

Chapter 4 Asset Management Systems

4.1 Purpose

A. This Chapter provides a high-level, introductory overview of Multifamily Housing (MFH) asset management systems. It explains the purpose of each system, who has access, and where to find additional information.

4.2 Background

A. Certain asset management business processes are conducted via online systems. Some systems are accessible by non-HUD MFH stakeholders, such as Contract Administrators, Owners, and Management Agents. Others are accessible only to HUD staff.

B. Most online systems are accessed via the Web Access Security Subsystem (WASS). WASS is comprised of a Secure Connection component and a Secure Systems component.

1. For non-HUD MFH stakeholders and Contract Administrators, Secure Connection is ensured via a registration process.
 - a. [Secure Systems Registration](#)
 - b. [Registration Instructions](#)
2. Access to a specific Secure System is granted on an as-needed basis after a user has obtained a WASS user ID and password.

D. HUD staff gain access to Secure Systems via their supervisor, who requests access on their behalf.

4.3 Applicability

A. In order to comply with Office of Asset Management (OAM) requirements, all entities that own Federal Housing Administration (FHA) insured and/or HUD-assisted projects, including Owners of projects that have undergone Rental Assistance Demonstration (RAD) conversion and are receiving Section 8 project-based rental assistance (PBRA), must provide certain data to HUD. They must have access to HUD Secure Systems in order to do so.

B. Entities doing business with MFH, including mortgagors and Management Agents, may also apply for access to a WASS user ID and password and be granted access to specific Secure Systems.

4.4 Description of Systems

4.4.1 Active Partners Performance System

A. MFH must ensure that participants (Owners, Managers, etc.) in its programs are responsible individuals and organizations who will honor their contractual, financial, and legal obligations.¹ As a prerequisite to participation in HUD's MFH programs, MFH will review each "Controlling Participant's"² prior participation in HUD and other housing programs.

B. Prospective participants must submit a *Previous Participation Certification* (form HUD-2530), via MFH's Active Partners Performance System (APPS), providing data about each Controlling Participant's prior participation in programs administered by HUD and other housing agencies. MFH staff must review and address any concerns before a Controlling Participant may participate in a MFH program.

C. For more information about APPS, click [here](#).

4.4.2 Capital Needs Assessment e-Tool

A. The Capital Needs Assessment Electronic Tool (CNA e-Tool) automates and standardizes the initiation, preparation, submission, review, and approval of a capital needs assessment. Version 3.2 is a cloud-based application that is fully equipped to support 25 programs within three MFH program offices: (1) Production; (2) Asset Management; and (3) Recapitalization.

B. For more information about the CNA e-Tool, click [here](#).

4.4.3 Enterprise Income Verification System

A. The Enterprise Income Verification (EIV) system is a Web-based system that contains tenant benefit and wage-related data for use by HUD's business partners. Specifically, the data is used by:

1. Owners and management agents (O/As) to assist them in verifying the employment and income of existing tenants at re-certification to ensure that the right benefits are going to the right persons;
2. Contract administrators (CAs) to assist them in preparing for and conducting Management and Occupancy Reviews (MORs) of O/A program operations; and
3. HUD's Office of Inspector General (OIG) to assist the Office in carrying out its objective to detect and pursue cases of waste, fraud, and abuse in MFH programs.

B. The data in EIV is highly confidential, shared with HUD for the use of HUD's business partners via computer matching agreements³ between HUD and:

¹ 24 C.F.R. § 200.210(a)

² As defined in 24 C.F.R. § 200.212 and § 200.216

³ Available here: https://www.hud.gov/program_offices/officeofadministration/privacy_act/cma/hud-cma

1. The Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement; and
2. The Social Security Administration.

C. Users must apply for access to EIV and must recertify annually in order to maintain such access. Users fall into two categories:

1. EIV Coordinators, who are able to use the system and assign EIV user(s) within their organization; and
2. EIV Users, who are able to use the system (e.g., run reports, etc.) but cannot assign roles.

D. For more information about EIV, click [here](#).

4.4.4 Financial Assessment Sub-System

A. The Financial Assessment Sub-System (FASS) is an automated system that supports the assessment, collection, and validation of financial data for insured and/or assisted MFH properties. It is the system of record for MFH's collection of annual financial statements.⁴ FASS performs automated assessments of financial data, identifying compliance deficiencies.

B. FASS is maintained by HUD's Real Estate Assessment Center (REAC). For more information about FASS, click [here](#).

4.4.5 Government Cloud Records

A. Government Cloud Records (GCR)⁵ is the Electronic Records Management Application and Records Depository for the Office of Housing. It contains records on all properties participating in MFH programs. The unique identifier for such properties is an iREMS⁶-generated property ID number.⁷

B. GCR was designed and developed to the National Archives and Records Administration (NARA) Universal Electronic Records Management Requirements and meets those requirements for records capture, disposal, maintenance and use, metadata, reporting, and transfer.

⁴ *Financial Reporting Requirements* (chapter 13) includes a thorough discussion of the use of FASS.

⁵ The predecessor system to GCR was known as "TransAccess."

⁶ iREMS is discussed in the next section.

⁷ The Owner of a project can obtain the project's property ID number from the local MFH office for the jurisdiction in which the project is located.

C. GCR is accessible only to MFH asset management staff. To gain access to the Multifamily GCR, the user's supervisor or delegated point of contact submits a request to the system administrator. Approved users have full read/write access and can upload documents into the system. All documents may be downloaded by the approved users. Approved users must not delete any documents once they are uploaded into the system. There is a documented process for all document removals.

4.4.6 Integrated Real Estate Management System

A. The Integrated Real Estate Management System (iREMS) is an online system that stores project and property management information for MFH insured, uninsured, and co-insured properties, including healthcare properties. It contains in one place multiple pieces of information required to manage, monitor, and service each property.

B. Functional asset management areas supported by iREMS include physical and financial property management, participant management, contract management, and enforcement management.

C. The Integrated Budget Forecasting Model (iBFM) is incorporated into iREMS and is used to forecast future funding needs.

D. Field staff are responsible for the accuracy of information in iREMS. For example, project and participant information must be revised following actions as transfers of ownership, HAP assignments, contract renewals, and rent adjustments. Field staff also enter notes into the system to record interactions with Owners and Management Agents, for example following inspections, Management and Occupancy Reviews, and calls or correspondence having to do with tenant concerns or complaints.

E. For more information about iREMS, click [here](#).

4.4.7 Line of Credit Control System

A. The Line of Credit Control System (eLOCCS) is HUD's primary grant disbursement system, involving disbursements for most HUD programs. It is maintained by HUD's Office of the Chief Financial Officer.

B. For more information about eLOCCS, click [here](#).

4.4.8 Mark-to-Market System

A. The Mark-to-Market (M2M) System is an online system used to track the assignment of certain projects to Participating Administrative Entities (PAEs). Only HUD staff and PAEs have access to the M2M System.

B. Projects are assigned to a PAE when they have FHA insurance and are assisted under a Section 8 project-based rental assistance (PBRA) Housing Assistance Payment (HAP) Contract with contract rents that exceed comparable market rents. The PAE establishes new rents at market and restructures the underlying debt to so that it can be serviced at the new, lower rents.

C. For more information about the M2M System, click [here](#).

4.4.9 Multifamily Delinquency and Default Reporting System

A. HUD regulations at 24 C.F.R. part 200, subpart B, require multifamily mortgagees whose mortgages are insured or coinsured by HUD to report mortgage delinquencies, defaults, reinstatements, assignment elections, withdrawals of assignment elections, and related mortgage information to HUD electronically. HUD developed the Multifamily Delinquency and Default Reporting (MDDR) System to assist mortgagees in satisfying these requirements.

B. MDDR:

- Collects, tracks, and reports on lender/servicer submissions of mortgage delinquency, default, and election to assign notifications for FHA loans;
- Provides a Servicer Watchlist whereby servicers can input their Watchlist loans and classifications for consistency and HUD review;
- Allows for the management and oversight of FHA loans during the default status life cycle within MDDR; and
- Collects, tracks, and reports on Section 202 direct loans.

C. For more information about MDDR, click [here](#).

4.4.10 Tenant Rental Assistance Certification System

A. The Tenant Rental Assistance Certification System (TRACS) is an online system through which Owners and Management Agents submit data about the families they serve.

1. Information about family incomes is submitted via the *Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures* (form HUD-50059). This information is submitted when a family is admitted to a HUD program. It is updated annually or more frequently, for example when a family experiences a change in income or household composition that they are required to report.
2. *Housing Owner's Certification and Application for Housing Assistance Payments* (form HUD-52670) is submitted monthly. The Owner or Management Agent submits this form, which contains information about the assisted units under contract for which the Owner/Management Agent requests payment.

B. For more information about TRACS, click [here](#).

4.4.11 Salesforce System

A. The Salesforce System is a cloud-based platform service that allowed the developers to build and deploy the NSPIRE application. Salesforce is used as a management tool for the flow of information relating to owners and agents who have received physical inspections and are required to respond to inspection deficiencies.

4.4.12 NSPIRE Application

A. NSPIRE stands for National Standards for Physical Inspection of Real Estate. It's a program that ensures HUD-assisted housing is inspected consistently and comprehensively. NSPIRE inspections are important because they:

- Promote resident safety by identifying and addressing potential health and safety hazards
- Ensure quality housing by assessing a variety of aspects of living conditions

Up to date information relating to access, locating an inspection or reviewing mitigation evidence can be found [here](#).