



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Southwest Multifamily Region

*Serving Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska,  
New Mexico, Oklahoma, and Texas*

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December 20, 2021

**MEMORANDUM TO:** All Southwest Region Asset Management Staff  
**CHRISTIE NEWHOUSE** Digitally signed by CHRISTIE NEWHOUSE  
Date: 2021.12.20 15:52:55 -06'00'

**FROM:** Christie Newhouse, Director, Multifamily Housing Southwest Region

**THROUGH:** Michael Gamez, Director, Fort Worth Asset Management Division  
Edward P. Manning, Director, Kansas City Asset Management Division

**SUBJECT:** Updated Requirements for Monthly Accounting Reports (MARs)

This memo is to streamline and clarify the submission requirements of Monthly Account Reports (MARs) in the Southwest Region to reduce servicing workloads. The new review process utilizes a risk-based model, to reduce the number of MARs collected and reviewed, while ensuring Asset Management is monitoring our most at risk projects. Effective January 1, 2022, MARS are no longer mandatory on existing properties with positive operating histories that are refinancing with an FHA loan or being conveyed to a new owner, either through a Transfer of Physical Assets (TPA) or Subsidy Contract (HAP) Assignment. MARS submissions are also being optioned for submission quarterly. MARs will be due on the 10<sup>th</sup> of the month following the end of the federal fiscal quarter. There will be the discretionary option to ask for all three months, but the month prior to the end of the reporting quarter must be included.

The assigned Account Executive and Branch Chief maintain the right to require the submission of MARS on any of these transaction types, monthly, if deemed appropriate.

A chart of the default MARS submission standard is detailed in the table below.

**MARS Requirements by Transaction Type**

<b>Require by Default</b>	<b>Effective:</b>
New Construction Loans	Final Endorsement
Sub-Rehab Loans with new lease-ups	Final Endorsement
<b>Don't Require by Default</b>	
Sub-Rehab Loans with tenants in place or displaced	Day after Cost Cut-off
Existing Refinance / Purchase Transactions	Day of Closing
<b>Discretionary Requirement:</b>	
TPA and HAP Assignments	Day of Closing
Existing Refinance / Purchase Transactions	Day of Closing

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307 W. 7<sup>th</sup> St. Suite 1000  
Fort Worth, Texas 76102*

*Kansas City Satellite Office  
400 State Avenue, Suite 300  
Kansas City, Kansas 66101*

**MARS Submission Schedule:** Email all submissions to: [mfsouthwestmars@hud.gov](mailto:mfsouthwestmars@hud.gov)

<b>MARs Months</b>	<b>Due Date:</b>
October, November, December – MUST include December	January 10 <sup>th</sup>
January, February, March – MUST include March	April 10 <sup>th</sup>
April, May, June – MUST include June	July 10 <sup>th</sup>
July, August, September – MUST include September	October 10 <sup>th</sup>

Enclosures:

MARs Template Letter\*

Internal Processes to Managing MARs

\*Can be sent via an email attachment or copied into the body of an email.