



MEMORANDUM

DATE: December 22, 2010

TO: Owner/Agents of Southern California Multifamily Properties (HUD LA Office)

FROM: Nancy Wesoff, L.A. LOMOD Director

SUBJECT: **Revised HUD-LA Policies as of November 22, 2010**

On November 22, 2010, HUD-Los Angeles revised several operational policies after consulting with industry partners including AHMA members, LOMOD and CMS. The revisions or resources where the written policies can be located are noted within this memorandum.

Owner Signatures:

An owner signature is required on forms that indicate "Owner Signature". *Exception: Special Claim forms can be signed by the owner or agent.*

Acceptable persons signing on behalf of the ownership are those who are in positions that have been granted signature authority through the ownership's business agreement (By-laws; Articles of Incorporation, etc).

Signature authority can be delegated when delegation paperwork is sent to the HUD office and approved by the HUD Project Manager or their supervisor. *Exception: Part A of Addendum B must be signed by the owner and cannot be delegated.* Please be reminded that the person signing a delegation document must have signature authority in accordance with the ownership's business agreement. Example:

By-Laws state that the President of the Board of Directors is the designated position with the ability to sign on behalf of the ownership entity.

The document delegating signature authority would need to be signed by the President of the Board of Directors and forwarded to HUD-LA for approval.

Once the owner has written HUD approval to delegate signature authority, forward the delegation and approval documents to CMS to be imaged into the record retention system.

Tenant Posting in accordance with 24 CFR 245:

The owner's proposed rent increase must be posted to tenants when the owner is requesting a Budget Based rent increase/contract renewal submission and MU2M contract renewal submissions. OCAF and AAF methods of rent adjustments are exempt from the requirement.

Annual Debt Service Verification:

An amortization schedule is the preferred method of verification and will be requested if the *current* schedule is not on file. Alternate verification documents include - mortgage note, payment coupon/statement, audit notes, etc.

Management and Occupancy Review (MOR):

LOMOD will distribute copies of checklists that correspond with findings and/or observations with the MOR report, HUD-9834. Owner/Agents will not receive copies of checklists on which no findings or observations were issued in the report.