



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

SPECIAL ATTENTION OF:

Hub and Program Center
Director; Project Manager;
PBCAs; Owner; and Management
Agents

TRANSMITTAL

**Section 8 Renewal Policy
Guide Book**

Issued: 04/13/09

1. **This Transmits.** Page changes to the Section 8 Renewal Policy Guide Book dated 1/15/08 (revised as of 12/12/06). These changes are effective immediately.
2. **Explanation of Changes.** All page changes have light grey shading to denote what has changed on the page unless a section was completely removed. Furthermore, if a complete chapter has been revised there will be no light grey shading.
 - a. Chapter 4, Option Two Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents, has been updated. The revision includes two major changes:
 - Permits increased distributions to for-profit owners that have or are willing to enter into long term Section 8 contracts.
 - Directs the Owner to use the project's current debt service when preparing a budget based rent increase.
 - b. The opening paragraph of Chapter 14, RHS Section 515/8, is revised to clarify that RHS projects are not eligible for a debt restructuring under MAHRA.
 - c. Attachment 2, Glossary of Terms, has been updated.
 - d. Four new forms are being added to the Guide. The four collateral assignment forms have been revised to require signature by HUD rather than by HUD or the PHA CA. These forms are to be used verbatim, i.e., without any alteration of any kind to the language or form.

The forms show that HUD has provided written consent permitting the owner to assign of the HAP contract.

- Attachment 21, Consent to Assignment of HAP Contract as Security for Financing.
- Attachment 22, Consent to Assignment of HAP Contract as Security for FNMA Financing.
- Attachment 23, Consent to Assignment of HAP Contract as Security for FREDDIE MAC Financing.
- Attachment 24, Consent to Assignment as Security For FNMA Credit Enhancement

Filing Instructions:

Remove:	Insert:
Attachments, Appendices and Contracts dated 1/15/08 Chapter 4 dated 01/15/08 Chapter 14 Page 1 dated 01/15/08 Attachment 2, Glossary of Terms dated 01/15/08	Attachments, Appendices and Contracts dated 04/13/09 Chapter 4 dated 04/13/09 Chapter 14 Page 1 dated 04/13/09 Attachment 2, Glossary of Terms dated 03/18/09 Attachment 21, dated 04/13/09 Attachment 22, dated 04/13/09 Attachment 23, dated 04/13/09 Attachment 24, dated 04/13/09

_____/S/_____
Brian D. Montgomery
Assistant Secretary for Housing -
Federal Housing Commissioner