

## **Adjusting the HUD-52723 and HUD-52722 to Reflect Partial Conversions Through RAD**

Units that converted through rental assistance demonstration (RAD) with HAP effective dates in 2017 or before are not eligible for Operating Subsidy funding in 2018. Notwithstanding this, due to technical issues, eligible unit months (EUMs) for some units that converted to RAD (RAD EUMs) were pre-populated into projects' FY 2018 HUD-52723. The HUD-52723 and HUD-52722 must be modified to remove these RAD EUMs to avoid overfunding. To ensure that this occurs, HUD has published on the 2018 Web Page a list of projects that contained RAD EUMs (the EUMs from RAD partial conversions report). HUD is requiring PHAs with projects on this list to resubmit their HUD-52723 and HUD-52722 with the following adjustments:

- 1) HUD-52723 Section 2 – because this section is locked to change from the PHA, the PHA must enter comments requesting that the Field Office make the appropriate changes. The 2018 Operating Subsidy web page has an EUMs from RAD partial conversion report to assist PHAs with these changes. The report shows the eligible unit months that were pre-populated into the forms, as well as the pre-populated eligible unit months that were associated with units converted to RAD (RAD EUMs). Unless changes to the eligible unit months pre-populated into the forms were made, then the RAD EUMs can be removed from the forms simply by reducing the applicable Section 2, line item(s) by the amount shown. If changes were made to the pre-populated EUMS in the initial submission, then the changes needed to each line item may not match what is shown in the report, however, the total number of EUMs that will need to be removed will remain the same.
- 2) HUD-52722 Line 25 – The PHA must change this line item to reflect what Section 2 of the HUD-52723, lines 15, 17 and 4 will be, assuming the Field Office makes all of the changes to Section 2 of the HUD-52723 requested pursuant to Item 1 above.
- 3) HUD-52722 Section 3 – The PHA must adjust the rolling base. Unless less than 5 units or 10% of the units in a building are removed, when units are removed from inventory the rolling base must be adjusted. Guidance on how to adjust the rolling base can be found on the 2018 Operating Subsidy web page—see the link “Rolling Base Adjustment – Guidance.”
- 4) Take the PUM UEL from Line 26 of the HUD-52722 and copy it to the HUD-52723 Section 3, Part A, Line 5.

PHAs are required to make the changes requested above, and submit them to their Field Office not later than April 27<sup>th</sup>. PHAs should contact their Field Office representatives with any questions.