



ASSISTANT SECRETARY FOR HOUSING —  
FEDERAL HOUSING COMMISSIONER

---

Special Attention of:

All Multifamily Regional Center Directors  
All Multifamily Satellite Office Directors  
All Multifamily Asset Management Division  
Directors  
All Multifamily Operations Officers  
All Multifamily Field Counsel  
All Contract Administrators  
All Multifamily Project Owners

Notice H-2024-3

Issued: 01/31/2024

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until amended, superseded, or rescinded

---

**SUBJECT: Approval and Processing of Requests to Bifurcate Contracts**

**I. Purpose**

Bifurcation entails the division of a project-based Section 8 Housing Assistance Payments (HAP) contract into two or more HAP contracts. This Notice explains the standards and conditions a Project Owner must meet to obtain HUD approval for a HAP contract bifurcation. It also describes the processing of approved bifurcation requests.

**II. Background**

The Office of Multifamily Housing programs (MFH) views HAP contract bifurcation to be an important asset management and housing preservation tool. There are various reasons for which a Project Owner may seek to bifurcate a HAP contract. With respect to asset management, it may be that the project is comprised of multiple properties that are more appropriately managed as single assets. In terms of housing preservation, it may be that a single project is so large as to require multiple Low Income Housing Tax Credit allocations, which requires subdividing the project into separate projects, each with a distinct ownership entity and HAP (see paragraph IV.B, below).

Bifurcation might be used in combination with other tools, such as transfers of budget authority under section 8(bb)<sup>1</sup> (see paragraph IV.C, below), to reduce the assisted housing footprint in a particular location, either in combination with a redevelopment of the site into higher-density, market-rate housing with an affordable component or without any sort of redevelopment, but simply in the interest of deconcentrating assisted housing units.

Bifurcation may also be used in cases where a portion of a project becomes unsafe or uninhabitable, for example as the result of a natural disaster.

**III. Terminology**

Throughout this Notice, HUD uses the term “bifurcate” to describe the division of a contract, even if the contract will be divided into more than two contracts. HUD refers to the initial contract that is subject to bifurcation as “Contract A” (at “Project A”). HUD

---

<sup>1</sup> 42 U.S.C. 1437f(bb)

refers to the contracts that result from bifurcation as Contracts A1 and A2. (All contracts other than Contract A1 are referred to in this Notice as “Contract A2.”)

#### **IV. Applicability**

- A. This Notice applies to the bifurcation of HAP contracts under all project-based Section 8 programs administered by HUD’s Office of Multifamily Housing.
- B. This Notice does not apply to a request from a Project Owner to assign a HAP contract to a new ownership entity. Such requests must be made separately, following the applicable HUD procedures. A Project Owner who contemplates requesting the assignment of Contract A1 or Contract A2 following HUD approval of a HAP contract bifurcation is advised to inform their local HUD Account Executive in order to facilitate processing of both requests.
- C. This Notice does not apply to a request from a Project Owner to transfer the budget authority associated with a HAP contract to another HAP contract pursuant to Section 8(bb) of the United States Housing Act of 1937. A Project Owner who wishes to request HUD approval for an 8(bb) transfer following HUD approval of a HAP contract bifurcation must do so separately, following the applicable HUD guidance (e.g., [Notice H 2015-03](#)).

#### **V. Bifurcation: Standards for Approval**

- A. The proposed bifurcation will facilitate the asset management of a project or the preservation of project-based assistance. The request must demonstrate that bifurcation is consistent with facilitating the asset management of a HUD-assisted project or the long-term preservation of project-based assistance, as determined by HUD. For example:
  - 1. The HAP may cover:
    - a. A project comprised of more than one building, where each building, or subset of buildings, would more appropriately be managed as a separate financial asset.
    - b. A project that must be split into two ownership entities (and thus two HAP contracts) in order to attract capital investment adequate to address the project’s capital needs (for example, in states that cap the amount of 9 percent Low Income Housing Tax Credit (LIHTC) awards per owner or where both 9 percent LIHTCs and tax-exempt bonds will be pursued).
  - 2. The request to bifurcate a HAP may be a component of a larger preservation strategy, including, for example, a strategy that will entail a subsequent request for HUD approval to transfer budget authority pursuant to section 8(bb), following the applicable HUD guidance.
- B. The Project Owner is in good standing with HUD. The Owner of Project A must be in good standing with HUD or must be able to demonstrate experience owning HUD-assisted or multifamily housing. For example, the Owner must not have any unresolved Management and Occupancy Review (MOR) findings; must be current in the submission of audited or owner-certified Annual Financial Statements (AFS), if applicable; and must be actively vouchering for monthly subsidy for Project A.

- C. The Project Owner is in compliance with all applicable civil rights requirements.<sup>2</sup> HUD's Office of Fair Housing and Equal Opportunity (FHEO) may review a proposed bifurcation request including when the Regional Director (RD) for the jurisdiction in which Project A is located has requested such a review. FHEO may request additional information, including information about the Owner's compliance with nondiscrimination requirements and the Owner's obligation to affirmatively further fair housing.

The RD will deny the request for a bifurcation if the Owner of Project A has unresolved civil rights matters, as described below:

1. Charges from HUD concerning a systemic violation of the Fair Housing Act or cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex (including sexual orientation and gender identity), national origin, disability, or familial status;
2. Status as a defendant in a Fair Housing Act lawsuit filed by the United States alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a);
3. Status as a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act, Violence Against Women Act, or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;
4. A letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, Violence Against Women Act, or the Americans with Disabilities Act; or
5. A cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

As part of the bifurcation request, the Owner of Project A must disclose any of the above listed unresolved civil rights matters and whether they are operating under any federal, state, or local remedial order, compliance agreement, final judgment, consent decree, settlement agreement, or other court order or agreement, including but not limited to those related to a fair housing or other civil rights finding of noncompliance. If the Owner is operating under such a document, it must provide a

---

<sup>2</sup> See 24 C.F.R. 5.105(a).

citation to the document and attach a narrative description explaining how the proposed bifurcation and all associated actions comply with such document.

## **VI. Bifurcation: Conditions for Approval**

A request that meets the standards for approval in paragraph V. must also meet certain conditions for approval. These conditions vary based on whether the contract is a non-M2M HAP contract, a M2M HAP contract, or a RAD PBRA HAP contract, as described below.

A. Bifurcation of a non-M2M HAP contract. The conditions for approval of a request to bifurcate a non-M2M contract are as follows:

1. *Unit mix and configuration.* The total number of assisted units and the bedroom size of such units across all resulting contracts following bifurcation must equal the number and bedroom size mix of assisted units under Contract A prior to bifurcation.<sup>3</sup>
2. *Renewal rents.* Immediately following bifurcation, Contracts A1 and A2 shall be terminated and renewed with the execution of new renewal Contracts A1 and A2 (see section IX., Processing Steps; also, make note of item 5, below). All resulting HAP contracts not subject to a Mark-to-Market Use Agreement must be renewed under an Option of the Project Owner's choice for which the project is eligible. For projects subject to a Mark-to-Market Use Agreement, please refer to paragraph B of this section.
3. *Renewal term.* Unless the project is subject to a use agreement that cannot be extended for 20 years,<sup>4</sup> each new renewal HAP contract resulting from bifurcation must have a term of 20 years. HUD does not require Contracts A1 and A2 to be subject to Preservation Exhibits solely as a result of bifurcation. If prior to bifurcation Contract A had a Preservation Exhibit, however, then both Contracts A1 and A2 will be subject to Preservation Exhibits, but such Preservation Exhibits shall include only the number of years remaining on Contract A prior to bifurcation.
4. *Utility Allowance Adjustment.* No utility allowance analysis or adjustment will be required until 12 months following the previous year's utility adjustment. If the Project Owner chooses to submit a utility analysis or factor adjustment early, in conjunction with the bifurcation request, it will be effective on the date of renewal of the contracts resulting from bifurcation.
5. *Transfer of budget authority.* If the Project Owner has submitted or intends to submit within 12 months of the Project Owner's bifurcation request a request to

---

<sup>3</sup> A Project Owner who wishes to reconfigure units prior to or following bifurcation may request HUD approval to do so following the procedures outlined in Notice H 2011-03, "Policies and Procedures for the Conversion of Efficiency Units to One-Bedroom Units." Although this Notice addresses the conversion of efficiency units to one-bedroom units, it also establishes the factors HUD will take into account when considering owner requests for the reconfiguration of other unit types, which HUD will do on a case-by-case basis.

<sup>4</sup> See paragraph B.2., below.

transfer budget authority pursuant to Section 8(bb) of the Housing Act from either Contract A1 or Contract A2, then the timing of termination and renewal for Contracts A1 and A2 following the bifurcation shall be governed by Notice H 2015-03<sup>5</sup> or successor guidance rather than this Notice.

B. Bifurcation of a M2M contract. In the case of a M2M HAP contract, the following conditions apply:

1. *Renewal option.* Option Three B (i.e., renewal with a Full M2M Renewal Contract) is the only subsequent renewal option for which Contracts A1 and A2 are eligible while the M2M Use Agreement is in effect.
2. *Renewal Term.* The term of a Full M2M Renewal Contract may not exceed the term of the M2M Use Agreement.<sup>6</sup> In general, if the project was originally restructured with Market Rents, the Full M2M Renewal Contract may be extended for a term of 20 years. The M2M Use Agreement will also be extended to be coterminous. If the project was originally restructured with Exception Rents, the M2M Use Agreement cannot be extended; therefore, the Full M2M Renewal Contract may be less than 20 years so both the Renewal Contract and Use Agreement are coterminous.
3. *Contract rents.* The rent level for Contracts A1 and A2 will remain unchanged. Rents will be adjusted only in accordance with the terms of the new Full M2M Renewal Contract (i.e., on that contract's anniversary date, by OCAF).
4. *Use Agreement.* The M2M Use Agreement shall be bifurcated on a pro rata basis according to the number of bedrooms covered by Contracts A1 and A2.
5. *Treatment of Note(s).*<sup>7</sup> HUD may administratively require the bifurcation of some or all of the outstanding balance (including both principal and any accrued interest) under the Note(s). HUD will amend and restate the Note(s) to allocate the debt on a pro rata basis according to the number of bedrooms that are covered by Contracts A1 and A2, respectively. Contracts A1 and A2 will remain encumbered by all the mortgage liens and use agreements associated with such Note(s). The Return to Owner, Surplus Cash, and the resulting payments to HUD under the Note(s) shall be calculated based on the entirety of the projects

---

<sup>5</sup> Transferring Budget Authority of a Project-Based Section 8 Housing Assistance Payments Contract under Section 8(bb)(1) of the United States Housing Act of 1937

<sup>6</sup> Please see Section 5-5 of the *Section 8 Renewal Guide* for the specific requirements pertaining to M2M properties while the M2M Use Restriction is in place.

<sup>7</sup> Through the M2M restructuring, HUD adjusts the rents down to market and the owner obtains a new first mortgage loan that is supportable at the new rents. In most M2M restructuring transactions, HUD pays off a portion of the existing FHA-insured or HUD-held formerly insured first mortgage through a one-time, non-default payment of claim made on behalf of the owner. HUD documents the owner's continuing obligation to repay this amount through a Mortgage Restructuring Note ("MRN") and/or a Contingent Repayment Note ("CRN"). The Demo Program, a precursor to M2M, operated in much the same way, with the owner's obligation documented by one or more "Demo Notes." Except as otherwise specified, for the remainder of this Notice, the term "M2M" shall be used to mean either M2M or the Demo Program, and the term "Note(s)" shall be used to mean an MRN, CRN, or Demo Note.

encumbered by the mortgage liens associated with the Note(s).

- C. Bifurcation of a RAD PBRA HAP contract. In the case of a RAD PBRA HAP contract, the total budget authority must be equal to or less than the budget authority under the original contract. The total number of units under both contracts must equal the total number of units under the original contract. Contracts A1 and A2 will use the same form of RAD PBRA HAP contract that was used at conversion and maintain its terms (e.g., rent adjustments, mandatory contract renewal at expiration for projects converted from public housing or 202 PRAC assistance, etc.), except that HUD will require that, at a minimum, the term of the original contract be maintained for the contracts that result from bifurcation. For example, if bifurcation occurs in year 7 of a 20-year RAD PBRA HAP contract, HUD will require the resulting Contracts A1 and A2 to have terms of at least 13 years. The resulting Contracts A1 and A2 will retain the Contract A anniversary date.

HUD has developed a “Bifurcation Exhibit” that must be executed as part of a RAD PBRA HAP contract bifurcation (see Attachment II). At the end of the original RAD PBRA HAP contract term, the contract will be eligible for renewal in accordance with the RAD statute and the *Section 8 Renewal Policy Guidebook*.

## **VII. Required Contents of Project Owner’s Bifurcation Request to HUD**

To request HUD approval for a bifurcation, the Project Owner must submit the following information (as applicable) to the Regional Director (RD) for the geographic location in which Project A is located:

- A. A narrative statement with supporting documentation explaining why bifurcation is necessary to facilitate the asset management of a HUD-assisted project or the long-term preservation of assistance.
- B. A description of any redevelopment activities for which a Project Owner intends to seek HUD approval following HUD’s approval of the Project Owner’s bifurcation request. The description must include the anticipated timeline for the conduct and completion of redevelopment activities, the improvements to be made, and the benefits to tenants;
- C. A copy of the original HAP contract and the any renewal contract that is currently in place;
- D. A description of the proposed bifurcation, including:
  - 1. The number and bedroom counts of units assisted under Contract A;
  - 2. The number of HAP contracts into which Contract A will be divided; and
  - 3. The proposed number and bedroom counts of assisted units at Contracts A1 and A2 following bifurcation.

- E. Requests to renew Contracts A1 and A2 for 20-year terms.<sup>8</sup> The requests must comply with the requirements of the *Section 8 Renewal Policy Guidebook*.<sup>9</sup> The Owner is advised to contact the RD prior to submitting a bifurcation request to learn what additional materials may be required to support the subsequent request for a renewal. Examples of such materials include, but are not limited to, a capital needs assessment, a sources and uses statement, a document showing financing terms, a LIHTC commitment or award letter, or a statement from a current lender consenting to the bifurcation and renewal. Note that HUD approval of the bifurcation request does not constitute HUD approval of a renewal request, which must be considered separately.
- F. A copy of any Use Agreement to which Project A is subject. HUD program counsel will be consulted on any request that involves the bifurcation of a Use Agreement.
- G. For any project that is assisted under a RAD PBRA HAP contract or was restructured under the M2M program, additional materials may be required depending on activities for which an Owner intends to request HUD approval following HUD approval of the bifurcation request (e.g., sale or refinance). The Owner is advised to contact the Office of Recapitalization to learn what, if any, additional materials or approvals will be required.

The RD will require up to 14 calendar days to review the request *for completeness*. For any requests that are found to be incomplete, the RD will determine whether to return the application to the Project Owner or to request specific items by a specific date in order to avoid the return of the incomplete application.

### **VIII. HUD Review**

After determining that a request for bifurcation is complete, the RD will evaluate the request. If the RD does not support the request, s/he will notify the Project Owner, citing specific reasons for the denial. If the RD supports the request, the RD will issue a memorandum to the Director of the Office of Asset Management and Portfolio Oversight (OAMPO). The memorandum will describe the proposed bifurcation and state the reason for which the RD supports the request. OAMPO will review all materials and either approve or deny the request. If OAMPO denies the request, it will notify the Owner. If OAMPO approves the Project Owner's request, then HUD will process the bifurcation (see section IX., below).

### **IX. Processing Steps Upon HUD Approval of a Project Owner's Request to Bifurcate**

This section describes the steps involved in bifurcating Contract A once HUD approval for bifurcation has been provided.

- A. HUD will duplicate the original HAP contract and, if it has been renewed, the renewal contract currently in effect. The result will be:
  - 1. Contract A1: Original HAP contract and renewal contract in effect.

---

<sup>8</sup> See, however, section VI.B.2.

<sup>9</sup> See footnote 4. In some cases, the term of the M2M HAP contract may be less than 20 years.

2. Contract A2: Original HAP contract and renewal contract in effect.
- B. For Contract A1, the existing HAP contract number will be retained. HUD will apply a new HAP contract number to Contract A2 (the duplicated documents from step A). The result will be:
1. Contract A1: Original HAP contract and renewal contract in effect; existing HAP contract number retained.
  2. Contract A2: Original HAP contract and renewal contract in effect; new contract number applied.<sup>10</sup>
- C. HUD will amend the rent schedules associated with Contracts A1 and A2 to reflect the unit mix and the configuration of each renewal contract. The result will be:
1. Contract A1: Original HAP contract and renewal contract in effect; existing HAP contract number retained. Rent schedule revised to reflect reduced number of units assisted, with no change in unit configuration of assisted units.
  2. Contract A2: Duplicate of Contract A1; new contract number applied. Rent schedule revised to reflect reduced number of units assisted, with no change in unit configuration of assisted units.

The amendments must have an effective date and be signed by the Contract Administrator and the Project Owner.

- D. Except for RAD PBRA HAP contracts in their initial term, HUD will terminate Contracts A1 and A2 and issue a new 20-year renewal contract for each one,<sup>11 12</sup> attaching the original HAP contract to each renewal contract. If Contract A was subject to a Preservation Exhibit, then each renewal contract must include the Preservation Exhibit included as Attachment I to this Notice. The result will be:
1. Contract A1: New 20-year renewal contract with materials from Paragraph C(1) above and Preservation Exhibit included as attachments.
  2. Contract A2: New 20-year renewal contract with materials from Paragraph C(2) above and Preservation Exhibit included as attachments.

Steps C. and D. must occur on the same date.

- E. HUD will ensure that the resulting contracts are accurately reflected in HUD systems (including iREMS). The term, rents, and number of units on each HAP should reflect the rent schedules described in Step C.

## **X. Contract Administration**

If Contract A is administered by a Performance-Based Contract Administrator (PBCA),

---

<sup>10</sup> The Field Funding Specialist will request a new HAP contract number using the Financial Operations Branch SharePoint site:

[https://hudgov.sharepoint.com/sites/DASMFH/OHACAO/FOD/FOD\\_Funding/Lists/s8\\_num\\_requests/AllItems.aspx](https://hudgov.sharepoint.com/sites/DASMFH/OHACAO/FOD/FOD_Funding/Lists/s8_num_requests/AllItems.aspx)

<sup>11</sup> See footnote 4 for M2M HAP contracts.

<sup>12</sup> See, however, paragraph V.B.2.



then, following bifurcation, Contract A2 will be assigned to the PBCA, according to the assignment process established by the Contract Administration Branch, with the result being that both Contracts A1 and A2 will be assigned to the PBCA. Bifurcation itself will not trigger the need for an MOR.

**XI. Paperwork Reduction Act**

The information collection requirements in this Housing Notice are approved under OMB Approval number 2502–0587, issued under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

---

Julia R. Gordon  
Assistant Secretary for Housing — FHA  
Commissioner

## PRESERVATION EXHIBIT

Subject to all applicable laws and regulations in effect upon expiration, the Renewal Contract shall renew automatically for a term of \_\_\_\_\_ year(s)<sup>1</sup> beginning on \_\_\_\_\_.<sup>2</sup> This requirement shall be binding on the Owner and the Contract Administrator, as identified in section 1 of the Renewal Contract, and on all their successors and assigns.

---

<sup>1</sup> Enter the number of years remaining on Contract A prior to bifurcation. If less than 1 year remained on Contract A prior to bifurcation, enter the number "1."

<sup>2</sup> Enter the date of the first day after expiration of the initial or renewal contract.

Attachment II

UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT  
OFFICE OF MULTIFAMILY HOUSING PROGRAMS  
BIFURCATION OF PROJECT-BASED SECTION 8  
HOUSING ASSISTANCE PAYMENTS CONTRACT  
ISSUED UNDER THE  
RENTAL ASSISTANCE DEMONSTRATION  
FOR THE MULTIFAMILY HOUSING PROJECT KNOWN AS  
“\_\_[Project Name]\_\_”  
(SECTION 8 PROJECT NUMBER \_\_\_\_\_)

This instrument, “Bifurcation of Project-Based Section 8 HAP Contract for the Multifamily Housing Project Known as ‘ \_\_\_\_\_ ’ (Section 8 Project Number \_\_\_\_\_)” (“Bifurcation”), provides as follows:

**I. RECITALS**

- A. The United States of America, acting by and through the Secretary of the Department of Housing and Urban Development (“HUD”), and \_\_[Name of Current Owner]\_\_, entered into a project-based Section 8 HAP Contract on \_\_[Signature Date]\_\_ and \_\_[Signature Date]\_\_, respectively, as authorized under the Rental Assistance Demonstration (“RAD”). See Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55 (approved Nov.18, 2011) as amended. The Section 8 Project Number is \_\_\_\_\_. Section 1 identifies the project name as “\_\_\_\_\_.” The HAP Contract shall be referred to herein as “Original RAD HAP Contract.”
- B. Section 1 of the Original RAD HAP Contract reflects an effective date of \_\_\_\_\_, and a term of twenty (20) years. Section 1 reflects a total of \_\_\_\_\_ covered units ( \_\_ 1-BR units, \_\_ 2-BR units, \_\_ 3-BR units, and \_\_ 4-BR units) located at the following site(s): \_\_[address]\_\_.
- C. The Original RAD HAP Contract was executed on the contract form in use at that time for conversions under RAD from
  - Public housing
  - Project Rental Assistance Contracts
  - Section 8 Moderate Rehabilitation or Single Room Occupancy
  - Rent Supplement
  - Rental Assistance Payment to project-based section 8.
- D. [LIHTC Only] In \_\_[Year]\_\_, \_\_[Name of Current Owner]\_\_ was awarded Low-Income Housing Tax Credits (“LIHTC”) to rehabilitate \_\_[Project Name]\_\_. To accommodate the LIHTC structure, the project buildings and improvements for \_\_[Project Name]\_\_ were transferred via a ground lease to \_\_[New Tax Credit Entity]\_\_. \_\_[Name of Current Owner]\_\_ retained ownership of the land.
- E. HUD has agreed to a request by \_\_[Name of Current Owner]\_\_ to bifurcate the Original RAD HAP Contract to reflect the resulting two projects. One of the resulting HAP Contracts will cover \_\_ units located on the \_\_[Project Names]\_\_ site, the Owner of which shall be \_\_[Name of Owner]\_\_. This project shall be known as “\_\_\_\_\_” and shall retain the Section 8 Project Number of the Original RAD HAP Contract (i.e., Section 8 Project Number of \_\_\_\_\_).
- F. The other resulting HAP Contract will cover \_\_ units at the \_\_[Project Name]\_\_ site, the Owner of which shall be \_\_[Name of Owner]\_\_. This project shall be known as “\_\_\_\_\_”. The Section 8 Project Number for this project is \_\_\_\_\_.
- G. Both HAP Contracts shall have an effective date of \_\_\_\_\_ and a term of \_\_ years and \_\_\_\_ months.

- H. The initial rents of the HAP contracts shall follow the rent schedule previously in effect for the original HAP contract, adjusted by the applicable OCAF.
- I. The contracts shall retain the same Anniversary date of the original HAP contract, which shall be \_\_\_\_\_.

**II. BIFURCATION, REPLACEMENT OF ORIGINAL RAD HAP CONTRACT WITH TWO RAD HAP CONTRACTS, AND AMENDMENT**

- A. After bifurcation, the Original RAD HAP Contract shall be replaced by two project-based rental assistance RAD HAP Contracts, one for \_[Project Name]\_; the other for \_[Project Name]\_, as detailed above. Both HAP Contracts shall be executed on the same Form as the original RAD HAP (such as HUD-52620 for RAD Public Housing PBRA conversions) and shall be governed by all of its terms, except for section 2.1(b) (“Condition of the Property”), which is hereby amended to read as follows:

“The Owner warrants that the rental units to be leased by the Owner under the HAP Contract are in decent, safe, and sanitary condition (as defined and determined in accordance with HUD regulations and procedures). The Owner further warrants that it will remedy any defects or omissions covered by this warranty throughout the initial term and during any renewal term of the HAP Contract.”

- B. All other terms of the HAP Contracts shall remain the same.

*[The remainder of this page has been left blank intentionally.]*

**SIGNATURE PAGE**

Name of Project: [PROJECT NAME]

Name of Project Owner: [OWNER NAME]

---

Signature of authorized representative

---

Name of signatory (print or type)

---

Official title (print or type)

---

Date (mm/dd/yyyy)

Name of Project: [PROJECT NAME]

Name of Project Owner: [OWNER NAME]

---

Signature of authorized representative

---

Name of signatory (print or type)

---

Official title (print or type)

---

Date (mm/dd/yyyy)

United States of America Secretary of Housing and Urban Development

---

Signature of authorized representative

---

Name of signatory (print or type)

---

Official title (print or type)

---

Date (mm/dd/yyyy)