



OFFICE OF HOUSING

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

Special Attention of:  
Multifamily Regional Center Directors  
Multifamily Satellite Office Directors  
Multifamily Asset Management Division Directors  
Multifamily Account Executives  
Multifamily Owners and Management Agents  
Section 232 Facility Owners  
Section 232 Operators and Management Agents

Notice: 2023-11

Issued: 11/20/2023

Expires: This Housing Notice remains in effect until amended, superseded, or rescinded

**SUBJECT: Required Use of Portfolio Manager for Green Mortgage Insurance Premium Compliance Reporting**

**I. Purpose**

This Housing Notice (Notice) provides additional guidance from the Office of Housing (both the Office of Multifamily Housing and the Office of Residential Care Facilities (ORCF)) to lenders/servicers, property owners, and Department of Housing and Urban Development (HUD) staff on the policy pertaining to the annual compliance reporting for Green Mortgage Insurance Premium (MIP) rate recipients. All annual Green MIP Statement of Energy Performance (SEP) data submissions due March 31, 2024, and subsequent submissions must be submitted to HUD through Portfolio Manager<sup>®</sup>, a tool from the Environmental Protection Agency (EPA).

As to Multifamily properties, this Notice shall replace compliance reporting instructions for asset management in Mortgagee Letter 2020-01 (ML 2020-01) and Housing Notice 2020-01 (HN 2020-01). As to Section 232 properties, Mortgagee Letter H-2022-13 referenced “such other [reporting] means as HUD may later prescribe,” and this Notice changes the means of reporting.

**II. Applicability**

This Notice applies to all FHA-insured Green MIP rate recipients with compliance reporting obligation on or after March 31, 2024. It changes the process for submitting the annual SEP reports to HUD; however, it does not change the annual reporting timeline or submission deadline for Multifamily or ORCF projects.

**There is no change to the Multifamily annual reporting timeline.** The SEP is due annually by March 31. Consistent with previous Multifamily guidance from ML2020-01/HN 2020-01, the SEP must be submitted by March 31 of the subsequent year after

the 12-month data collection period of January 1 to December 31. For example, if a transaction closes on July 5th, 2022, the 12-month SEP cycle would start from Jan 1, 2023, to December 31, 2023. The SEP in the example must be reported by March 31, 2024.

### III. Background

HUD has created reduced MIP rate initiatives for green Multifamily properties and green residential care facilities to encourage owners to adopt higher standards for energy efficiency and sustainability. (See Federal Register 81 FR 18473 (January 28, 2016) as to Multifamily and 87 FR 30511 (May 19, 2022) as to ORCF). The lower rate incentivizes property owners to implement measures that result in housing with greater energy and water efficiency, reduced operating costs, and improved indoor air quality and resident comfort. Through an annual SEP report, the borrower demonstrates to HUD its ongoing compliance through consistent achievement of a minimum Energy Star score.

The SEP report and score are generated through the Portfolio Manager tool. The tool is an EPA resource management system that enables property owners to benchmark utility usage in a secure online environment. Property owners and managing agents must already be registered with Portfolio Manager to generate the SEP.

In the previous Multifamily process, SEP reports were exported from Portfolio Manager as PDF documents and submitted to field office's mailboxes for compliance review, while ORCF required submission to the 232 Healthcare Portal. HUD has streamlined this process by importing the SEP data directly from Portfolio Manager. The new process requires property owners and managing agents to connect their existing SEP data from Portfolio Manager directly to the appropriate HUD contact accounts.

### IV. Process

**All annual SEP reports must be submitted through Portfolio Manager using the data sharing function.** The registration procedure of a Green MIP property through Portfolio Manager to generate an SEP report remains the same. The additional process is to share the data directly with HUD accounts within Portfolio Manager. Property owners and managing agents must establish a connection and share the SEP data with the below HUD accounts.

- HUD ORCF Benchmarking (for Section 232 Green MIP) and
- HUD Multifamily Benchmarking (for remaining Green MIP programs).

Detailed instructions on how to connect with the HUD accounts are available [here](#).

### V. Compliance Review

Compliance review remains consistent with ML2020-01/HN 2020-01 (Multifamily)

and ML 2022-13 (ORCF). SEP report demonstrating a compliant Energy Star score must be submitted annually by March 31 of the applicable year.

## **VI. Owner Noncompliance**

In the event of noncompliance with the Green MIP program, HUD will implement enforcement protocols traditionally utilized by the Office of Housing for violation of a property's business agreements with HUD to ensure the owner brings the property into compliance.

If there are any questions regarding this Notice, please contact Grace Jones at [l.grace.jones@hud.gov](mailto:l.grace.jones@hud.gov).

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Julia R. Gordon  
Assistant Secretary for Housing –  
FHA Commissioner