NAHMAnalysis

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September 14, 2018   NAHMAnalysis 2018-0914

NAHMA Member Feedback: Management and Occupancy Reviews

SUMMARY

In June 2018, NAHMA learned that HUD started an evaluation of the effectiveness of the Management and Occupancy Review (MOR) form and process. Ensuring management performance is a critical component of maintaining quality affordable housing; NAHMA stands ready to work in partnership with HUD to improve the MOR process, while easing burden on property managers, owners, and residents.

After soliciting input from NAHMA members, a few themes emerged about the current MOR process. In the report below, NAHMA has provided member feedback on HUD's approach to compliance evaluations with regard to the following:

- **Effectiveness of the review process**
- **Efficiency of the review form**
- **Applicability of the reviewed content**

This report synthesizes both the challenges our members have experienced with the MOR form and process, and suggestions for improvements as HUD undertakes its evaluation. Member feedback regarding MORs trended toward four categories (Burden, Communication, Scope, and "Spirit") and members provide the following recommendations for each category:

- **Burden (time and financial)** – Streamline the process and frequency of the review in order to improve HUD - Owner/Agent (O/A) relations and maximize management efficiency without sacrificing the integrity of compliance and performance monitoring.

- **Communication –** Improve certain verbal and written aspects of the review, such as form content, structure of findings, and exit interview content to ease the process and facilitate corrective action on behalf of O/As.

- **Scope –** Adjust the scope of MOR content, relevancy, and scoring to capture the overall performance of a property in a streamlined review.

- **"Spirit" –** Shift to a constructive review process that assists with and rewards property performance.

Detailed suggestions for accomplishing each goal are contained in the report below and in the attached appendices. NAHMA looks forward to working with HUD and improving the MOR process with the continued goal of advancing quality, affordable housing.

BACKGROUND

As the leading voice for affordable property management, NAHMA advocates on behalf of multifamily property managers and owners across the country whose mission is to provide quality affordable housing. NAHMA values our long-standing partnership with HUD and our shared goal of advancing affordable housing for vulnerable communities. A high-performing and statutorily compliant multifamily housing stock is essential to that mission.

In order to assess management performance and portfolio compliance with HUD regulations and requirements, the agency conducts Management and Occupancy Reviews (MORs) on properties participating in HUD's Multifamily Housing programs. In June 2018, NAHMA learned that HUD had begun an evaluation of the effectiveness of the MOR form and process.

As owners and managers of multifamily properties representing 75 percent of the affordable housing management industry, NAHMA members are in a unique position to offer insight into the strengths and weaknesses of the MOR form and process. In particular, NAHMA values the opportunity to work in partnership with HUD to streamline the review process in an effort to ease burden on property managers, owners, and residents without sacrificing the integrity of America's affordable housing stock.

Accordingly, NAHMA solicited input from our nationwide membership of multifamily property owners and managers in order to supplement HUD's evaluation. NAHMA members were invited to submit feedback on all aspects of the MORs that best capture the "true status" of a property and its level of compliance. Additionally, NAHMA members were asked to identify time-consuming aspects of the MORs that do not convey meaningful performance information.

Overall, NAHMA member provided insights into the following aspects of the MOR form and process: **Effectiveness in ensuring compliance**; **Efficiency in assessing burden and meaningfulness**; **Applicability in demonstrating compliance**; and **General feedback**. **In addition, NAHMA's member insights can be grouped into four overarching categories: Burden (time and financial); Communication; Scope; and "Spirit."** The following analysis of our member feedback outlines the challenges experienced during the review process and in particular with the review form (HUD-9834), as well as specific recommendations for streamlining and enhancing MORs.

On behalf of our membership of affordable property owners and managers, we look forward to continued collaboration with HUD in an effort to relieve burden, maximize property management under constrained resources, ease relations between HUD and industry stakeholders, meet the dynamic needs of our growing low-income populations, and further improve our nation's affordable housing stock as a platform for success.

Reviewing Compliance and Performance
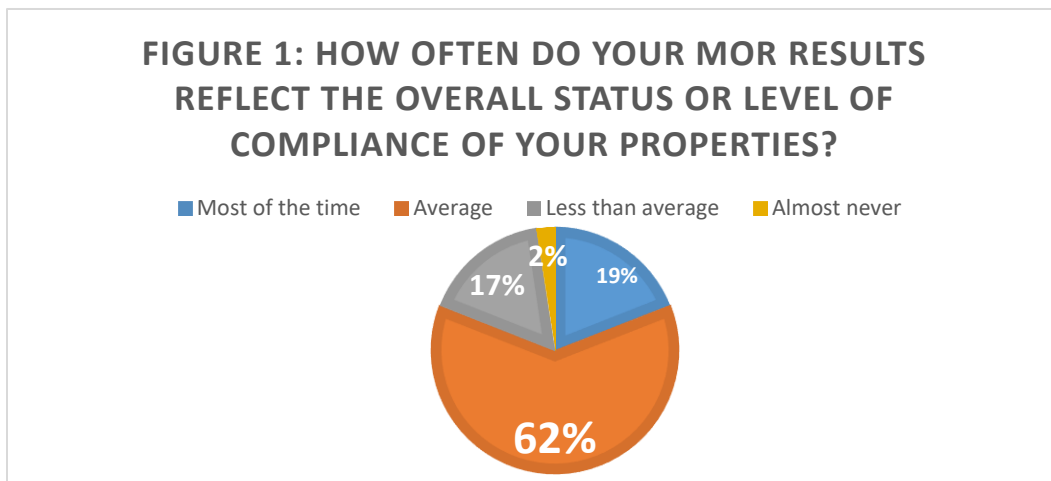Challenges and Recommendations

NAHMA's solicitation for member feedback generated insight into both the MOR process and form (HUD-9834); this insight was grouped into four categories for improvement:

- **Burden (Time and Financial):** ratio; redundancies; innovation; relevancy; and consistency
- **Communication:** Facilitation; form content; and review process
- **Scope:** emphasis and relevancy
- **"Spirit":** approach

A comprehensive list of recommendations related to each category (A-D) can be found in Appendices.

A. Time Burden and Financial Impact

FIGURE 1: HOW OFTEN DO YOUR MOR RESULTS REFLECT THE OVERALL STATUS OR LEVEL OF COMPLIANCE OF YOUR PROPERTIES?

■ Most of the time   ■ Average   ■ Less than average   ■ Almost never

2%
17%
19%
62%

The current MOR results are seen as having a fair level of accuracy: 62% of respondents said the MOR results reflect the level of compliance of a property on average, while 19% of respondents said the MORs reflect property compliance levels most of the time (figure 1).

 NAHMA members value review accuracy to ensure decent and safe affordable housing is provided to residents; however HUD must remain cognizant that everyone is operating within constrained funding environments. NAHMA recommends striking a balance between thorough compliance monitoring, and minimizing the time- and cost-impacts of the reviews. The current time burden and financial impact of MORs may not be necessary to ensure thorough compliance monitoring of the property. NAHMA members describe a number of priorities in terms of minimizing the time and financial impact of undergoing an MOR without sacrificing accuracy levels or integrity.

Overall, NAHMA encourages HUD to streamline the process of the reviews in order to improve HUD - O/A relations and maximize management efficiency without impacting the integrity of compliance and performance monitoring. Here a few recommendations to address time burden and financial impact:

Ratio of on-site versus off-site ("desk review") monitoring

In general, the more time that a reviewer is on site, the more time is taken away from property managers' daily work in keeping the site operational; on-site reviewing is also more disruptive to the residents and more time/cost-intensive for the reviewer. Therefore, NAHMA recommends HUD evaluate the effectiveness of the ratio of the on-site portion of the review compared to the desk review.

➢ Recommendations:

Identify more items to be sent in advance of the on-site review, such as EIV- and TRACS-related review questions (On-Site Review, questions 17-19) and items reviewed in Addendum C of the form

Duplications and Redundancies

In an environment of constrained resources, maximizing staff time is essential to providing the highest level of affordable housing to our communities. Therefore, NAHMA recommends streamlining certain aspects of the review in order to minimize the operational costs of preparing for and following-up on the MORs. A number of duplications and redundancies could be eliminated in the form and process of the review.

➢ Recommendations:
1. When conducting file reviews, minimize review of "permanent" file items repeatedly in each subsequent review (including the initial EIV letter; TSPs; leases; AFHM Plans; initial notices; original certificates, etc.)
2. Eliminate duplication in reviewing EIV, such as review of the Tenant Summary Report, which shows whether household member identities have been verified (this information would also be demonstrated by a failed verification report)
3. Minimize the review of items reviewed through other HUD processes, most notably physical inspections and general appearance, but also lead-paint monitoring and certain financial items
4. Defer to REAC scores instead of "re-reviewing" physical property (Part II, Questions 1-2)
5. Review items related to organizational policies and procedures that are consistent across the portfolio once at the organizational level, rather than repeatedly at each property ("limited" vs. "global" review for overarching items, such as house rules, leases, and procedural items)

Innovation and Streamlining

Monitoring compliance is an important and time-intensive activity for HUD-assisted multifamily properties; therefore, NAHMA recommends HUD incorporate innovative ideas to relieve burden and streamline the review process where possible, in particular with regard to technological advances.

➢ Recommendations:
1. Allow for electronic submission of documents
2. Implement the risk-based MOR schedule based on property performance
3. Consider implementing "limited" MORs on a rotating basis
4. Align formatting requirements for items under review with the existing format of system-generated information (including EIV reports, vacancy rates, and occupancy times), rather than requiring owners and agents to generate new information or new formats to satisfy the review

5. Consider holding certain "core" documents at the agency, rather than requiring owners and agents to re-submit them annually

Relevancy

A critical piece of compliance monitoring is not only the initial review, but also the follow-up and corrective action; this can be a time-intensive undertaking for management staff. In order to ensure the best use of staff time, NAHMA recommends a reevaluation of the relevancy of certain types of findings to determine the appropriate level of corrective action required.

➢ Recommendations:
1. Adjust higher the threshold to trigger a full-scale file audit, in particular for findings that have no bearing on a significant compliance or performance metric (such as a calculation error that has no bearing on the tenant rent levels)
2. Consider "zooming out" the level of detail at which findings trigger intensive follow-up by management staff, such as findings related to a calculation error of a few cents or types of handwriting/page numbers/ink color/fax cover pages
3. Adjust the level of detail at which an item becomes a finding; consider creating an "observation" category that can serve as a learning opportunity for managers as opposed to an item requiring follow-up or impacting the review result

Consistency

NAHMA members strive to provide quality affordable housing through a variety of assisted programs and layered subsidies, many of them with portfolios spanning multiple cities, counties, and states. Efficiency is key to operationalizing geographically and programmatically diverse portfolios; NAHMA recommends that HUD align standards as consistently as possible to minimize individual and geographic variance during reviews.
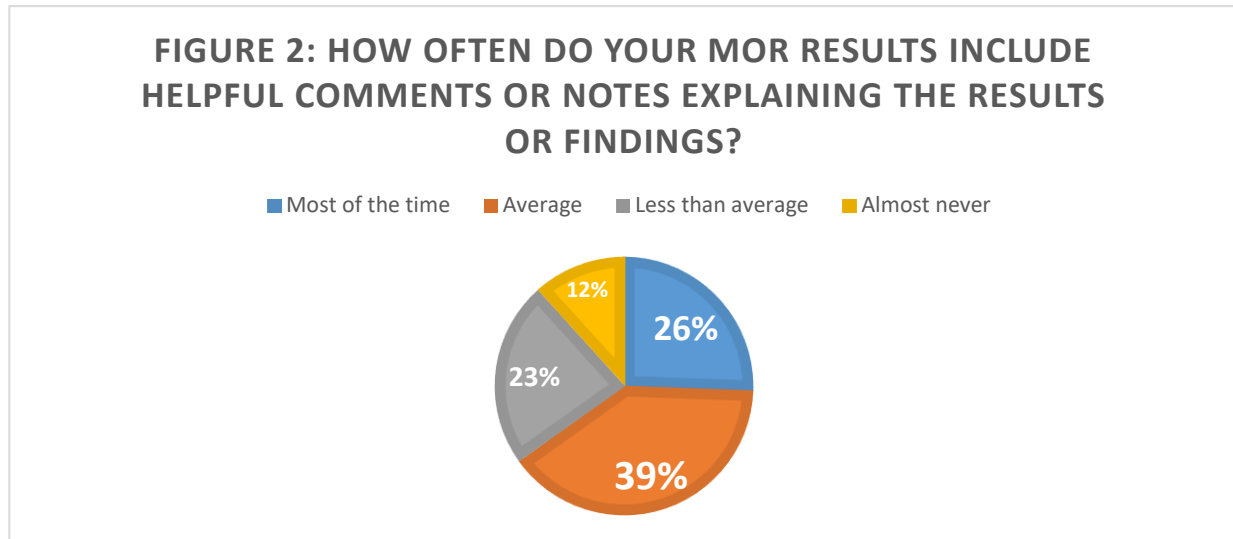
➢ Recommendations:
1. Align MOR standards directly with compliance standards outlined in handbook HUD-4350 and other guidance (particularly with regard to physical appearance, TSPs, House Rules, and other reviewed items) to minimize reviewer "preference" in the results
2. Achieve standardization across reviewers and geographic areas through improved trainings and guidelines for reviewers

B. Communication

NAHMA recommends a number of communication adjustments to both the MOR form and process that would assist owners and managers in achieving and maintaining compliance. Overall, NAHMA encourages the agency to improve certain verbal and written aspects of the review, such as form content, structure of findings, and results reporting, to ease the monitoring process and facilitate corrective action by owners and agents.

Facilitation

FIGURE 2: HOW OFTEN DO YOUR MOR RESULTS INCLUDE HELPFUL COMMENTS OR NOTES EXPLAINING THE RESULTS OR FINDINGS?

■ Most of the time ■ Average ■ Less than average ■ Almost never

26% 39% 23% 12%

Because of the breadth of compliance and performance metrics associated with multifamily property management, Management and Occupancy Reviews are by default an immense undertaking. Improving communication to facilitate smooth scheduling, clear scoring weights, prioritized review items, and efficient follow-up can help ease the process for everyone. For example, 35% of respondents said that the review almost never or less than on average included comments or notes explaining the results (figure 2); improving this trend could facilitate clarity and corrective action on behalf of managers.

➢ Recommendations:

1. Improve training and enforce standards for reviewers to ensure that explanatory notes or comments are given with report findings to facilitate corrective action
2. Improve training and enforce standards for reviewers to ensure enough advance notice is given in writing to owners and agents when scheduling an on-site review
3. Adjust form to group file errors by tenant file, rather than by error type, to streamline the follow-up process for each file
4. Adjust form to group permanent tenant file documentation in the same section
5. Shift reviewer trainings to emphasize the importance of clarifying scoring weights, review focus, and certain compliance standards to owners and agents, including before the review, during the exit interview, and in the report

Form Content

The Form HUD-9834 utilized to conduct MORs is thorough, but not universally-relevant for multifamily properties participating in HUD programs. Certain portions of the form also do not directly contribute to a smooth or applicable review result, and the results reported may not reflect ongoing property status. Adjusting elements of Form HUD-9834, or redesigning the form content, has the potential to streamline the review.

➢ Recommendations:

1. Allow for "N/A" response to more questions (particularly in Addendum A)
2. Allow for review of the EIV 90 day income report on Form HUD-9834
3. Allow for removal/adjusted score when a finding is found to be erroneous
4. Limit form content that is not universally-relevant to HUD properties in order to streamline form, such as certain financial information that is only applicable to certain types of reviews
5. Remove questions on Addendum A about forms that are optional for tenants to complete (such as On-Site Review, Category E, Question 14.d related to Form HUD-92006)

Review Process

Achieving and maintaining compliance is an intensive task that multifamily property managers and owners take on in an effort to serve their communities. NAHMA recommends shifting portions of the review process to limit frustrations and setbacks for program participants.

➢ Recommendations:

- Adjust training and/or structure of reviews that may incentivize finding compliance errors
- Limit inconsistencies between reviewers that may require owners and managers to adopt different standards for different properties/locations within the same portfolio
- Provide clear standards and bases for findings, including on findings related to "physical appearance" (that are not based on the UPCS and are not specifically outlined in 24 CFR Part 5), and other items where a finding may be based on reviewer preference as opposed to known standards
- Allow for audit of files prior to on-site review to allow O/As to make improvements and build rapport with the agency
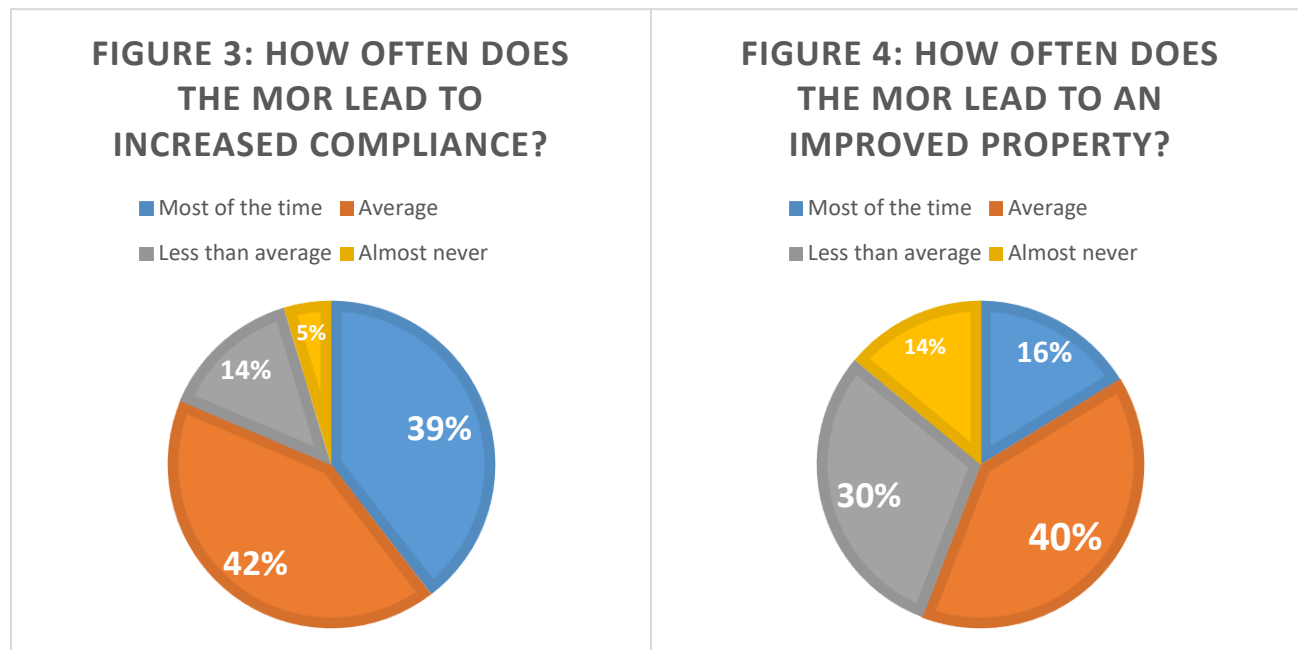
C. Scope

By default, regular reviews of management compliance are intended to reflect the overall status of a property's performance. In order to best capture and measure performance, NAHMA recommends HUD shift the scope of the reviews to refocus on primary factors demonstrating compliance, as opposed to the current effort to review a broad scope of compliance metrics.

In general, NAHMA encourages HUD to adjust the scope of reviews in content, relevancy, and level of detail to capture the overall performance of a property in a streamlined review based on a participant's progress toward the mission. Our recommendations aim to shift the review process toward one that always leads to an improved property, rather than merely to increased compliance regardless of the impact on performance: Under the current review process, 81% of respondents found that MORs result in increased compliance at least on average; however, only 56% of respondents found that MORs result in an improved property at least on average (figures 3 and 4).

Emphasis

FIGURE 3: HOW OFTEN DOES THE MOR LEAD TO INCREASED COMPLIANCE?

Legend: Most of the time, Average, Less than average, Almost never

- 39% Most of the time
- 42% Average
- 14% Less than average
- 5% Almost never

FIGURE 4: HOW OFTEN DOES THE MOR LEAD TO AN IMPROVED PROPERTY?

Legend: Most of the time, Average, Less than average, Almost never

- 16% Most of the time
- 40% Average
- 30% Less than average
- 14% Almost never

Compliance reviews will inevitably cover a lot of ground for programs as varied as multifamily housing. However, the breadth of MOR Form HUD-9834 runs counter to an emphasis on key performance indicators; similarly, the depth of the review belies an attempt to capture the property's overall level of compliance. Therefore, NAHMA recommends the agency refocus on emphasized metrics of performance and redesign elements of the review methodology to account for relevancy.

➢ Recommendations:

1. Identify key indicators of property performance to emphasize during the review (such as tenant file review and EIV reporting, wait list procedures and TSPs, leasing and occupancy), and shift emphasis away from other items that may be of less consequence to the property performance/compliance (such as initial notices, general appearance, maintenance schedules) or may be duplicative with other HUD compliance monitoring efforts (such as lead hazard remediation, REAC, energy efficiency, etc.)
2. "Zoom out" the review process in terms of level of detail in order to capture either general trends of compliance (and "good faith efforts") or to minimize focus on items that have little to no bearing on substantive metrics

Applicability

Although a weighted scoring technique is used by the agency to demonstrate importance, each item reviewed generates findings for the report, so each item still carries significant weight in the overall result of the review. Reviewed items are not always in line with emphasized performance indicators or under the control of owners and managers. NAHMA recommends redesigning both the scoring weights and the review methodology to account for applicability.

➢ Recommendations:
1. Demonstrate shift in emphasis toward key performance indicators through adjusted scoring weights or eliminated sections of form HUD-9834 as identified under "Emphasis" section above
2. Consider developing separate form for PBCA reviewers (does not include financials and other items) vs. HUD reviewers
3. Minimize findings that are based on tenant issues that have not yet been reported to O/As, or energy efficiency, which O/As may not have the financial means to incorporate

D. "Spirit"

The public-private nature of multifamily housing is a delicate partnership representing both the strength and weakness of the program: The public subsidy enables access to decent, affordable housing where market forces may not otherwise allow it to exist, while private companies leverage resources, innovation, and expertise to execute quality portfolios. NAHMA applauds the agency for undertaking an evaluation of the compliance review process, and we encourage particular consideration of the "spirit" of the reviews with the goal of enhancing HUD-O/A relations.

In general, NAHMA encourages the agency to shift further toward a constructive review process that both assists with and rewards compliance on behalf of multifamily property management.

Constructive Approach

Multifamily housing represents a dynamic form of cooperation between HUD and private owners and managers; the relationship requires mutual cooperation and benefit. Therefore, NAHMA recommends that the compliance review process for program participants reflect a constructive spirit, more so than a punitive one, by giving property managers every opportunity to achieve, improve, and maintain program compliance.

➢ Recommendations:
1. Provide feedback/audits on desk review prior to on-site visit, giving O/As the opportunity to resolve issues and achieve improved results
2. Perform "mock," "limited," or "preliminary" MORs on a rotating basis, which serve to assist O/As in improving property compliance and performance, but do not carry an official score/review; similarly, consider creating an "observation" category (as opposed to a finding) that could serve as a learning opportunity for managers without affecting the results
3. Allow for the opportunity of an adjusted (improved) score, if target completion dates are met on follow-up items

CONCLUSION

In conclusion, NAHMA stands ready to assist with HUD's evaluative efforts regarding MORs. This report identifies a number of targeted areas for improvements to both the MOR form and process; follow-up information can be provided as necessary.

NAHMA members take pride in providing quality affordable housing and have unique insight into the management process. We are grateful for the opportunity to work in collaboration with HUD to improve America's affordable housing portfolio and advance the quality of life across the country.

Appendix A

Time Burden and Financial Impact

Goal:

Streamline the process of the reviews in order to improve HUD - Owner/Agent (O/A) relations and maximize management efficiency without impacting the integrity of compliance and performance monitoring.

Identified Challenges:

Wide and detailed scope of reviews is time-intensive and may not be necessary to provide an overall reflection of property performance

1. Duplicative/Redundant nature of review content creates significant time-burden, resulting in less efficient property management and less constructive O/A-HUD relationship
2. Financial impact of frequent and intensive reviews runs counter to efforts to maximize management efficiency and provide quality, affordable housing under constrained resources
3. Frequency of reviews is time-intensive, but may not be necessary for monitoring ongoing compliance and may dis-incentivize achieving higher overall levels of compliance
4. Follow-up for each item, regardless of item relevance, creates significant time-burden on O/As
5. Inconsistencies between reviewers creates burden and frustration for management companies whose policies are standard throughout the portfolio
6. Ratio of desk review versus on-site review may not be efficient

Recommendations for the Form:

1. Allow for system-generated reports for certain items, such as occupancy rates, vacancy times, EIV reports, etc., instead of requiring new information/formats to be generated by O/As on these items (align format requirements of certain items with the format of system-generated information when possible)
2. Eliminate review of the Tenant Summary Report, which shows whether household member identifies have been verified (which would also be demonstrated by a failed verification report)
3. Refer to REAC scores instead of "re-reviewing" physical property ("General Appearance & Security" – MOR Form HUD-9834, Part II, Questions 1-2)
4. Give more opportunities to submit forms or certain information in advance of the on-site review, such as EIV- and TRACS-related review questions (Form HUD-9834, On-Site Review, Question 17-19) and items reviewed in Addendum C of the form

Recommendations for the Process:

1. Incorporate technology into MOR process to ease burden
   a. Allow for electronic submission of documents
   b. Consider holding certain "core" documents at agency, rather than requiring O/As to resubmit annually
2. Eliminate duplicities and redundancies – File Review

a. Minimize review of "permanent" files until change to file is necessary/required/initiated (Initial EIV letter; TSPs; Leases; AFHMD; Initial Notices; original Certifications, such as UAAF and CAAF; etc.)

3. Eliminate duplicities and redundancies – Physical Inspection
   a. If the general appearance section generates findings in the review, clarify which standards are being used, why they are different from the UPCS, and where O/As can find compliance information for the relevant standards

4. Eliminate duplicities and redundancies – General
   a. Minimize review of items that are reviewed through other HUD processes, such as lead-paint monitoring, physical inspection, certain financial items

5. Streamline certain aspects of review
   a. Limit number of files reviewed
   b. Review items related to organizational policies and procedures that are consistent across portfolio <u>once</u> at the organizational level, not at <u>each</u> property ("global" vs. "local" reviews)
   c. Implement Risk-Based MORs on a 3-2-1 basis to relieve burden on O/As and residents related to frequency of reviews
   d. Allow for targeted/generalized follow-up, particularly regarding tenant file reviews (limit follow-up on relatively small findings, such page numbers, envelopes, fax cover pages, two types of handwriting/ink on a third-party form, etc.) or create higher threshold to trigger follow-up requirements
   e. Adjust the level of detail at which compliance is reviewed; "zoom out" so that the overall performance of a property is reviewed more than line items on every form, etc.
   f. Adjust the level of detail that triggers a finding, or create an "observation" category (for relatively inconsequential items, such as a tenant income calculation error that has no bearing on tenant rent) that can serve to inform O/As of potential compliance missteps but does not result in a finding/trigger follow-up requirements

6. Limit inconsistencies between regions/areas/reviewers
   a. Improve reviewer training to achieve consistency between reviews and reviewers, reducing variance and maximizing time and effort input by O/As (set a consistent standard for what is considered appropriate by auditors)
   b. Minimize need to accommodate different styles/requirements in preparing for reviews and maintaining/managing properties

7. Improve ratio of desk review vs. on-site review
   a. Give more opportunities to submit forms or certain information in advance of the on-site review to minimize on-site staff and resident disruptions

8. Improve cost-effectiveness of compliance monitoring
   a. Limit frequency for high-performing properties
   b. Implement "limited" reviews on a rotating basis, or limit scope of reviews on a rotating basis

Appendix B
Communication

Goal:

Improve certain verbal and written aspects of the review, such as form content, structure of findings, and exit interview content to ease the process and facilitate corrective action on behalf of O/As.

Identified Challenges:

1. Not always enough notice given to O/As when scheduling MORs (less than the 14 days outlined in the Form HUD-9834, Instructions, Part A)
2. Scoring is sometimes seen as non-transparent
3. Unclear why certain information is requested
4. Exit interviews do not provide enough clarity on findings/results and why/how to make improvements
5. Findings are structured unclearly
6. Basis of findings is not always consistent with HUD Handbook 4350, but may instead be based on a regional "preference" or variance
7. Erroneous/appealed findings are not removed from report

Recommendations for the Form:

1. Limit form content that is not universally-relevant to HUD properties in order to streamline form, such as certain financial information that is only filled out by HUD reviewers/for certain properties
2. Remove questions on Addendum A about forms that are optional for tenant to complete (such as HUD-92006)
3. Allow for "N/A" response to more questions (particularly in Form HUD-9834, Addendum A)
4. Allow for review of the EIV 90 day income report on Form HUD-9834
5. Group errors by tenant file (not by error type) to streamline follow-up
6. Group permanent tenant file documentation in the same section

Recommendations for the Process:

1. Improve communication to facilitate more efficient follow-up
    a. Improve training and standards for reviewers to ensure enough advance notice is given in writing to O/As when scheduling an on-site review
    b. Clarify scoring weights, emphasis, and compliance standards of review to O/As, including before the review, during the exit interview, and in the report
2. Streamline review process to limit frustration and setbacks
    a. Adjust training and incentives for reviewers to "find" errors
    b. Limit inconsistencies between reviewers
    c. Provide standards/basis for findings
    d. Allow for audit of files prior to on-site visit to allow O/As to make improvements
    e. Allow for removal/adjusted score when a findings is found to be erroneous

Appendix C

Scope

Goal:

Adjust the scope of reviews, in content, relevancy, and scoring, to capture the overall performance of a property in a streamlined review.

Identified Challenges:

1. Emphasis of review is very broad and does not focus on primary factors reflecting property performance
2. Not all items on the form are applicable to every type of property
3. Not all items that are considered are under the control of O/As
4. Reviews are unnecessarily detailed
5. Scoring weights are misguided / do not always reflect factors impacting property performance

Recommendations for the Form:

1. Consider developing separate form for PBCA reviewers (does not include financials and other items) vs. HUD reviewers
2. Demonstrate shift in emphasis toward key performance indicators through adjusted scoring weights or eliminated sections of form HUD-9834 (see specific items below)

Recommendations for the Process:

1. Shift emphasis of reviews to focus on most significant performance factors
2. Identify key indicators of property performance (such as tenant file review and EIV reporting, wait list procedures and TSP, leasing and occupancy) and shift emphasis of review away from other items that may be of less consequence to the property performance/compliance (such as initial notices, general appearance, maintenance schedules) or may be duplicative with other HUD compliance monitoring efforts (such as lead hazard remediation, REAC, energy efficiency, etc.)
3. Minimize findings in the review that are based on tenant issues that have not yet been reported to O/As
4. "Zoom out" the review process in terms of level of detail in order to capture either general trends of compliance or to minimize focus on items that have little to no bearing on substantive metrics as identified above

Appendix D

"Spirit"

Goal:

Shift to a constructive review process that assists with and rewards property performance**.**

Identified Challenges:

1. Nature of reviews are punitive more than they are constructive (i.e. helpful to O/As in improving property performance and compliance)
2. Unnecessarily wide and detailed scope leads to impression of "nitpicking" as opposed to getting an overall impression of how property is operating and general compliance levels
3. Even when items are received <u>prior</u> to on-site review (desk review), feedback is not given until <u>after</u> on-site review, resulting in a "gotcha" feeling
4. Performance-based nature of reviews may create incentive for findings
5. Frequency of MORs is unnecessary and counter-productive for high-performing properties

Recommendations:

1. Provide opportunities for improvement
2. Provide feedback/audits on desk review <u>prior</u> to on-site visit, giving O/As the opportunity to resolve issues and improve score
3. Perform "mock," "limited," or "preliminary" MORs on a rotating basis, which serve to assist O/As in improving property compliance and performance, but do not carry an official score/review
4. Allow for the opportunity of an adjusted (improved) score, if target completion dates are met on follow-up items