process includes:

- Rent Adjustments for 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
- Rent Adjustments for **PRAC** and **PAC** contracts
- Manual corrections for rents for both contracts that have renewed under MAHRA and contracts that have not renewed under MAHRA.

✍ *Note: **R**ental **A**ssistance **D**emonstration 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.*

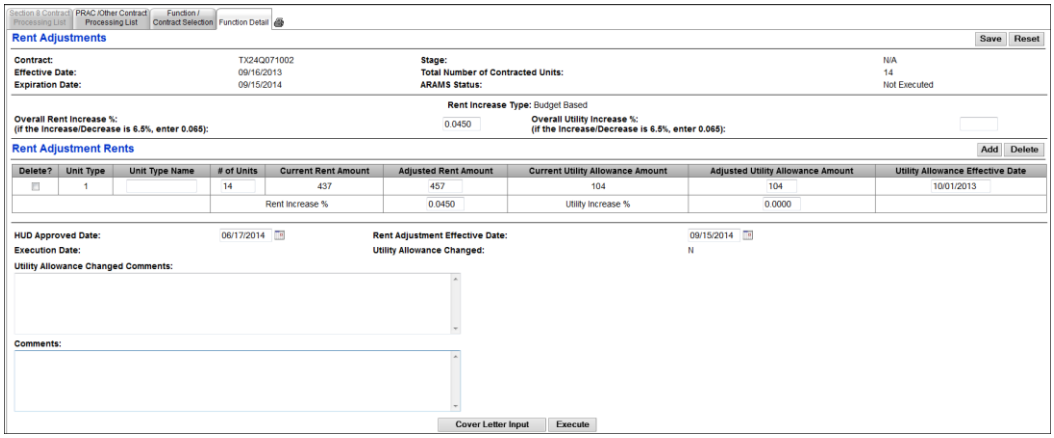


Figure 17-151. Rent Adjustments page

OCAF, Budget Based, AAF or Manual Correction Rent Adjustments information can be added and updated for most contracts. (**PRAC** and **PAC** contracts can only select *Budget Based* or *Manual Correction*). (**RAD** contracts can only select *OCAF Adjustment*). Unit rent information can be added, updated, or deleted from the i**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, # of Units, Current Rent Amount, Adjusted Rent Amount, Current Utility Allowance Amount,* and *Adjusted Utility Allowance Amount.* The *Unit Type, Unit Type*

Name, Adjusted Rent Amount, *Adjusted Utility Allowance Amount* and *Utility Allowance Effective Date* fields are editable. You can also enter the *HUD Approved Date, Rent Adjustment Effective Date*, and any comments. The *Rent Increase Type* and *Execution 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.

✍ *Note: When the Current Utility Allowance Amount from TRACS is "0" for any of the unit types in the **Rent Adjustment Rents** table, and the user enters any non-zero value into the Overall Utility Increase % field the process has changed. When the user clicks on* Save *a pop-up message will display. When the user clicks on the 'OK' button, the pop-up message disappears and the save action is processed. Whatever value the user had entered in the Overall Utility Increase % field will remain.*



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** section, on the ***Section 8 Contract Processing List*** page, click on Add.

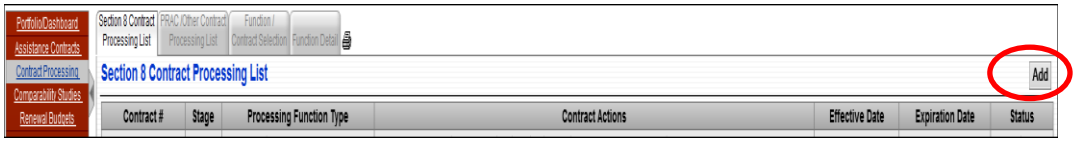


Figure 17-152. Section 8 Contract Processing List

2. The ***Function/Contract Selection*** page displays.

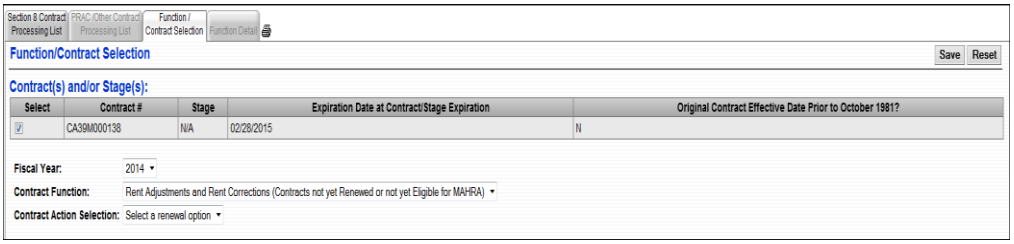


Figure 17-153. Function Contract Selection Page

3. Select the Contract associated with the rent adjustment.

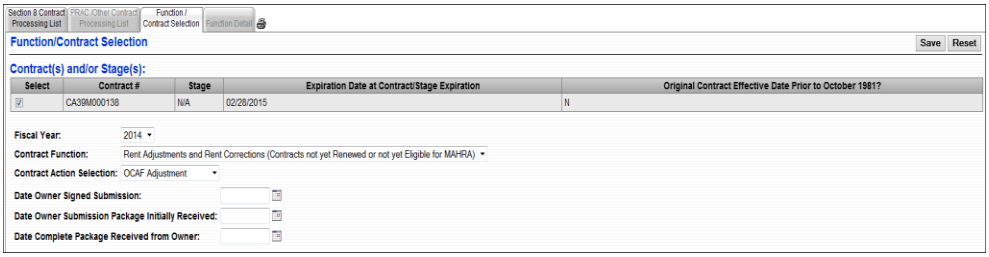


Figure 17-154. Function Contract Selection Page

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.

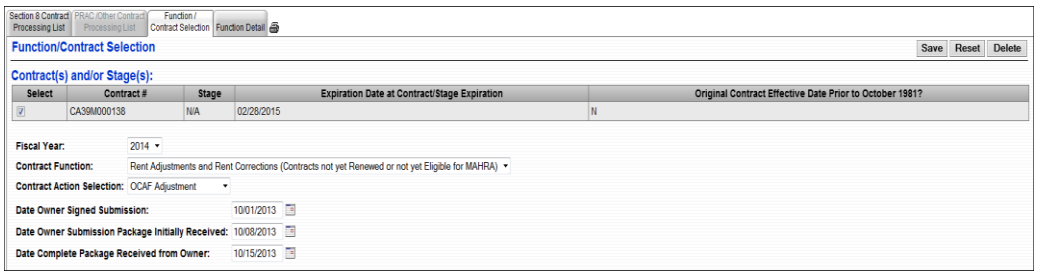


Figure 17-155. Function Contract Selection Page (with requested dates)

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.

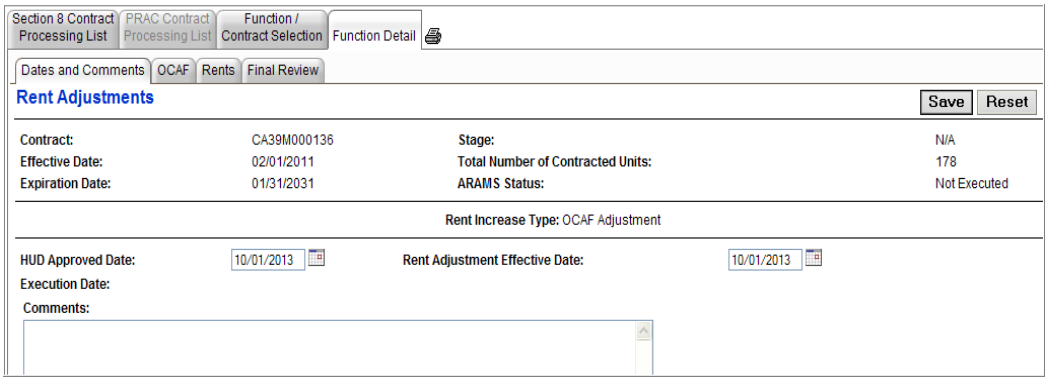


Figure 17-156. Dates and Comments - *Rent Adjustments* page

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.

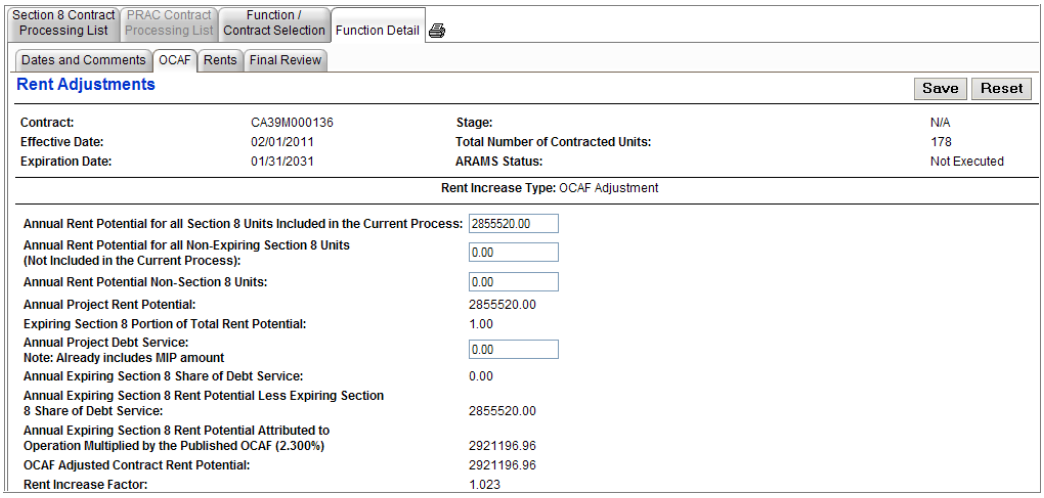
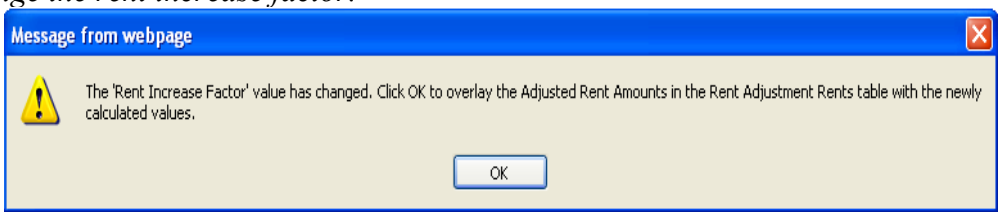


Figure 17-157. OCAF – *Rent Adjustment* page

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 based on the new Rent Increase Factor.

11. Click on the **Rents** tab. The ***Rent Adjustment*** page displays.

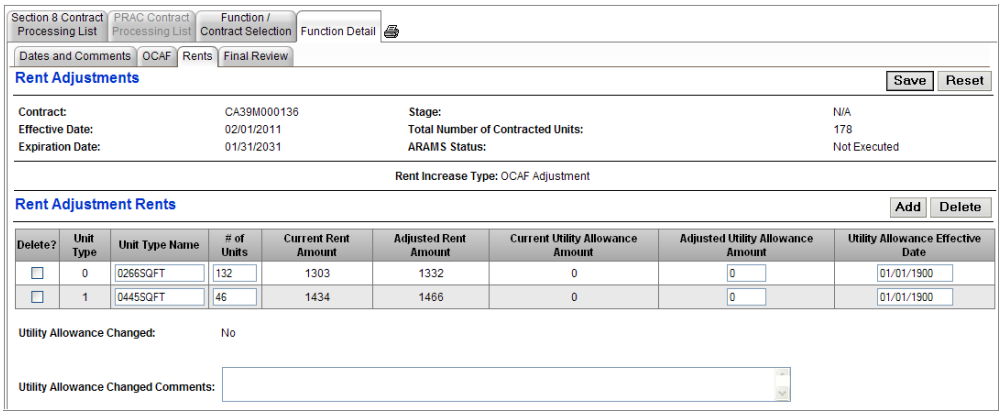


Figure 17-158. Rents - *Rent Adjustments* page

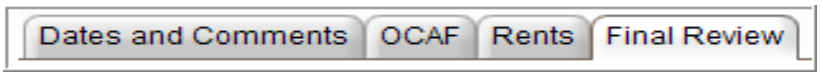
12. Verify the displayed data and click on Save and a message displays that the save was successful.

✍ *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.



2. 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.

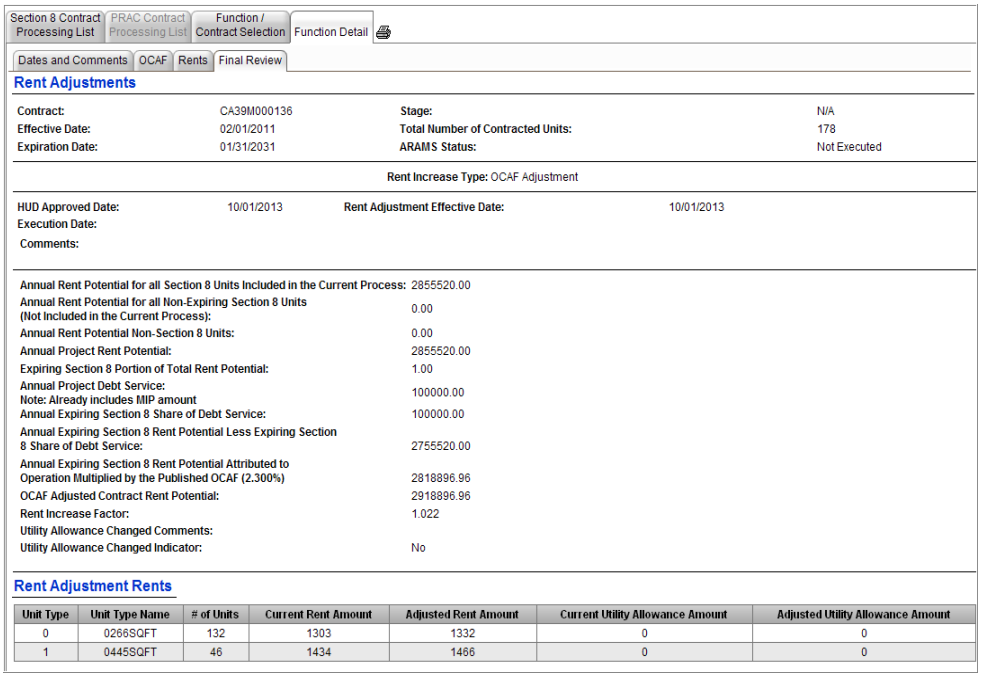


Figure 17-159. Final Review page

To Execute the RAD Rent Adjustment record:



1. On the ***Rent Adjustments*** page, click on Execute and the following message displays.

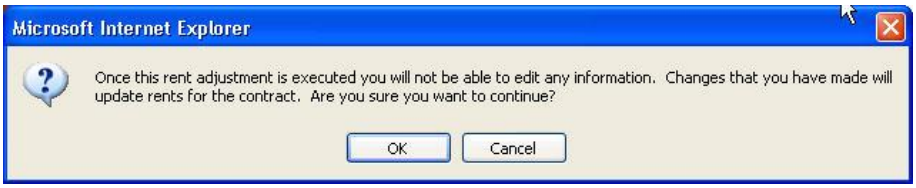
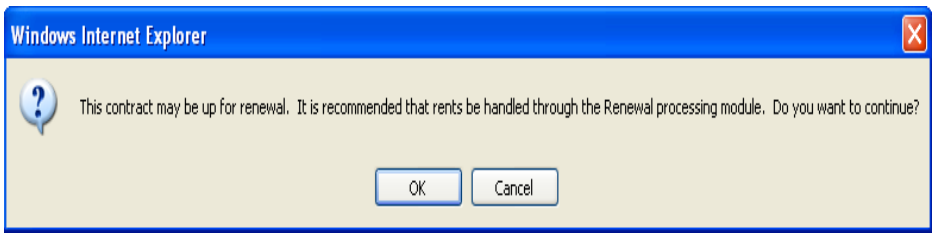


Figure 17-160. Rent adjustment warning message

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 OK *or* Cancel.



2. Click OK to execute the record. When executed, the Cover Letter Input button displays.



3. Click on Cover Letter Input and the *Cover Letter Input* page will display.

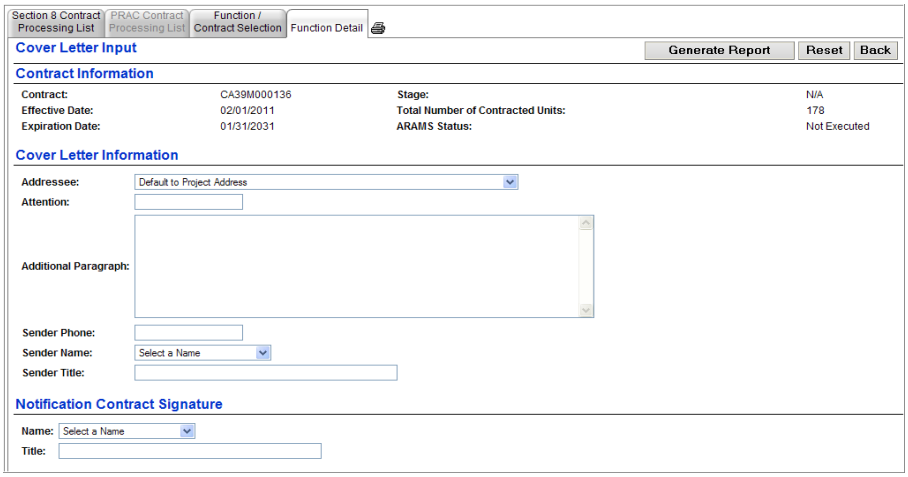


Figure 17-161. Cover Letter Input page

4. Enter the following information, where applicable:

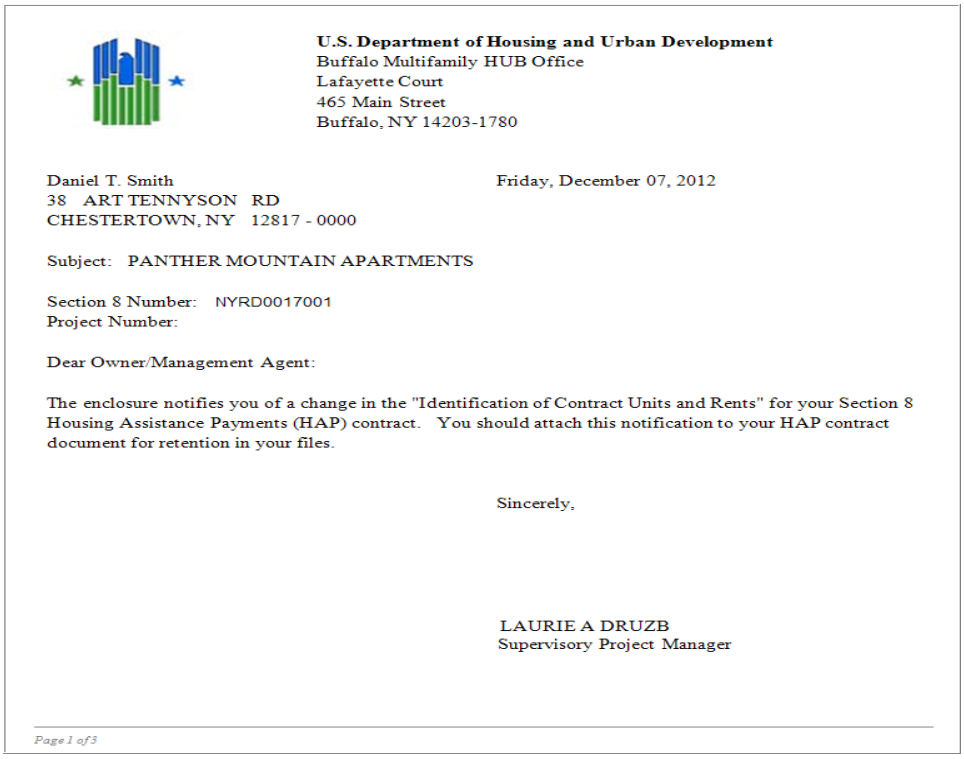
- *Addressee, from drop-down*
- *Attention*
- *Additional paragraph*
- *Sender Phone*
- *Sender Name, from drop-down*

- *Sender Title*

Notification Contract Signature:

- *Name*
- *Title*

5. Click on Generate Report. The pages of the letter will display.



U.S. Department of Housing and Urban Development
Buffalo Multifamily HUB Office
Lafayette Court
465 Main Street
Buffalo, NY 14203-1780

Daniel T. Smith
38 ART TENNYSON RD
CHESTERTOWN, NY 12817 - 0000

Friday, December 07, 2012

Subject: PANTHER MOUNTAIN APARTMENTS

Section 8 Number: NYRD0017001
Project Number:

Dear Owner/Management Agent:

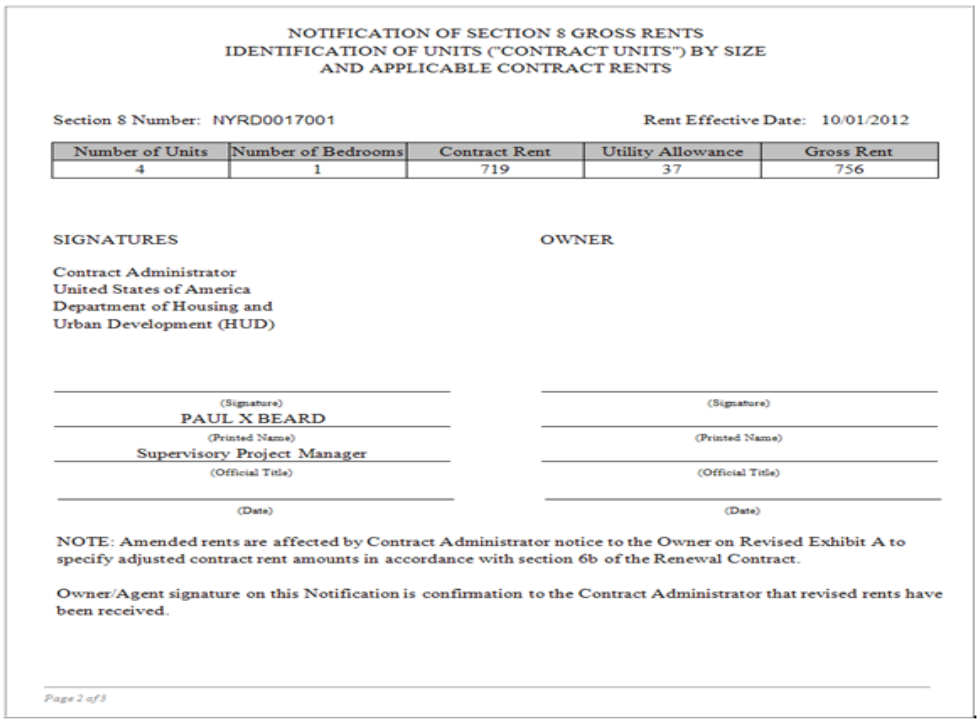
The enclosure notifies you of a change in the "Identification of Contract Units and Rents" for your Section 8 Housing Assistance Payments (HAP) contract. You should attach this notification to your HAP contract document for retention in your files.

Sincerely,

LAURIE A DRUZB
Supervisory Project Manager

Page 1 of 3

Figure 17-162. Page 1 of 3



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	Utility Allowance	Gross Rent
4	1	719	37	756

SIGNATURES OWNER

Contract Administrator
United States of America
Department of Housing and
Urban Development (HUD)

(Signature)
PAUL X BEARD
(Printed Name)
Supervisory Project Manager
(Official Title)
(Date)

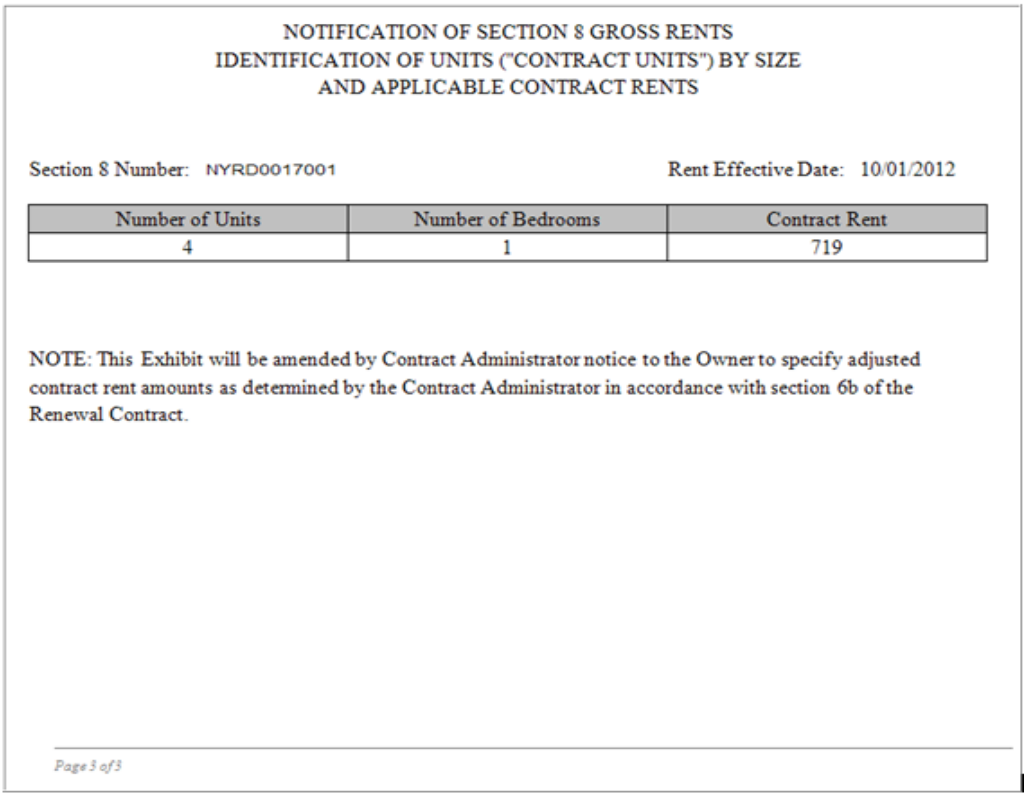
(Signature)
(Printed Name)
(Official Title)
(Date)

NOTE: Amended rents are affected by Contract Administrator notice to the Owner on Revised Exhibit A to specify adjusted contract rent amounts in accordance with section 6b of the Renewal Contract.

Owner/Agent signature on this Notification is confirmation to the Contract Administrator that revised rents have been received.

Page 2 of 3

Figure 17-163. Page 2 of 3



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 17-164. 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 Utility Allowance Amount* on the screen that displays.

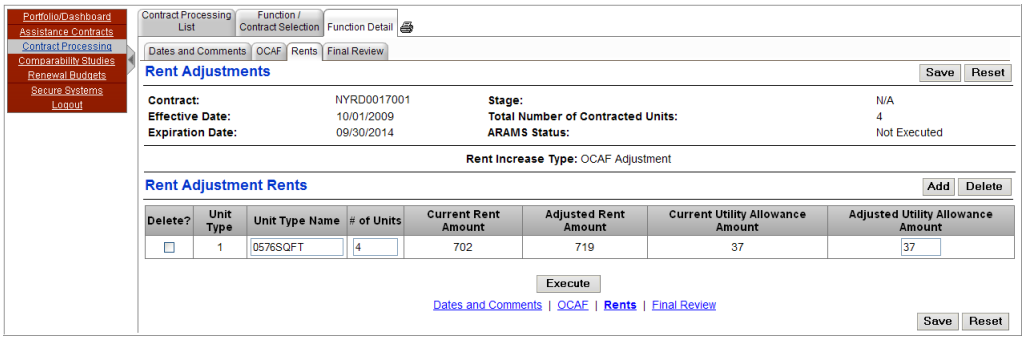


Figure 17-165. Rents – Rent Adjustments

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 Adjustments page.

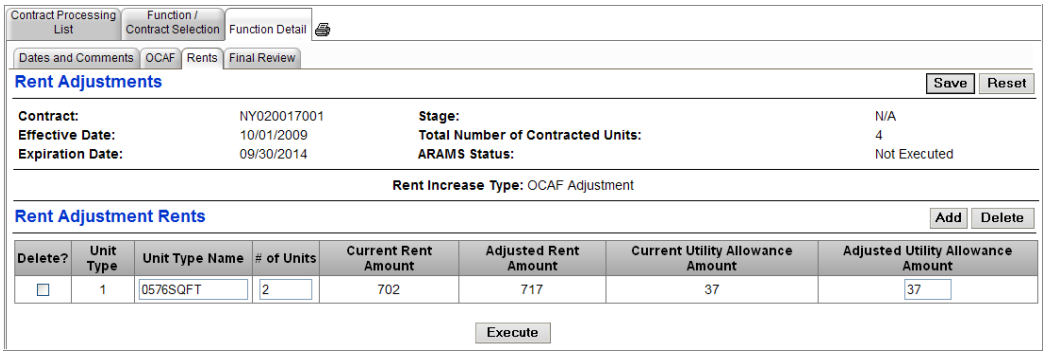


Figure 17-166. Rent – Rent Adjustments – Add

1. Click on Add. The ***Rent Adjustments Detail*** sections will display.

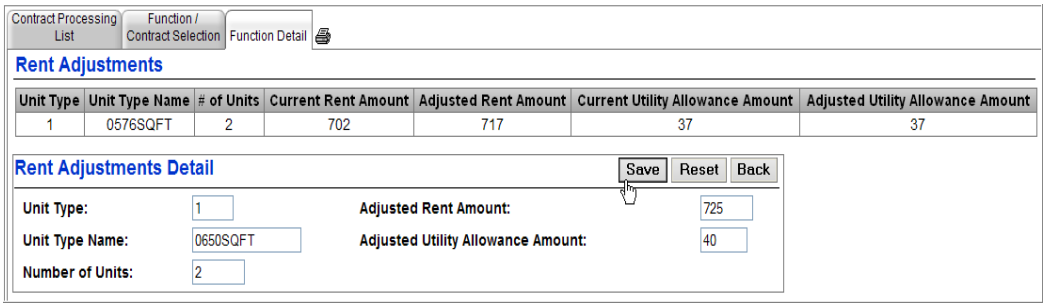


Figure 17-167. Rent Adjustments Detail page

2. Enter the following information, if applicable:
   Unit Type
   Unit Type Name
   Number of Units
   Adjusted Rent Amount
   Adjusted Utility Allowance Amount

3. Click on Save. The **Rent Adjustments** page now displays the added *Unit Type*.

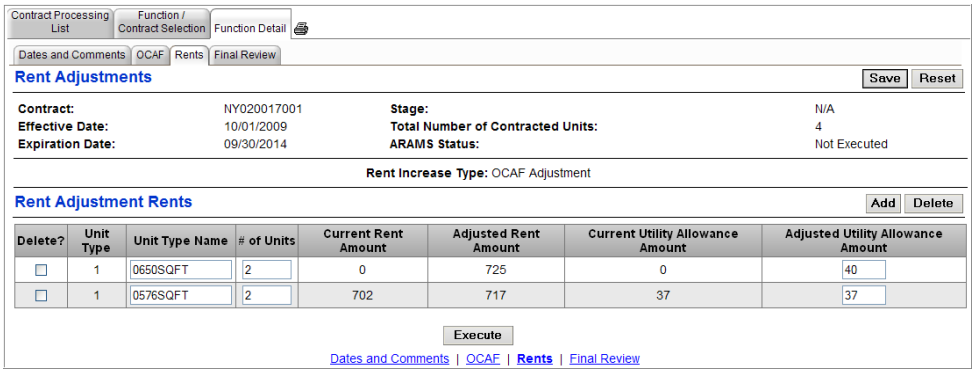


Figure 17-168. Rent Adjustment – Unit Type

To delete a rent type from the *Rent Adjustment Rents for RAD:*

1. On the **Rent Adjustments** page, under the "**Delete?**" column, click on the box that is in front of the *unit type* you want to delete.

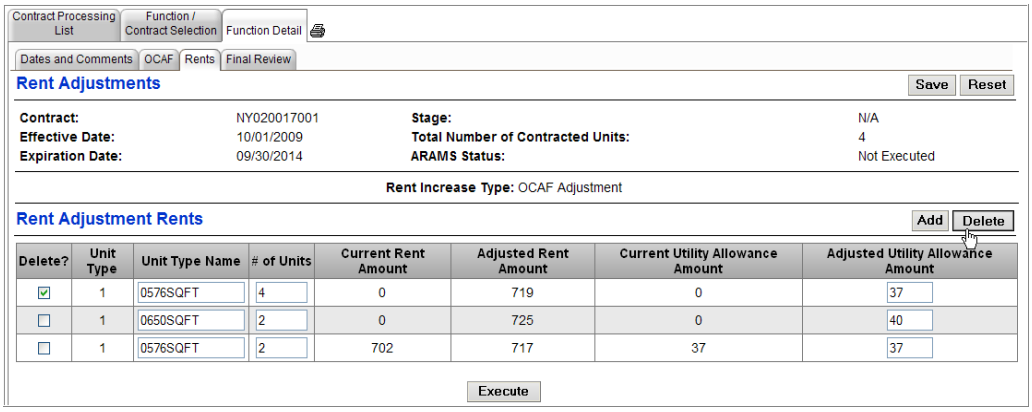


Figure 17-169. Rent Adjustment – Unit Type

2. Click on Delete. The *Rent Adjustment Rents* sections displays without the deleted unit.

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 click on Add and the **Function/Contract Selection** page displays.

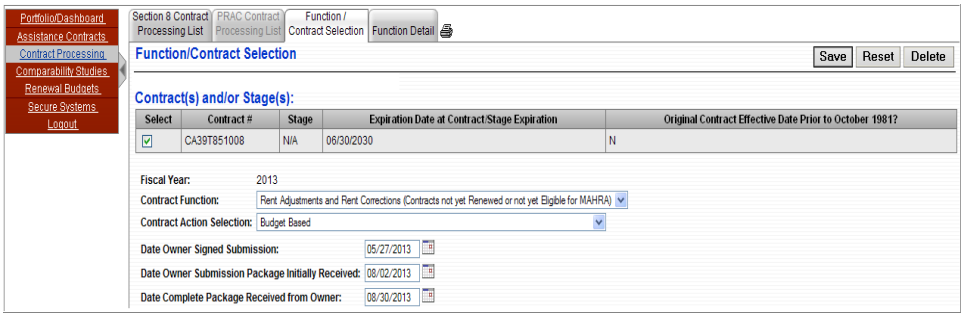
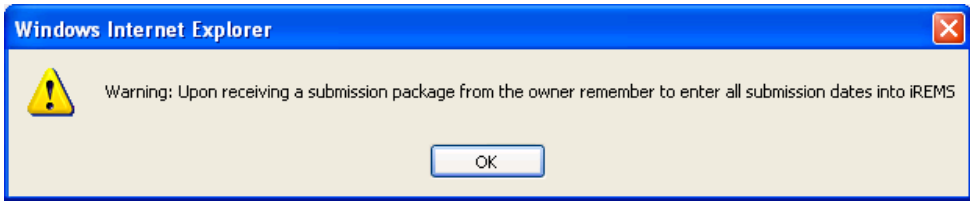


Figure 17-170. Function Contract Selection Page-Rent Ajustments

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 (AAF Adjusted, Budget Based, or Manual Correction)*

✍ *Note: The three date fields are not required fields, however, if at least one of the dated fields is selected, a waning 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.

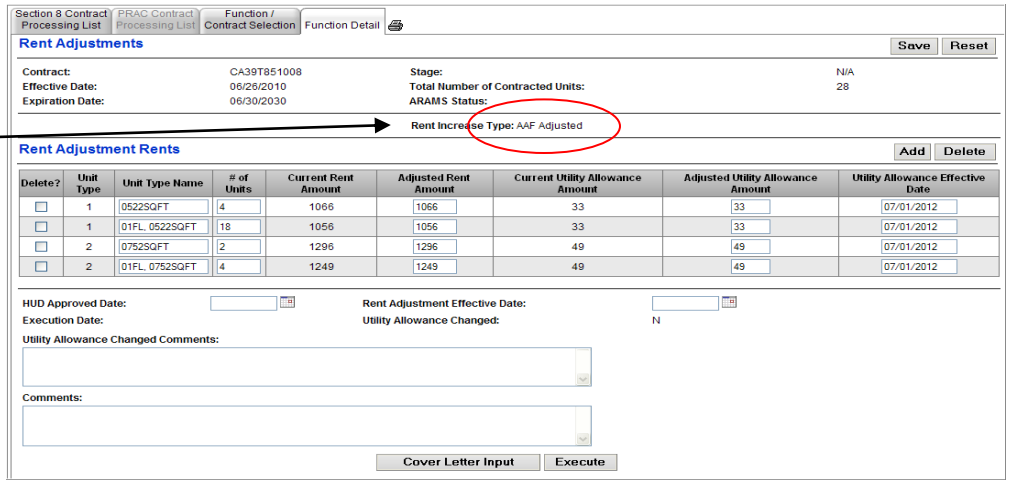


Figure 17-171. iREMS Rent Adjustments - AAF Adjusted

Overall rent or utility increase by %

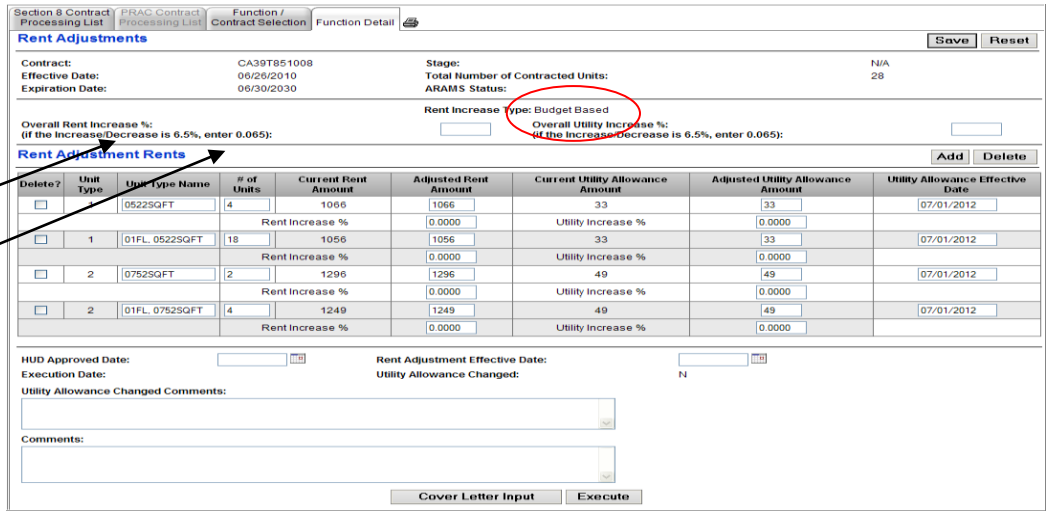


Figure 17-172. Rent Adjustments - Budget Based

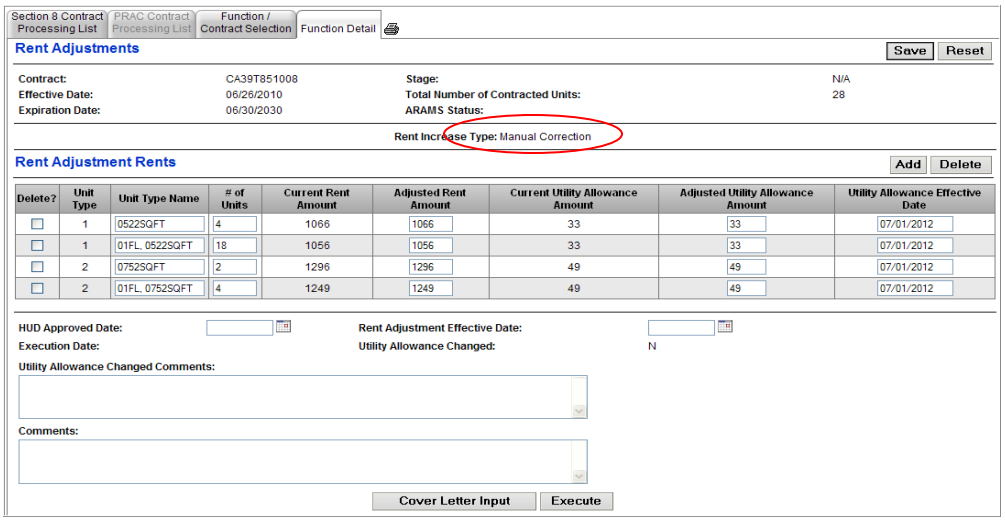


Figure 17-173. iREMS Rent Adjustments - Manual Correction

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 Adjustment Effective 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:

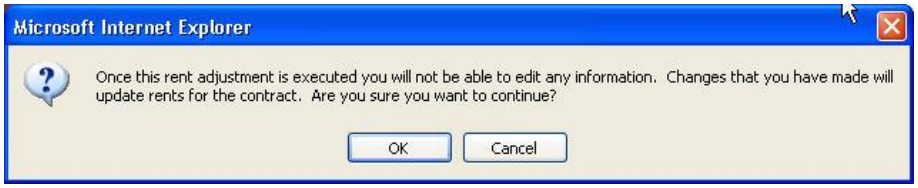


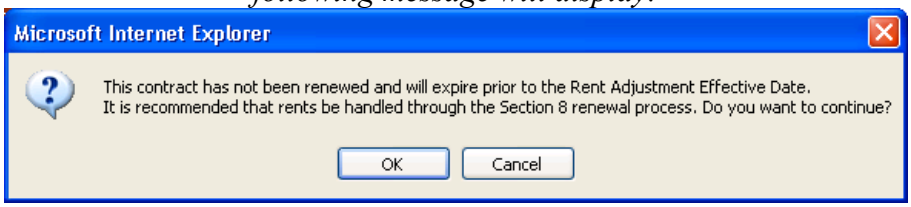
Figure 17-174. Rent Adjustment warning message

4. Click on OK and the **Rent Adjustments** page displays with a message that the execution was successful.

✍ *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 Effective Date*
   - *Comments, if applicable*

2. Click Save and a message that the save was successful displays.
3. Click on Execute to execute the rent adjustment, and the following message displays.

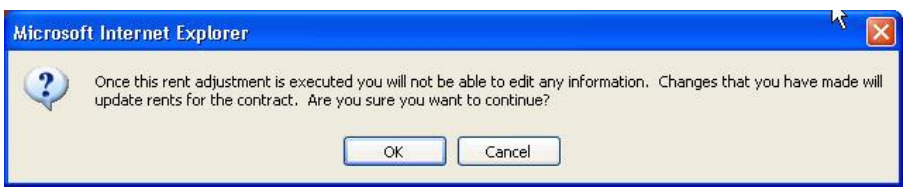
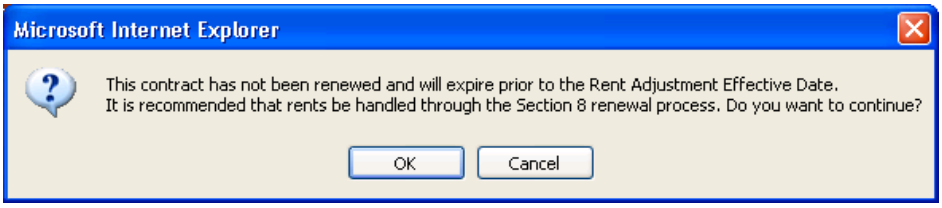


Figure 17-175. Rent adjustment warning message

✍ *Note: If you attempt to execute a rent adjustment for a contract that has no renewal the following message will display.*



4. Click OK and the **Rent Adjustments** page displays with a message that the execution was successful.

✍ *Note: The cover letters are the same for each type of rent adjustment. The* Cover Letter Input *will be described at the end of the* ***Rent Adjustment*** *section.*

17.6.3 PRAC and PAC adjustments

To enter a New PRAC or PAC Budget Based Adjustment:

Rent Adjustments for PRAC and PAC contracts are available from the **Contract Processing** section under the ***PRAC/Other Contract Processing List*** tab.

1. From the **PRAC Contract Processing List** page, click on Add.

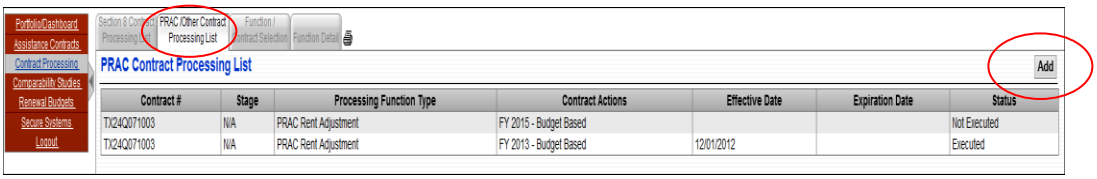


Figure 17-176. PRAC Rent Adjustment

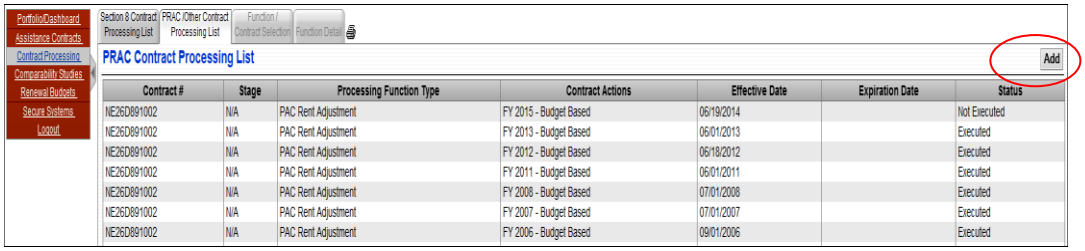


Figure 17-177. PAC Rent Adjustment

> ✍ *Note: For PAC and PRAC contracts use the same instructions for entering a new Budget Based Rent Adjustment.*

2. The **Function/Contract Selection** page displays.

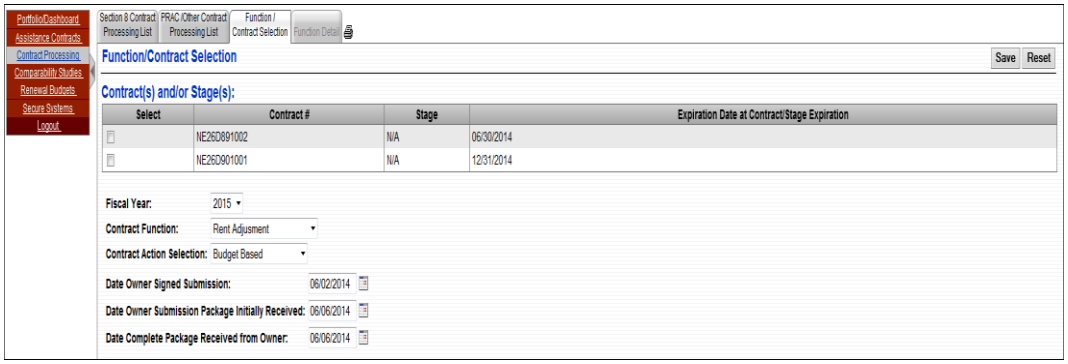


Figure 17-178. Function Contract Selection

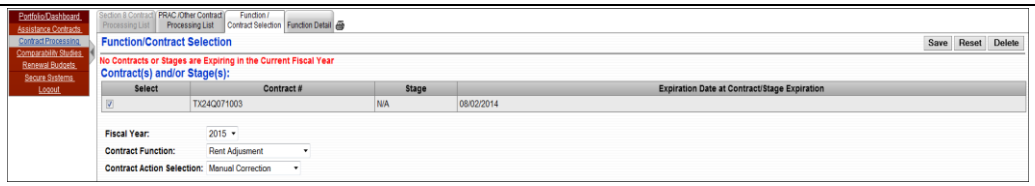
3. Select the Contract associated with the rent adjustment.

4. Enter the following information:

   - *Fiscal Year, from the drop-down list*
   - *Contract Function, select "Rent Adjustment"*
   - *Contract Action Selection, select "Budget Based"*
   - *Date Owner Signed Submission*
   - *Date Owner Submission Package Initially Received*
   - *Date Complete Package Received from Owner*

✍ *Note: For PAC and PRAC contracts, the "Budget Based" and "Manual Correction" are the only selections included in the Contract Action Selection.*

✍ *Note: The "Manual Correction" Contract Action does not display the dates.*



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

6. Click on the **Function Detail** tab and the **Rent Adjustments** page displays.

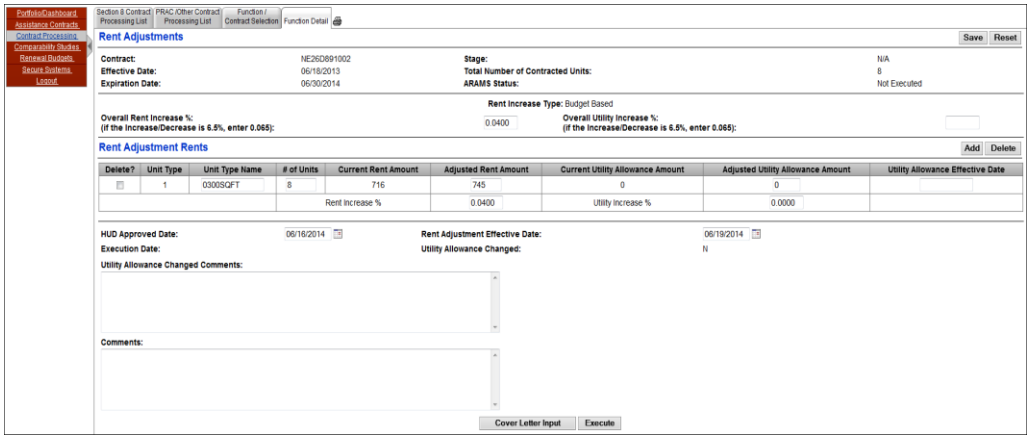


Figure 17-179. Rent Adjustment page

7. 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 Effective Date*
- *Comments, if applicable*

8. Click Save and a message that the save was successful displays.

9. Click on Execute to execute the rent adjustment, and the following message displays.

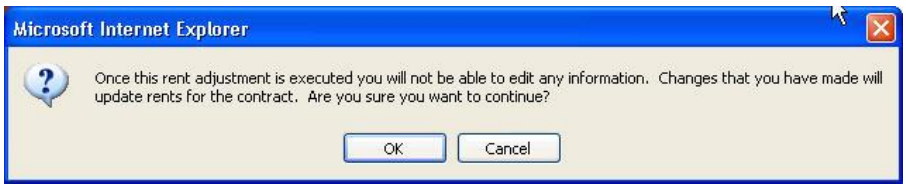
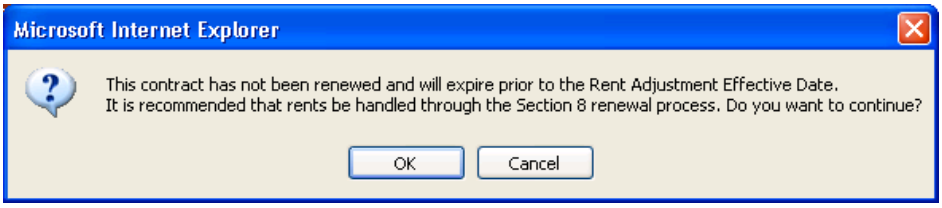


Figure 17-180. Rent adjustment warning message

✍ *Note: If you attempt to execute a rent adjustment for a contract that has no renewal the following message will display.*



10. Click OK and the **Rent Adjustments** page displays with a message that the execution was successful.

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 17-181. 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.

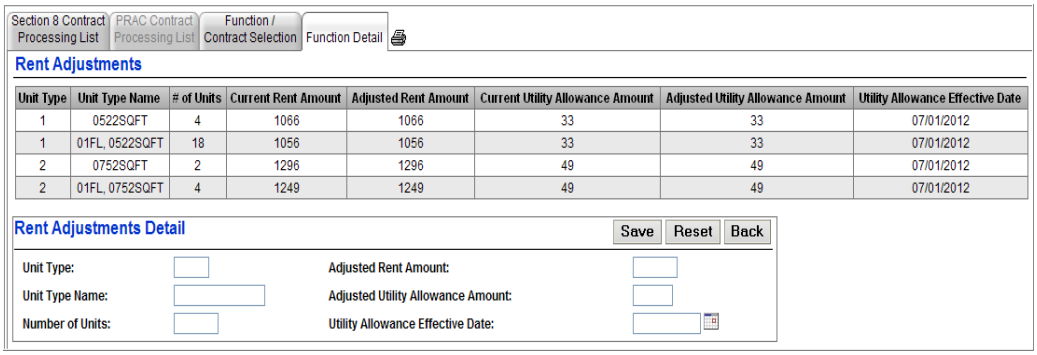


Figure 17-182. iREMS Rent Adjustments Detail - add unit type

3. Enter the following information, *if applicable*:
   - *Unit Type*
   - *Unit Type Name*
   - *Number of Units*
   - *Adjusted Rent Amount*
   - *Adjusted Utility Allowance Amount*
   - *Utility Allowance Effective Date*
4. Click Save and the **Rent Adjustments** page displays with the message that the save was successful.

   #### Alternative option

   Click on Reset 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.

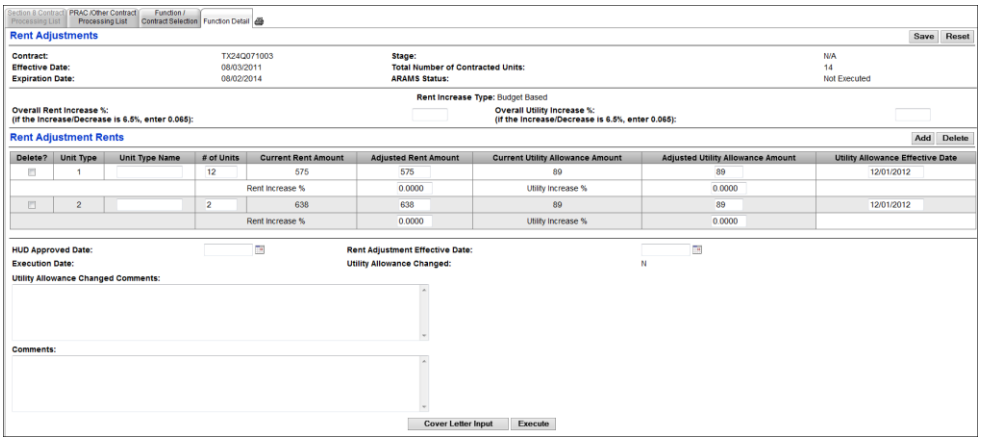


Figure 17-183. Rent Adjustments – delete unit type

2. Click on Delete and the **Rent Adjustments** page displays with the message that the delete was successful.

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 Generate Report button at the bottom of the page.

To generate and print documents:

1. On the **Rent Adjustments** page, click on Execute and the following warning message displays.

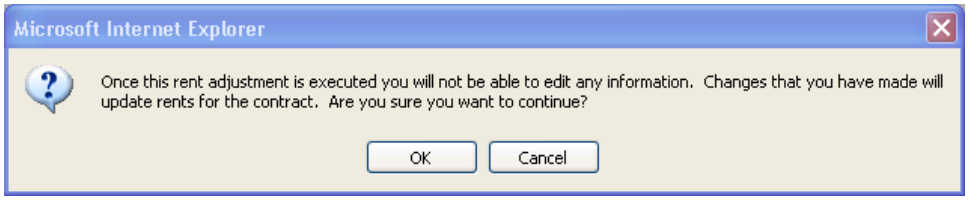


Figure 17-184. Rent Adjustment warning

2. Click on OK and the **Rent Adjustments** page displays with the message that the save was successful.

3. Click on Cover Letter Input and the **Rent Adjustment Report Input** page displays.

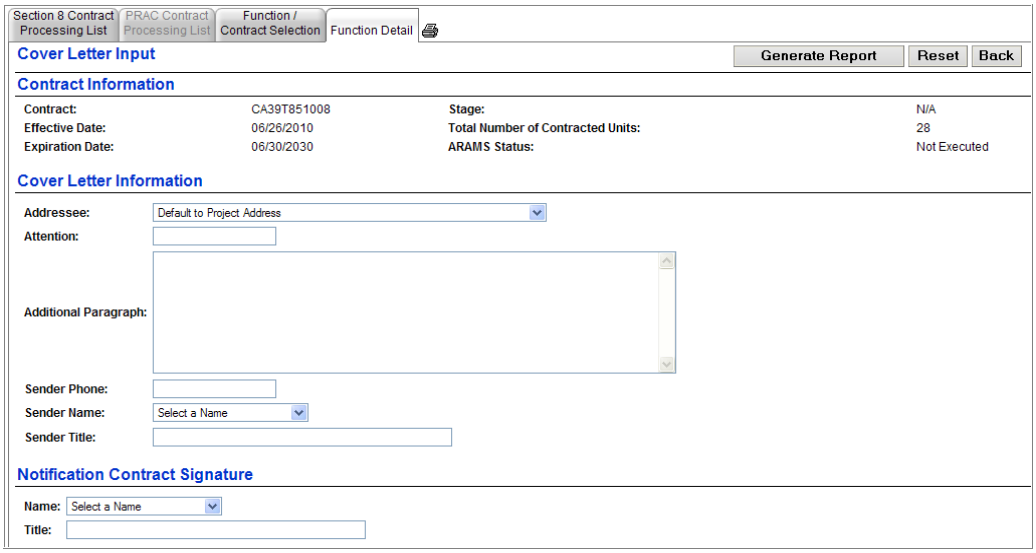


Figure 17-185. iREMS Rent Adjustment Cover Letter Input page

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 and the documents are generated.

Alternative option

Click on Reset 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.

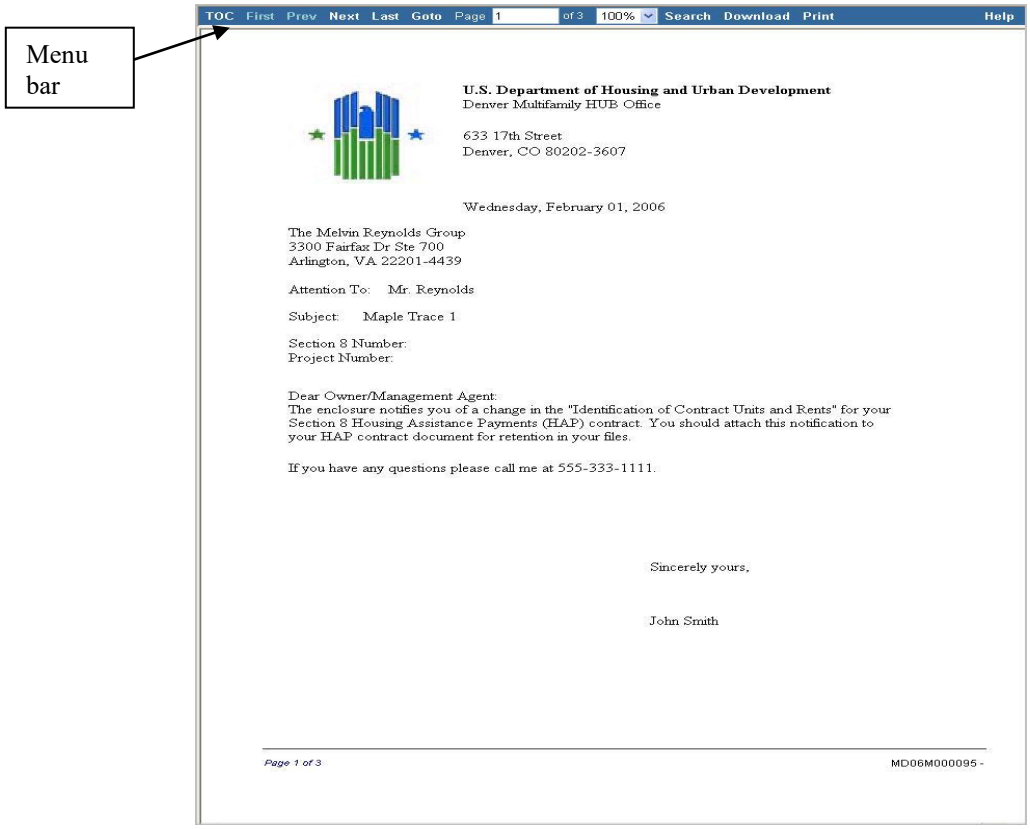


Figure 17-186. Sample Document for Rent Adjustments

> ✍ *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. However, once a Rent Adjustment is executed, it can no longer be updated or deleted.

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.

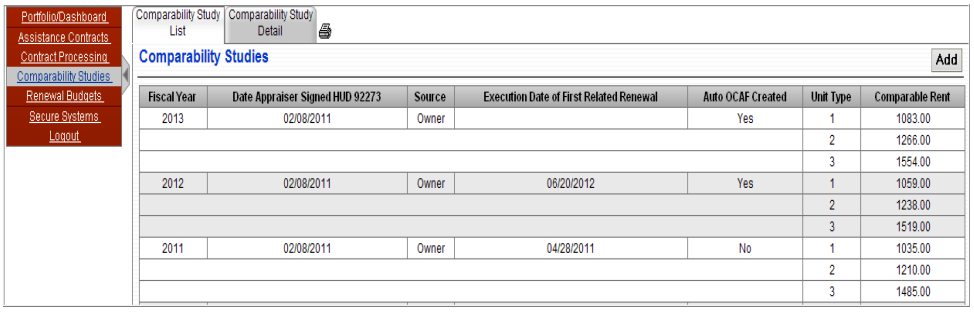


Figure 17-187. Comparability Study List page

> ✍ *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.

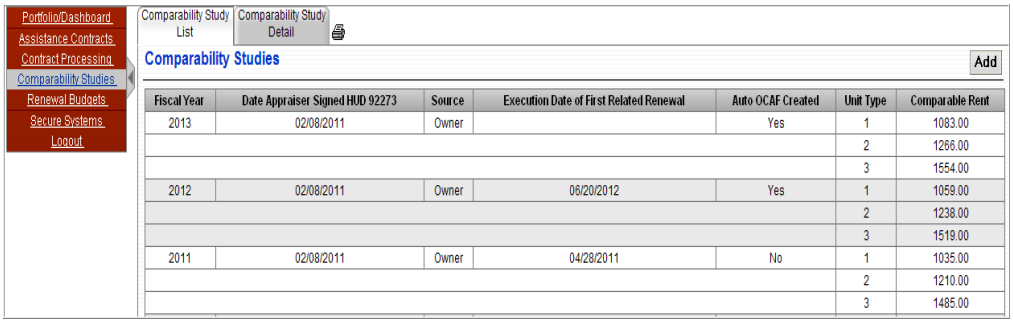


Figure 17-188. Comparability Studies page

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.

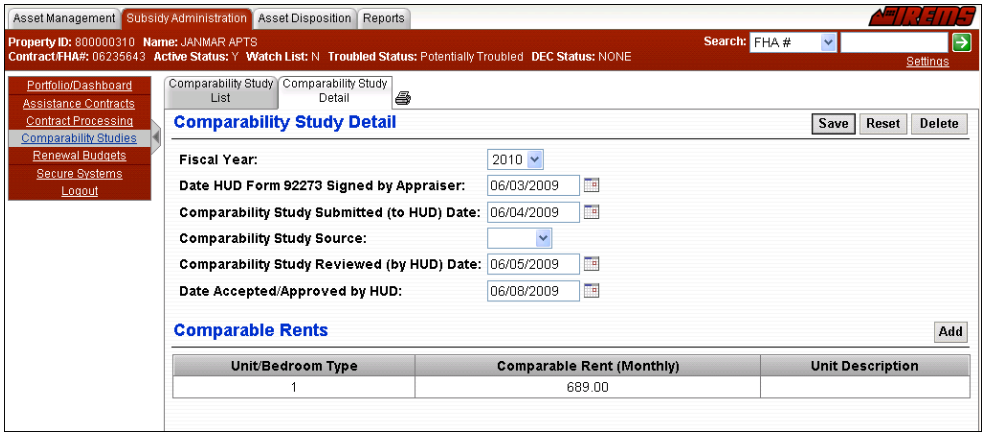


Figure 17-189. Comparability Study Detail page

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.

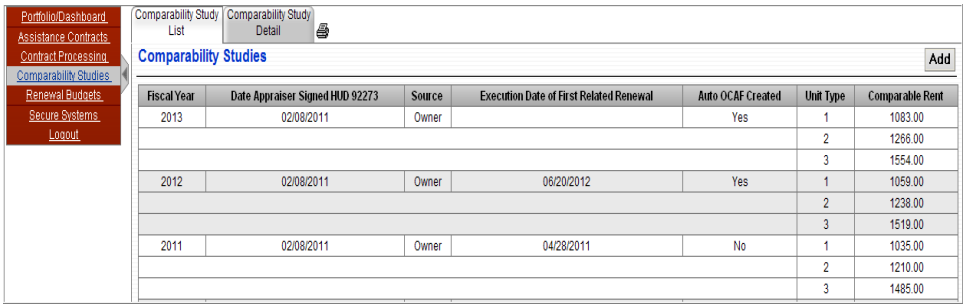


Figure 17-190. Comparability Studies page

3. Click on Add and the **Comparability Study Detail** page displays.

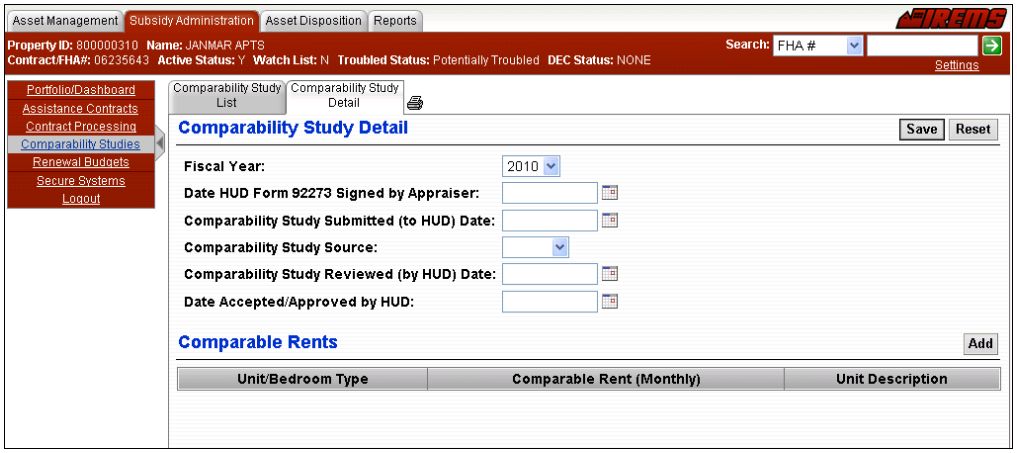


Figure 17-191. Comparability Study Detail page

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.

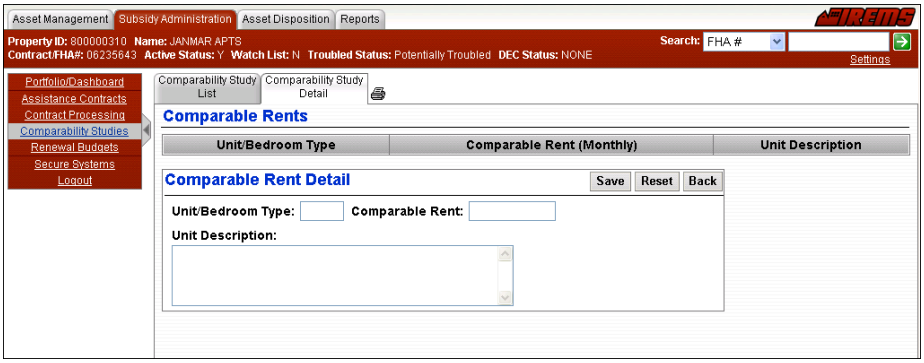


Figure 17-192. Comparable Rent Detail

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.

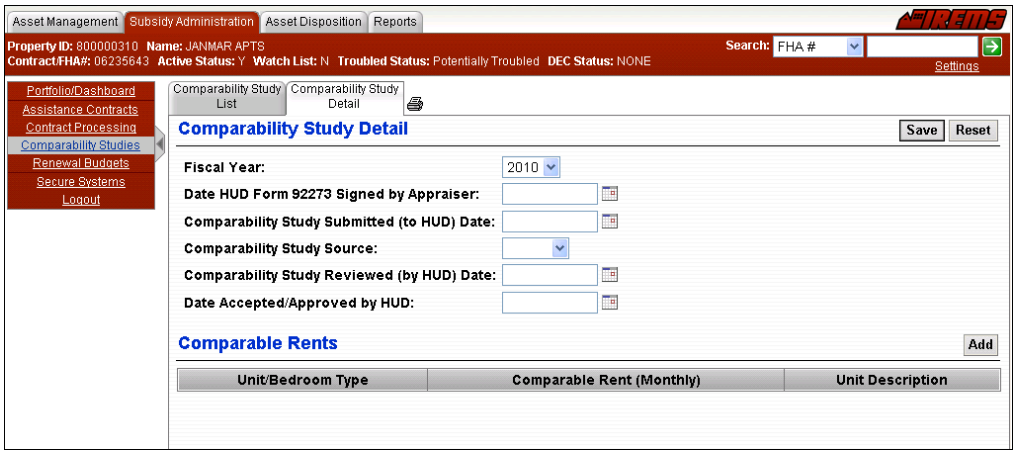


Figure 17-193. Comparable Study Detail page

2. Update information as required.
3. Highlight and click on a unit/bedroom type and the **Comparable Rent Detail** page displays.

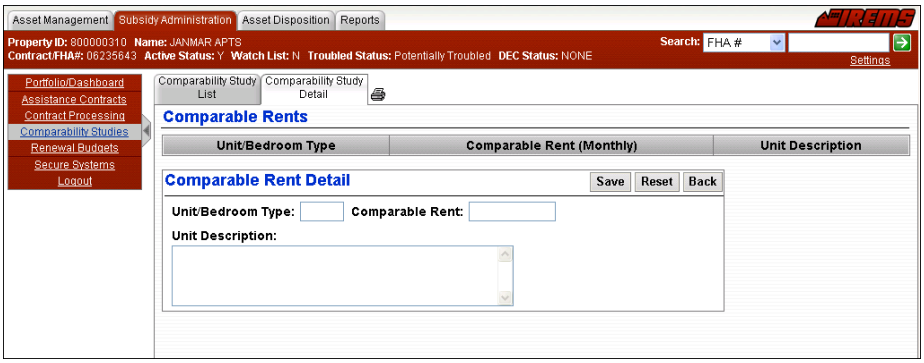


Figure 17-194. Comparability Rent Detail page

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.

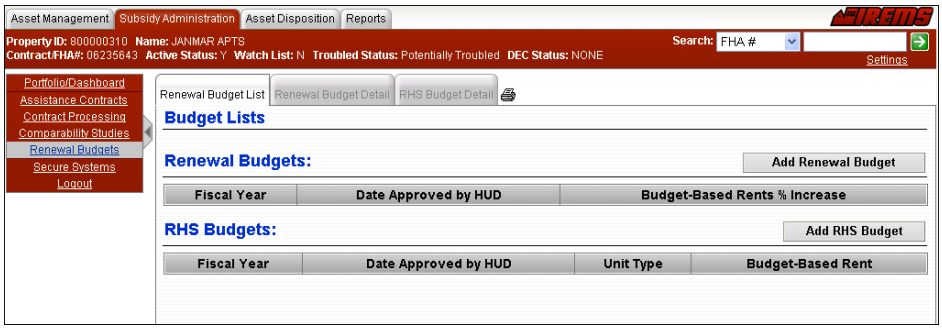


Figure 17-195. Renewal Budget Lists page

2. Select a Budget from the list or click on Add Renewal Budget and the **Renewal Budget Detail** page displays.

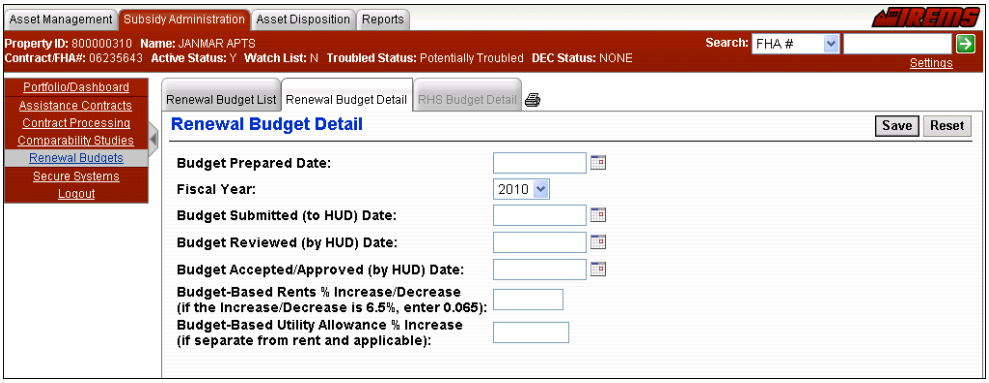


Figure 17-197. Renewal Budget Detail page

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.

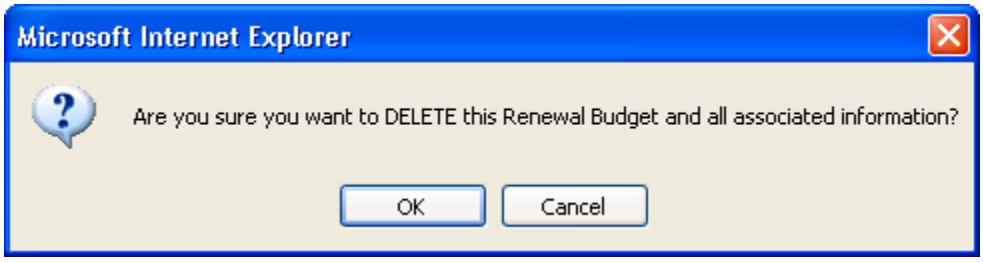


Figure 17-198. Delete Confirmation Dialog Box

3. Click on OK to delete, and the **Renewal Budget Detail** page displays with a message that the delete was successful.

Alternative Option

Click on Cancel 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.

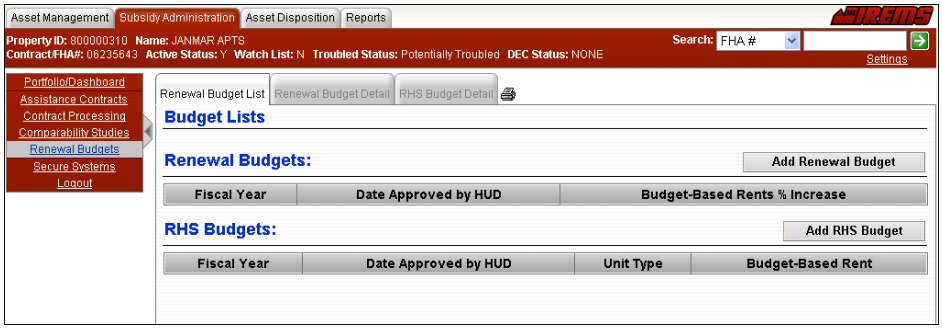


Figure 17-199. Renewal Budget Lists page

2. Click on Add RHS Budget and the **RHS Budget page** displays.

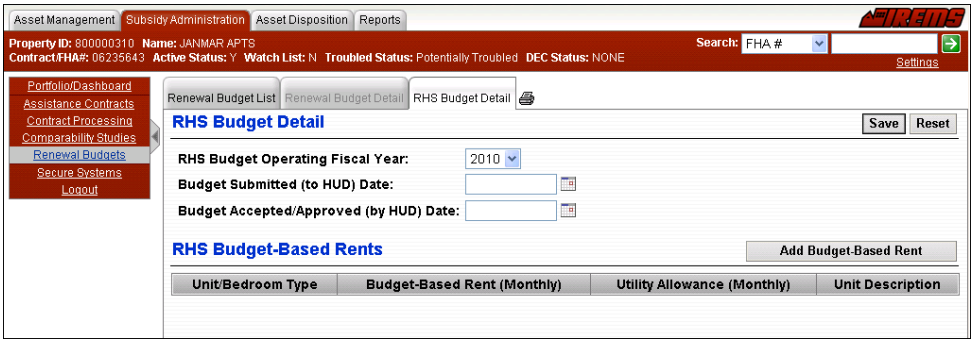


Figure 17-200. RHS Budget Detail

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.

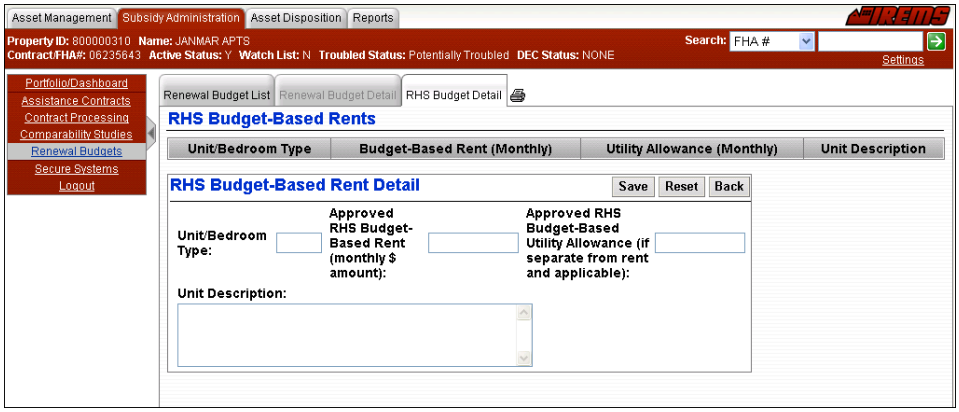


Figure 17-201. RHS Budget - Based Rent Detail page

> ✍ *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 Save 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.

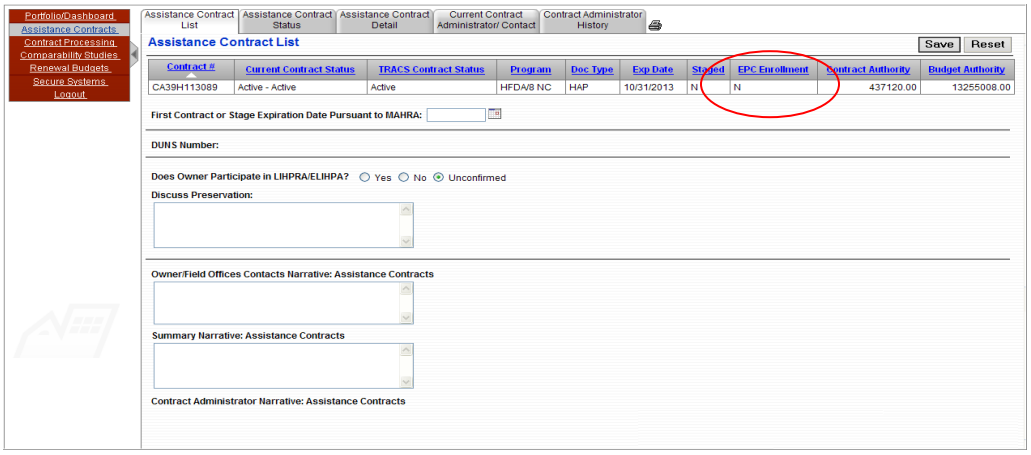


Figure 17-202. Assistance Contract List page

> ✍ *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.

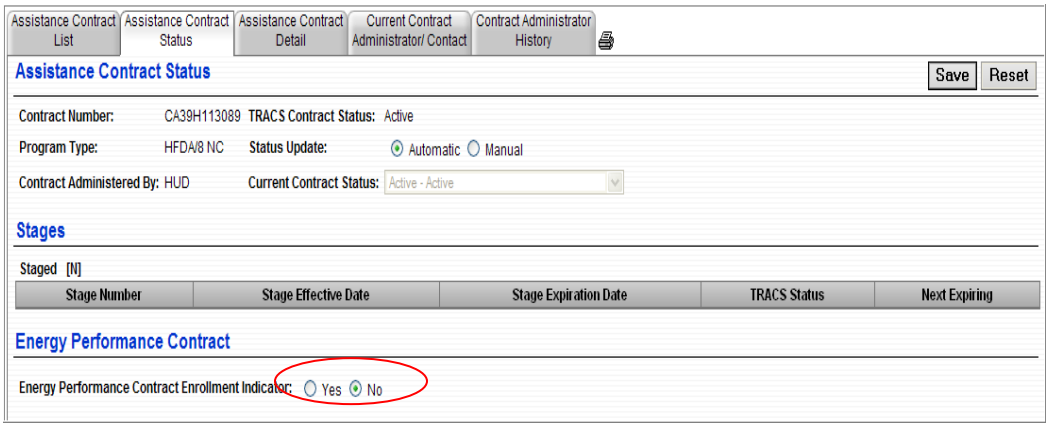


Figure 17-203. Assistance Contract Status page

> ✍ *Note: The "Energy Performance Contract Enrollment Indicator: is listed as "No".*

3. Click *"Yes"* for the *Energy Performance Contract Enrollment Indicator* field and the **Energy Performance Contract Details** page displays.

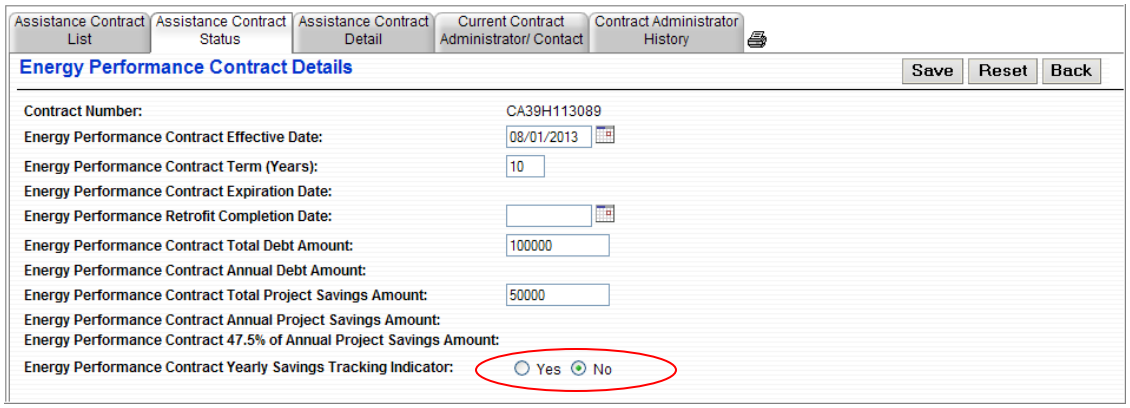


Figure 17-204. Energy Performance Contract Details page

4. Enter the requested data.
5. 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".*

6. Click on Save and the completed **Energy Performance Contract Details** page displays.

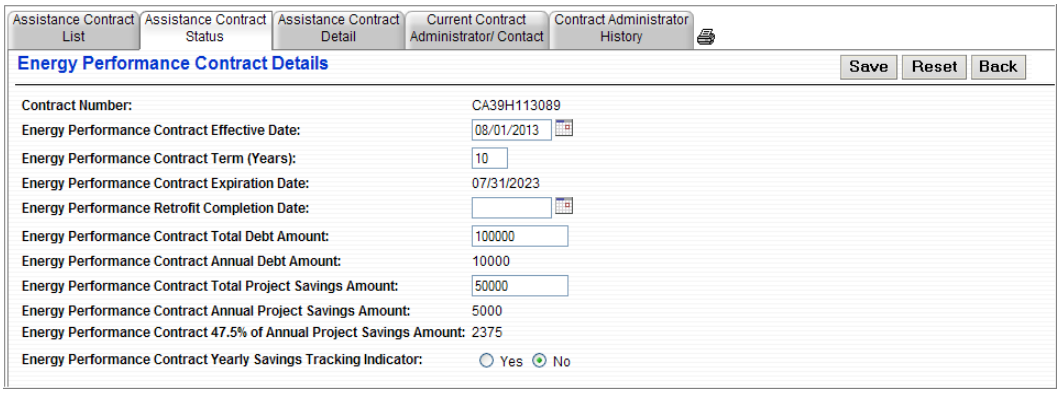


Figure 17-205. Energy Performance Contract Details (Options 1a, 1b and 2)

7. Click on Back and the **Assistance Contract Status** page displays with the *Energy Performance Contract* table completed with the entered data.

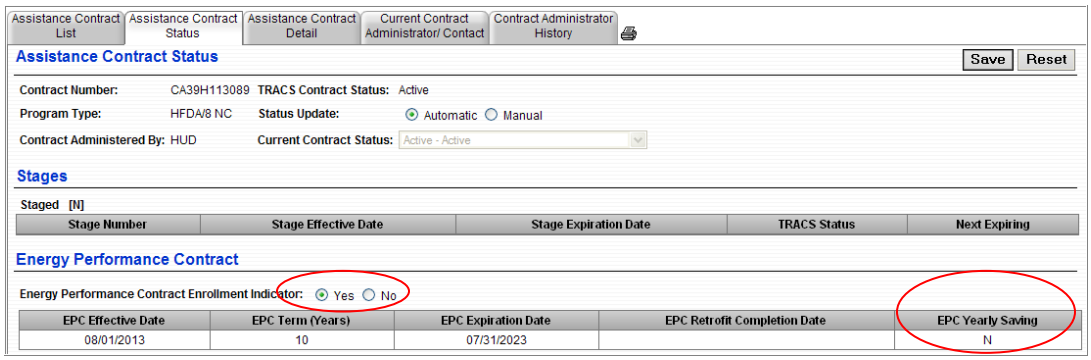


Figure 17-206. Assistance Contract Status page (Options 1a, 1b and 2)

8. Click on the **Assistance Contract List** tab and the **Assistance Contract List** page displays with "Y" in the *EPC Enrollment* column of the table.

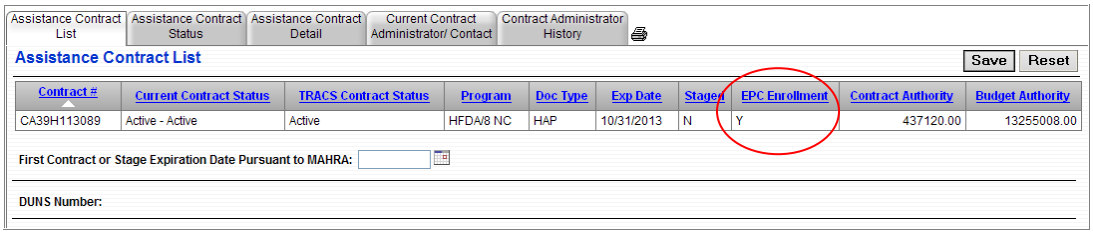


Figure 17-207. Assistance Contract List page (Options 1a, 1b and 2)

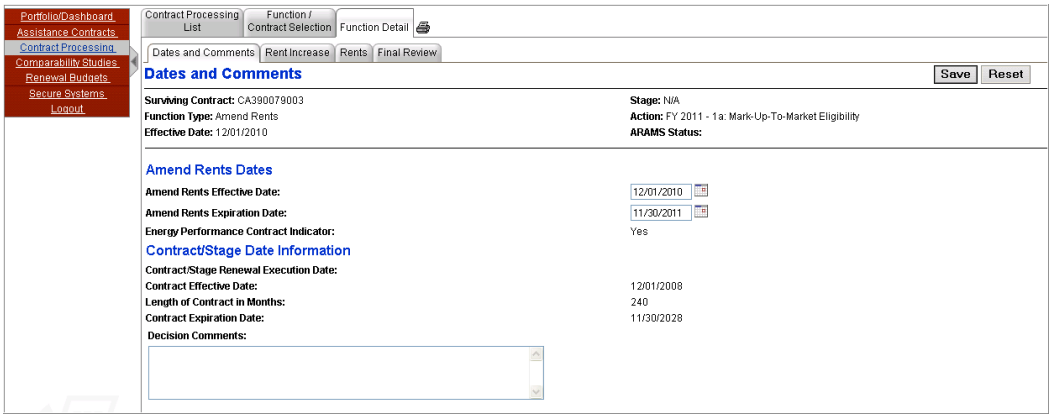


Figure 17-208. Dates and Comments (*with EPC Indicatior marked as "Yes"*)

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.

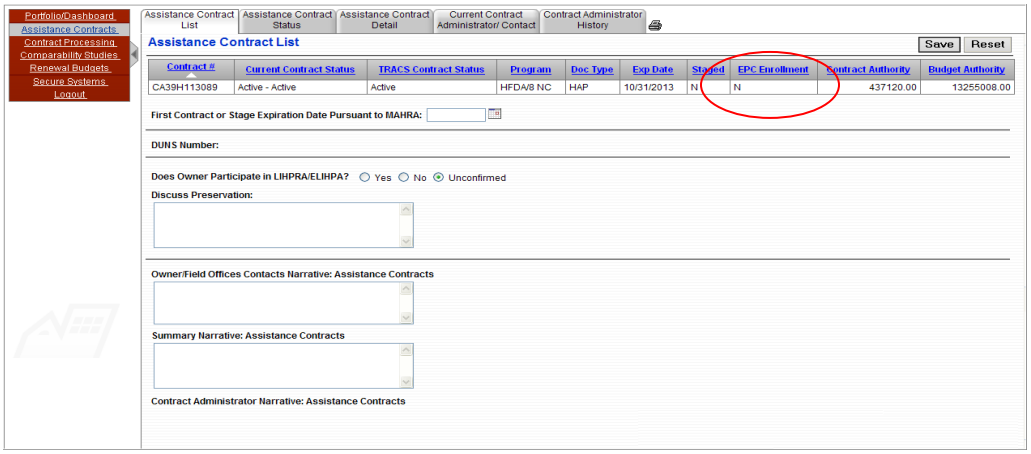


Figure 17-209. Assistance Contract List page

✍ *Note: The "EPC Enrollment" column has an "N" displayed.*

2. Click on the **Assistance Contract Status** tab and the **Assistance Contract Status** page displays.

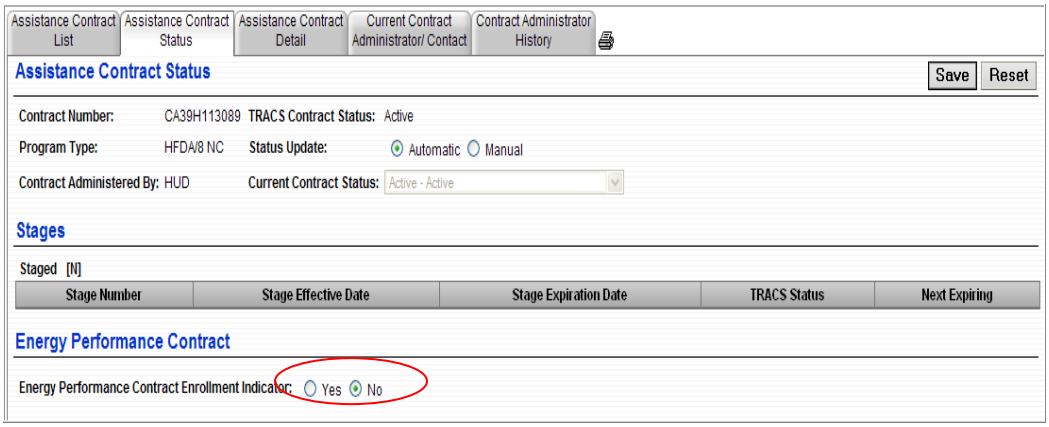


Figure 17-210. Assistance Contract Status page

✍ *Note: The "Energy Performance Contract Enrollment Indicator: is listed as "No".*

3. Click *"Yes"* for the *Energy Performance Contract Enrollment Indicator* field and the **Energy Performance Contract Details** page displays.

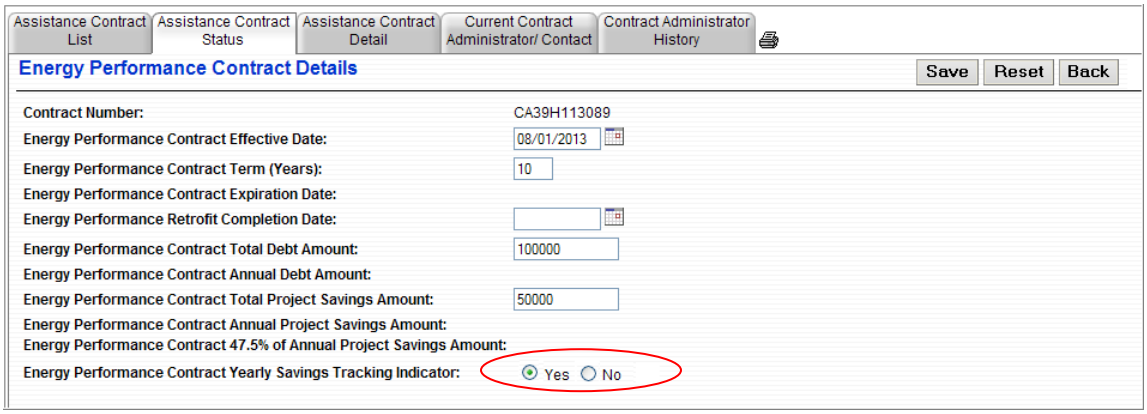


Figure 17-211. Energy Performance Contract Details page

4. Enter the requested data.

5. 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"*

6. Click on Save and the **Energy Performance Contract Details** page displays with the *Energy Performance Contract Yearly Savings* section added.

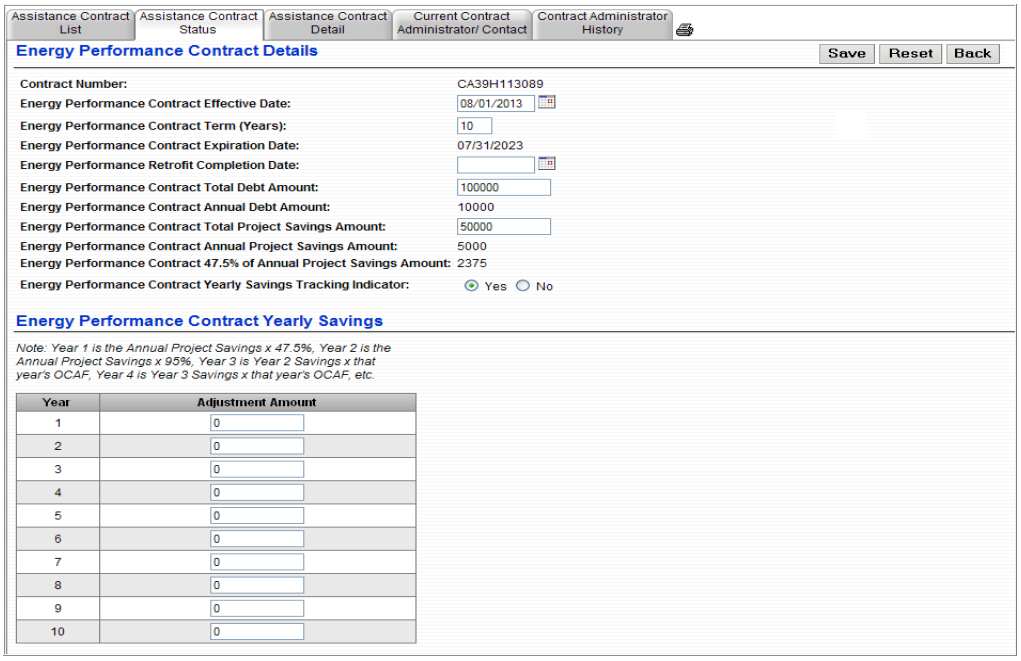


Figure 17-212. Energy Performance Contract Details (Options 4 and 5b) with Energy Performance Contract Yearly Savings table

7. Click on Back and the **Assistance Contract Status** page displays with the *Energy Performance Contract* table completed with the entered data.

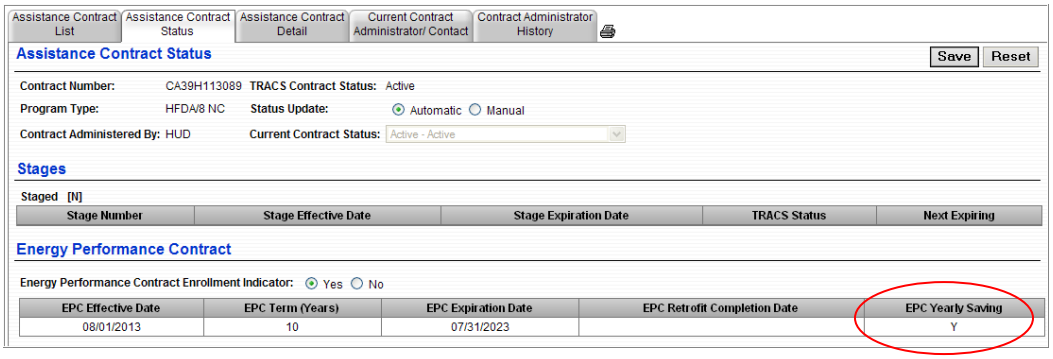


Figure 17-213. Assistance Contract Status page (Options 4 and 5b)

8. Click on the **Assistance Contract List** tab and the **Assistance Contract List** page displays with "Y" in the *EPC Enrollment* column of the table.

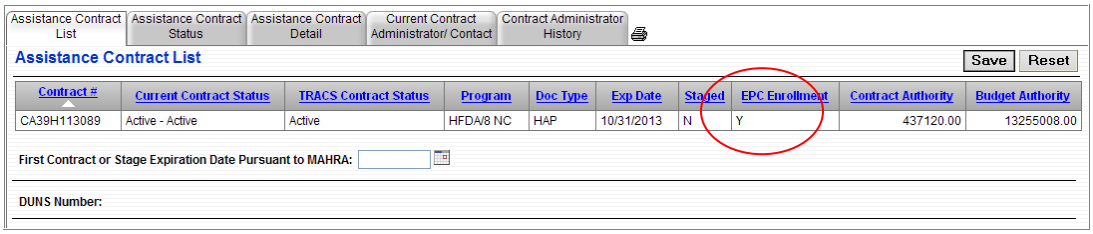


Figure 17-215. Assistance Contract List page (Options 4 and 5b)

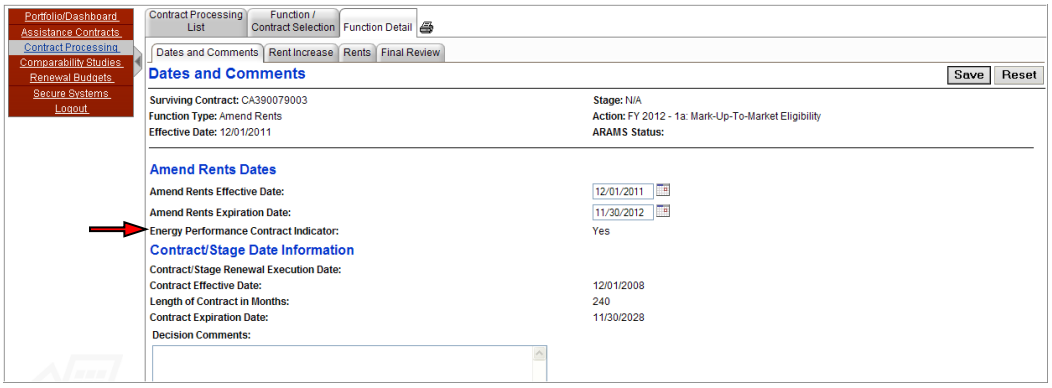


Figure 17-216. Dates and Comments (*EPC indicator "Yes"*)

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*.

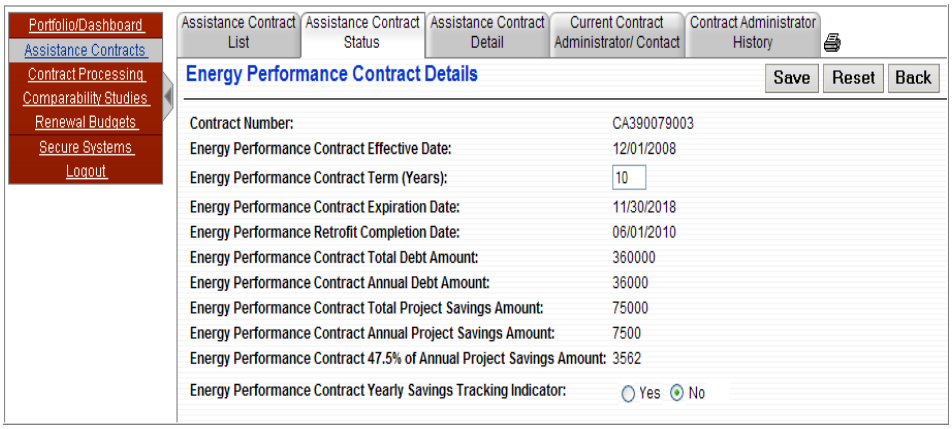


Figure 17-217. EPC Details page

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

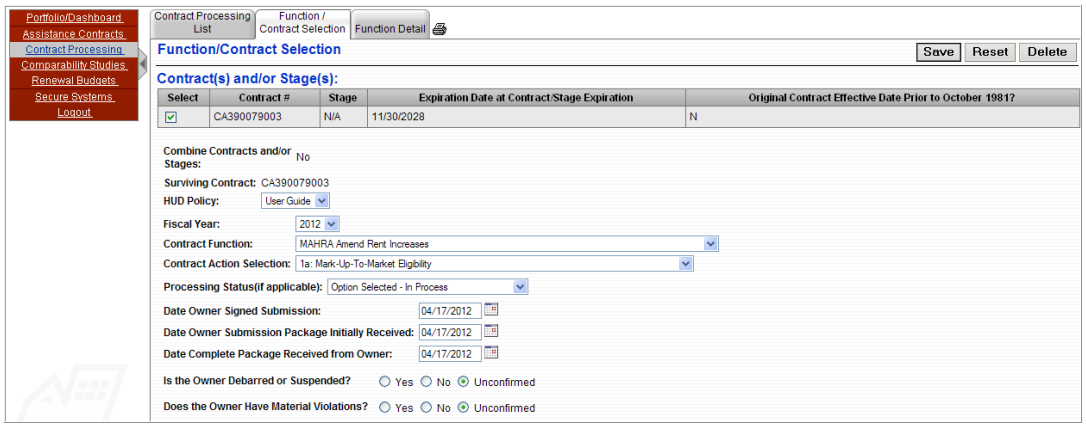


Figure 17-218. Function/Contract Selection page

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.

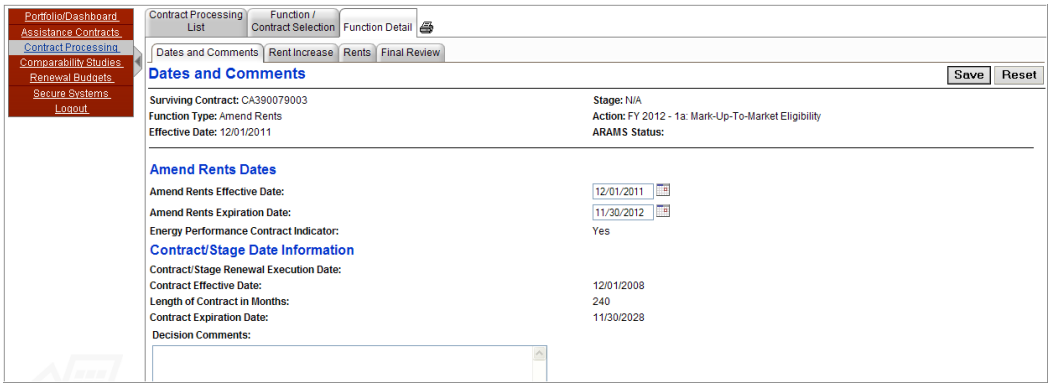


Figure 17-219. Dates and Comments page

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.

8. Click on the *Rent Increase* tab and the **Rent Increase** page displays.

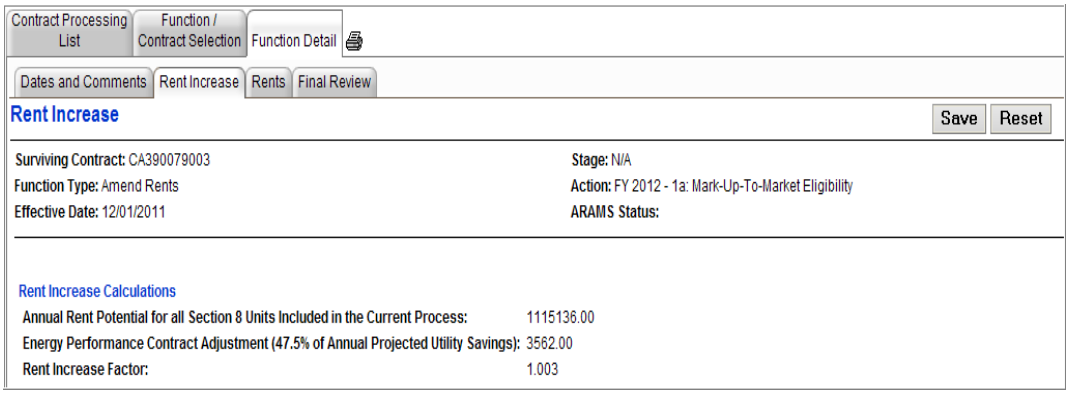


Figure 17-220. Rent Increase page

9. Verify the information preprinted on this page.

10. Click on Save and the *Save Successful* message displays.

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

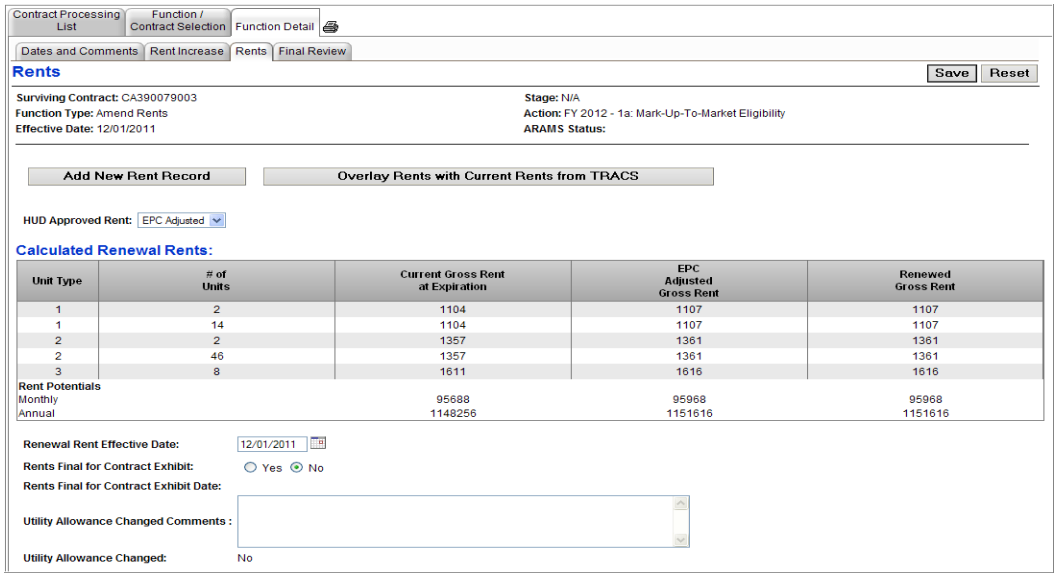


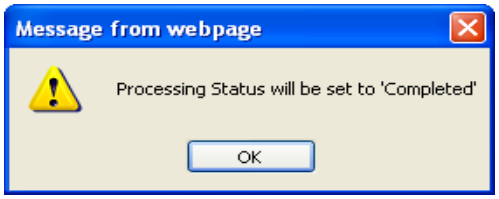
Figure 17-221. Rents page

12. Enter the following fields:

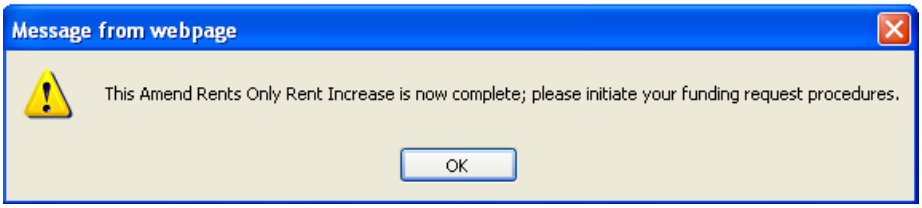
- *HUD Approved Rent (from the drop down)*
- *Renewal Rent Effective Date*

13. Click on Save and the *Save Successful* message displays.

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*.

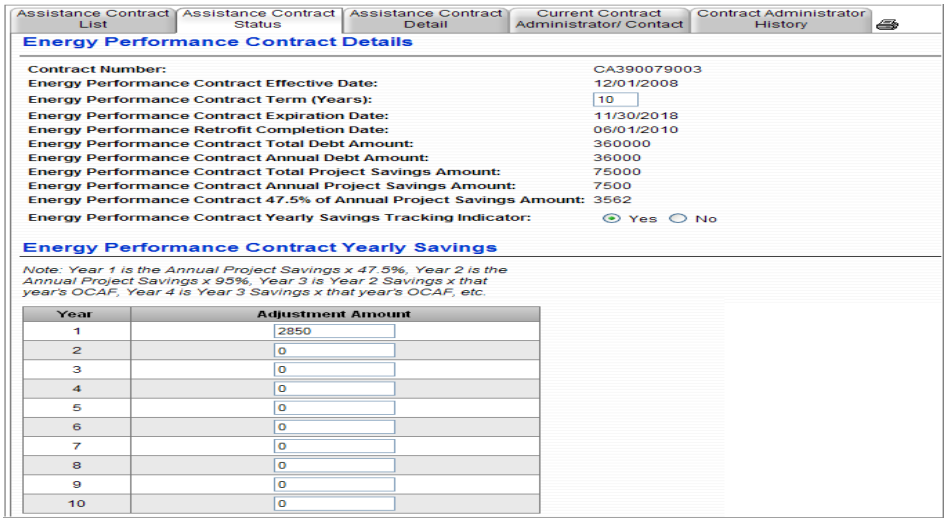


Figure 17-222. EPC Details page

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

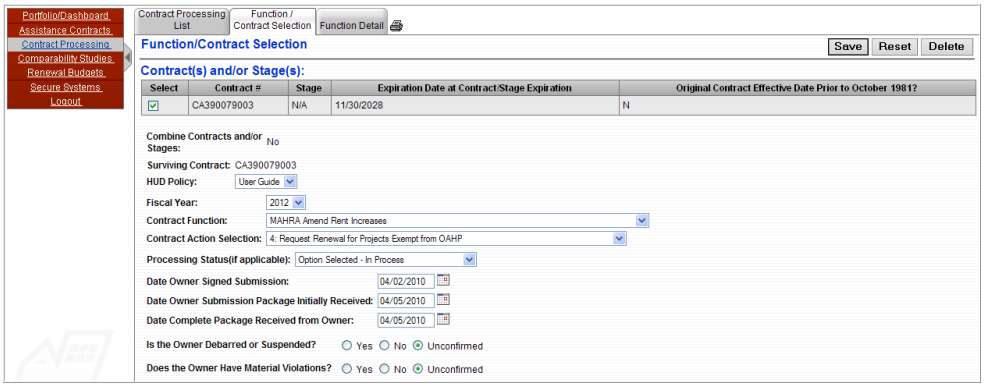


Figure 17-223. Function/Contract Selection page

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.

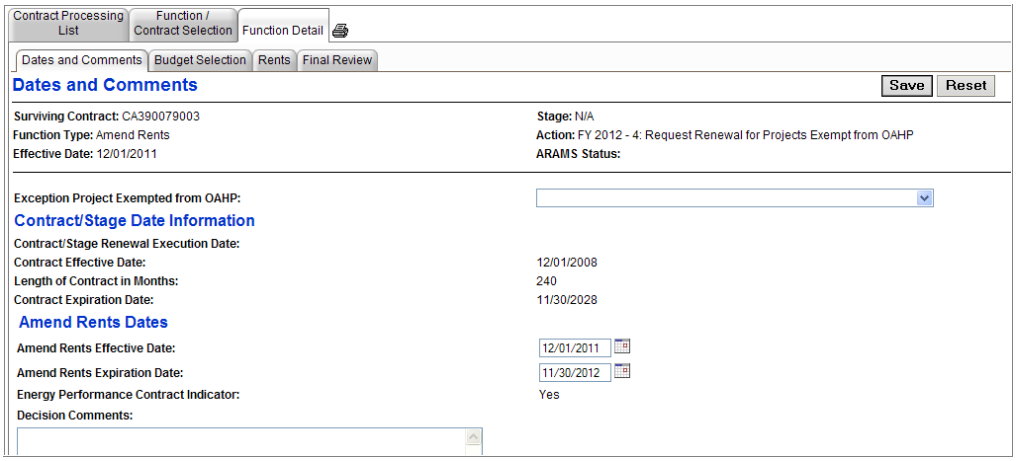


Figure 17-224. Dates and Comments page

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.

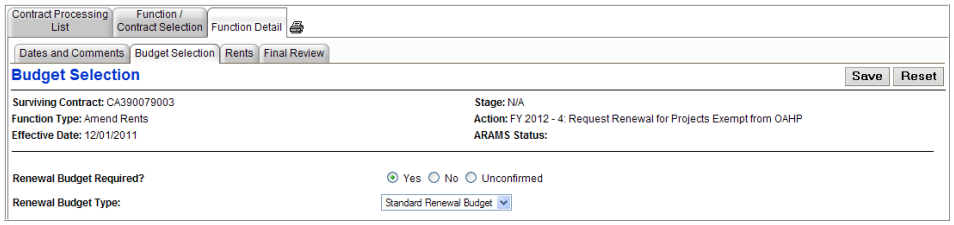


Figure 17-225. Budget Selection page

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.

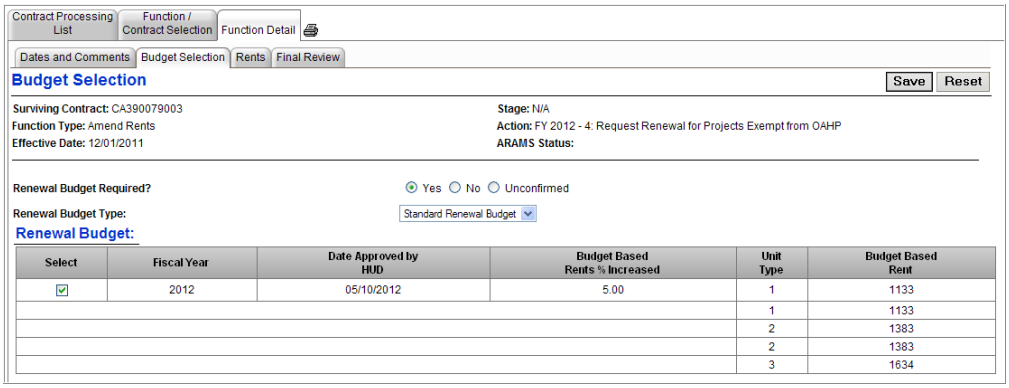


Figure 17-226. Budget Selection page

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.

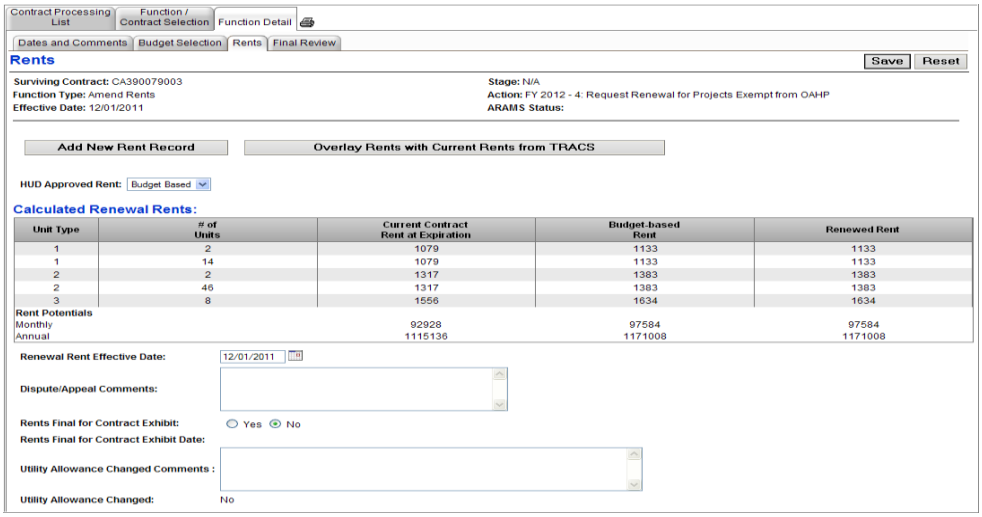
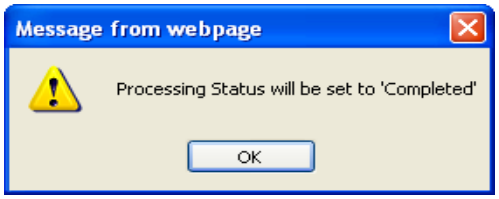


Figure 17-227. Rents page

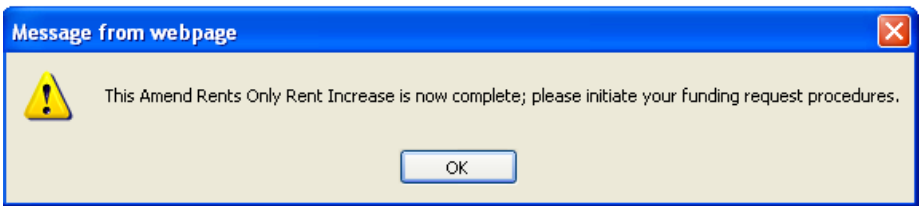
14. Enter the following fields:
    - *HUD Approved Rent (from the drop down)*
    - *Renewal Rent Effective Date*

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*

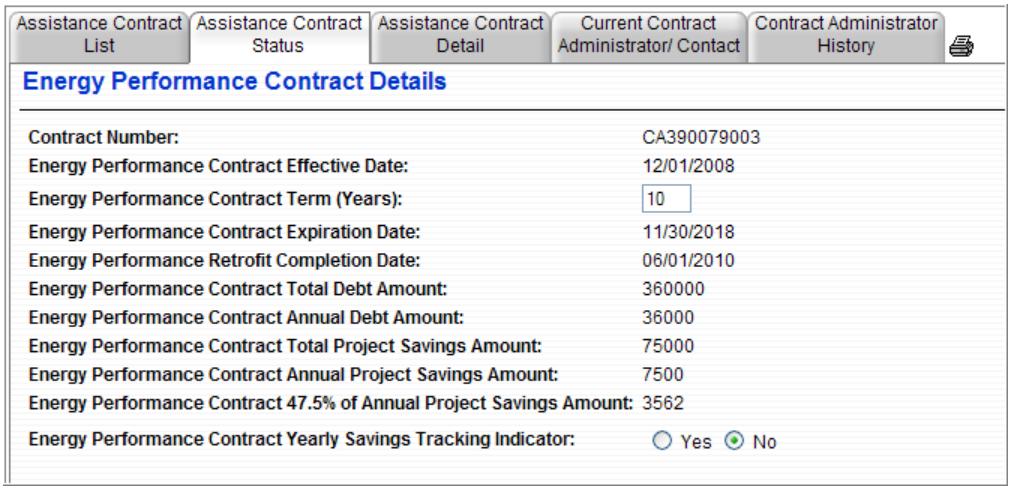


Figure 17-228. EPC Details page

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

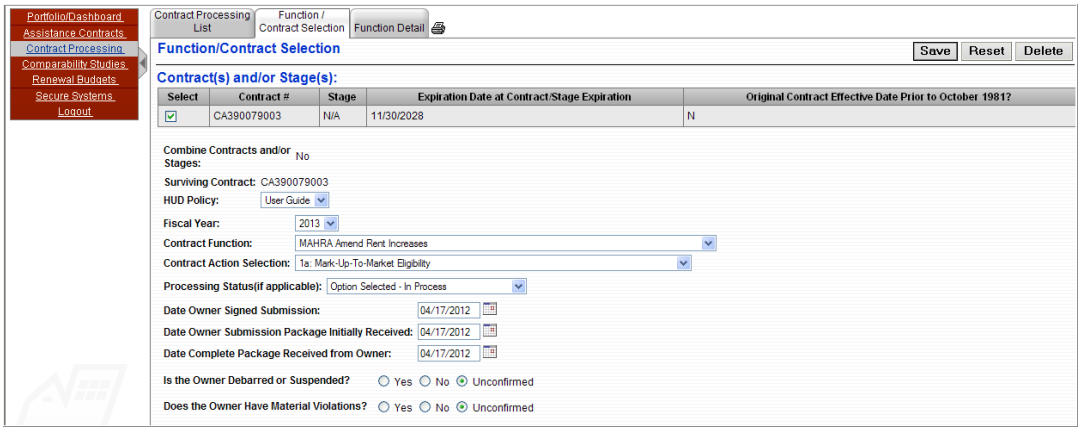


Figure 17-229. Function/Contract Selection page

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.

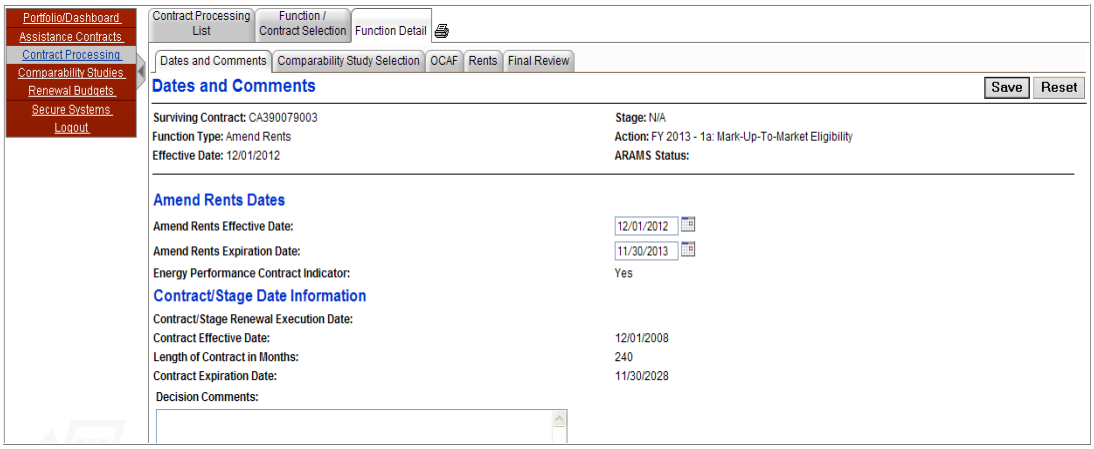


Figure 17-230. Dates and Comments page

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.

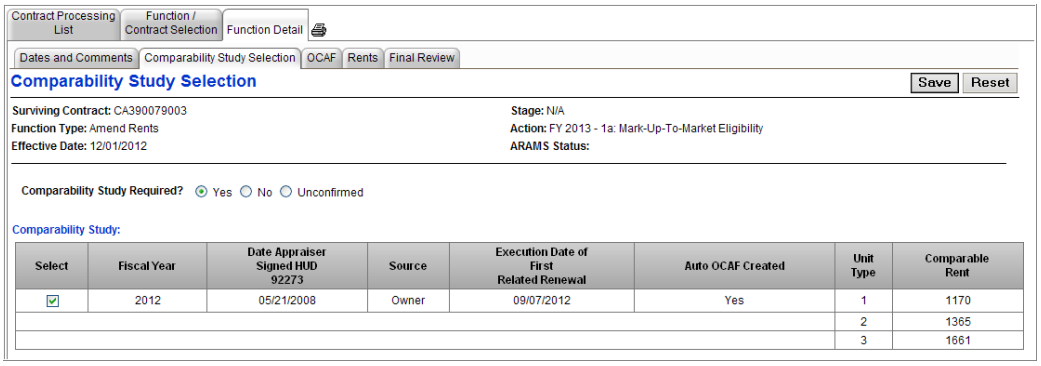


Figure 17-231. Comparability Study Selection page

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.

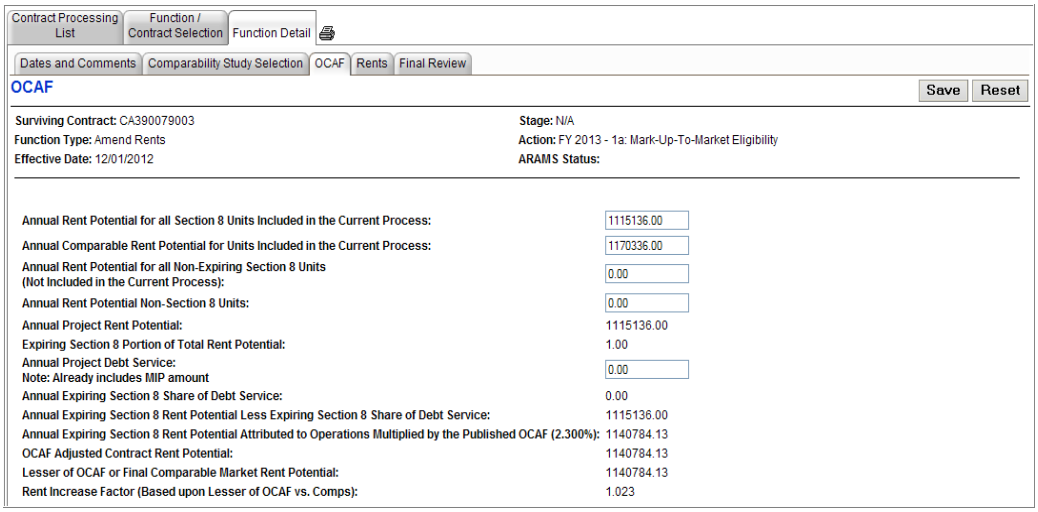


Figure 17-232. OCAF page

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.

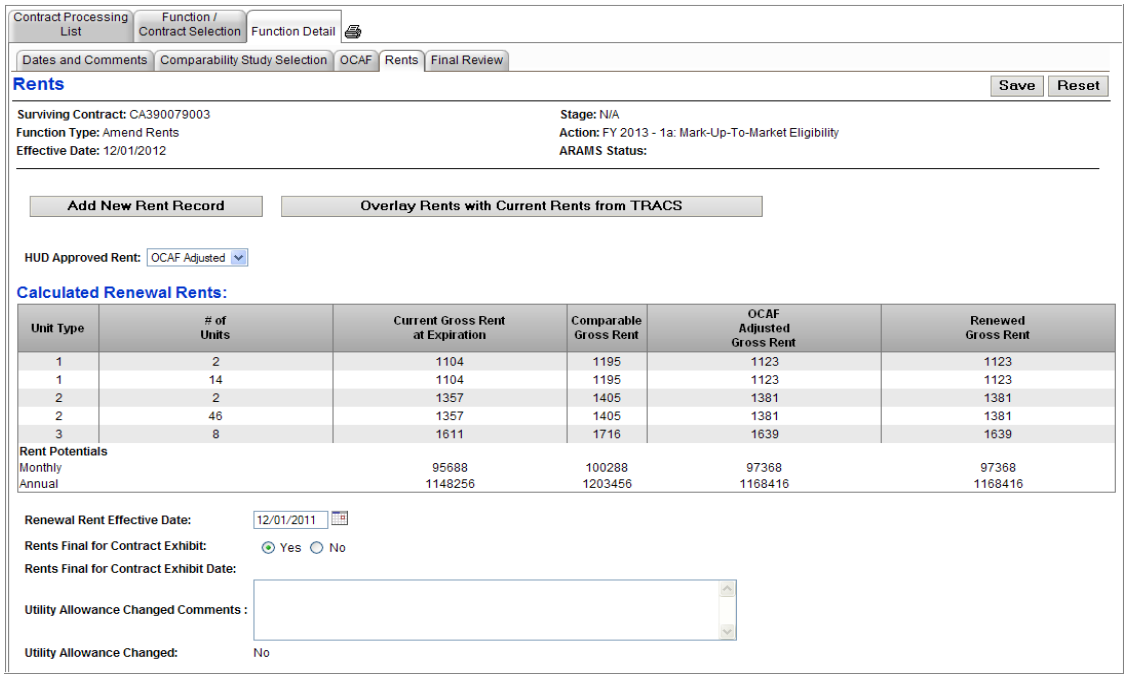
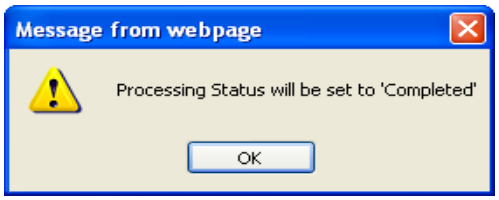


Figure 17-233. Rents page

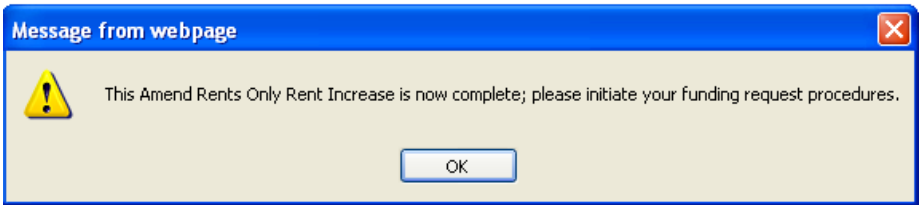
15. Enter the following fields:
    - *HUD Approved Rent (from the drop down)*
    - *Renewal Rent Effective Date*

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*

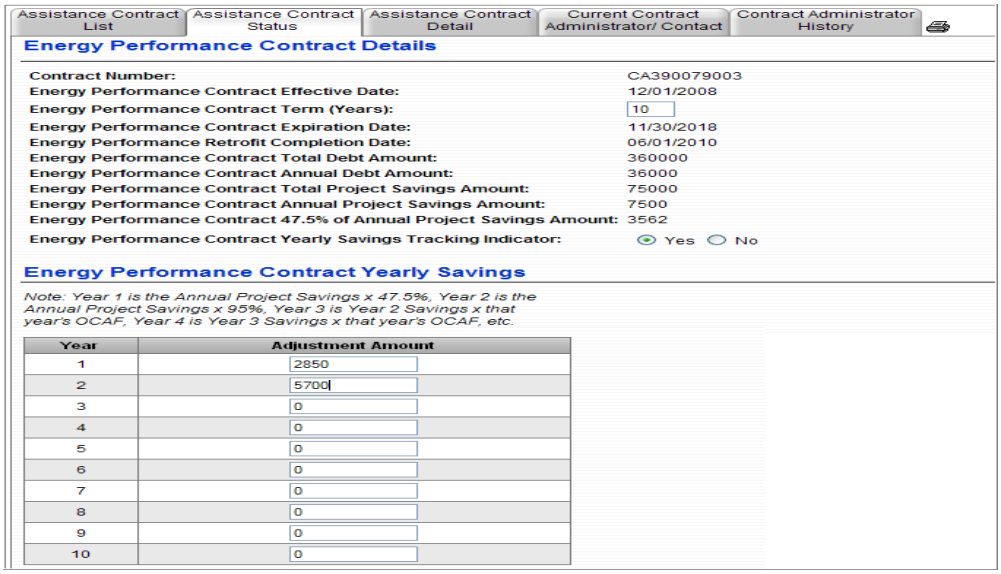


Figure 17-234. EPC Details page

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

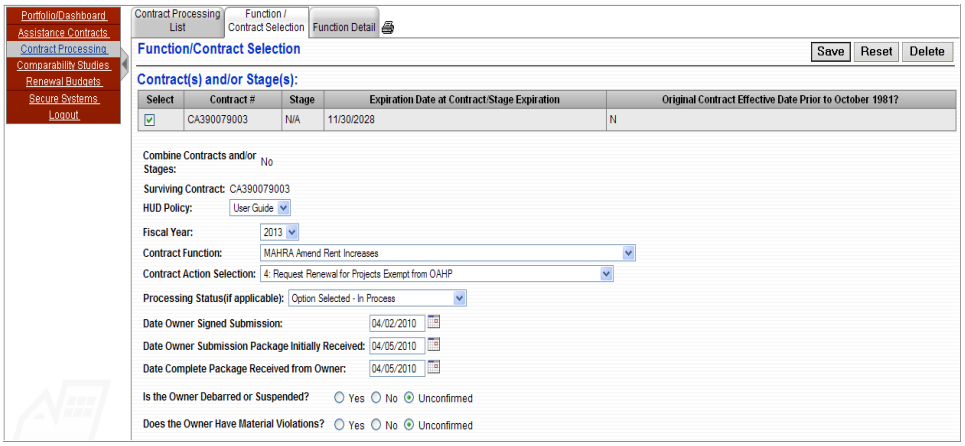


Figure 17-235. Function/Contract Selection page

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.

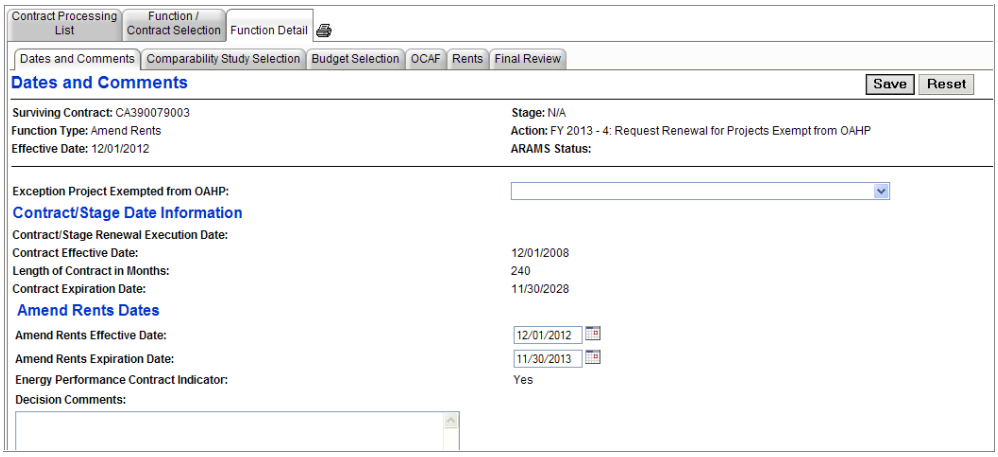


Figure 17-236. Dates and Comments page

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.

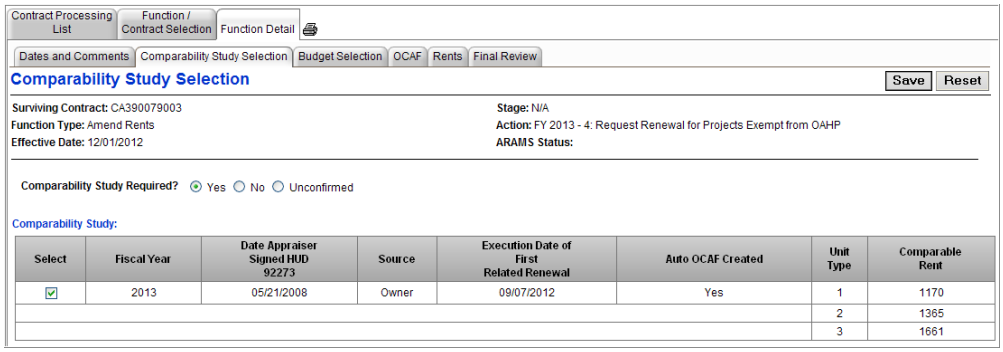


Figure 17-237. Comparability Study Selection page

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:

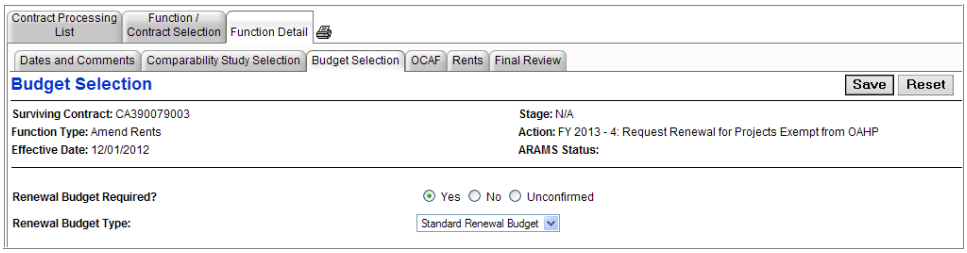


Figure 17-238. Budget Selection page

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.

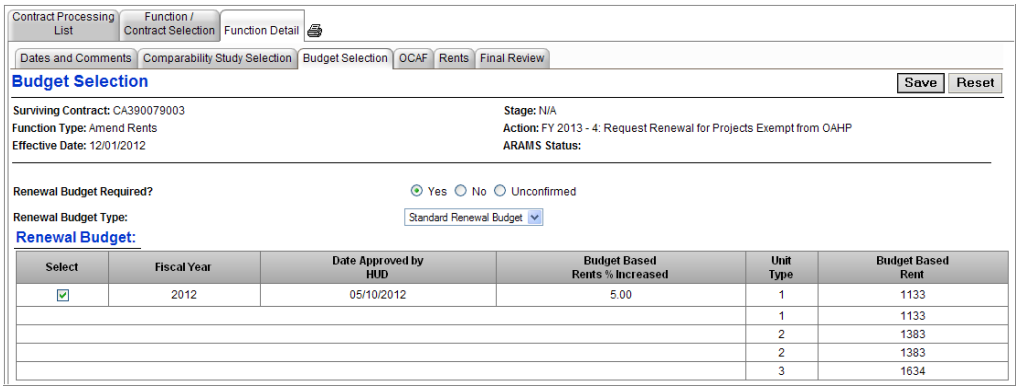


Figure 17-239. Budget Selection page

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.

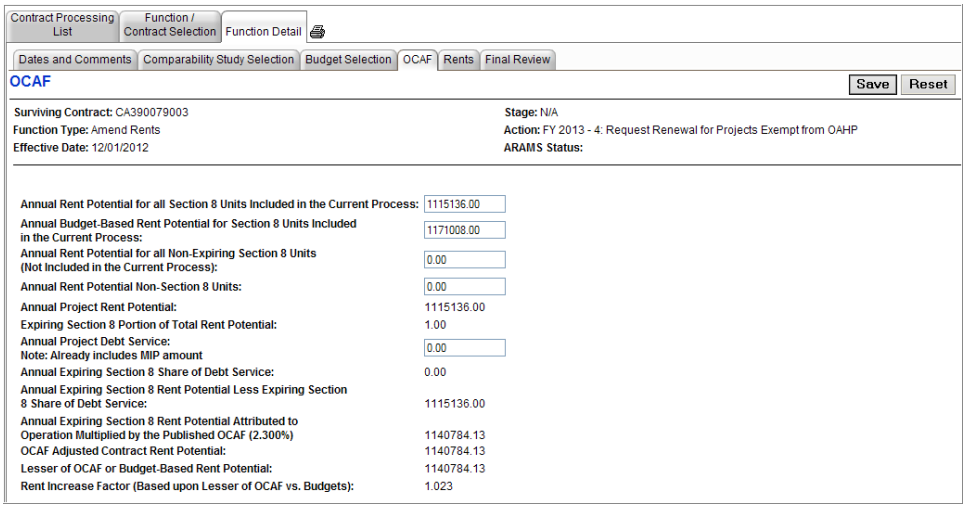


Figure 17-240. OCAF page

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.

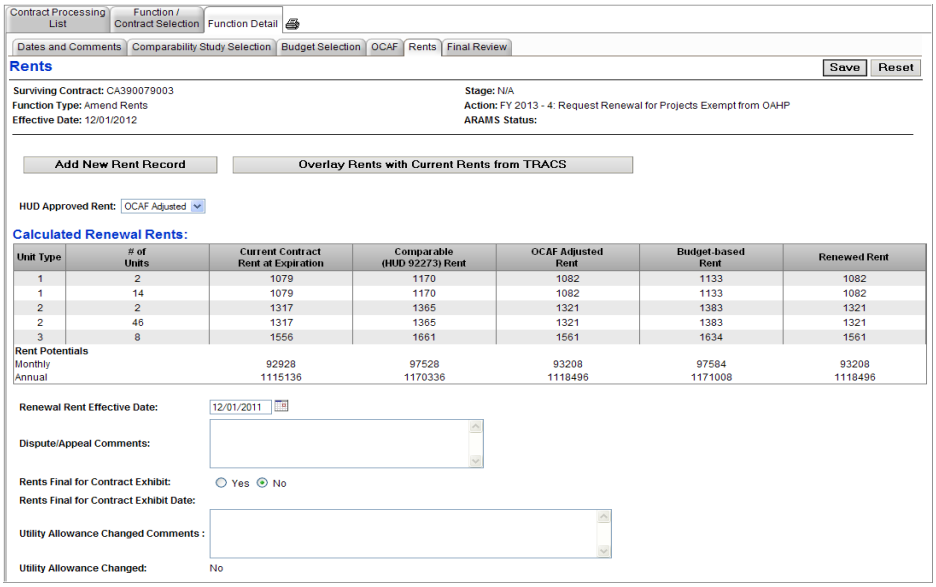
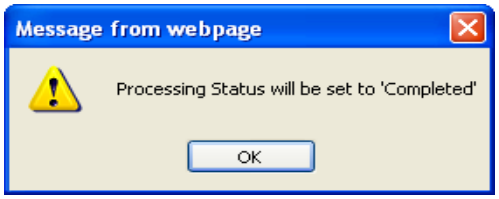


Figure 17-241. Rents page

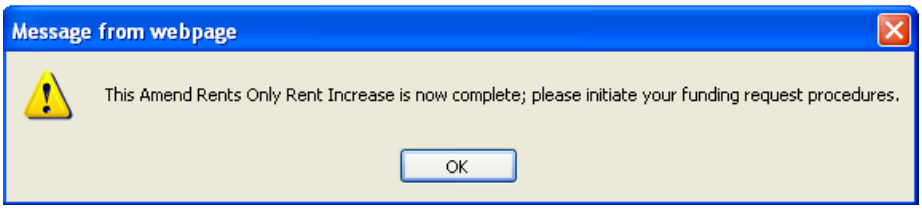
20. Enter the following fields:
    - *HUD Approved Rent (from the drop down)*
    - *Renewal Rent Effective Date*

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*

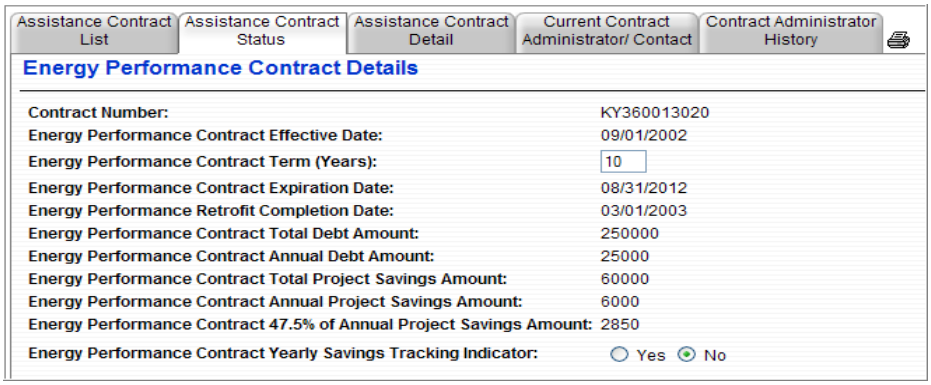


Figure 17-242. EPC Details page

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

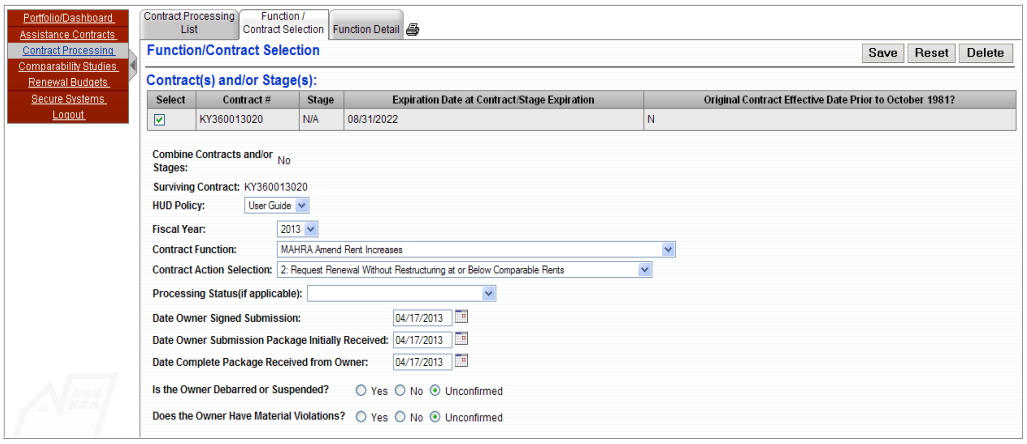


Figure 17-243. Function/Contract Selection page

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.

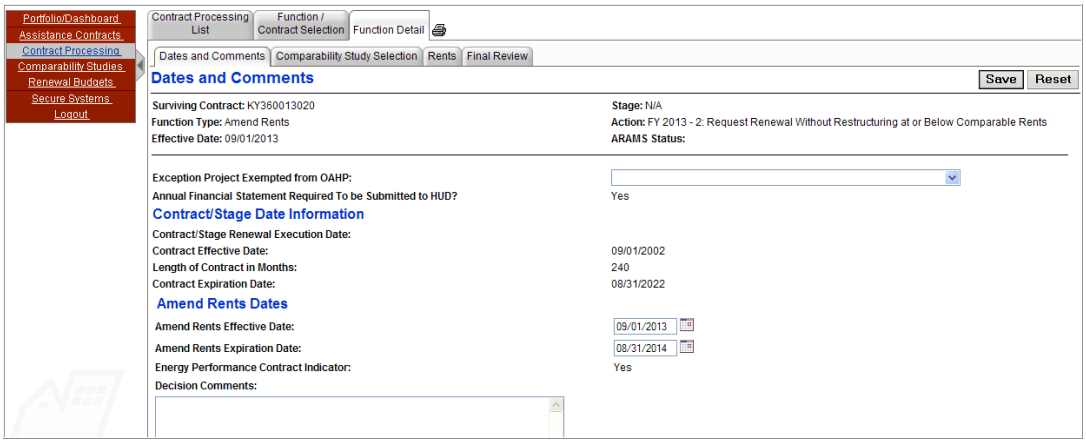


Figure 17-244. Dates and Comments page

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 OAHP" 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.

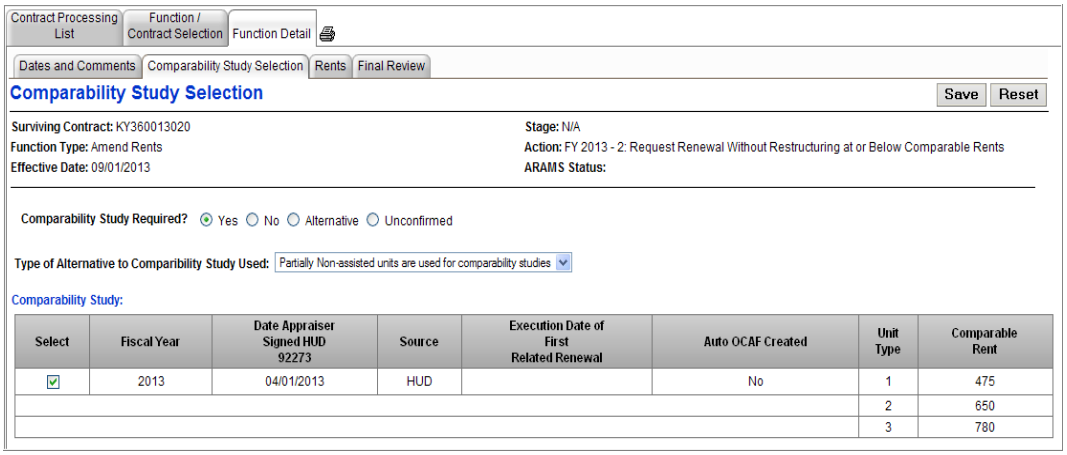


Figure 17-245. Comparability Study Selection page

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.

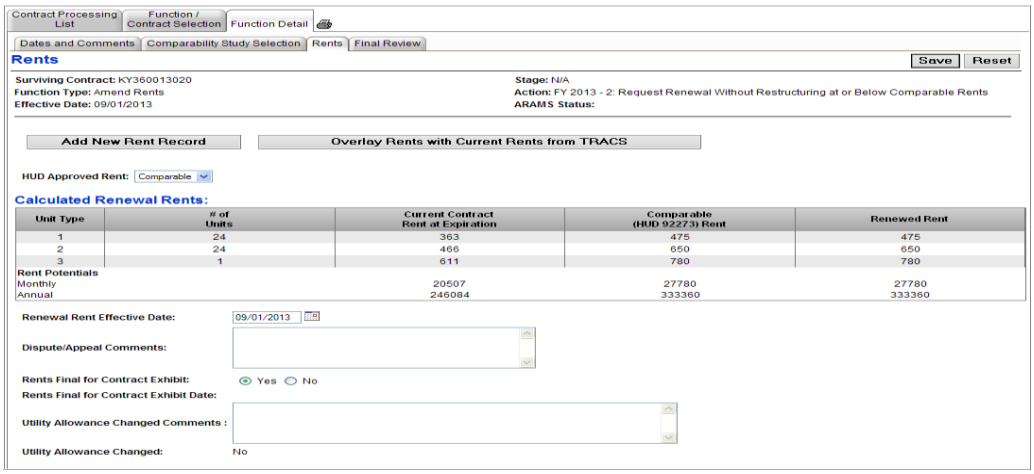
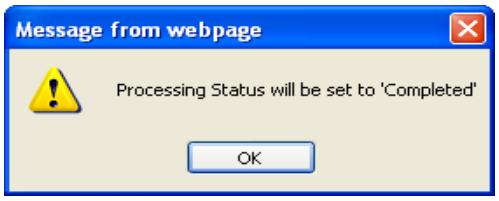


Figure 17-246. Rents page

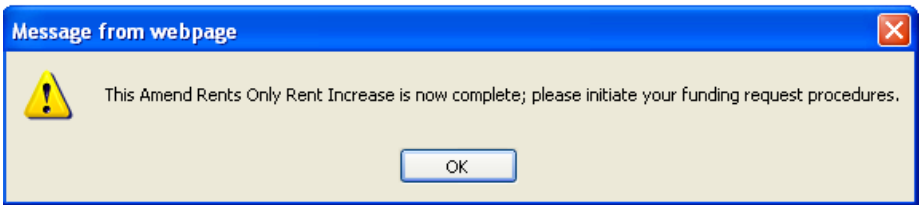
12. Enter the following fields:
   - *HUD Approved Rent (from the drop down)*
   - *Renewal Rent Effective Date*

13. Click on Save and the *Save Successful* message displays.

14. 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.



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 4 for the FINAL Year of the term:

1. From the **EPC Detail** page verify the *Energy Performance Retrofit Completion Date*

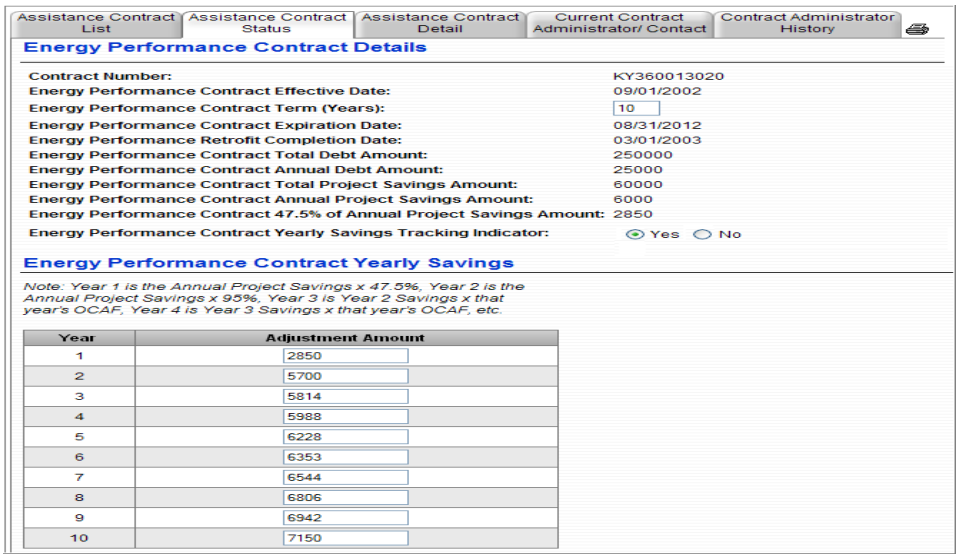


Figure 17-247. EPC Details page

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

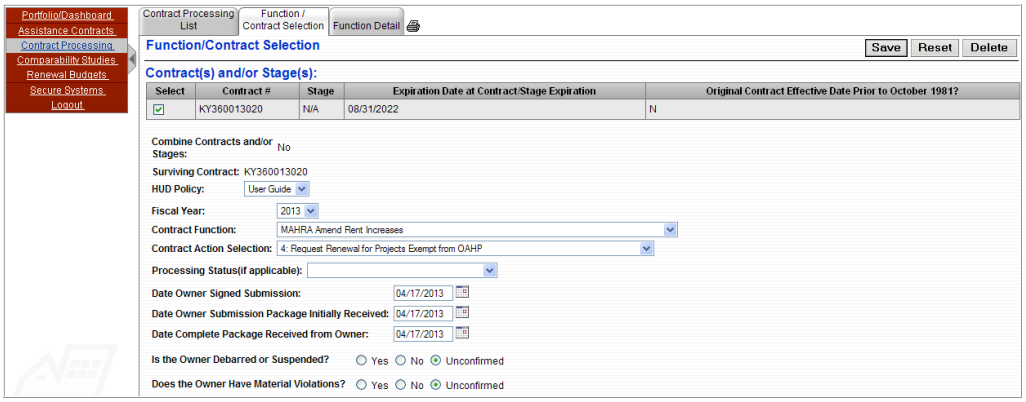


Figure 17-248. Function/Contract Selection page

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.

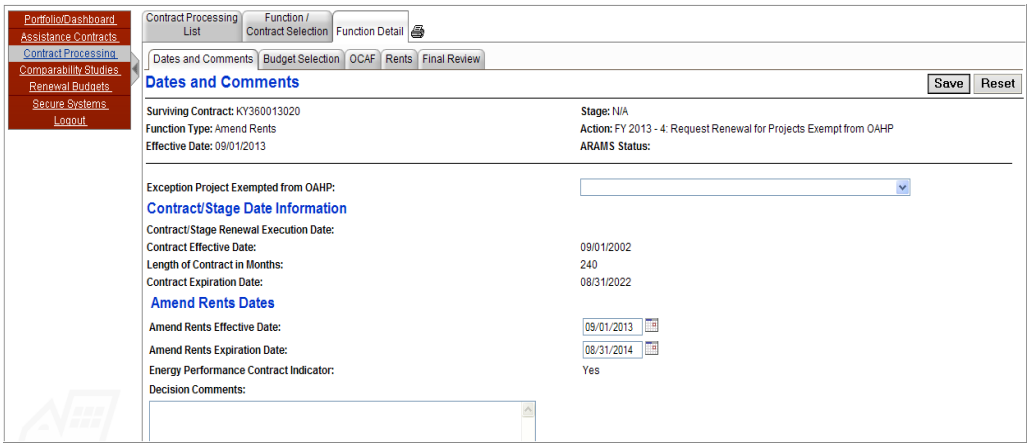


Figure 17-249. Dates and Comments page

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.

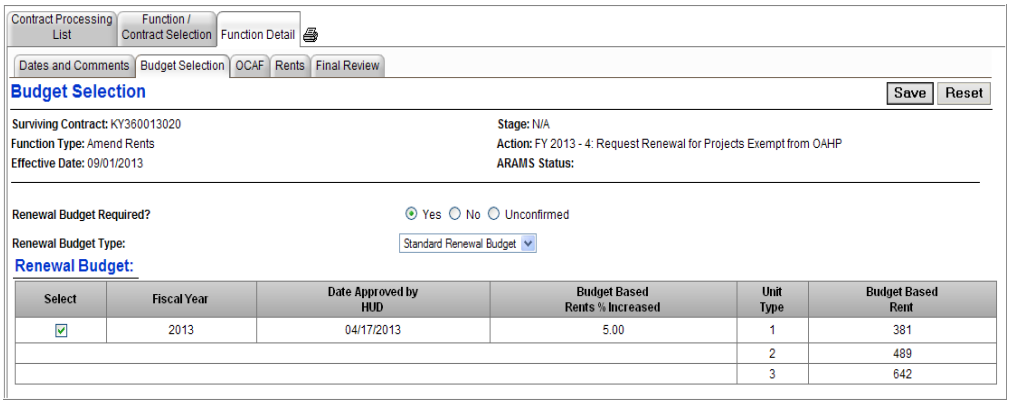


Figure 17-250. Budget Selection page

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.

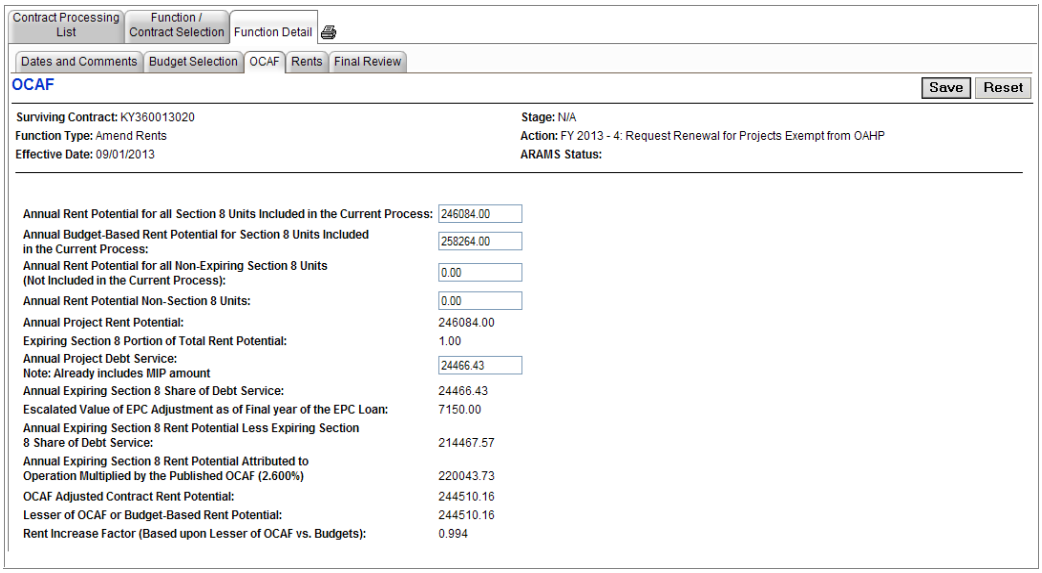


Figure 17-251. OCAF page

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.

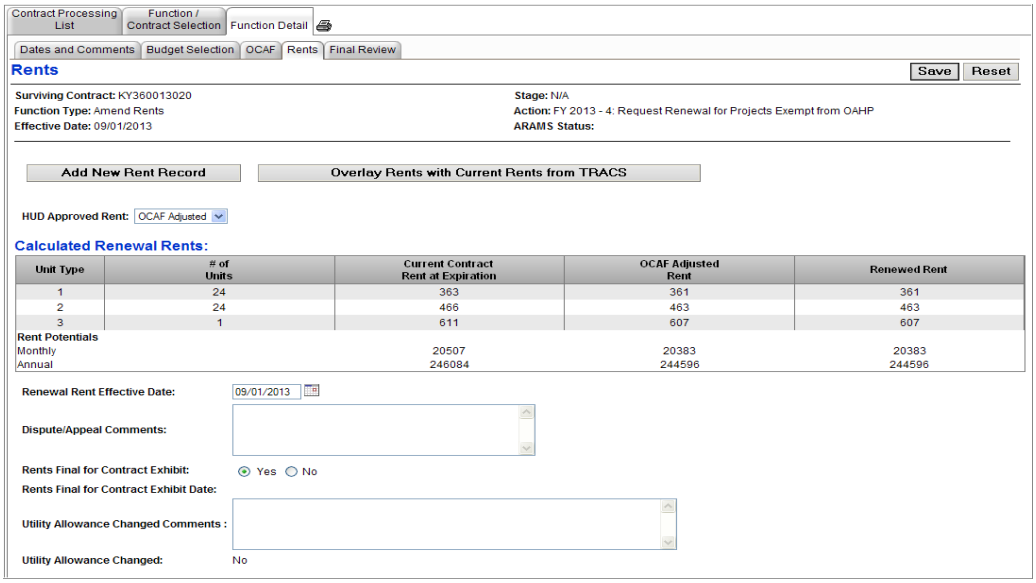


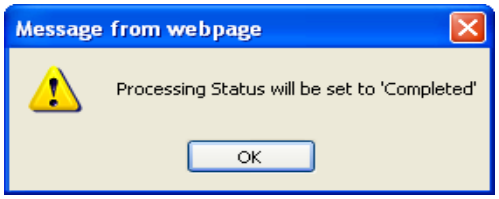
Figure 17-252. Rents page

15. Enter the following fields:

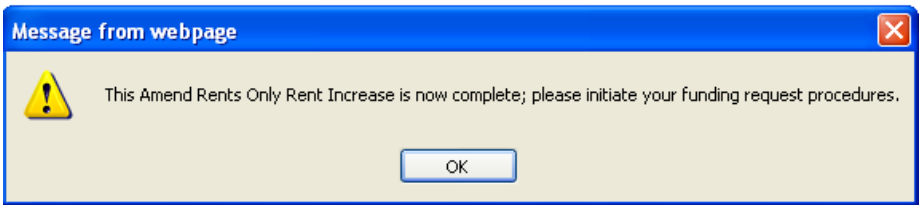
- *HUD Approved Rent (from the drop down)*
- *Renewal Rent Effective Date*

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 Option 5b for the FINAL Year of the term:

1. From the **EPC Detail** page verify the *Energy Performance Retrofit Completion Date*

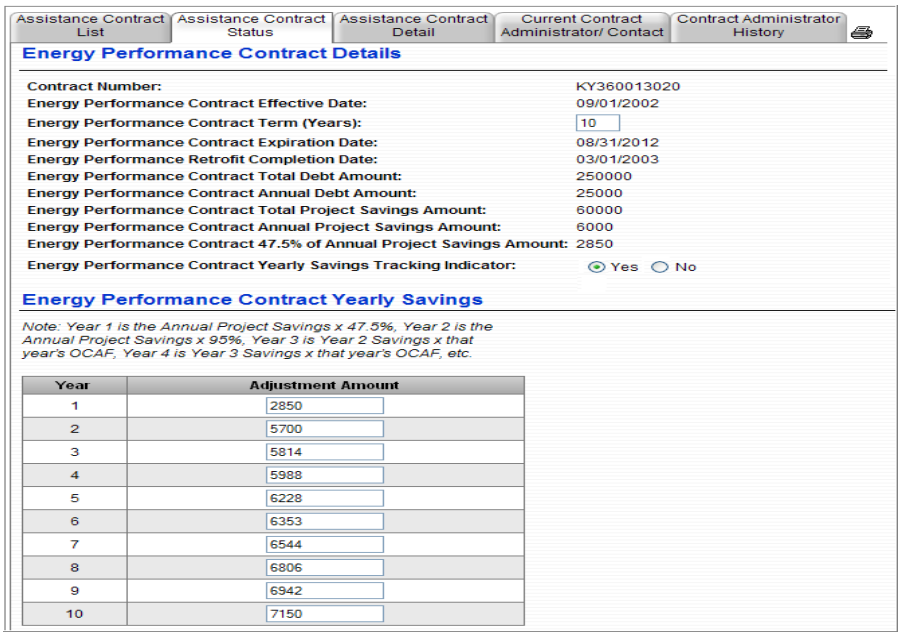


Figure 17-253. EPC Details page

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

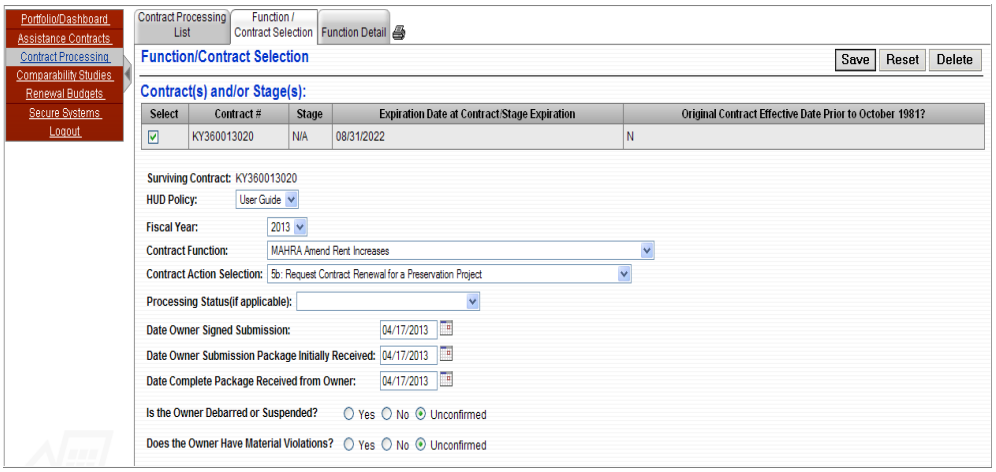


Figure 17-254. Function/Contract Selection page

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.

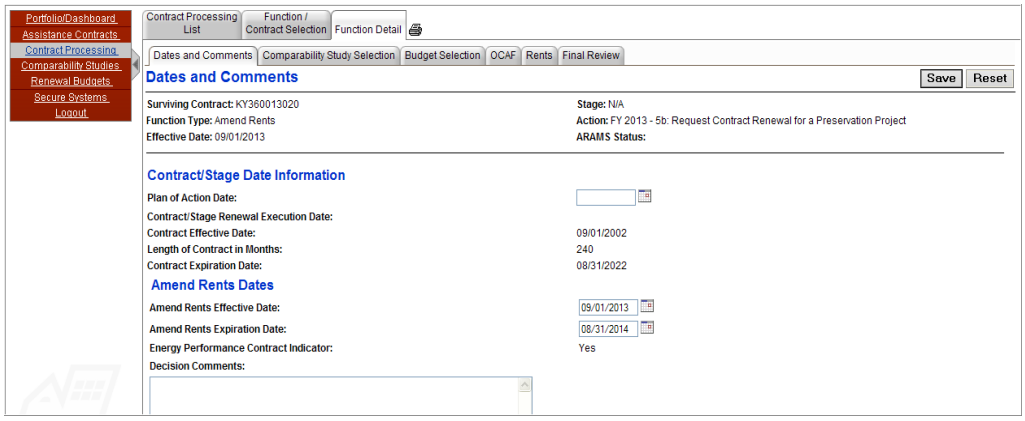


Figure 17-255. Dates and Comments page

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.

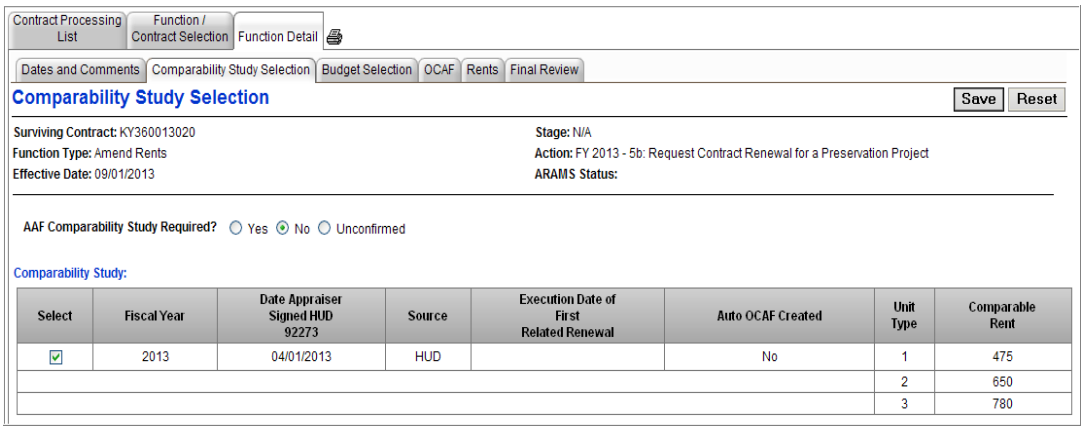


Figure 17-256. Comparability Study Selection page

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.

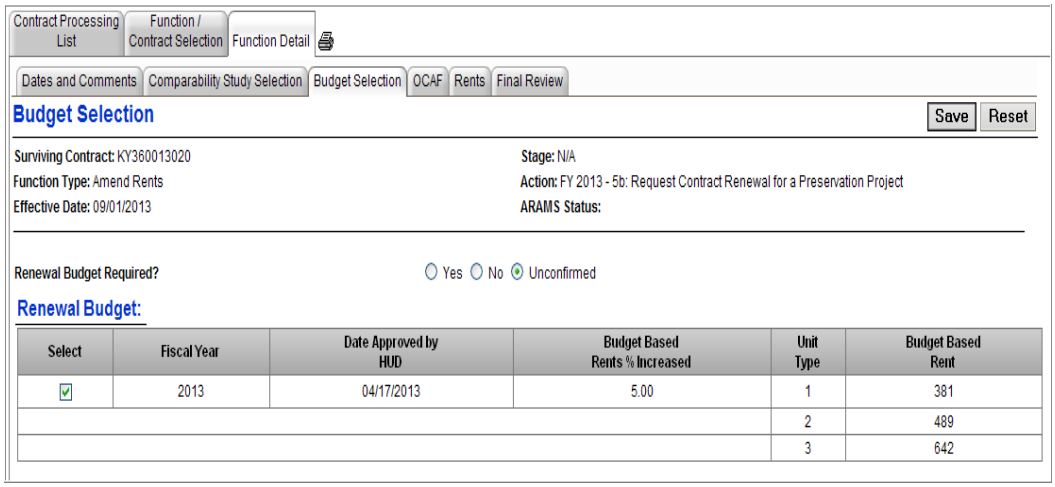


Figure 17-257. Budget Selection page

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.

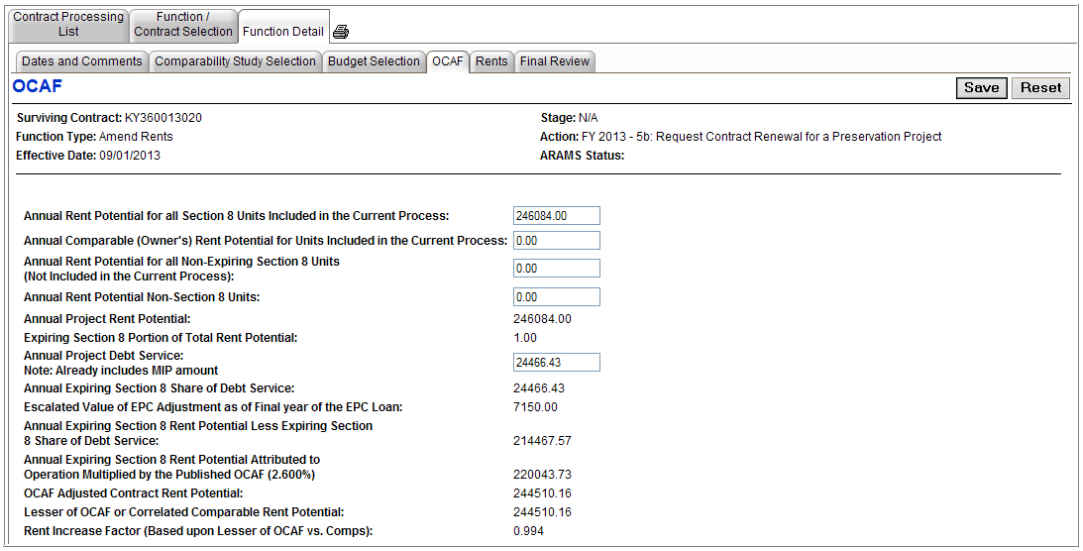


Figure 17-258. OCAF page

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.

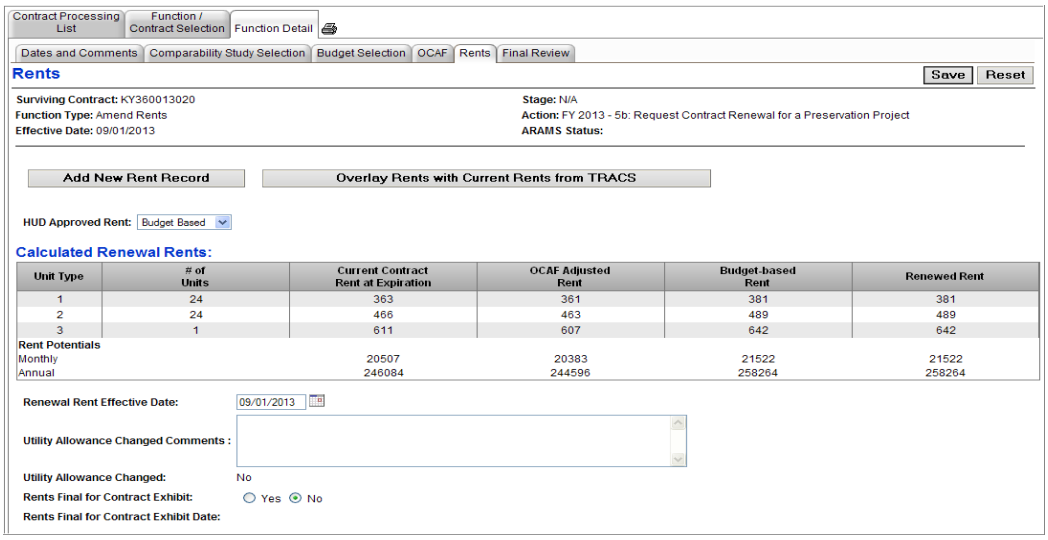
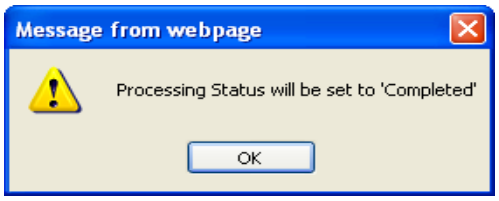


Figure 17-259. Rents page

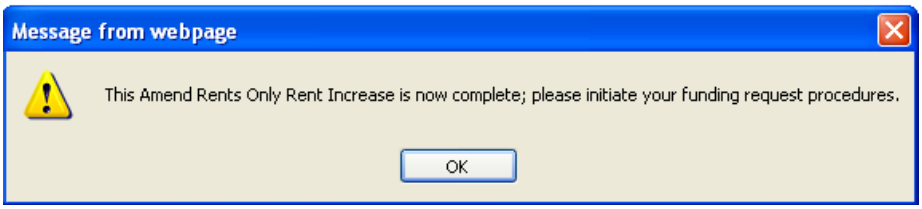
18. Enter the following fields:
    - *HUD Approved Rent (from the drop down)*
    - *Renewal Rent Effective Date*

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.