



43RD ANNUAL CONFERENCE

AUGUST 26TH & 27TH 2024

**SOUTH SAN FRANCISCO
CONFERENCE CENTER**

Smoothen Transitions for Project-Based Section 8 Properties

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Agenda

- Intros
- Housekeeping
- HUD's Responsibility for Change in O/A
- CAHI's Responsibility with new OA
- OA responsibilities
 - Contact info
 - Vouchers and Baselines
 - Banking information
 - EIV
- Communications channels and POCs

Change in Ownership/Management - HUD's Responsibility

HUD has to approve an assignment of a Housing Assistance Payments (HAP) contract.

1. The project has a HAP contract only;
2. The project has a HAP contract and a loan insured by the Federal Housing Administration (FHA) that will be prepaid as part of the transaction;
3. The project has a HAP contract where assignment is contingent on issuance of a new FHA-insured mortgage (coordinate with Production).

Change in Ownership/Management – HUD's Responsibility

HUD has to approve all management arrangements

- Owner/Manager – Owner and agent are the same business entity
- Identity of Interest Management Agent – agent has a relationship with owner
- Independence Fee Agent – agent has no business/personal relationship with owners
- Project Administrator – an individual who directs the day-to-day activities of a property designed to serve an elderly, handicapped, or disabled tenant population and reports to a Board of Directors. Generally, a project administrator is an employee of the property and receives a salary rather than a fee.

Change in Ownership/Management - HUD's Responsibility

To obtain Approval

HUD handbook 4381.5, Chapter 2

Individuals and Entities must obtain HUD approval to participate or play a role in a Multifamily housing project by submitting a HUD 2530 Previous Participation Certification form or electronic submission to Active Previous Participation System (APPS) to the field office responsible for overseeing the specific project. The HUD-2530 form requires applicants to provide detailed information of their current and past organizational makeup and their participation and performance in housing projects. (See HUD 2530 Standard Operating Procedures (SOP) National Standard Work SharePoint site.)

The documents that should be included in the package are:

- HUD 2530 or submission electronically through HUD's Active Previous Participation System (APPS),
- HUD 9839 (a, b, or c) management certification,
- HUD 9832 Management Entity Profile,
- List of positions charged against the operating account,
- Grievance procedure,
- Fidelity bond coverage regarding employee theft equal to 2 months' rent potential,
- and any additional information that may be needed for the review.

Getting Approval from HUD

The process of obtaining HUD approval to own/manage a given property?

All packages must be sent to SF.incoming@hud.gov.

A complete package is sent that include:

Documentation Necessary to Initiate Review

- Transmittal Letter
- HAP Contract
- Use Restrictions
- Purchase/Sale Agreement
- AFHMP
- PCNA

Getting Approval from HUD

So HUD will evaluate:

1. Documents needed to assess Seller, HAP Contract, Property's Physical and Financial Condition
2. Documents needed to assess Buyer/Buyer's Management Agent
3. Documents needed to assess rehabilitation plans and/or financing plans

Documents Needed to Assess Seller, HAP Contract, Property's Physical and Financial Condition

If the Seller owes funds to HUD, then the debt must be addressed prior to HAP assignment.

If there are issues with the physical, financial, or operational condition of the property, then either the Seller must address such issues prior to HAP assignment, or the Buyer must have a plan for addressing such issues post-assignment.

Documents Needed to Assess Buyer/Buyer's Management Agent

The purpose of this step is to determine whether the Buyer is in good standing with HUD, has the capacity to own and operate the project, and intends to retain or replace the current management agent.

Any new management agents must meet HUD requirements.

Documents Needed to Assess Rehabilitation Plans and/or Financing Plans

This applies only if the Buyer will obtain financing to support the purchase and/or rehabilitation of the project in conjunction with the HAP assignment.

HUD makes a distinction between rehabilitation that occurs in conjunction with a HAP assignment and rehabilitation that occurs following HAP assignment, for example, pursuant to a Buyer's renewal of the HAP contract under Chapter 15.



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Change in Ownership/Management - CAHI's Responsibility

- Before CAHI can work with a new Owner/Agent
 - Change in Ownership/Management must be approved by HUD
 - HUD signed Management Certification
 - [HUD 9839-B](#)
 - or HUD updating the new entity in Secure Systems



Voucher*** and Special Claim payments will be placed on hold until the new Owner/Agent is approved. In addition, CAHI is unable to share any voucher information until the new Owner/Agent has been approved.



Rent schedules and Contracts cannot be executed until the new Owner/Agent is approved.



CAHI's MOR team will schedule a MOR within 6 months per risk-based scheduling rules.



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New Owner/Agent Responsibility – Contact Information

- Ensure HUD secure systems are properly updated with new owner/agent contact information
 - Multifamily Online Systems: https://www.hud.gov/program_offices/housing/mfh/fhaosmf
 - Active Partners Performance System (APPS):
https://www.hud.gov/program_offices/housing/mfh/apps/appsmfhm
- Provide CAHI with a list of contacts – name, email and phone number
 - Vouchers (2 contacts can be listed on the voucher reconciliation reports)
 - Agent
 - Owner

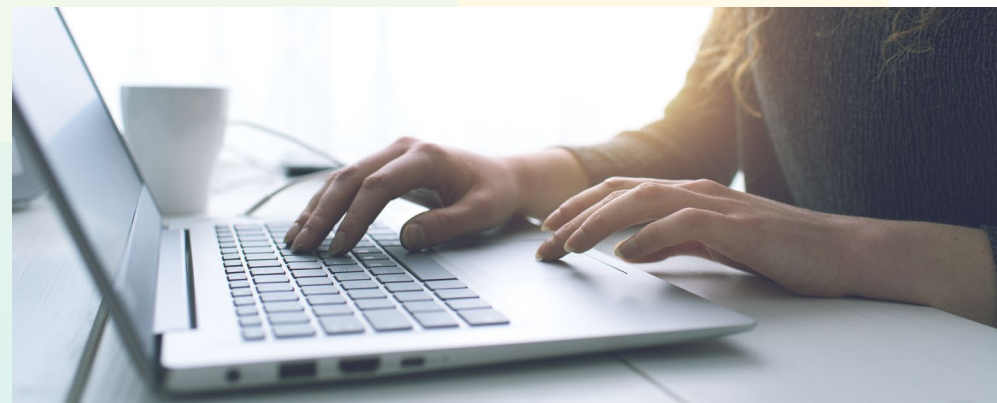


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New Owner/Agent Responsibility – Voucher History Baseline



Owner/Agents must request the baseline from the previous Agent first.





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Direct Deposit Sign-Up Form, 1199A

Voucher payments are issued by CAHI.

- HUD deposits funds to CAHI's account. CAHI uses those funds to make deposits to Owner/Agent's account.
- What to include:
 - Direct Deposit Sign-Up Form, [1199A](#)
 - Voided check
 - Reason for the change



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Completing the Direct Deposit Sign-Up Form 1199A

SECTION 1 (TO BE COMPLETED BY PAYEE)

A NAME OF PAYEE (last, first, middle initial)		D TYPE OF DEPOSITOR ACCOUNT <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS	
ADDRESS (street, route, P.O. Box, APO/FPO)		E DEPOSITOR ACCOUNT NUMBER	
CITY	STATE	ZIP CODE	
TELEPHONE NUMBER		F TYPE OF PAYMENT (Check only one)	
AREA CODE		<input type="checkbox"/> Social Security <input type="checkbox"/> Fed. Salary/Mil. Civilian Pay <input type="checkbox"/> Supplemental Security Income <input type="checkbox"/> Mil. Active <input type="checkbox"/> Railroad Retirement <input type="checkbox"/> Mil. Retire. <input type="checkbox"/> Civil Service Retirement (OPM) <input type="checkbox"/> Mil. Survivor <input type="checkbox"/> VA Compensation or Pension <input type="checkbox"/> Other (specify)	
B NAME OF PERSON(S) ENTITLED TO PAYMENT		G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable)	
CLAIM OR PAYROLL ID NUMBER		TYPE	AMOUNT
Prefix	Suffix		
PAYEE/JOINT PAYEE CERTIFICATION		JOINT ACCOUNT HOLDERS' CERTIFICATION (optional)	
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.		I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
SIGNATURE	DATE	SIGNATURE	DATE
SIGNATURE	DATE	SIGNATURE	DATE

Section 1 – To be completed by the Payee

- **Part A – Must be the Owner Entity.** Enter the name and address of the individual or entity who is entitled to receive the payment. Also, enter the phone number where we can reach the individual who is familiar with this form and can answer any questions if needed.
- **Part B – Same as Part A, or an actual person of the ownership.** Enter the name of person(s) entitled to the payment.
- **Part C –** Enter the HAP Contract Number (11-digit number starting with your state abbreviation). Then enter your tax ID number (Social Security or Federal ID number as applicable).

Note: The TIN number must match an approved participant/payee so that HUD or CAHI may be able to verify the information on the form.



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Properly completing 1199

SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)

GOVERNMENT AGENCY NAME	GOVERNMENT AGENCY ADDRESS

Section 2 – To be completed by the Payee or Financial Institution

- **Under “Government Agency Name” enter:**
California Affordable Housing Initiatives
- **Under “Government Agency Address” enter:**
*1550 Parkside Drive
Suite 150
Walnut Creek, CA 94596*



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Properly completing 1199

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

NAME AND ADDRESS OF FINANCIAL INSTITUTION		ROUTING NUMBER							CHECK DIGIT
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		DEPOSITOR ACCOUNT TITLE							
FINANCIAL INSTITUTION CERTIFICATION									
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 209, and 210.									
PRINT OR TYPE REPRESENTATIVE'S NAME	SIGNATURE OF REPRESENTATIVE	TELEPHONE NUMBER			DATE				

Section 3 – To be completed by the Financial Institution

- Enter the name and address of the financial institution where the account is held.
- Enter the routing transit number and account title.
- Please confirm with your bank that the routing number is correct for ACH fund transfers.
- Please make sure that this form is reviewed and signed by a bank representative.

Please attach a voided check (can be a copy) or a letter from the bank confirming the routing and account numbers. This will allow us to verify the information on the form and eliminate any errors in order to expedite the process.

Note: Deposit Tickets will not be accepted. Please make sure that this form is reviewed and signed by a bank representative.

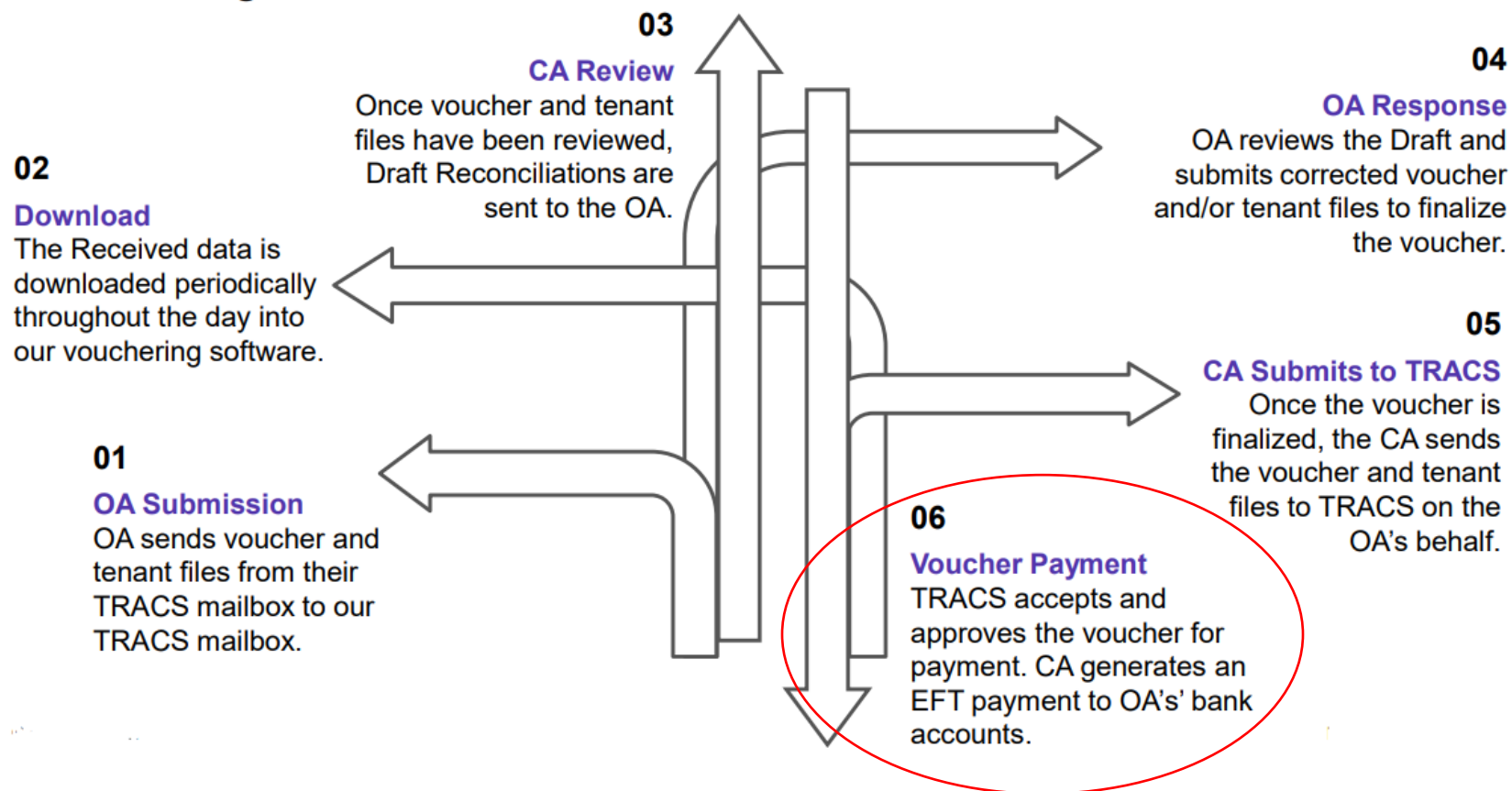
The 1199 ***must*** be completed as instructed above. We ***will not*** complete any missing information or make any changes to the submitted 1199. **No exceptions will be made.**



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Direct Deposit Sign-Up Form, 1199A

Vouchering Overview





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Get EIV Access

New agents and site staff need proper EIV access and documentation.

- Get written approval from the property owner to access EIV data for their properties and contracts
- Complete the CAAF, UAAF
- [Submit to HUD](#)

Need to be able to run EIV reports as required by policies and procedures.



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MORS

New OA at a property, must have an MOR scheduled within 6 months as per new risk-based scheduling rules

training may be needed to assure that the project does not deteriorate.

HUD response: HUD agrees with the commenter and has revised the regulation to require an MOR within 6 months of a change in ownership or management.

Comment: Other suggestions. A commenter stated that HUD should



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Communication Channels

- Cahi-submissions@cgifederal.com

Tenant Concerns, Complaints (CAHI Posters: [English](#) / [Spanish](#))

- Call Center Contact Information and Business Hours:
- Hours of Operation: Monday-Friday, 8:00am to 5:00pm
- Contact Numbers: 800-982-5221 fax: 614-985-1502 (leave message after hours)
- Written Summaries: 107 South High Street, 2nd Floor, Columbus, Ohio 43215
- Email: PBCAContactCenter@cgifederal.com
- Website: www.cahi-oakland.org



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Summary

- HUD approved and authorized
- Update APPS
- Voucher Baseline established
- 1199 submitted/processed
- EIV access granted
- MOR within 6 months
- Contacts at CAHI/CGI



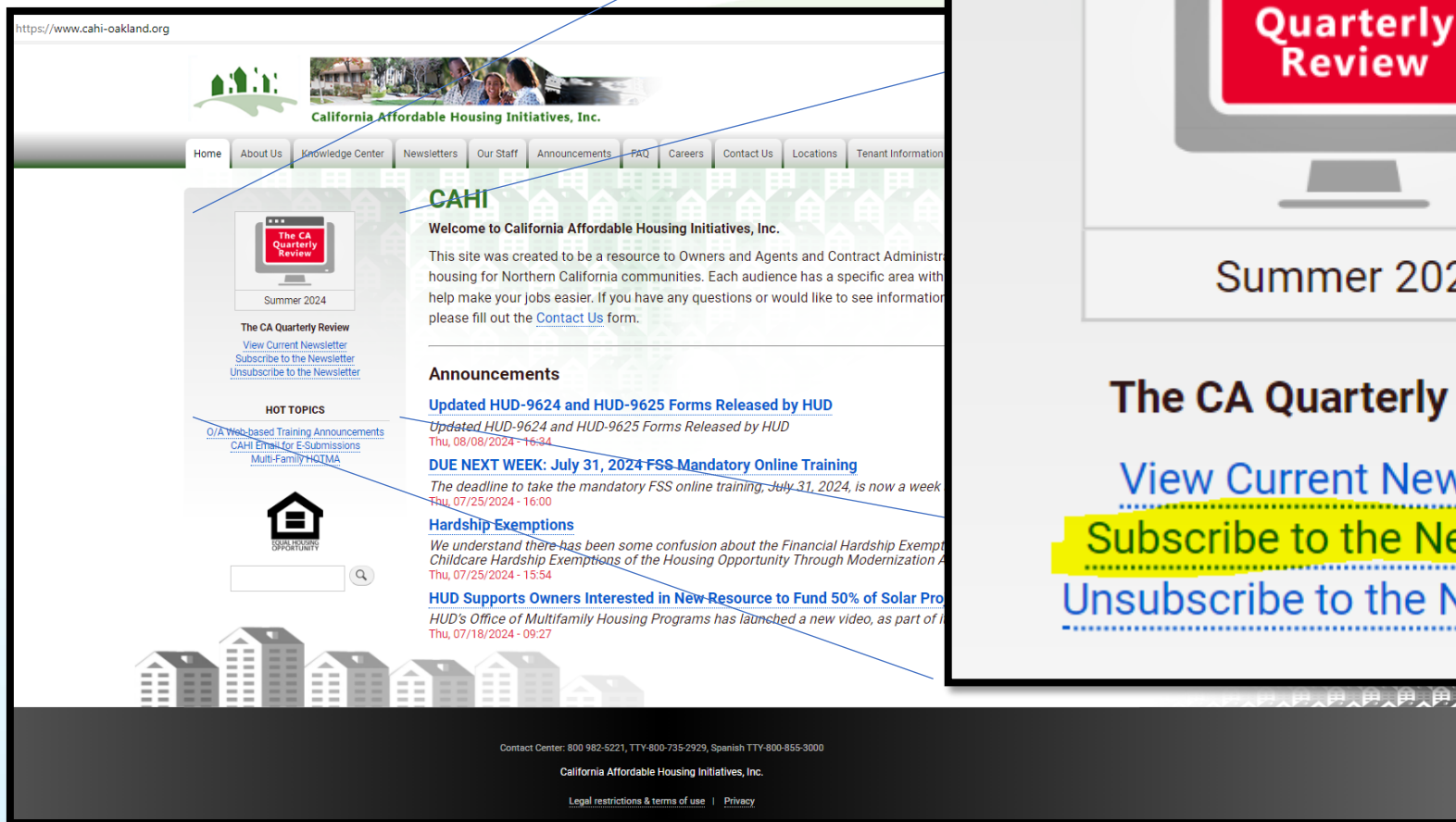
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Q&A



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Q&A and Thank you!



The CA Quarterly Review

Summer 2024

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The logo features the word 'ahmann' in a white, lowercase, sans-serif font. The letters are positioned on a series of overlapping, semi-transparent colored blocks. The 'a' is on a red block, 'h' on a green block, 'm' on a dark green block, 'm' on a yellow block, and 'a' on a light green block. Below the main text, the letters 'nch' are written in a smaller, grey, lowercase, sans-serif font. The background consists of several overlapping, semi-transparent colored planes in shades of light blue, light green, and light yellow, creating a layered, architectural effect.

ahmann
nch