

NAHMAanalysis

News and Analysis of Breaking Issues in Affordable Housing

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Retention of Section 236 Excess Income Federal Register August 12, 2002 Proposed Rule Comment Close Date October 11, 2002

The Office of Housing published today a proposed rule that will allow owners of 236 properties to retain their excess income.

George's Spin - About now you probably have a sense that this is "Deja Vu all over again" to quote that esteemed philosopher, Mr Y. Berra. That is in a sense true, the substance of this proposed rule is the same as Housing Notices 00-17, and 01-07, which set up the existing system that allows us to retain excess income. Basically what HUD appears to be doing here is moving this procedure from a notice based system, which has to be renewed annually to a full rule which can run for more than one year. This issue was last covered in NAHMAanalysis 2001-116 in July of 2001.

The provisions in this proposed rule run along the same lines as the last notice, the notable difference here is that we would no longer be obligated to issue a request letter to HUD annually as is now the case. The requirement to submit a monthly HUD form 93104, monthly report of Excess Income remains in place.

If you have not been keeping excess income, and have not yet applied to do so there is one other change in here that will affect you, once the rule goes final you have one year to apply to keep excess income after which you will never again be eligible to apply.

A full copy of the proposed rule can be found on both HUD Clips and the NAHMA Web Site.

The link to NAHMA is <http://www.nahma.org/member/analysis.html>

The link to HUD is http://hudclips.org/sub_nonhud/cgi/pdf/fr4689p01.pdf