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Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, D.C. 20410-0500
Via: www.regulations.gov

**RE: Housing Opportunity Through Modernization Act of 2016: Implementation of Sections 102, 103, and 104
Docket No. FR-6057-P-01**

To Whom It May Concern:

Thank you for the opportunity to comment on the subject request. The National Affordable Housing Management Association (NAHMA) commends HUD's continued efforts to streamline rules and reduce regulatory burdens, as authorized by the Housing Opportunity Through Modernization Act of 2016. NAHMA has provided responses and recommendations in this document specifically in response to HUD's solicitation for comments.

About NAHMA

NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing. NAHMA supports legislative and regulatory policy that promotes the development and preservation of decent and safe affordable housing, is a vital resource for technical education and information and fosters strategic relations between government and industry. NAHMA's membership represents 75 percent of the affordable housing management industry, and includes its most distinguished multifamily owners and management companies.

Recommendations

Specific solicitation of comment 1: What administrative burdens or other considerations (particularly related to Rental Assistance Demonstration conversions) should HUD be aware of in relation to certain sections applying to public housing and the HCV and project-based voucher (PBV) programs, but not to project-based rental assistance (PBRA) and Section 202/811?

Response: HUD should consider working with the IRS to streamline major provisions of the Low Income Housing Tax Credit (LIHTC) and Section 8 programs for properties with mixed financing.

Specific solicitation of comment 2: HUD is specifically seeking comment about the “reasonable period of time” in which the PHA and owner must conduct an interim reexamination. HUD seeks comment on what should be considered reasonable and whether this rule should contain a specific time frame by which the PHA or owner must complete an interim reexamination. HUD seeks comment on what such a time frame might be (for example, 2 weeks from the time of the family request, or the time the PHA or owner is aware of the change in income or family composition).

Response: HUD should consider following the Multifamily program guidelines under Handbook 4350.3, Chapter 7, Subsection 7-11.C, which states a reasonable period of time is “only the amount of time needed to verify the information provided by the tenant. Generally, this should not exceed 4 weeks.”

Specific solicitation of comment 3: HUD is seeking comments on whether HUD should continue to require PHAs and owners to use the Enterprise Income Verification (EIV) System for every income examination, or revise its regulations at 24 CFR 5.233 to require use of EIV only at initial and annual reexaminations and not at interim reexaminations. If HUD were to adopt such a proposal, housing providers could still use EIV for interim reexaminations but would not be required to use EIV. HUD is seeking comments on whether such a proposal would save time for PHAs and owners without significantly impacting the accuracy of the reexaminations.

Response: NAHMA members strongly support the revision of 24 CFR 5.233 to require the use of EIV only at initial and annual reexaminations. This change would result in significant savings of labor costs and resources. The change would not jeopardize the accuracy of the reexaminations.

Specific solicitation of comment 4: HUD is soliciting feedback on how allowing PHAs and owners to use income determinations from other forms of public assistance may impact program administration, and whether HUD should establish requirements as to which income determination should be used if there is more than one determination of income from other public assistance programs available to the PHA or owner.

Response: NAHMA members support allowing owners to utilize income determinations from other means-tested public assistance. Similar sources can be found in HUD Handbook 4350.3 Chapter 5, HUD should establish an order of income determinations to be used if more than one determination of income is available.

Specific solicitation of comment 6: HUD specifically seeks comment from PHAs and owners on the methodology HUD should use in determining what constitutes a de minimis error. For example, as alternatives to the 5 percent figure discussed above, HUD could calculate de minimis errors to be those that do not exceed \$30 per month for any family, because a family's share of rent for 1937 Act programs is approximately \$30 for every \$100 of income. Or, HUD could calculate de minimis errors as those that represent less than 5 percent of all income determinations made during a calendar year.

Response: NAHMA does not support utilizing the 5% figure discussed in the proposed rule as this would require a reviewer to perform a complete file review to determine if the errors would be categorized as a de minimis error. This would result in increased administrative burden for owners and performance-based contract administrators. The office of Multifamily Housing is

currently revising its Management Occupancy Review process. NAHMA recommends working within that process and with industry partners to find a reasonable alternative.

Specific solicitation of comment 7: HUD specifically solicits comment on this proposal to allow current recipients of the EID benefit to continue to receive the benefit until the allowed time frame expires.

Response: Current EID recipients should be allowed to continue to receive the EID benefit until the end of the allowed time frame.

Specific solicitation of comment 12: HUD is soliciting feedback from affected parties on the proposed implementation of the hardship exemption for both the health and medical expenses deduction and child care deduction. Specifically, HUD is soliciting comments on whether there are better approaches to implementing the hardship exemptions than what is proposed in this rule, whether HUD should establish specific requirements or parameters as to how the PHA or owner would determine that the family is unable to pay the rent (for example, the percentage of the family's income paid for rent and health and medical expenses exceeds a certain percentage), or whether PHAs and owners should be given broad administrative discretion to establish their own policies on how to make this determination.

Response: NAHMA strongly encourages providing owners broad administrative discretion to establish their own policies on how to make this determination on hardship exemptions.

Specific solicitation of comment 15: HUD is soliciting feedback from the public on how the exemption for victims of domestic violence, dating violence, sexual assault, or stalking will be implemented and how it will operate.

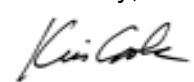
Response: NAHMA recommends enforcing the restriction and then granting an exemption when an applicant or tenant requests VAWA protection from this restriction.

Specific solicitation of comment 20: HUD is seeking feedback from interested parties on whether HUD should adopt asset restrictions for any housing programs funded with HOME (e.g., homebuyer, rental, tenant-based rental assistance and owner-occupied rehabilitation), as well as when housing programs funded with HOME are combined with other federal programs such as Section 8.

Response: In mixed-financed properties that included HOME funding, HUD should apply the asset restrictions. This will help achieve one of the objectives of HOTMA to more closely align regulations across HUD's programs.

Thank you for the opportunity to provide recommendations. Please contact Larry Keys, NAHMA Director of Government Affairs, at lkeys@nahma.org, with any questions.

Sincerely,



Kris Cook
Executive Director