



ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Special Attention of:**

**All Multifamily Hub Directors**  
**All Multifamily Program Center Directors**  
**All Multifamily Operations Officers**  
**All Multifamily Directors of Project Management**  
**All Multifamily Field Counsel**

**Notice: H 10-09**

**Issued: June 25, 2010**

**Expires: June 30, 2011**

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**Cross References:**

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**Subject:** Expansion of Real Estate Assessment Center Authority to  
Approve or Deny Requests to Defer Partial Year Submissions of Annual  
Financial Statements

This Notice revises outstanding program guidance, handbooks and instructions and is effective as of the issue date noted above. This Notice grants the Real Estate Assessment Center (REAC) authority to approve or deny requests to defer partial year submissions of annual financial statements for a period of time less than or equal to 120 days. The Office of Asset Management's Business Relationships and Special Initiatives Division will retain the authority to approve or reject requests to defer submission of partial year financial statements for more than 120 days.

**Background:**

During the normal course of business, situations arise where an owner is responsible for submitting financial statements for a reporting period of less than 12 months. Auditors refer to these partial year submissions as "stub" period financial statements. HUD may approve the deferment of a stub period financial statement to minimize the cost of preparing and submitting annual financial statements as part of a Transfer of Physical Assets, the assignment and assumption of a Housing Assistance Payment Contract (HAP), and/or when an owner refinances a mortgage with HUD insurance.

An Office of Asset Management memorandum dated June 24, 2004, informed the owners and agents of HUD-insured/assisted multifamily properties that REAC staff has the authority to approve requests to defer a stub period financial statement if the request is for 90 days or less. The June 24, 2004, guidance required that all requests to defer submitting a financial statement for a stub period of 90 days or more be approved by the Director, Business Relationships and Special Initiatives Division, Office of Asset Management.

# U.S. Department of Housing and Urban Development

## Housing

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### Policy Change:

In the interest of improving efficiency, the Department is amending the guidance transmitted in the June 24, 2004, Office of Asset Management memorandum. As of the issuance date of this Notice, REAC has the authority to approve or deny requests to defer partial year submissions of annual financial statements for a period of time less than or equal to 120 days. The Office of Asset Management's Business Relationships and Special Initiatives Division will retain the authority to approve or reject requests to defer submission of partial year financial statements for more than 120 days. The criteria for approving such requests will remain the same.

All deferment requests must be submitted electronically by logging into the Financial Assessment Subsystem (FASSUB) and selecting the "Waiver" option from the main menu. Once a request is submitted, it will be approved or disapproved within 10 working days. Owners may check the status of requests by selecting. "Administrative Request Status Box" from the main menu in the FASSUB system.

If you have questions regarding this Housing Notice, please contact your local HUD office or Brandt Witte at (202) 402-2614 in the Office of Asset Management in Headquarters.

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David H. Stevens  
Assistant Secretary for Housing-  
Federal Housing Commissioner