



Special Attention of:

Notice PIH 2001-35 (HA)

HAs with Section 8 Moderate Rehabilitation; Secretary's Representatives; State and Area Office Directors of Public Housing;

Issued: October 10, 2001

Expires: December 31, 2002

Subject: Technical Corrections to PIH Notice 2001-29, Fiscal Year 2001 Financial Management Requirements for Section 8 Moderate Rehabilitation (Mod Rehab) Housing Assistance Payments (HAP) Contract Expirations.

Purpose: This Notice provides technical corrections to PIH Notice 2001-29. For clarity, where a word or words are changed, or added to the text, the revision is highlighted by italics. The corrections are as follows:

- A. **Title** The title is revised to add the year 2002 as follows, "Fiscal Year 2001 *and 2002* Financial Management Requirements for Section 8 Moderate Rehabilitation Program (Mod Rehab) Housing Assistance Payments (HAP) Contract Expirations."
- B. **Section 3.a.** – SUMMARY OF CHANGES, MOD REHAB RENEWALS – The second sentence is revised to read as follows:

This Notice provides for retroactive payments to owners where Mod Rehab renewal rents for expirations during the period of October 1, 2000 thru April 30, 2001 *were based on the Existing FMR and the new analysis yields a higher renewal rent.*

- C. **Section 4(i)** - General Procedures – Under (i) exiting contract rents, adjusted by the OCAF, the updated URL for the OCAF schedule is: <http://www.hud.gov/offices/hsg/mfh/exp/ocaf.pdf>.
- D. **Section 5** - REVIEW OF HAP CONTRACTS EXPIRING BETWEEN OCTOBER 1, 2000 AND APRIL 30, 2001 - The first paragraph is revised as follows:

As set forth in PIH Notice 2001-13, owners with Mod Rehab HAP contracts that expired during this period who renewed using the FY 2000 procedures in PIH Notice 98-62, may be eligible for retroactive payments of renewal rent increase if the *Existing FMR* was the lowest of the three possible rent

amounts. If this is the case, the Public Housing agency (PHA) must re-compute the *renewal rent in accordance with paragraph 4 of Notice PIH 2001-29 (paragraph 8, Notice 2001-13)*. If the new analysis yields a higher renewal rent amount, the PHA must forward that information, in writing, to the local HUD Program Center or Hub for verification. Upon verification of the higher rent by the Program Center or Hub, the information will be sent to the FMC to determine if the PHA requires additional funds to make the one-time retroactive payment to the owner and if a budget revision is required.

_____/s/_____

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Assistant Secretary
for Public and Indian Housing