



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

OFFICE OF HOUSING

SEP 18 2014

MEMORANDUM FOR: All Multifamily Hub Directors
All Multifamily Program Center Directors
All Multifamily Asset Management Staff

FROM: Benjamin T. Metcalf, Deputy Assistant Secretary for
Multifamily Housing Programs, HT

SUBJECT: Combining Section 8 Housing Assistance Payments Contracts

This memorandum provides guidance on combining Section 8 Housing Assistance Payments (HAP) contracts that contain similar provisions and those that contain differing provisions. Contracts may be combined by mutual agreement between the Owner and the Department, and the units and budget authority rolled into the surviving contract which will then be renewed for a 20-year term. Owners can request that contracts be combined at any time. This memorandum does not apply to Project Rental Assistance Contracts (PRACs) or Project Assistance Contracts (PACs).

The Department is encouraging portfolio level asset management that will allow owners and HUD to realize certain operational savings. Although not required, Project Managers or contract administrators should encourage owners to combine contracts or stages by informing the owner of the benefits. Benefits of combining contracts include:

- Lowered administrative costs;
- Reduced oversight (i.e. one Management and Occupancy Review (MOR), one audited Annual Financial Statement (AFS), etc.);
- Potential to share reserves and facilitate a better capitalized property assisting a struggling property; and
- Superior debt and equity terms and pricing.

The field office should provide the Owner with all of the necessary and relevant information, as outlined in this memorandum, to help the Owner make an informed decision.

NOTE: Contracts that are combined will be treated as one contract for all purposes, including enforcement actions.

A. CONDITIONS FOR COMBINING CONTRACTS

In order for any contract to be combined with another contract, they must meet the following conditions:

1. The projects where the contracts will be combined must have the same controlling owner.
2. Contracts renewed under different MAHRA options must both qualify to renew under one specific option at the time of renewal request for combining contracts.

Example One: Owner wishes to combine the contracts on Project X and Project Y. Project X underwent restructuring under Mark-To-Market (MTM) in 2010 and has a MTM 30-year use agreement. Project Y renewed its contract for 20 years under Mark-Up-To-Market in 2012. These contracts would not be eligible to be combined.

Example Two: Owner wishes to combine the contracts on Project A and Project B. Project A renewed under Option Four "Renewal of Projects Exempted from OAHP" and Project B renewed under Option Two "Contract Renewals for Other Projects with Current Rents at or Below Comparable Market Rents." In order to combine the contracts on these projects, the owner would have to select a single option to renew under and provide the required information so that the field office can determine if the combined projects qualify for the option selected.

3. If there are two or more FHA insured loans on the projects, the projects must have only one mortgage loan, or as part of this transaction, be in the process of refinancing the existing loans into one loan. If there are two or more conventional mortgages and neither have FHA insurance, contract combinations may occur on a case-by-case basis, with the consent of all lenders. If there are two or more loans and one of the loans is FHA insured, the contracts cannot be combined unless the properties are refinanced under one mortgage. If the combination is approved, it may not occur until the refinance has closed. If the Owner is using FHA insurance to refinance, the properties must be one marketable and manageable real estate entity.
4. Each project must have submitted any required electronic audited AFS for the most recent fiscal year through FASSUB.
5. Management and Occupancy Reviews:
 - a. The most recent MOR must have a rating of "Satisfactory" or better within the last three years. If the MOR is older than three years, at least a limited MOR desk review must be completed and the property must score "Satisfactory" or above prior to approval; or
 - b. The most recent MOR rating (within the last three years) is less than "Satisfactory" but the project is rated potentially troubled or not troubled, and there is a HUD-approved plan in place to correct all deficiencies; or
 - c. If the property is rated troubled and the MOR is more than 12 months old, at least a limited MOR must be completed and the property must score "Satisfactory" or above prior to approval.

6. The projects are within the same Fair Market Rent (FMR) area. In those cases where the projects are in different FMR areas, the Department will consider granting waivers on a case-by-case basis. If the projects are in different states the owner must confirm there are no conflicting state laws that would interfere with Department requirements (i.e. tenant notification on opt-outs, eviction procedures, etc.). The Department will consider contract combinations in different FMR areas and different states on a case-by-case basis, per the chart below.

Scenario		State	FMR Area	Permissible to Combine Contracts	HQ Consultation	Owner Certifies there are no conflicting state laws	Guidance on Contract Administration Provided by HQ
1	Same	X	X	YES	NO	NO	NO
	Different						
2	Same		X	YES	YES	YES	YES
	Different	X					
3	Same	X		YES	YES	NO	YES
	Different		X				
4	Same			YES	YES	YES	YES
	Different	X	X				

If Headquarters consultation is required, please contact your assigned Office of Asset Management and Portfolio Oversight Desk Officer for further information.

7. The most recent Real Estate Assessment Center (REAC) inspection score must be 60 or above or there must be a HUD-approved plan in place to correct any deficiencies. If the most recent REAC score is more than three years old, a new REAC inspection must be undertaken and the resulting score must be 60 or above before the field office will recommend combining of the contracts.
8. Many Section 8 HAP contracts have the same income eligibility requirements and distribution requirements. Owners can request to combine contracts with the same provisions as noted below:
- A. Section 8 HAP contracts effective before October 1, 1981 can be combined with other Section 8 HAP contracts effective before October 1, 1981.
 - B. Section 8 HAP contracts effective after October 1, 1981, can be combined with other Section 8 HAP contracts effective after October 1, 1981. If there is a disagreement as to

the effective date of the contract or any contract provision related to income eligibility, the contract must be sent to Office of Asset Management and Portfolio Oversight for review; and

- C. Pre-October 1, 1981, Loan Management Set-Aside (LMSA) contracts can be combined with old regulation Section 8 HAP contracts or with other pre-October 1, 1981, LMSA contracts.
- D. Post-October 1, 1981, LMSA contracts can be combined with old regulation Section 8 HAP contracts, or with other post October 1, 1981, LMSA contracts.

NOTE: Where the contracts to be combined contain the same income eligibility requirements and distribution limitations, the later expiring contract should be terminated early and the units and budget authority rolled into the surviving contract. If the contract expiration dates are the same, the field office must select the surviving contract.

- 9. Some HAP contracts will have differing income eligibility requirements and distribution limitations. HUD will not approve combining these types of contracts unless the owner agrees to abide by the most restrictive contract provisions as noted below:

- A. Properties with Section 8 HAP contracts effective before October 1, 1981, occupancy by families who are other than very low-income is restricted to no more than 25 percent (24 CFR §5.653(d)(1)). For most properties with Section 8 contracts effective on or after October 1, 1981, all units must be occupied by families who are very low-income, except that HUD has a 15 percent exception authority (see HUD Handbook 4350.3 REV-1, Sections 3-7.A. and B.) (24 CFR §5.653(d)(2)).

NOTE: The existing waiting lists for each project will remain in place and tenants on those waiting lists will continue to be selected according to existing priorities until the existing waiting lists have been exhausted. On the effective date of the new combined contract, any applicants applying for the new waiting list must meet the more restrictive income limits and be placed on a new waiting list. Applicants from this list will not be selected for admission to the project until the previous waiting lists have been exhausted. Please see Attachment One for a diagram of the waiting list process.

- B. Old regulation Section 8 HAP contracts can be combined with new regulation Section 8 HAP contracts only if the owner agrees to the more restrictive provisions on distributions in the new regulation contract.

NOTE: For those projects that have renewed under Option One or Option Two and have had the distribution restrictions conditionally lifted, the new contract will contain Exhibit B to the contract that will allow the owner to retain increased distributions as long as the projects continue to meet the conditions spelled out in the Section 8 Renewal Policy Guide.

- C. Loan Management Set Aside (LMSA), Property Disposition (PD), or Section 8 Community Investment Demonstration (Pension Fund) contracts can be combined with new regulation Section 8 contracts only if the owner agrees to abide by the more

restrictive provisions, including limitations on distributions, in the new regulation contract.

- D. Pre-October 1, 1981, LMSA contracts can be combined with LSMA contracts issued on or after October 1, 1981, only if the owner agrees to abide by the more restrictive income eligibility provisions in the LSMA contracts effective on or after October 1, 1981.

NOTE: Where the contracts to be combined contain differing income eligibility requirements and distribution limitations, the contract with the most restrictive provisions must survive. If the contract with the most restrictive provisions expires last, then that contract is the surviving contract.

10. The Owner must agree to renew the HAP contract for 20 years.
11. The resulting HAP contract must include language that requires physical condition standards and inspections of the project by the Department as well as submission of the audited AFS.
12. The owner must also agree to the terms of the "Preservation Exhibit" (attached). The Preservation Exhibit provides for the automatic renewal of the contract upon expiration (i.e., at the end of the 20-year renewal term) for a whole number of years to be filled in by the Hub/PC, which must be at least the number of years remaining on the latest expiring contract at the time of its termination by mutual agreement.

Example: Project X's contract will expire in December 2018. Project Y's contract will expire in November 2020. In order to combine the contracts on Projects X and Y, the owner must agree to extend the newly renewed combined contract by the remaining term of Project Y's contract.

13. If the Department grants a waiver to allow an owner to terminate an original term (pre-MAHRA) contract early, the owner must sign the "Rider to Original Section 8 Housing Assistance Payments Contract" (HUD-93184). Projects with "old regulation" State Housing Finance Agency contracts that terminate upon prepayment of the original financing do not have to sign the Rider.
14. Projects with differing use agreements can only be combined if the owner agrees to place all of the projects under the most restrictive use agreement. The owner will need to obtain a release of any recorded use agreements that conflict with the most restrictive use agreement. If there is a Use Agreement at any of the projects that are part of the contract combination, Headquarters must be consulted prior to approval.
15. Projects with differing deposit requirements for reserve for replacement accounts and/or residual receipts accounts can be combined but the final determination of the revised deposit requirements must be made based on the needs of the combined project in its entirety.

B. PROCESS

The Owner will submit a request to combine contracts to the Multifamily Hub/Program Center. Hub/Program Center Directors are authorized to approve the combination of Section 8 HAP contracts based on the instructions above. Hub/Program Center Directors must submit a list of approved combined contracts monthly to the Sharepoint site at <http://hudsharepoint.hud.gov/sites/DASMFH/OMAM/fam/Shared%20Documents/Forms/AllItems.aspx>.

The Multifamily Hub/Program Center Director or designee must use the checklist attached to this memorandum (Attachment Two) to review an Owner's request to combine contracts. The Multifamily Hub/Program Center Project Manager/Account Executive must draft a letter notifying the Owner that the requested contract combination is approved. The letter must include any conditions of the combination (e.g. limitations on distributions, or more restrictive income limit requirements). The approval letter should be submitted to the Hub/Program Center Director or designee for signature. A copy of the checklist and the approval letter must be retained in the project file.

Instructions for combining contracts and realigning units in the Tenant Rental Assistance Certification System (TRACS) are found in the iCon User's Manual that can be found at <http://hudatwork.hud.gov/po/h/hm/tracs/iug/tracsiconug20.pdf>. More detailed instructions are attached (Attachment Three).

If the Multifamily Hub/Program Center determines the contracts are eligible for combination, in order to begin the combination process, the Owner must submit the following to the Contract Administrator:

1. Prior to renewal, the owner must submit a full renewal package in accordance with the guidance in the Section 8 Renewal Policy Guide, including a request on HUD-9625 including copies of HAP contracts requested to be combined and renewed for 20 years and any recorded use agreements.
2. For those renewals requiring a new Rent Comparability Study (RCS) the study must provide neighborhood specific rents for both projects and include a rent grid (HUD 92273-S8) for each neighborhood.

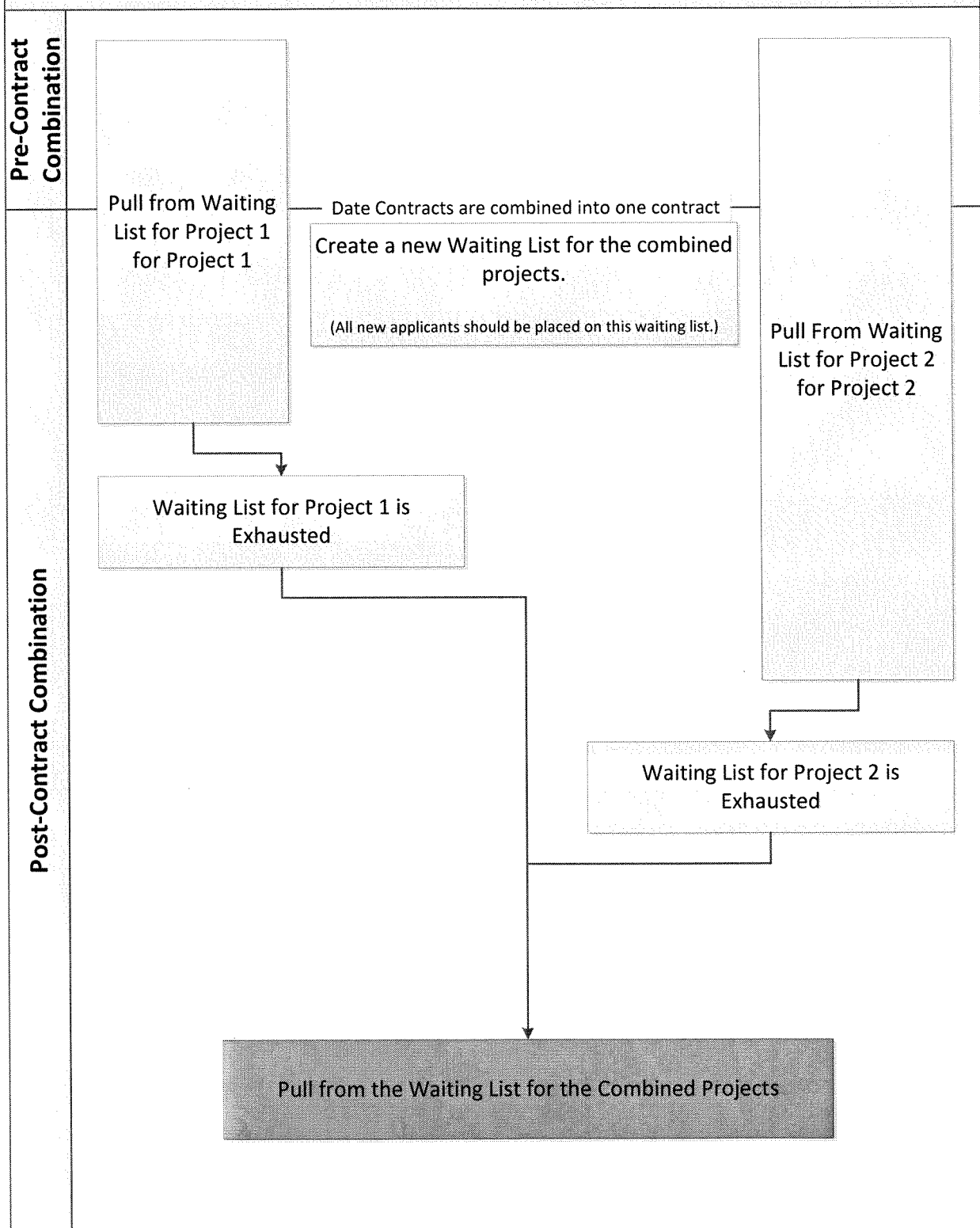
If there are any questions regarding funding during the contract combination process, please contact Chiara Law, Senior Financial Analyst, Financial Operations Division, at (202) 402-3842, or Marina McCulley-Boyd, Senior Financial Analyst, Financial Operations Division, at (202) 402-2602.

The Department will continue to evaluate this policy and will make adjustments as needed. Specifically, the Department is requesting feedback on the administrative procedures outlined in this memorandum and the broader policy implications of Section 8 contract combination. If you have feedback on this memorandum, please contact the Program Administration Office, Office of the Deputy Assistant Secretary for Multifamily Housing, at MFPolicyFeedback@HUD.gov. If you have any questions on specific transactions, please contact your Desk Officer in the Office of Asset Management and Portfolio Oversight.

Attachments

Attachment One

Section 8 Contract Combination Waiting List Process



DATE ____/____/____

COMBINING SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACTS CHECKLIST

PLEASE ANSWER AND COMPLETE ALL QUESTIONS

Section 8 Housing Assistance Payments (HAP) contracts may be combined by mutual agreement between the Owner and the Department, and the units and budget authority rolled into the surviving contract which will then be renewed for a 20-year term. Owners can request that contracts be combined at any time, but it is not required.

This checklist should be completed by the Hub/Program Center Director or their designee. On the last page, the Hub/Program Center Director or designee certifies that all of the responses contained on the checklist are accurate. This checklist is for internal use only.

A. Section 8 Contract Numbers of Contracts to be Combined:

B. FHA Project Numbers (if applicable):

C. Hub/Program Center Office:

D. Owner's Name:

E. Owner's Phone Number:

Answer the following questions about the projects where the contracts will be combined.

1. Are the projects owned by the same controlling owner?	____ Yes ____ No	If no, STOP.
2. Do both contracts qualify to be renewed under one specific MAHRA option?	____ Yes ____ No	If yes, the owner must select a single option to renew under and provide any information necessary to determine that the combined projects qualify for the selected option. If no, STOP.

If no to any of the above questions, STOP. The Department will NOT permit the combining of HAP contracts that do not meet the above requirements.

DATE ____/____/____

COMBINING SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACTS CHECKLIST

3. A. Do the projects have two or more FHA insured loans?	____ Yes ____ No	<i>If yes, the existing loans must be in the process of refinancing into one loan to continue.</i>
B. Do the projects have one FHA insured loan and one (or more) conventional mortgages without FHA insurance?	____ Yes ____ No	<i>If yes, the existing loans must be in the process of refinancing into one loan to continue.</i>
C. Do the projects have more than one conventional mortgage without FHA insurance?	____ Yes ____ No	<i>If yes, proceed to Questions 3.C.i. and 3.C.ii. If no, proceed to Question 4.</i>
i. Have all lenders consented to the contract combination?	____ Yes ____ No	<i>If no, lender consent must be given prior to contract combination.</i>
ii. Has Headquarters reviewed the request?	____ Yes ____ No	<i>If no, Headquarters must review the request prior to approval of the contract combination.</i>
4. Has each project submitted any required electronic audited Annual Financial Statements (AFS) for the most recent fiscal year through FASSUB?	____ Yes ____ No	<i>If no, any required AFS must be submitted prior to approval.</i>
5. For both projects, does the most recent Management and Occupancy Review (MOR) have a rating of "Satisfactory or better within the last three years; OR Is the most recent MOR rating (within the last three years) less than "Satisfactory" BUT the project is rated potentially trouble or not troubled, and there is a HUD-approved plan in place to correct all deficiencies?	____ Yes ____ No	<i>If no, and the property has not had an MOR in the past three years or the property is rated troubled and the MOR is more than 12 months old, a new MOR must be completed by the Project Manager (a desk review is acceptable) and the property must score "Satisfactory" or above prior to approval.</i>

DATE ____/____/____

**COMBINING SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACTS
CHECKLIST**

6. A. Are the projects in the same state?	____ Yes ____ No	<i>If yes, proceed to Question 7. If no, consult the chart in section 6 on page three of the memo for additional guidance and continue at Question 6B.</i>
B. Has the owner certified that there are no conflicting state laws that would interfere with Department requirements?	____ Yes ____ No	<i>If no, the owner must provide such certification prior to approval.</i>
7. Are the projects within the same Fair Market Rent (FMR) area?	____ Yes ____ No	<i>If yes, proceed to Question 9. If no, continue at Question 8.</i>
8. If the contracts are in different FMR areas or different states, have you consulted with Headquarters about how to proceed?	____ Yes ____ No	<i>If no, consult with Headquarters before proceeding.</i>
9. Is the most recent Real Estate Assessment Center (REAC) inspection score less than three years old and 60 or more or is there a HUD-approved plan in place to correct all deficiencies at both projects?	____ Yes ____ No	<i>If the most recent REAC score is more than three years old, a new REAC inspection must be undertaken and the resulting score must be 60 or greater before the field office will recommend combining of the contracts.</i>
10. Do the contracts to be combined contain the same income eligibility requirements and distribution limitations? If not, has the owner agreed to the more restrictive requirements?	____ Yes ____ No	<i>See section 9 in memo "Combining Section 8 Housing Assistance Payments Contracts" for detailed information on combining these provisions.</i>
11. Has the new owner agreed to the terms of the "Preservation Exhibit" (attached)?	____ Yes ____ No	<i>Upon expiration of the 20-year HAP contract, the owner must agree to renew</i>

DATE ____/____/____

COMBINING SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACTS CHECKLIST

		<i>the contract for an additional term at least equal to the number of years remaining on the latest expiring contract.</i>
12. Does the resulting contract include language that requires physical condition standards and inspections of the project by the Department AND submission of the Annual Financial Statement (AFS)?	____ Yes ____ No	<i>If no, the HAP contract language must include these requirements prior to approval.</i>
13. A. Is the owner seeking to terminate an original term (pre-MAHRA) contract early?	____ Yes ____ No	<i>If yes, continue at Question 13B. If no, skip Questions 13B-13D.</i>
B. Has the owner received a waiver from the Department to terminate an original term (pre-MAHRA) contract early?	____ Yes ____ No	
C. Do the projects have "old regulation" State Housing Finance Agency contracts that terminate upon prepayment of the original financing?	____ Yes ____ No	<i>If yes, the owner does NOT need to sign the rider. If no, continue at Question 13D.</i>
D. Has the owner signed the "Rider to Original Section 8 Housing Assistance Payments Contract" (HUD-93184)?	____ Yes ____ No	<i>If the Department grants a waiver allowing early termination and the projects do not have 'old regulation' contracts, the owner must sign the rider prior to approval.</i>
14. A. Is there an existing Use Agreement at any of the projects?	____ Yes ____ No	<i>If yes, move to question 14B.</i>
B. Have you consulted Headquarters on how to proceed?	____ Yes ____ No	<i>If yes, move on to the process portion of the</i>

DATE ____/____/____

**COMBINING SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACTS
CHECKLIST**

		<i>memo. If no, send the package to your Desk Officer for consultation.</i>
15. A. Do the projects have differing requirements for deposits to the reserve for replacement account or the residual receipts account?	____ Yes ____ No	<i>If yes, move to question 15B.</i>
B. Have you consulted Headquarters on the revised deposit requirements?	____ Yes ____ No	<i>If no, consult with Headquarters before proceeding.</i>

DATE ____/____/____

**COMBINING SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACTS
CHECKLIST****PROCESS**

Upon completion of the checklist, the Hub/Program Center Project Manager/Account Executive must draft a letter notifying the Owner that the requested contract combination is approved. The letter must include any conditions of the combination (e.g. limitations on distributions, or more restrictive income limit requirements). The approval letter must be submitted to the Hub Director or designee for signature.

Hub/Program Center Directors must submit a list of approved combined contracts monthly to the Sharepoint site at:

<http://hudsharepoint.hud.gov/sites/DASMFH/OMAM/fam/Shared%20Documents/Forms/AllItems.aspx>

If the Multifamily Hub/Program Center determines the contracts are eligible for combination, in order to begin the combination process, the Owner must submit the following to the Contract Administrator:

1. Prior to renewal, the owner must submit a full renewal package in accordance with the guidance in the Section 8 Renewal Policy Guide, including a request on HUD-9625 including copies of HAP contracts requested to be combined and renewed for 20 years and any recorded use agreements.
2. For those renewals requiring a new Rent Comparability Study (RCS) the study must provide neighborhood specific rents for both projects and include a rent grid (HUD 92273-S8) for each neighborhood.

Instructions for combining contracts and realigning units in TRACS are found in the iCon User's Manual that can be found at <http://hudatwork.hud.gov/po/h/hm/tracs/iug/tracsiconug20.pdf>.

Comments or Recommendations:

Hub/Program Center Director (or Designee) Signature: _____ **Date** _____

I certify that the checklist is complete and that the responses provided in this checklist are correct to the best of my knowledge. I certify that I have reviewed and submitted the appropriate documents as requested by HUD Headquarters.

COMBINING TWO CONTRACTS IN ONE PROJECT

The following outlines the actions necessary to combine data from two contracts belonging to the same project into one contract.

Note: This is a two-step process. Step One is to terminate contract that was combined. Then, Step Two includes the following actions applied to the surviving contract:

1. Renew the contract using the Modified Extension option in iCon to reflect the renewal effective date, renewal term, and renewal expiration date
2. Increase units in the associate project if needed
3. Create a Unit amendment to increase the total contract units.
4. Create a Unit Redistribution amendment if new unit size is needed
5. Create new unit types when applicable
6. Create active rents/utilities for the new unit types created when applicable

Step One - Terminating the Contract

The first step in this process is to terminate the contract that was combined. The actions necessary to perform this are:

- a. From the iCon main menu select **<File> <Search><Contract>**
- b. Enter the contract number and click **<Search>**
- c. Click on the contract number link from the Search Results section
- d. Select **<Action> <Terminate>**
- e. Enter Termination Date and select Termination reason which should be “Due to Combined Contracts”, click **<Terminate>**

Step Two - Combining the Terminated Contract into the Surviving Contract

1. **Renew the contract** using the Modified extension option in iCon
 - a. If the remaining contract is a *non-staged contract*:
 - i. From the iCon main menu select **<File> <Search><Contract>**
 - ii. Enter the contract number and click **<Search>**
 - iii. Click on the contract number link from the Search Results section
 - iv. From iCon Left panel, select **<Renewals>**
 - v. Click on **<Add>**
 - vi. Select **<Modified Extn>**; Enter Renewal Effective Date, Renewal Execution Date, Renewal Term Length, Renewal Expiration date, optionally CA Amount, Total Units, BA Amount, then click **<Save>**

- b. If the remaining contract is a *staged contract*:
 - i. From the iCon main menu select <File> <Search><Contract>
 - ii. Enter the contract number and click <Search>
 - iii. Click on the contract number link from the Search Results section
 - iv. From iCon Left panel, select <Renewals>
 - v. Click on “Flag” next to the stage that is being renewed.
 - vi. Click on <Add>
 - vii. Select <Modified Extn>; Enter Renewal Effective Date, Renewal Execution Date, Renewal Term Length, Renewal Expiration date, optionally CA Amount, Total Units, BA Amount, then click <Save>

2. Increase units in the associate project.

This step is needed if the units in the associate project has be to updated.

- a. From the iCon main menu select <File> <Search><Project>
- b. Enter contract number or FHA number or project name/State and click <Search>
- c. Click on the Project Name link from the Projects section
- d. From iCon Left panel, select <Total Units>
- e. Click on <Edit>.
- f. Enter correct units, then click on <Save>

3. Create a Unit amendment.

Record the new contracted units so that they are equal to the sum of the contracted units in the Surviving contract plus contracted units from the combined contract.

- g. From iCon Left panel, select <Amendments>
- h. Click on <Add>.
- i. Select <Unit>; Enter Effective Date, Term, Execution Date, Total Units, then click on <Save>

4. Create a Unit Redistribution amendment.

Create a new Unit Redistribution amendment if new unit size is needed; otherwise, skip this step.

- a. From iCon Left panel, select <Amendments>

- b. Click on **<Add>**.
- c. Select **<Unit Redistribution>**; Enter Effective Date, Term, Execution Date, then click on **<Continue>**
- d. Check needed Unit Sizes, click on **<Save>**

5. Create New Unit Types.

Create New Contract Unit Types that are used in the combined contracts, but, either don't have matching unit types in the surviving contract or have different rents/utilities amount and/or effective dates.

- a. From iCon Left panel, select **<Unit Distributions>**
- b. Click on **<Add>** under "Unit Type Details".
- c. Select from Project Unit Type OR select from Unit Size and enter Additional Identifier; enter Quantity; then click on **<Save>**

6. Create Active rents/utilities for the new unit types previously created

- a. From iCon Left panel, click on "+" next to **<Rents/Utilities>** to get list of all unit types
- b. Select the newly created unit type.
- c. Click **<Add>** to create new rent or utility respectively.

COMBINING STAGES IN ONE CONTRACT

The following outlines the series of steps required to combine stages in one contract. Actions necessary to perform this task are:

- 1. Cancel the Combined stages*
 - 2. Renew the Surviving stage using the Modified Extension option in iCon to reflect the renewal effective date, renewal term, and renewal expiration date*
 - 3. Flag Multiterm for the Surviving stage if necessary*
 - 4. Adjust contract unit type assignment for the Surviving stage.*
- 1. Cancel the Combined stages.**
 - a.** From iCon Left panel, select **<Stages>**
 - b.** Click on **<Cancel>** next to the Combined stage; enter Cancellation date, click on **<Save>**
 - c.** Repeat steps a and b for other Combined stages.
 - 2. Renew the Surviving stage** using the Modified Extension option in iCon.
 - a.** From the iCon main menu select **<File> <Search><Contract>**
 - b.** Enter the contract number and click **<Search>**
 - c.** Click on the contract number link from the Search Results section
 - d.** From iCon Left panel, select **<Renewals>**
 - e.** Click on “Flag” next to the Surviving stage.
 - f.** Click on **<Add>**
 - g.** Select **<Modified Extn>**; Enter Renewal Effective Date, Renewal Execution Date, Renewal Term Length, Renewal Expiration date, optionally CA Amount, Total Units (**add up units from stages being combined**), BA Amount, then click **<Save>**
 - 3. Flag Multiterm for the Surviving stage.**
 - a.** From iCon Left panel, select **<Multiterm>**
 - b.** If the Term Definition is not correct, then click **<Edit>**
 - c.** Make proper adjustment to the Term Length fields to match the Overall Contract Term, then click **<Save>**
 - d.** From iCon Left panel, select **<Stages>**
 - e.** Click on **<Edit>** next to the Surviving stage; check Multi-term , click on **<Save>**
 - f.** Repeat steps d and e for other Surviving stages.

4. **Adjust contract unit type assignment for the Surviving stage.**
 - a. From iCon Left panel, select **<Unit Distributions>**
 - b. Under “Unit Type Details”, click on **<View>** next to unit type that is used by the Surviving stage.
 - c. Click on **<Edit>**; adjust the quantity, click on **<Save>**