RHIIP
RENTAL HOUSING INTEGRITY IMPROVEMENT PROJECT

RHIIP Information Sheet
for Contract Administrators (CAs)
Multifamily Project-based Programs

Office of Multifamily Housing Programs
U.S. Department of Housing and Urban Development   June 2004

This Information Sheet provides general information regarding the roles and responsibilities of non-performance based contract administrators and performance based contract administrators in the RHIIP initiative. See Multifamily Housing Programs' RHIIP website at: www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm for additional information.

1. What is RHIIP?

Initiated in 2001, the Rental Housing Integrity Improvement Project (RHIIP) is a department-wide secretarial initiative designed to reduce errors in the administration of the U.S. Department of Housing and Urban Development's (HUD's) rental programs. Its overall goal is to ensure that the "*right benefits go to the right persons*" and to improve the quality and accessibility of subsidized housing for families that need it the most.

2. What has the Office of Multifamily Housing Programs Done?

HUD's Office of Multifamily Housing Programs has:

- Updated Handbook 4350.3 Rev-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs* so those who use and administer rental assistance have access to current information.

- Issued the "Rent and Income Determination Quality Control Monitoring Guide" to provide technical guidance and tools that will help contract administrators (CAs) improve their monitoring activities and bring about the correction of errors in rent.

- Trained, and continues to train, HUD staff and contract administrators to help them understand how income and rent are determined and how to perform quality control monitoring reviews.

- Developed a RHIIP Brochure and information sheets for owners/agents, tenants, contract administrators, and HUD staff. See the RHIIP Brochure on Multifamily Housing Programs' website at:
www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm

- Implemented systems and compliance policies to better assure that corrections are made when errors and oversights are discovered.

- Distributed information sheets to property owners and rental assistance contract administrators about the *Automation Rule* to help them understand the requirements for providing current and correct tenant information to the Tenant Rental Assistance Certification System (TRACS).

3. What HUD Offices are participating in RHIIP?

The following HUD Offices are participating in RHIIP:

- Office of Multifamily Housing Programs
- Office of Public and Indian Housing (PIH)
- Office of Policy Development and Research (PD&R)
- Office of Chief Financial Officer (CFO)

4. To what types of multifamily properties does RHIIP apply?

RHIIP applies to the following properties:

- Project-based Section 8
- Section 202/8
- Section 202/811 – Project Rental Assistance Contract (PRAC)
- Section 202/162 – Project Assistance Contract (PAC)
- Section 221 (d)(3) Below Market Interest Rate (BMIR)
- Section 236
- Rental Assistance Payments (RAP)
- Rent Supplement

5. What is our role in the RHIIP initiative?

- Conduct management and occupancy reviews and voucher reviews.

- Verify and certify housing assistance payments and ensure compliance with the Automation Rule. See 24 CFR 208.108 found on HUDCLIPS at: www.hudclips.org and/or the Automation Rule Information Sheet found on Multifamily Housing Programs' RHIIP website:
  http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm.

- Verify and ensure that owners have corrected the voucher and taken corrective actions to reduce errors.

- Be proactive and provide technical assistance and training to owners and management agents.

- Be familiar with and use available tools and resources in conducting reviews.

6. What tools and resources are available to help us conduct a successful monitoring review?

- The *Rent and Income Determination Quality Control (QC) Monitoring Guide* (see also Attachments 1-10).

- Handbook 4350.3 – Rev.1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*.

- 4350.1, Multifamily Asset Management and Project Servicing.

- Help Desk Representatives, established in each Hub and Program Center, who answer questions related to *Handbook 4350.3 – Rev.1 and QC Guide*.

- Tenant Rental Assistance Certification System (TRACS) reports at:
  http://www.hud.gov/offices/hsg/mfh/trx/trxsum.cfm.

Tools and resources, and a list of names of the RHIIP Help Desk Representatives, are available on Multifamily Housing Programs' RHIIP website at: http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm.

7. How should we select projects when scheduling reviews?

The risk to HUD subsidy funds should be considered when scheduling reviews. CAs may conduct a risk analysis as part of the preparation for the annual review of the project or contracts assigned to you. For complete guidance on how to select owners, projects, and contracts for QC reviews, see Part II, C of the *QC Guide* on Multifamily Housing Programs' RHIIP website: http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm.

8. What can we do prior to the review to gain a better understanding of the project?

CAs should review TRACS reports, prior to the review to identify specific income and rent related discrepancies in the voucher and certification reports. The Automation Rule requires owners of subsidized multifamily projects to submit accurate data through TRACS. Enforcement of the Rule is a critical component of the Secretary's initiative to significantly reduce payment errors. You should also review additional information in your office, such as voucher and tenant queries and owner policies.

For a complete listing of recommended in-office and online resources, see Part II, D of the *QC Guide* and the Automation Rule Information Sheet on Multifamily Housing Programs' RHIIP website: http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm.

9. Do we have to notify the project owner of income and rent errors discovered during the review?

Yes. You must send the property owner/agent a final written report that provides details of the concerns, errors, and findings revealed during the review. The report must also outline corrective actions for the owner/agent to complete and specific deadlines to meet in order to address income and rent discrepancies. Without this notification, the owner/management agent cannot address causes of errors and improper payments.

10. What should CAs do in cases where an owner/agent does not resolve income and rent issues identified in the report, or does not take the necessary corrective actions?

CAs should examine the reasons for the owner's/agent's failure to resolve income and rent issues identified in the report and take appropriate actions. This may include providing technical assistance to the owner/agent to resolve deficiencies. If still uncorrected, Performance Based Contract Administrators (PBCAs) and non-PBCAs should refer the owner/agent to HUD staff for action. When HUD is the contract administrator, HUD staff will take action.

For complete guidance on follow-ups and resolution of income and rent errors and findings, see Part II, F.3 of *QC Guide* on Multifamily Housing Programs' RHIIP website:
http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm.

11. **How can we use the various information sheets and the brochure to help us meet the RHIIP goal?**

The information sheets and the brochure can be:

- Used as handouts during trainings, conferences, or meetings to help staff, other CAs, and owners/agents understand their role and responsibilities in the initiative.

- Distributed to owners/agents during reviews to stress the importance of fulfilling TRACS requirements and verifying tenant income data.

- Used as a reference for resource materials, and understanding the initiative, HUD program requirements, and your role in improving income integrity.