

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
All Contract Administrators

Notice H 2010-12

Issued: July 9, 2010
Expires: July 31, 2011

Cross References:

Subject: Delegation of Authority to Approve Certain Compliance, Disposition and Enforcement (CDE) Plans

Purpose:

This memorandum delegates the authority to approve certain Compliance, Disposition and Enforcement (CDE) Plans to the Hub Director. As of the date of this memorandum, Hub Directors now have the authority to approve all CDE Plans except those that recommend accelerating and/or foreclosing on an insured and/or assisted loan or those that recommend relocating residents and abating a Section 8 Contract.

Background:

As part of Secretary Donovan's Fast Initiative to delegate decision making authority and accountability to the field, the Department recently conducted an assessment of the CDE Plan submission and review process. The assessment indicated that a CDE plan must go through multiple layers of review and concurrence before it is approved at Headquarters. The assessment concluded that delegating the authority to approve CDE plans that do not recommend abatement and relocation, and/or acceleration and foreclosure of a mortgage to the Hub Director will greatly reduce the amount of time it takes to approve the vast majority of CDE plans. This will reduce the number of days it takes to implement the compliance, disposition, or enforcement actions approved and reduce potential risk to the Department by implementing corrective action and enforcement activities with less delay.

New Procedures:

The Hub Director or his or her designee (either the Operations Officer, the Director of Project Management or the Multifamily Program Center Director) must approve a CDE plan within 30 days of the date of the release of a second, consecutive

physical inspection score below 60¹. The Hub Director should continue to follow the guidance contained in the April 7, 2003 memorandum captioned, “Under 60 Compliance – Disposition and Enforcement.”

Due dates, approval actions, and information regarding the Hub or Program Center’s progress toward implementing the actions approved in a CDE Plan will now be entered into a SharePoint Log found on the Business Relationships and Special Initiatives Division SharePoint site at:

<http://hudsharepoint.hud.gov/sites/DASMFH/OMAM/brsi/default.aspx>.

The Hub Director should designate one lead person and a back-up at the Hub level to enter this information onto the SharePoint log. Only the lead person, the back-up, and the Hub Director will be given edit rights to the SharePoint site. All other staff will have viewing rights. We recommend that the person responsible for maintaining the Physical Inspection Request SharePoint Log also be responsible for inputting data onto the CDE Plan SharePoint Log.

The Director, Business Relationships and Special Initiatives Division, Office of Asset Management, will monitor the Hub’s progress toward approving CDE plans and implementing the actions recommended within a reasonable amount of time. Headquarters will monitor the CDE plan Tracking SharePoint Log and hold teleconference calls with each Hub to ensure that the CDE plans are being approved in a timely manner and that all actions approved are being carried out on schedule.

If you have any questions regarding this guidance, please contact the Office of Asset Management, Business Relationships and Special Initiatives Division at (202) 402-2629. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information relay service at (800) 877-8339.

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

Distribution: W-3-1,

¹ Notice H 2010-04, Revised Protocol for Placing a Flag in the Active Partners Performance System (APPS). When a Property Receives a Physical Inspection Score Below 60 but Above 30, provides guidance on when a CDE plan is required.