



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

October 20, 2023

MEMORANDUM FOR: Multifamily Regional Directors
 Multifamily Satellite Office Directors
 Multifamily Asset Management Division Directors
 Performance Based Contract Administrators (PBCAs)
 Multifamily Owners and Management Agents

FROM: Jennifer Larson, Director, Office of Asset Management and Portfolio Oversight, HTG

SUBJECT: Required & Alternative Management and Occupancy Review (MOR) Procedures for Performance Based Contract Administrators (PBCAs)

This memorandum supersedes prior guidance¹ regarding remote Management and Occupancy Reviews (MORs) conducted by PBCAs during the COVID-19 pandemic and reinstates the practice of on-site MORs. This updated guidance is effective with MORs scheduled on or after January 1, 2024. Management and Occupancy Reviews are an important task that PBCAs perform for HUD in order to verify that property owners and management agents are in compliance with HUD regulations and guidelines and the Housing Assistance Payments (HAP) contracts. HUD sees value in these MORs being completed on-site through:

- receiving feedback from residents,
- interviewing staff and owner representatives in person,
- observing property conditions in common areas and units including the follow-up on REAC inspections findings,
- evaluating project records and tenant files without opportunity to correct records before the evaluation, and
- protecting the tenant Personal Identifiable Information (PII).

Required MOR Procedures

PBCAs are required to conduct MORs in the following manner, unless an alternative method (see further below in this memorandum) is approved by HUD in advance of the scheduled MOR date:

¹ Multifamily Q&A for COVID-19 (https://www.hud.gov/sites/dfiles/Housing/documents/MF_COVID-19%20QA_8_4_21.pdf) and the 6/23/2020 memorandum, "Status of Management and Occupancy Reviews performed by PBCAS" (<https://www.hud.gov/sites/dfiles/Housing/images/OwnerandAgentMemoPBCAMORs6-24-2020.pdf>).

- PBCAs must complete the on-site MOR entrance conference, MOR questionnaire and exit interview.
- PBCAs must physically enter resident units to conduct follow-up inspections of Exigent Health and Safety (EH&S) issues cited in inspections conducted by the Real Estate Assessment Center (REAC).
- PBCAs must conduct an on-site visual assessment of each building and the property's grounds to document the physical conditions, general appearance, and security of the property.
- PBCAs must complete on-site reviews of tenant files, tenant selection plan, waiting lists, and Enterprise Income Verification (EIV) master files, as HUD does not authorize the off-site transfer, either electronically or physically, of tenant files, EIV reports, or waiting lists. Tenant files, waiting lists, and EIV master files may be left in a secured on-site location for the PBCA to conduct their reviews.

Alternative MOR Procedures

In instances where federal or state/local laws, health codes, or other emerging health and safety issues at the property prevent or prohibit a PBCA from following the required MOR procedures, then the PBCA must contact their Headquarters Contract Administration Oversight Monitor (HQ CAOM) for a determination on how to proceed to conduct the MOR. The HQ CAOM will determine if a PBCA may conduct any part of the MOR remotely or using other alternative procedures, excluding the tenant file review portion and reviews of EIV master files, and waiting lists, which must be conducted on-site.

PBCAs must document the following items in the written MOR report: which portions of the MOR were conducted using HUD-approved alternative procedures; the alternative procedure(s) used; the reasons(s) why the alternative procedures were necessary; and the date that HUD approved the alternative procedure(s). PBCAs must also report any MOR conducted under alternative procedures on their monthly Hot Topic Report to their HQ CAOM.

If you have any questions, please contact your assigned CAOM or Doris Keeve, Contract Administration Branch Chief, at 202-402-2961 or via email at Doris.A.Keeve@hud.gov.