

Chapter 3. Initial Notice of Intent

- 3-1. Purpose. This chapter describes proper submission and filing of an owner's Initial Notice of Intent (NOI), which will initiate participation in this program. The Loan Management Branch will process the Initial NOI in accordance with Paragraph 3-6.
- 3-2. Submission. Not sooner than 24 months prior to becoming eligible under the mortgage for prepayment without the prior approval of the Department, owners wishing to participate in the program must submit Form HUD-9608, Initial NOI, Appendix 3.
- 3-3. Content.
- A. Using Form HUD-9608, an owner must submit information about the project and the mortgage to Loan Management. Further, the owner will check one of three boxes to indicate whether it intends to request incentives for extending the low income affordability restrictions, transfer the project to a new owner who agrees to maintain such restrictions or prepay the mortgage and terminate the low income affordability restrictions. The owner will also certify that the Initial NOI has been submitted and distributed as required in Paragraphs 3-4 and 3-5.
- B. The reverse side of Form HUD-9608, Appendix 3A, provides a letter to the tenants. The letter contains:
1. Information about the owner's plans;
 2. A request to tenants to notify the owner and HUD about any individual or organization they (the tenants) have retained or designated to represent them;
 3. An invitation to tenants to provide input to a Capital Needs Assessment, when appropriate; and

4. An advisory that if the project is sold, Resident Councils may be able to purchase it for continued rental or under a Homeownership Program.

- C. If the mortgage for the property had fallen into default prior to November 28, 1990, but since that time has been current under a workout agreement, as specified in Chapter 2 Paragraph 2-3.D, the owner must submit with its initial NOI a letter agreeing to recompense the FHA insurance fund for losses resulting from that default.
- 3-4. Filing. Owners must simultaneously submit Form HUD-9608 to the parties listed below:
- A. The appropriate HUD Field Office;
 - B. The relevant State or Local Agency as determined in Paragraph 1-10.A.1.;
 - C. The mortgagee; and
 - D. Each occupied unit in the project and any tenant representative known to the owner. If, to the best of the owner's knowledge, no such tenant representative exists, then the owner must certify that he knows of no such representative. The owner must also include with the Initial NOI, a Form-HUD 9608A, Notification of the Availability of Translations, Appendix 3C, which advises tenants in 10 languages of the availability of translations.
- 3-5. Posting of the Initial Notice of Intent.
- A. The owner must post a copy of the Initial NOI in a readily accessible location within each affected building of the project. Appendix 3C must be posted alongside the Initial NOI.
 - B. Upon the request of any non-English speaking tenants residing in the project, the owner must provide a translation of the Initial NOI to such tenant. To obtain one or more translations, the owners should contact the Loan Management

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Branch, which will provide translations. The Multifamily Housing Preservation Branch, in Headquarters, has arranged for the translation of the Initial NOI into ten languages: Arabic, Chinese, Farsi, French, Japanese, Korean, Russian, Spanish, Thai, and Vietnamese. Loan Management staff may ask the Regional Contracting Officer to contract locally for the

translation of the initial NOI into languages not listed above. If such translations are made, the Loan Management staff should notify the Multifamily Housing Preservation staff in Headquarters who in turn may provide them to other Field Offices requesting such translations.

3-6. Processing the Initial Notice of Intent.

- A. Upon receipt of an Initial NOI, Loan Management staff will begin a log for the project. LOG date received.
- B. Loan Management staff will determine if the project is eligible to submit an Initial NOI in accordance with Chapter 2.
- C. If the Initial NOI is to terminate the affordability restrictions, Loan Management staff will process it according to the guidelines in Chapter 4.
- D. If the Initial NOI is to extend the affordability restrictions by accepting incentives or transferring the project, Loan Management staff will process it according to the guidelines in Chapter 5.
- E. If a letter agreeing to recompense the insurance fund in accordance with Paragraph 3-3.C. is submitted with the Initial NOI, Loan Management staff must immediately contact the Office of Mortgage Insurance Accounting and Servicing (MIAS) for a determination of losses to the FHA insurance fund as a result of the default of the mortgage. Once this determination is made, Loan Management will send a request for repayment to the owner LOG date sent . The owner must

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recompense the Department within 30 days of receipt of a letter indicating the amount of such losses, or the Initial NOI will be considered void. If a determination is made that the default resulted in no loss to the insurance fund, Loan Management staff will send a letter to the owner indicating that no repayment is necessary.

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