



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

SPECIAL ATTENTION OF:

Hub and Program Center
Directors; Project Managers;
PBCAs; Owners; and Management
Agents

TRANSMITTAL

**Section 8 Renewal Policy
Guide Book**

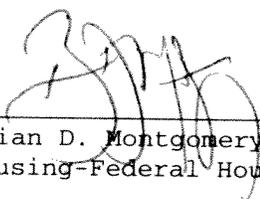
Issued: July 18, 2008

1. **This Transmits.** Page changes to the Section 8 Renewal Policy Guide Book dated 1/15/08 (revised as of 12/12/06).
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.

This Guidebook revision corrects the instructions contained in the note at the top of page 2 in Chapter 14, dealing with initial and subsequent renewals of 524(b) projects.

Filing Instructions:

Remove:	Insert:
Chapter 14 - page 2 dated 01/15/08	Chapter 14 - page 2 Revised Page dated 07/18/08



 Brian D. Montgomery, Assistant Secretary for
 Housing-Federal Housing Commissioner, H

Note: RHS projects are exempted from OAHP under 524(b). Like all other 524(b) projects, at initial and subsequent renewal, they are subject to the “lesser of” OCAF or budget-based test.

- D. An Owner who has executed a HAP contract expiring on December 31st, is requested to submit its request for renewal to HUD/CA annually by September 1. The Owner may submit a non-approved budget at this time. The Owner should submit the RHS-approved budget to the local HUD Hub or Program Center/CA no later than November 15.

- E. After the loan with RHS has been paid in full, the Owner will submit their budget and request for contract renewal directly to HUD/CA. The contract will be handled in accordance with HUD procedures for non-insured projects with Section 8 contracts. The budget should be completed in accordance with the instructions in this Guide and HUD Handbook 4350.1. After the contract receives an initial renewal under either Sections 524(a) or 524(b) of MAHRA, the Owner will receive OCAF adjustments in subsequent years, without submitting an annual budget, unless the Owner requests and the Secretary approves a budget-based increase. Owners who renew under Section 524(a) are required to submit a comparability study at the time of initial renewal and at the end of five years. HUD may also request that the Owner submit one additional comparability study within the five year period.