



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

August 3, 2018

MEMORANDUM FOR: All Multifamily Hub Directors
All Multifamily Program Center Directors
All Multifamily Operations Officers
All Multifamily Project Management Directors
All Multifamily Resolution Specialists
All Multifamily Account Executives and Senior Account Executives

FROM:


Brian A. Murray, Acting Director, Office of Asset Management and
Portfolio Oversight, HTG

SUBJECT: CNA eTool for PRAC requirement

Housing Notice 2016-18 was issued to guide the process and timeline for CNA eTool implementation across the Office of Multifamily Housing. The original effective date was November 1, 2017, which was delayed to February 1, 2018. The Office of Asset Management and Portfolio Oversight (OAMPO) required eTool implementation for three groups of properties: 10-year update CNAs for assets with insured mortgages; Partial Payment of Claims or Loan Modifications; and Section 202-811 properties with PRAC assistance.

In the Housing Notice, it is noted that while the first two OAMPO groups will be submitted by the servicing lender, CNAs for Section 202-811 properties will be prepared and submitted to HUD by a needs assessor as no servicing lender exists. HUD does not have the technological capacity for needs assessors to submit CNAs on behalf of PRAC projects, and despite attempts at a workaround, the process for PRACs to submit CNAs using the CNA eTool has been inefficient and cumbersome.

Therefore, OAMPO is suspending the requirement for PRACs to utilize the CNA eTool until such time as technological updates can be made that would enable needs assessors to submit the CNA eTool on behalf of PRAC projects. PRAC projects needing to submit a rent increase in the interim should follow previous guidance in HUD Handbook 4350.1, Chapter 7: Processing Budgeted Rent Increases.

If you should have questions, please contact Jennifer Larson at Jennifer.L.Larson@hud.gov or 202-402-7141.