



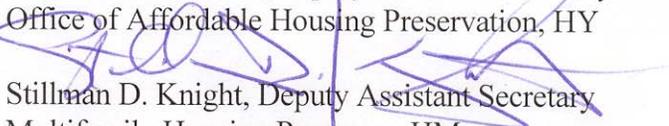
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

MAR 21 2005

OFFICE OF HOUSING

MEMORANDUM FOR: All Office of Affordable Housing Preservation Staff
All Multifamily Hub/Program Center Directors

FROM: 
Charles H. Williams, Deputy Assistant Secretary
Office of Affordable Housing Preservation, HY


Stillman D. Knight, Deputy Assistant Secretary
Multifamily Housing Programs, HM

SUBJECT: OCAF Clarification

Section 16-3 of the Section 8 Renewal Guide discusses the procedures that are to be used in calculating OCAF adjustments for properties that have completed a refinancing of their FHA insured loan. The purpose of this memorandum is to clarify how projects that have completed a Mark to Market restructuring should be handled.

For projects that have completed a M2M restructuring, the debt service on the new amortizing mortgage should be used in determining the OCAF adjustment. Information on the new mortgage is provided by OAHP to the Hub or Program Centers via the Transmission memorandum shortly after closing; and the closing docket distributed approximately 90 days after closing.

For properties in which there is no new amortizing loan, but only a Mortgage Restructuring Note (MRN) and/or Contingent Repayment Note (CRN) there should be no adjustment for debt service.

Please contact Gail Williamson, Director, Housing Assistance Policy Division, or Norman Dailey, OAHP Field Liaison if you have any questions concerning this clarification.