



RHIP Information Sheet for HUD Field Staff Multifamily Project-based Programs

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

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This Information Sheet provides general information regarding the roles and responsibilities of HUD Field Staff in the RHIP initiative. See Multifamily Housing Programs' RHIP website at: www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm for additional information.

1. What is RHIP?

Initiated in 2001, the Rental Housing Integrity Improvement Project (RHIP) 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 RHIP Brochure and information sheets for owners/agents, tenants, contract administrators, and HUD staff. See the RHIP 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. To what types of multifamily properties does RHIP apply?

RHIP 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

4. What HUD Offices are participating in RHIP?

The following HUD Offices are participating in RHIP:

- 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)



RHIP Website

www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm

5. What is our role in the RHIP initiative?

- Conduct management, occupancy, and voucher reviews.
- Conduct compliance, performance, and other reviews of Performance Based Contract Administrators (PBCAs) and non-PBCAs.
- Provide guidance, training, and technical assistance to non-PBCAs, PBCAs, and owners and management agents.
- Assess compliance with occupancy rules, and assure the correction of compliance deficiencies.
- Verify housing assistance payments for accuracy 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' RHIP website: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.
- Verify and ensure 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 RHIP Help Desk Representatives, are available on Multifamily Housing Programs' RHIP website at: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

7. When serving as the CA for rental properties, how can we be sure that property owners have corrected errors discovered during management and occupancy reviews (MORs)?

HUD staff review TRACS reports and other documentation submitted by owners to ensure that errors discovered during the MOR are corrected.

8. When do we conduct reviews of non-PBCA and PBCA performance?

All PBCAs and non-PBCAs are subject to a HUD monitoring review. PBCAs must be reviewed annually, while non-PBCAs should be reviewed annually. HUD staff must conduct on-site reviews of non-PBCAs that serve as administrators of fifty (50) or more HUD contracts. The purpose of the reviews of PBCAs and non-PBCAs is to ensure that the requirements of the Annual Contributions Contract (ACC) are being met.

9. How should we select projects when scheduling reviews?

The risk to HUD subsidy funds should be considered when scheduling reviews. HUD staff should conduct a risk analysis as part of the preparation for the annual review of the project or contracts assigned to them. 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' RHIP website: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

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

HUD staff, when serving as contract administrator, 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' RHIP website: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

11. 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.

12. What should HUD field staff 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?

HUD staff should examine the reasons for the owner's/agent's failure to resolve income and rent issues identified in the report and take appropriate 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' RHIP website: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>.

13. How can we use the various information sheets and the brochure to help us meet the RHIP goal?

The information sheets and the brochure can be:

- Used as handouts during trainings, conferences, or meetings to help other staff, 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.

