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August 8, 2005

Department of Housing and Urban Development
ATTN: 4350.3 REV-1 Change 2 Comments
Room 6134
451 Seventh Street S.W.
Washington, DC 20410-8000

RE: *Federal Register* Docket No. FR-4770-N-02; HUD-2005-0013
Notice of Availability of Draft Changes to HUD Handbook 4350.3 REV-1,"Occupancy Requirements of Subsidized Multifamily Housing Programs" and Request for Comments

Dear Sir / Madam:

Thank you for the opportunity to comment on the Draft Handbook 4350.3 REV-1, Change-2,"Occupancy Requirements of Subsidized Multifamily Housing Programs."

The National Affordable Housing Management Association (NAHMA) represents management agents and owners involved in federal affordable housing programs. Also included in our membership are software vendors, representatives from state agencies, and other professionals associated with the affordable housing industry. Respectfully submitted for consideration, our comments follow.

General

We urge the Department in the strongest possible terms to provide a reasonable time for implementation of the handbook changes after the final document is released. Some of the proposed changes will significantly affect procedures, and require time for management agents and owners to put into place. Additionally, any handbook changes that require TRACS or vendor software to be updated should not be effective immediately. Especially problematic are changes that require a TRACS update, as such modifications are often conditional on funding.

Past experience with handbook updates that were effective immediately upon release provide examples of why a reasonable time period should be provided to implement the new policies. In several cases, such as partial month occupancy calculations in Change-1, HUD has to delay implementation of its policies after the fact because software was not available to calculate these changes.

It is especially important for HUD to provide a reasonable implementation period for policy items which require software updates. For a simple change where one information system is affected, the amount of time needed to implement the change after the policy is final and all (or the majority) of the requested clarifications have been answered will require a minimum of no less than three months. This is the basic time table. If the change affects the existing TRACS transmission, the industry will need an additional three months on top of the basic time table, and therefore it will require a minimum of no less than six months. TRACS should also run at least three more months on parallel mode to allow time for all of the owners and management agents to convert to the new version. If the policy change affects all four software areas--the compliance and financial software at the management company, the CA and HUD software, the industry will need an additional five months to the basic time table, and therefore it will require a minimum of no less

than eight months. Again, TRACS should also run at least three more months on parallel mode to allow time for all of the owners and agents to convert to the new version. Please deal with such timing issues in the transmittal document.

After the close of comments, please keep an email address open for requests for clarification. This will provide a formal mechanism for keeping track of issues with current guidance and give the industry a known point of contact.

When Change 2 is released, please remove or revise any material from the FAQ document that is made obsolete by the handbook update.

Transmittal Notice

1.F.
Chapter 4, pages 4-33 should read 4-35, 4-34 should read 4-36 & 4-57 should be 4-59.

Chapter 3

Paragraph 3-12.K.1.a. , page 3-24.
Until TRACS is able to add a Member Eligibility Code that can identify a household member who has not submitted documents, there is currently no way to distinguish between someone who is pending verification and has submitted documents and one who has not submitted documents. It would be helpful if the handbook endorsed a workaround, in the transmittal document, until such time as TRACS and vendor software can be updated. The workaround is to not use the PV eligibility code. Members who have not submitted documentation would be coded as ineligible. Members who have submitted documentation would be coded as eligible. The use of this workaround requires no changes to TRACS or vendor software. The tenant file should be annotated with the true status of the members at move-in. A problem with this suggestion is that there is no way to identify a family that has the requisite member who has already been determined to be eligible at move-in. A workaround that would require vendors to change their software could be put in place at some point after this Change 2 becomes final. Vendor software could treat the PV code as meaning eligible. Any member who has not submitted documentation would be coded ineligible as above. This would allow TRACS and CA software to identify households with no eligible member at move-in. However TRACS, without software changes, might generate some discrepancy messages in some situations that sites could ignore.

Example - DHS Verification Process Delayed, page3-26.

This example is simplistic in that it represents a best case scenario. In HUD's scenario, the Yu family came in at a prorated rent, to which the family agreed and could afford. The rent did not change further when the other family members were finally verified by the secondary SAVE verification.

We recommend adding an example to illustrate what would happen if secondary verification showed that other family members were not eligible, thus causing their rent to be increased. Is the increase in rent effective 30 days hence, or is it retroactive to move-in? What happens if the family cannot pay the increase? It would strongly benefit readers to have an example of how to handle situations were complications arise—as they often do in practice.

Paragraph 3-12.K.2.c, page 3-26 (see also paragraph 3-12.Q.3, page 3-32, Exhibits 3-8 and 3-10).
This section explains that once immigration status is known, the owner must provide one of three options to an applicant household. Paragraph 3-12.K.2.c. has the option of offering temporary deferral of termination of assistance to an ineligible family.

The following paragraph states that temporary deferral of termination of assistance is addressed in subparagraph Q. This paragraph states that only families who were receiving Section 8 as of June 19,

1995 are eligible for deferrals, although the 18 month deferral applied to all those in place and receiving Section 8 as of November 29, 1996. The final rule (see Vol. 64, No. 91) was not published until May 12, 1999; therefore, we would presume that deferrals begun in 1995 are over. It is confusing for the reader to know how to interpret paragraph 3-12.K.2.c relative to move-ins in the year 2005.

In the Department's final rule "Revised Restrictions on Assistance to Noncitizens" the comment section *Requested Clarifications Regarding Eligibility and Timing for Temporary Deferral of Termination of Assistance,"* discussed the circumstances anyone would receive a deferral of termination in 1999. HUD responded:

> "HUD believes that it would be the exceptional case in which a family would be eligible for deferral of termination of assistance in 1999. As the commenter notes the statute provides deferral of termination of assistance for families living and receiving assistance in Section 214 covered properties on or before June 19, 1995. It is conceivable that the verification process or appeals process may have significantly delayed a final eligibility determination such that a family receiving assistance on or before June 19, 1995, would now find themselves faced with termination of assistance (due to lack of eligibility), and would therefore be eligible for deferral of termination of assistance. Again, however, HUD believes that this would be the exception." (See the *Federal Register*, Vol. 64, No. 91, Wednesday the May 12, 1999, pages 25729-25730.)

It is not clear whether the language added concerning the deferral period for refugees and asylum seekers is intended to give such people an indefinite deferral or to prohibit them from receiving a deferral. If the latter, all such cases are presumably in the past. If the former, then TRACS and vendor software will need a mechanism to identify such cases and to allow a deferral for new tenants. Would such a deferral apply to new move-ins, and if so, how is this permissible under the 1999 regulation?

If these paragraphs mean deferrals can be made for families that meet the refugee requirements of 207 and 208 of the Act without time limitations, we suggest handbook say, "Deferrals can be given to [these families] and there is no time limitation to the deferral." If, however, the meaning is that deferrals can't be made for these families, then the handbook should clearly say so. Finally, if the intention is to state that there is no time limit on deferrals given to refugees or asylum seekers who were in place and receiving assistance as of June 19, 1995, more specific language to this effect would be most helpful.

Paragraph 3-16 A. 1 page 3-37.
Students no longer must establish a separate household from parents or legal guardians for one year prior to the application date. What is unclear is if HUD will accept a "separate and distinct" household two weeks or even one day prior to the application date. Please clarify what time period would be acceptable.

Paragraph 3-16.A.2, page 3-37.
Since tax returns are filed after the fact, it is possible that a student will not be claimed for the current tax year, but was claimed in the current year for the past year. Consider the case of two students who marry and become independent on January 1 and then apply for housing. If the parents certify that they will not claim the students as dependents for the current tax year, do the students meet requirement #2? Also, TRACS and contact administrators can't currently audit these requirements with existing TRACS files. There is a prohibition against filling in full time student status for a Head, Spouse, or Co-Head.

Paragraph 3-16.A.3, page 3-37 (See also paragraph 3-33, pg 3-70 & 3-71).
The student must provide a written, signed certification as to whether or not they will receive income from parents, guardians or others. Then, in paragraph 3-33, the owner must obtain a written certification from the parent or guardian certifying the dependent status of the student and the financial assistance they do or do not provide. While it is most helpful that HUD provided a sample form for the industry to use (Exhibit 3-15), HUD must understand the form is no guarantee of accuracy.

Paragraph 3-16.B.1, page 3-37.
We request clarification of this paragraph. It requires that each student in a household made up entirely of full-time students must satisfy all of the four requirements in subparagraph A. We understand a household made up of entirely full time students would include, for example, a three-person household consisting of a single parent who works and goes to night school, and two children in high school. Do the requirements of this paragraph apply to minors who are not head of household as well? Please clarify.

Paragraph 3-16.B.2, page 3-37.
If the student has a disability or meets the Department of Education's definition of an independent student, is the handbook saying they do not have to establish a separate residence and they can be claimed by their parents?

Paragraph 3-33.A.2, page 3-70.
The text appears to imply that having been claimed on a tax return for a prior year causes a college student to be treated as a dependent for the current year. However, virtually all other eligibility requirements in the handbook deal with current or future circumstances (income, for example) and ignore the past. Is it HUD's intention that a fully independent student household would have to wait a year to be eligible?

Exhibits 3-8 and 3-10 Owner's Notice No. 2 for a Tenant Family and Owner's Notice No. 3 for a Tenant Family Final Decision on Immigration Status.
Each of these exhibits includes a section on temporary deferral of termination of assistance. As discussed earlier, we are unclear why the temporary deferral of termination continues to be listed as an option, and we are not sure how to interpret the handbook language pertaining to refugees and asylum seekers.

If this language is intended to provide an exemption to the time limits for refugees and asylum seekers who were receiving assistance in 1995, please state that intention clearly. However, we respectfully suggest that the 18 month termination of deferral of assistance, effective November 19, 1996, was to assist those households already in place, not to forever perpetuate these deferrals. Please explain clearly how this option is applicable to current households and applicants in the year 2005.

Exhibit 3-15 Sample Student Certification of Dependent Status and Financial Assistance Provided.
A more accurate title for this form would be "Parent or Guardian Certification of Independent Status and Financial Assistance Provided." We also recommend providing a companion form students can use for their certification, titled "Student Certification of Anticipated Financial Assistance."

Chapter 4

Figure 4-2 Written Tenant Selection Plan – Topics, page 4-4.
Eligibility of college students should be added.

Paragraph 4-14.A, pgs. 4-31 & 4-32.
Under key requirements for occupancy, verification of student status should be added.

Paragraph 4-16.A.1, page 4-35.
Some of our members were unclear whether this paragraph should be read to require the purchase of date and time stamp machines. If so, instead of requiring another project expense (these machines can cost anywhere from $200 to $500), please consider an alternative solution in which applicants must sign their names to an applicant log when they apply with the date and time. Or, please clarify that the status quo for noting the date and time on the application is acceptable, as long as they are noted.

Paragraph 4-16.C.1.b, page 4-36.
Please explain what is meant by the requirement for owners to notify a family when a suitable unit "may become available." Does this mean telling the applicant that someone has given notice, that the owner plans to evict someone, or some other circumstance? Or, does it mean that, at the time of application, the applicant should be told roughly when to expect an offer of admission?

Paragraph 4-31.D.3, page 4-60.
This paragraph states that tenants may be eligible to obtain relief under the preservation of families provisions. In other words, they may be eligible for a temporary deferral. While this paragraph is not new, it requires an explanation in order to be meaningful. What are these provisions? Please explain: under what circumstances would tenants qualify?

Chapter 5

Paragraph 5-6.C.2, page 5-9.
Generally, members found this paragraph 5-6 helpful, but with a couple of caveats. If all family members have to sign the 50059, then how is management going to be able to obtain signatures on all 50059's if the family member is confined and may be unable to sign? When all members that are listed on the 50059 have not signed, the CA will list this as a finding at the MOR. Also, assuming that, if the family elects not to include the member as a family member, the person would not appear on the 50059 facsimile, it would be helpful to say so explicitly so that there is no doubt.

Paragraph 5-6.H, page 5-11.
Several different agencies are counting the gross amounts of Social Security payments differently. Please provide an example to indicate how rounding the Social Security payment should be handled in this calculation.

Paragraph 5-6.O, page 5-15.
Members generally found this paragraph helpful, but if HUD no longer wants withdrawals to count as income only after the amount invested has been totally paid out, please state this clearly.

Paragraph 5-7-G.2.b.2, page 5-29.
This change for annuities was well received.

Paragraph 5-7 G.5, page 5-33 & 5-34.
This is a significant calculation method change and will affect people on site. Please allow sufficient time for implementation.

Paragraph 5-10.D.6, page 5-43.
The change appears to limit past one-time nonrecurring medical expenses to current tenants and to annual or interim certifications. Just to be clear, we suggest stating that this type of expense is not applicable for a move-in.

Paragraph 5-13 Section C.1.b, page 5-52.
Please provide greater clarity on how owners and agents should determine whether a third party verification is not possible as opposed to delayed. Also, please reconcile the conflicting time limits specified in this paragraph (2 weeks) and paragraph 5-19E (4 weeks) for which owners may accept original documents submitted by the tenant.

Paragraph 5-13.C.3.b., page 5-53.
Increasing the number of paystubs required is a significant change that will affect people on site. This does not work when the applicant or tenant has not held the job that long. Please clarify how employment income should be documented for recent hires.

Paragraph 5-15 B.1, B.2 and C.1, pgs. 5-54 & 5-55.
Please include that forms must be signed at move-in and annually at recertification.

Figure 5-5: Language Required in all Consent Forms, page 5-56.
This change underscores our general comments about the importance of allowing management agents and owners sufficient time to implement the new requirements. This change is applicable to every consent form owners have in their portfolio for all properties with Section 8. HUD must allow the industry additional

time to reprint, reorder and reissue the scores of consent forms used, once this Handbook revision becomes final. Additionally, in the interest of cost effectiveness, we urge HUD to allow owners to stamp this revised sentence on our forms, so all of the consent forms left in inventory can be used.

Paragraph 5-28.B, page 5-69.
Please note that the Total Tenant Payment (TTP) is calculated incorrectly, given the handbook rules. Each item should be rounded to the penny until we get to a number (TTP in this case) that is submitted to TRACS. The calculations should look as follows:

- Monthly adjusted income = 308.33
- 30% of monthly adjusted = 92.50 (92.499 rounded to the penny)
- 10% of monthly gross = 41.67
- TTP = 93--92.50 rounded up.

Paragraph 5-28.E.3, page 5-72.
In discussions about Contract Rent and Assistance Payment in Section 811 Group Homes during the first half of 2004, the industry was told that HUD would be changing the definition of unit to that of a residential space. There are multiple advantages to such a change. First, the number of contracted units could then agree with the number of units billed for on the voucher and it would be easy to detect over billing. Secondly, the rules related to vacancies become much simpler. Thirdly, such a change, when applied to rent schedules, would eliminate the problem of how to divide a rent that is not an even number. If the rent is 301 does one residential space carry 150 and the other 151 or do you divide 301 by 2 = 150.5 and then round up getting 151 for both units? Finally, the current guidance would be very difficult to automate and would require a new 50059 facsimile to be printed for an existing tenant whenever a "roommate" moved out or in.

Paragraph 5-31.F, page 5-77.
Under Procedures for Calculating Rent, the existing requirement for all signatures to be obtained prior to submission and billing should be modified to provide an exception for extenuating circumstances. The obvious example is the household member (head or spouse in particular) who has been deployed to Iraq. The existing MAT10 record format does have a field called the Tenant Unable to Sign Indicator that could be used to indicate such cases. Also, if the head is the person who is unable to sign, the guidance to use the signature date of the head when there are multiple signature dates should be updated (see Appendix 7, page 12, Tenant Signed Date).

Exhibit 5-3: Medical Expenses That Are Deductible and Nondeductible
Please clarify how owners and agents are to verify that the licensed health care provider is "licensed to make a diagnosis in the locality where practicing" and “certified to prescribe in the locality where practicing.”

Exhibits 5-5 ,5-6, 5-7: Document Package for Applicant’s/Tenant’s Consent to the Release of Information.
No sample of the 9887 form was provided.

Chapter 6

Paragraph 6-11.B.3, page 6-24.
Given the language added at 7-15.C (page 7-25) saying that, in the case of a unit transfer, the tenant rent changes on the date of the transfer, this paragraph may need to be modified. If the new language at 7-15 is intended to mean that a new lease should be executed for the new unit, then 6-11 does not apply as the lease is not being amended--it is being replaced. If this is the department's interpretation, please say so.

- It would be very useful to indicate whether notice is needed for a gross rent (GR) change involving a household subject to proration under the noncitizen rule. A simple change in contract rent will cause a prorated family’s rent to change. Does this change require any notice or is this situation exempt from notice requirements? TRACS currently enforces the proration on a gross rent.
- In this regard, the industry is confused, in general, about notice requirements in the case of a gross rent change--particularly one that is retroactive. Previous verbal departmental guidance said that

the original notice given tenants prior to applying for the increase is the applicable notice. New notice does not have to be given when the gross rent change is actually approved. Anything that can be said about these cases would help a lot. For a retroactive gross rent, the assumption is that the assistance changes on the effective date of the rent change independently of the tenant rent.

Paragraph 6-11.B.4, page 6-24.
It is not clear what the modification is intended to accomplish. Does the new language simply mean that the tenant file can be modified by hand to indicate the new rent? May the tenant be given a hand-modified 50059 in this case or must it be printed? See also 7-17.E on page 7-28.

- Note: The currently approved 50059 facsimile provides no way to indicate a gross rent change (or a unit transfer (UT), or termination (TE), or move-out (MO)). The issue in particular for a UT or GR is that the action causes only rent related fields to be updated--the original certification including the ages of the various members remains unchanged. For TRACS, such partial certifications are applied to the prior full certification retaining the original ages. The facsimile has no provision to indicate the effective date of a GR or UT (or MO or TE) independent of the original cert effective date. Moreover, there are no codes to indicate these actions. Should we develop a different method for printing partial certification transactions or should we enhance the current 50059 facsimile to cover these cases?
- For move-outs and terminations, there is additional data transmitted to TRACS that is not present on the 50059 facsimile. The recommendation would be to allow for an abbreviated form, particularly for these transactions. An abbreviated form for a GR or UT would also save having to modify the current facsimile.
- See Paragraph 9-8.C, Note. This talks about a facsimile of partial submissions. Such a form would cover the need here.

Paragraph 6-15.H, page 6-29.
The industry has been looking for instructions on what to do when installment payments are made. Do you submit a corrected certification with the new amount of the collected security deposit each time a payment is made or do you submit the amount to be collected and not submit corrections? Given the change to the requirement to collect a full security deposit to be eligible for special claims, we'd recommend a single submission indicating the amount to be collected.

Paragraph 6-25,A.,B.&F. pgs. 6-37 & 6-38.
We respectfully offer two general comments on this paragraph, which describes allowable occupancy charges—such as fees for returned checks, damages, etc.--and the procedures for obtaining them. First, NAHMA strongly urges the Department to lift prohibitions on charging reasonable fees which are common industry practice where no statutory prohibition on those fees exists. One example of such a prohibition is the unexplained ban on fees for returned checks for Section 202 and Section 811 properties in paragraph 6-25B. With respect to paragraph 6-25F, we strongly urge HUD to approve requested charges in which no statutory prohibition exists on the charges, the charges are reasonable and such charges would be considered common industry practice in the conventional market.

Chapter 7

Paragraph 7-4.A.5, page 7-3.
Please clarify: if an owner opts to conduct criminal background checks on current tenants, must these checks be run on all current tenants at recertification? Or, can such checks be limited to cases in which the owner or agent suspects the tenant is involved in criminal activity which violates the lease?

Paragraph 7-4.A.6, page 7-3.
Removing the requirement to support unassisted Section 236 and 221(d)(3) tenants in TRACS appears to contradict HUD's policy goal to have all units in TRACS.

Paragraph 7-4.D, page 7-4.
NAHMA has serious concerns about the workability of this paragraph pertaining to adult children in Section 202 properties. These adult children of the residents are basically live-in attendants whose income is now counted, but will have no rights to the unit as a remaining family member. If the adult child has no right to the unit, and is there only to care for the elderly parent, then income should not be counted.

Please also clarify whether adult children are allowed to move in after initial occupancy in Section 811 properties.

Paragraph 7-6.A, page 7-6.
An example with dates is sorely needed here as there are already multiple interpretations as to what this paragraph means. First of all, what happens when subsidy stops? Is there a recapture of subsidy back to the anniversary date or is there no recapture? Second, should the owners be terminating at 15 months so as to stop billing? Or should the owner simply stop billing? Third, what is the date on which subsidy stops? If the AR is due on January 1, does subsidy get paid in January (the 13th month), February (the 14th) and March (the 15th) and stop on April 1? A problem with any model is that the April voucher will have been submitted by March 10 and 15 months is not up until the end of March. Should an owner and CA not bill/pay on that unit for the April voucher if the AR is not complete by the time the April voucher is submitted? Without clear guidance here, different Contract Administrators and field offices, and owner/agents will have different interpretations. Vendors will implement differently leaving owners and CAs limited by their software implementation.

Paragraph 7-8.D.3.c, page 7-16.
Since "should" is not "must", is HUD's intention to give the owner discretion to restore assistance if the 3 conditions are met? Or should the "should" be changed to "must"?

Paragraph 7-10.C., page 7-21.
The current wording of this could be read that a minor's earnings will not be considered as increasing more than $200, just because the minor has now turned 18 years of age, since technically, there has been no increase in the family member's income. We suggest rephrasing the sentence to read, "However, if the income of the 18-year-old causes the household to have an overall increase in their income of more than $200 a month, the increase must be reported."

Paragraph 7-11.B, page 7-21.
This paragraph appears to conflict with paragraph A. A requires an interim in 5 situations. B implies that any of the items in A might happen but that, if income does not go up by $200 per month an owner should not process an interim. Was the intent to say that, any combination of income changes resulting in a net increase of less than $200 per month should not result in an interim recertification? Also, do the words "should not" mean there is discretion in processing the recertification?

Paragraph 7-15.C, page 7-25.
Please take this opportunity to rule on the following situation: A unit change and a change in family composition happen simultaneously. Should a unit transfer be sent immediately reflecting the old composition, followed by an interim certification reflecting the new composition and the appropriate notice period for a rent increase or decrease? Or should an interim certification, effective on the date of the unit transfer be sent reflecting both the new composition and the new unit? The industry is in conflict on how to handle this. Some interpret this language as meaning that a UT is a special case and overrides the usual notice requirements. Others feel that this language refers only to contract rent and utility allowance changes and that the usual notice requirements for rent changes due to other factors still apply. Presumably if the change of composition happens prior to the UT and the UT is prior to the mandated interim, a UT would be done reflecting the old composition. Paragraph 7-16 may require modification as well.

Paragraph 7-17.D.&E., page 7-28.
Please clarify: why would owners have to notate a 50059 when you have placed the new one with the gross rent change in the resident file? Also, see comments for 6-11.B.4.

Chapter 8

Paragraphs 8-17 & 8-18, pgs. 8-22 through 8-26.
Members found the separate discussions on errors and fraud helpful.

Chapter 9

Paragraph 9-8.B, Note, page 9-11.
Signature advice is located in several places in the handbook with varying wording. It would be nice to collect all signature advice in one place and simply reference it wherever applicable. This would make it easier to change the advice when necessary and would remove any ambiguity.

Paragraph 9-8.C, Note, page 9-11.
As noted earlier in these comments (6-11.B.4), we do not have a "facsimile of partial submissions" and could use one.

- The signature guidance here is problematic. There are no signature date fields in the partial submission MAT records (MAT40, MAT65, MAT70). This could be read as meaning that no signatures are required.
- For partial submissions, is it necessary to obtain all adult signatures where required? Or is a single signature all that is needed? All signatures could be a large burden for a gross rent change for a very large property.
- The requirement to obtain signatures prior to submitting the partial cert data to the CA or HUD is also problematic given current vendor software implementations. Other handbook guidance (Figure 9-2) requires transactions to be sent as completed. Most vendor software currently considers a gross rent change complete when it is executed.

Paragraph 9-8.D.1.b Note and D.2, page 9-12.
For both a UT and a GR the handbook says that these actions, if effective on the same date as an annual recert should be processed as a full certification. Should not the same requirement apply to an IC and an IR? In practice, TRACS will accept a UR or GR partial cert record effective on the date of an AR. This flexibility is much appreciated by the industry and probably more harm would be done than not if this practice were disallowed. It is useful to distinguish between what is allowed from a data processing perspective and what violates handbook rules and regulations.

Paragraph 9-12.B.2, page 9-16.
We recommend clarifying this change to say that a printed copy of the electronic 52670 must bear an original signature. Similarly, the next change in the same paragraph should make it clear that we are dealing with a signed, printed copy of the electronic forms. Perhaps this section should refer to a facsimile as is done with the 50059. That would make the terminology consistent and would agree with paragraph 2.a immediately below.

As a side matter, there have been properties written up on a management review because their software printed signature dates on the 50059 and or voucher. Please indicate somewhere whether printed dates are permissible. Presumably the only issue is whether or not the dates are correct.

Paragraph 9-12.E, page 9-17.
Thank you for clarifying which owner receives subsidy when a tenant moves to a new assisted unit without notifying the former owner.

Paragraph 9-14, page 9-22.
We respectfully urge HUD to address through the special claims process situations where a resident dies, and the family does not move out belongings within 14 days. Under current procedures, the deceased tenant's unit becomes a market rate apartment, and no special vacancy loss claim is allowable. The current policy unfairly penalizes owners, and causes them to lose money through no fault of their own. The

legal process owners must undergo to evict resident belongings is unlikely to be completed within 14 days in any state.

Paragraph 9-14.A.6, page 9-22.
This clarification is welcome.

Paragraph 9-14. B.2.a, page 9-23.
This change will require changes to the 52671-A and time for software vendors to implement.

Paragraph 9-14.C.3.b, page 9-25.
This change also requires changes to the 52671-B.

Paragraph 9-14.D.2.b, page 9-28.
By what means are we to notify HUD/Contact Administer immediately of a vacancy and the reason for the vacancy--letter, fax, email, other? Is this requirement really necessary, and what is the benefit to be gained? Read literally, this requires an owner to contact HUD or the CA as soon as someone gives notice.

Conclusion
Thank you again for the opportunity to share our thoughts on the Draft Handbook 4350.3 REV-1, Change-2,"Occupancy Requirements of Subsidized Multifamily Housing Programs." I hope you find the feedback from our members constructive and helpful. Please do not hesitate to contact me or Michelle Kitchen, NAHMA's Director of Government Affairs, if you require further information about any of our comments. We can be reached at 703-683-8630.

Sincerely,

Kris Cook, CAE
Executive Director