

Contract Renewal Request Form Multifamily Section 8 Contracts

U.S. Department of Housing
and Urban Development
Office of Housing

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Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L. 106-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Cover Sheet

PROJECT NAME

PROJECT ADDRESS

PROJECT OWNER

FHA PROJECT NO.:

TOTAL UNITS IN PROJECT:

TOTAL SECTION 8 UNITS IN PROJECT:

DATE OF SUBMISSION:

DATE RECEIVED BY HUD:

Section 8 contracts and stages in the project:

Section 8 Contract Number	Stage Number (if applicable)	Combine (Yes?)	# Units	Expiration Date	Renew (Yes?)
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>

I hereby elect to renew the above-indicated contracts under the following option (*Check the appropriate box(es) below and provide the corresponding worksheet(s):*):

This is an ☐ **Initial** or ☐ **Subsequent** Renewal of a MAHRA contract.

☐ **OPTION ONE - Request Renewal Under Mark-Up-To-Market Procedures**

☐ **Option One A** Entitlement Mark-Up-To-Market

☐ **Option One B** Discretionary Authority

I hereby request a contract renewal for a _____-year term. (A five-year minimum term)

☐ **OPTION TWO - Request Renewal With Rents At or Below Comparable Market Rents And Without Restructuring**

I hereby request a contract renewal for a _____-year term. (A maximum 20-year term)

☐ **OPTION THREE - Request Referral to OAHP for: Choose One**

☐ **OPTION THREE-A** - Reduction of Section 8 Rents to Comparable Market Rents without Restructuring (Lite)

☐ **OPTION THREE-B** - Restructure of the mortgage and reduction of Section 8 Rents to Comparable Market Rents (Full)

☐ **OPTION FOUR - Request Renewal of the Contract for Projects Exempted from OAHP**

I hereby request a contract renewal for a _____-year term.

☐ **OPTION FIVE - Portfolio Reengineering Demonstration and Preservation Contract Renewals**

☐ **I request a contract renewal of my Demonstration Program Contract.**
(Based on Use Agreement)

☐ Mortgage Restructuring Demonstration Use Agreement

☐ Budget Based Without Mortgage Restructuring Demonstration Use Agreement

☐ **I request a contract renewal of my Preservation Program Contract.**

I hereby request a contract renewal for a _____-year term. (The term may not exceed the remaining term of the recorded Use Agreement.)

☐ **OPTION SIX - Opt-Out of the Section 8 Contract**

Owner's signature: _____ **Date:** _____

RENEWAL WORKSHEET FOR OPTION ONE

Requesting a Contract Renewal Under the Mark-Up-To-Market Procedure

I hereby request a renewal of my contract under the Mark-Up-To-Market procedures. I have attached a **Rent Comparability Study** (RCS) and completed the "Initial Eligibility Worksheet" for the Section 8 Contract(s) eligible under this Option.

Please select one of the following:

☐ **Option One A**

*I request Option One A, based on the RCS and the Initial Eligibility Worksheet; the comparable Market Rent Potential is at or above **100%** of the published Fair Market Rents (FMRs).*

☐ The property does not have any low or moderate-income use restrictions that I cannot unilaterally eliminate.

☐ **Option One B**

I request Option One B of the Mark-Up-To-Market eligibility requirements because (Please select the following statements that apply)

- ☐ The project has a high percentage ($\geq 50\%$) of units rented to elderly, disabled, or large families.
- ☐ The project is located in a low-vacancy area ($\leq 3\%$) where tenant-based assistance is difficult to be used and there is a lack of comparable rental housing; and/or
- ☐ The project is a high priority for the local community as the attached documentation of State or local funds demonstrates.

I hereby certify that:

- ☐ The property's most recent REAC score is 60 or above and there are no uncorrected Exigent Health and Safety (EHS) violations; and
- ☐ Neither I, nor any of my affiliates, are suspended or debarred, and/or requesting a contract renewal subject to HUD approval; and
- ☐ This information is true and complete.

Project Name _____

Owner's Name _____

Owner's Signature _____ **Date** _____

Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to: (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R parts 24, 28 and 30.

RENEWAL WORKSHEET FOR OPTION TWO

Requesting A Contract Renewal At or Below Comparable Market Rent

I hereby request an **INITIAL RENEWAL** of my contract. I have attached a **Rent Comparability Study** (RCS) and the OCAF Adjustment worksheet. The comparison chart below reflects the results of the study and compares them to the expiring Section 8 units in my project.

COMPARISON CHART

(I)	(II)	(III)	(IV)	(V)	(VI)
UNIT TYPE AND CONTRACT/STAGE NUMBER	# OF UNITS	CURRENT SECTION 8 CONTRACT RENTS	COMPS ESTIMATED SUBJECT MARKET RENTS	CURRENT SECTION 8 RENT POTENTIAL (II X III)	COMPS ESTIMATED SUBJECT MARKET RENT POTENTIAL (II X IV)

TOTAL

≤

*For Option Two, the Total of Column V must be less than
The total of Column VI. * If the total of Column VI is greater than the total of
Column V the project is not eligible to renew under Option Two.*

Please choose from the following four choices for Rent Adjustments if the project's current rent potential is less than or equal to the market rent potential of the comparable market rents

☐ I understand that the initial renewal rents will be set at current rent adjusted by OCAF but not to exceed comparable market rents. I am submitting the required OCAF calculation worksheet.

OR

☐ I am submitting an attached budget that reflects the projected costs for the first 12 months covered by the renewal contract. I understand that the increase cannot take the rents above the comparable market rents. I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase; and the attached budget and rent schedule was available to tenants upon their request.

OR

☐ I am submitting an attached budget to request a budget-based rent increase for capital repairs, not to exceed market. The ownership entity is an eligible nonprofit and meets all of the requirements as defined in Chapter 15 of Section 8 Renewal Policy Guide; the ownership agrees to accept a 20-year recorded Use Agreement. I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase; and the attached budget and rent schedule was available to tenants upon their request.

OR

☐ I am submitted an attached budget and am requesting that HUD use its discretionary authority to mark rents up to budget to facilitate a change in ownership to an eligible nonprofit as defined in Chapter 15 of the Section 8 Renewal Guide. The nonprofit owner is not an affiliated entity and the ownership agrees to accept a 20-year recorded Use Agreement.

I hereby certify that: *(Check the following)*

- ☐ Neither I, nor any of my affiliates, are suspended or debarred, OR
☐ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; and
☐ This information is true and complete.

Project Name_____

Owner's Name_____

Owner's Signature_____ **Date**_____

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RENEWAL WORKSHEET FOR OPTION TWO

Requesting Subsequent Renewal of Contract At or Below Comparable Market Rent

I hereby request a **SUBSEQUENT RENEWAL** of my Section 524 contract without restructuring and
(Please select one of the following):

☐ My Rent Comparability Study is less than five years old. I request that the contract rents be adjusted by the currently published OCAF.

- The date of my Rent Comparability study is _____.
- I am submitting the OCAF Adjustment Worksheet (Form HUD 9625).

☐ My Rent Comparability Study is less than five years old. I request a budget-based rent adjustment.

- The date of my Rent Comparability Study is _____.
- I am submitting an attached budget, which reflects the projected costs for the first 12 months covered by the renewal contract.
- I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase.
- The attached budget and rent schedule was available to tenants upon their request.

☐ My Rent Comparability Study is five years old. I request that the contract rents be adjusted by the currently published OCAF.

- I am submitting a new Rent Comparability Study.

New Comparable Market Rent Potential _____
Comparable Rent Potential from original RCS _____

Year	OCAF (I)	Prior Year Adjusted Ren Potential (I x III)	Adjusted Rent potential (III)
OCAF year __ *			
OCAF year __			
OCAF year __			
OCAF year __			

New Comparable Market Rent Potential _____
Rent Potential Based on Attached Budget _____

*** Use the Comparable Rent Potential from original RCS (for Column 2) to find the Adjusted Rent Potential.**

- I am submitting the comparison chart from the Option Two Initial Renewal Request that reflects the results of the study and compares them to the expiring Section 8 units in my project.
- I am submitting the OCAF Adjustment Worksheet (Form HUD 9625).

☐ I request a budget-based rent increase for capital repairs, not to exceed market.

- The ownership entity is an eligible nonprofit and meets all of the requirements outlined in Chapter 15 of the Section 8 Renewal Guide.
- The ownership entity agrees to accept a 20-year recorded Use Agreement. For example, if the owner has a 20-year agreement; the term must be extended for an additional 20 years.

☐ My Rent Comparability Study is five years old. I request a budget-based rent adjustment.

- I am submitting a new Rent Comparability Study.
- I am submitting an attached budget, which reflects the projected costs for the first 12 months.
- I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase
- The attached budget and rent schedule was available to tenants upon their request.
- I am submitting the OCAF Adjustment Worksheet (Form HUD 9625).

I hereby certify that:

- ☐ Neither I, nor any of my affiliates, are suspended or debarred OR
- ☐ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval: AND
- ☐ This information is true and complete.

Project Name_____

Owner's Name_____

Owner's Signature_____ **Date**_____

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RENEWAL WORKSHEET FOR OPTION THREE-A

Requesting Referral to OAHP

I hereby elect to participate in the **Mark-To-Market program** and request a renewal of the Section 8 contract(s) shown on the attached Cover Sheet):

☐ Option 3A- Based on the RCS, the current contract rent potential of the project is **greater than** the market rent potential of the comparable market rents. I would like a contract renewal at rents that do not exceed the comparable market rents, without a restructuring of the mortgage (**OAHP-Lite**);

☐ I understand that I will receive an Interim Lite contract renewal at current rents while my renewal request is being processed.

☐ I understand that an Interim Lite contract renewal does not establish a binding commitment for the purposes of Section 579(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384ff), as amended (MAHRA). As a consequence, I understand that, upon the repeal of certain provisions of MAHRA on September 30, 2011, neither the Owner nor the Project will maintain eligibility for debt restructuring under MAHRA after October 1, 2011.

I hereby certify that:

☐ The project rents exceed comparable market rents: AND

☐ The project currently has a HUD-insured (or HUD-held) mortgage; AND

☐ Neither I, nor any of my affiliates, are suspended or debarred, OR I, or my affiliates are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND

☐ This information is true and complete.

Project Name_____

Owner's Name_____

Owner's Signature_____ **Date**_____

Name and Title of Authorized Representative of HUD

(Print)_____

Signature_____ **Date:**_____

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RENEWAL WORKSHEET FOR OPTION THREE-B

Requesting Referral to OAHP

I hereby elect to participate in the **Mark-To-Market program** and request a renewal of the Section 8 contract(s) shown on the attached Cover Sheet (*Select one of the following Options*):

☐ Option 3B – I believe that the current contract rents are **greater than** the market rent potential of the comparable market rents. I would like to restructure the FHA insured or HUD-held insured mortgage and reduce the Section 8 contract rents to market (**Mortgage Restructuring**).

☐ I understand that I will receive an Interim Full contract renewal at current rents while my project goes through the restructuring process if this Renewal Worksheet for Option 3B is accepted by HUD as specified above, subject to Appropriations.

I hereby certify that:

☐ The project rents exceed comparable market rents: AND

☐ The project currently has a HUD-insured (or HUD-held) mortgage; AND

☐ Neither I, nor any of my affiliates, are suspended or debarred, OR I, or my affiliates are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND

☐ This information is true and complete.

Project Name_____

Owner's Name_____

Owner's Signature_____ **Date**_____

Name and Title of Authorized Representative of HUD

(Print)_____

Signature_____ **Date:**_____

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RENEWAL WORKSHEET FOR OPTION FOUR

Request Renewal of Contract for Projects Exempted From OAHP

I hereby request a **RENEWAL** of my contract under Option Four and I am submitting an OCAF Worksheet and a budget calculation to determine which adjustments meets the “lesser of” test. My project is eligible to renew under this option because it falls into one of the following categories (*Please select one of the following*).

☐ State or Local Government financing. I am submitting:

- Copies of the original financing documents;
- The underlying statutory authority which I believe conflicts with a Mark-To-Market restructuring plan; And
- My bond counsel’s opinion as to the conflict.

☐ Section 202/8 and/or Section 515/8 Project; and/or a Section 202 loan refinanced pursuant to Section 811 of the American Homeownership and Economic Opportunity Act of 2000

☐ SRO Moderate Rehabilitation Project; OR

☐ Section 512(2) of MAHRA

I am submitting a Rent Comparability Study that shows rents are at or below market.

☐ Multifamily Housing Project not eligible under Section 512(2) of MAHRA, or

☐ Risk Sharing Loan provided by qualified state or local housing finance agency.

☐ I understand that **at Renewal**, the rent is set at the **lesser of**:
The Annual Adjusted Rent Potential of the Expiring Contracts
(based on the attached OCAF Worksheet), OR

The Section 8 Contract Rent Potential from the budget-based
rent determination (reflected in the attached budget)

AND

☐ I have attached the completed OCAF Worksheet (Form HUD 9625):

☐ I have included a budget and rent schedule completed in accordance with the requirements in HUD Handbook 4350.1.

☐ I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase. The attached budget and rent schedule was available to tenants upon their request

I hereby certify that:

☐ Neither I, nor any of my affiliates, are suspended or debarred OR

☐ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval: AND

☐ This information is true and complete.

Project Name _____

Owner’s Name _____

Owner’s Signature _____ **Date** _____

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RENEWAL WORKSHEET FOR OPTION FIVE

Request Renewal of Contract for Portfolio Reengineering Demonstration or Preservation Projects

☐ My project is a **Portfolio Reengineering Demonstration Project**. I hereby request a **RENEWAL** of my contract under Option Five.

☐ The project has a recorded Mortgage Restructuring Demo Program Use Agreement with rents adjusted annually by the OCAF.

☐ The project has a recorded Budget Based Without Mortgage Restructuring Demo Program Use Agreement with rents adjusted annually by the OCAF. A RCS maybe required at the end of each 5-year period; at which time rents will be adjusted to comparable market rents.

☐ I understand that the contract may be renewed as a multiyear contract with the term not to exceed the number of years under the Demo Program Use Agreement.

☐ My project is a **Preservation Project** (LIPHRA or ELIPHRA). I hereby request a **RENEWAL** of my contract under Option Five in accordance with the approved Plan of Action. I understand that the contract may be renewed as a multiyear contract with the term not to exceed 20 years or the remaining term of the recorded Use Agreement.

I hereby certify that:

☐ Neither I, nor any of my affiliates, are suspended or debarred OR

☐ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval: AND

☐ This information is true and complete.

Project Name _____

Owner's Name _____

Owner's Signature _____ **Date** _____

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WORKSHEET FOR OPTION SIX

Notification of Non-Renewal of Contract

I hereby elect to **OPT-OUT** of the Section 8 program. I understand that notification of this opt-out is required to be given to the Department of Housing and Urban Development 120 days prior to the expiration of the contract.

I hereby certify:

- ☐ I provided the assisted tenants and HUD with a one-year written notification of the contract expiration and our intention not to renew the contract as required by Section 8(c)(8) of the United States Housing Act of 1937. This notification was provided on _____. If I elected to opt out while my project was being reviewed by OAHP, I have or will provide a second, 120 day, notification to tenants. This notification was provided on _____. A copy of the notification letter(s) is (are) attached.
- ☐ I am willing to execute a short-term renewal of my contract if HUD needs additional time to provide the tenant-based assistance.
- ☐ I am not willing to execute a short-term renewal of my contract if HUD needs additional time to provide the tenant-based assistance.
- ☐ I have submitted a copy of the written notification to the tenants, contract administrator if applicable, and HUD of the contract expiration and our intention not to renew the contract however; a full year has not elapsed. I agree to execute a contract renewal for a term that will fulfill the entire one-year notification requirement.

I hereby certify that:

- ☐ The property does not have any Use Agreement in effect; AND
- ☐ I agree to honor the tenants' right to remain at the property, provided that the PHA approves a rent equal to the new rent charged for the unit. I agree not to terminate the tenancy of a tenant who exercises their right to remain except for cause under State or local law.
- ☐ This information is true and complete.

Project Name _____

Owner's Name _____

Owner's Signature _____ **Date** _____

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