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Non-Profit Project Audited Financial Statement Submissions - Important Information for Borrowers and Auditors

It has come to our attention that some audited financial statements submitted for non-profit owned ORCF projects have been using the incorrect Assistance Listing Number (ALN) when filing audited financial statements to the Federal Audit Clearinghouse (FAC).  Note that the acronym ALN has just recently replaced the more commonly known Code of Federal Domestic Assistance (CFDA) number.

The correct ALN for all ORCF projects is 14.129.  For example, a Section 232 pursuant to Section 223(f) would use the Section 232 ALN of 14.129, not the MFH ALN for 223(f)s.

Non-profit owners with unpaid principal balances over $750,000 are subject to the Single Audit Act (SAA).  For more information about SAA filing requirements, see 2 CFR, subpart F.  While filing audited Financial Statements through REAC FASS satisfies ORCF program guidance, audited financial statements for auditees subject to the SAA must also be filed to the Federal Audit Clearinghouse.   For more information about filing SAA audited financial statements through REAC and the Federal Audit Clearinghouse, please see the current Federal Audit Clearinghouse website:  Federal Audit Clearinghouse - Home (census.gov)

As noted on this website, the Federal Audit Clearinghouse now requires filers to use an Unique Entity Identifier (UEI) in lieu of an EIN.  You can find more information about theUEI on the FAC FAQ page here: Federal Audit Clearinghouse - FAQs (census.gov)

Please reach out to your assigned Account Executive should you have further questions or [LeanThinking@hud.gov](mailto:LeanThinking@hud.gov).

***Keywords:*** *Asset Management, Financial Statements, Non-Profit Entities*

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Notice H-2023-07 -- Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE) Administrative Procedures- Applicability to ORCF Projects

The Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE) Administrative Procedures Notice (H-2023-7) covers the process and operational requirements for properties covered by the [NSPIRE Final Rule](https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards).  Please note that although the Notice does not separately list the Section 232 Program, it does cross reference 24 CFR 5.701. 24 CFR 5.701(a)(7)(viii) makes the subpart applicable to projects with mortgages insured under Section 232 *to the limited extent* that REAC inspections are applicable to certain Section 232 properties (e.g., routinely on Assisted Living Facilities). The Notice covers what to expect before, during and after an inspection. It contains policies and procedures for properties participating in inspections, submitting evidence of deficiency correction, submitting technical reviews, administrative review, and other administrative requirements associated with the final NSPIRE rule.

Additionally, the NSPIRE administrative notice outlines roles and responsibilities for HUD’s Real Estate Assessment Center (REAC), HUD field office staff, Property Owners and/or Agents/Operators. The notice also contains requirements for inspectors performing inspections for REAC under contract.  The implementation date for ORCF projects is October 1, 2023.

Please reach out to your assigned Account Executive should you have further questions or [LeanThinking@hud.gov](mailto:LeanThinking@hud.gov).

***Keywords:*** *Asset Management, Physical Inspections, REAC*

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Webinar Presentation On HUD’s 232 Program-Updates in Production and Asset Management– September 13, 2023, 2:00 p.m. Eastern Time

In a webinar hosted by the American Health Care Association/National Center for Assisted Living (AHCA/NCAL), HUD’s Office of Residential Care Facilities (ORCF) will provide a brief overview of the Section 232 program and will cover a range of topics related to HUD’s Residential Care Facility Mortgage Insurance Program. The webinar will run from 2:00 p.m. to approximately 3:00 p.m. Eastern Time on September 13, 2023, and will be open to AHCA/NCAL members and non-members. The webinar will be recorded. There is no charge for participation.

Presentation topics will include:

* The recently implemented Green Mortgage Insurance initiative for Residential Care Facilities
* HUD’s risk analysis related to facility compliance with the Home and Community Based Services Settings Rule
* Compliance (by nonprofits) with the Single Audit Act Requirements
* Recent changes regarding REAC NSPIRE physical inspections
* The Why, Who, How, and When of HUD-required Action Plans
* New Quarterly Financial Statement Reporting Fields
* HUD’s Tools for Comparing Underwriting Projections to Actual Performance
* Numbers/trends on application volume, timing, and underwriting issues of note

Speakers:

* John Hartung, Director, Policy, Risk Analysis and Lender Relations Division, Office of Residential Care Facilities, HUD
* Tim Gruenes, Director, Production Division, Office of Residential Care Facilities, HUD
* Philip Head, Director, Asset Management Division, Office of Residential Care Facilities, HUD
* Angela Collier, Deputy Director, Asset Management Division, Office of Residential Care Facilities, HUD

**Event Date:** September 13, 2023, 2:00 p.m - 3:00 p.m. (Eastern Time)

**Registration Link:** [Here](https://educate.ahcancal.org/products/huds-232-program-updates-in-production-and-asset-management#tab-product_tab_overview)

Although membership to AHCA/NCAL is not required to participate in the webinar, you will still need to create an AHCA/NCAL username and password to register for the webinar.

**How to Register for AHCA/NCAL webinar:**

* Webinar participants will need to [login](https://members.ahcancal.org/Dashboard/Sign-In?returnUrl=https://educate.ahcancal.org) using their existing ahcancalED username and password first.
* Once you are logged in to the website you will be able to register for the webinar by clicking the green register button at the top of the page.
* If you have forgotten your password click [here](https://members.ahcancal.org/Security/Sign-In-Help).

**How to Register for an AHCA/NCAL username and password**:

* To avoid technical problems, use Google Chrome.
* If you are new to the site, you can create an account [here](https://members.ahcancal.org/Dashboard/Create-New-User-Account). After creating an account, you will be able to register for the webinar. If you need further assistance with creating an AHCA/NCAL account, please email [educate@ahca.org](mailto:educate@ahca.org)

***Keywords:*** *Webinar*

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Medicaid or CHIP Coverage Renewal Reminder to Residents

To Owners and Operators - As you may know, **states have been recertifying their Medicaid and Children's Health Insurance Program (CHIP) rolls for the first time since the start of the pandemic.**This means your state will use the information they have to decide if individuals and families still qualify for Medicaid or CHIP coverage. **Residents in Section 232 facilities may be Medicaid- or CHIP-eligible,** but because Medicaid and CHIP are state-run programs, **it is essential that families update their contact information and renew their eligibility this year to remain covered.**

The timeline for these verifications varies by state, so **please**[**check here**](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsInVybCI6Imh0dHBzOi8vd3d3Lm1lZGljYWlkLmdvdi9yZXNvdXJjZXMtZm9yLXN0YXRlcy9jb3JvbmF2aXJ1cy1kaXNlYXNlLTIwMTktY292aWQtMTkvdW53aW5kaW5nLWFuZC1yZXR1cm5pbmctcmVndWxhci1vcGVyYXRpb25zLWFmdGVyLWNvdmlkLTE5L3JlbmV3LXlvdXItbWVkaWNhaWQtb3ItY2hpcC1jb3ZlcmFnZS9pbmRleC5odG1sP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSIsImJ1bGxldGluX2lkIjoiMjAyMzA4MTYuODEyMTY3MzEifQ.uK4USJFk-hbbr-QpAkjJHcN4d4uttWIX5rhW1mTthqE/s/2603643849/br/224332700427-l?utm_medium=email&utm_source=govdelivery) **to learn more about the reverification process in your state, and let residents in your facilities know that this is coming!**

**Get ready to renew now: Send the below to your residents**

Here are some things you can do to prepare for the renewal process:

1. **Update your contact information -**Make sure your state has your current mailing address, phone number, email, or other contact information. This way, they’ll be able to contact you about your Medicaid or CHIP coverage.
2. **Check your mail -**Your state will mail you a letter about your coverage. This letter will let you know if you need to complete a renewal form to see if you still qualify for Medicaid or CHIP.
3. **Complete your renewal form (if you get one) -**Fill out the form and return it to your state right away to help avoid a gap in your coverage.

**If you no longer qualify for Medicaid or CHIP**

You may be able to buy a health plan through the [Health Insurance Marketplace](https://www.healthcare.gov/get-coverage/?utm_medium=email&utm_source=govdelivery)®and get help paying for it. Marketplace plans are:

* 4 out of 5 enrollees can find plans that cost less than $10 a month.
* Plans cover things like prescription drugs, doctor visits, urgent care, hospital visits, and more.

**For More Help**

* If you’re eligible, you may be able to sign up for Medicare or change your current Medicare coverage. [Get started with Medicare](https://www.medicare.gov/basics/get-started-with-medicare?utm_medium=email&utm_source=govdelivery).
* Contact your state Medicaid office for more information about Medicaid or CHIP renewal. You can find links to state contacts below.
* Call the Marketplace Call Center at [1-800-318-2596](tel:+1%20(800)%20318-2596) to get details about Marketplace coverage. TTY users can call [1-855-889-4325](tel:+1%20(855)%20889-4325).

***Keywords:*** *Medicaid*

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| Past Lean 232 Updates are [available online](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTAxMDQuMzI3OTIyMzEiLCJ1cmwiOiJodHRwczovL3d3dy5odWQuZ292L2ZlZGVyYWxfaG91c2luZ19hZG1pbmlzdHJhdGlvbi9oZWFsdGhjYXJlX2ZhY2lsaXRpZXMvcmVzaWRlbnRpYWxfY2FyZS9tYWlsX2JsYXN0X2luZGV4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.wD_kyOelsVj0O18oGZ6vB1qZQYtIH2lojk5kd633DYc/s/1356292409/br/92636915983-l).  Have questions about the Lean 232 Program? Please contact [LeanThinking@hud.gov](mailto:LeanThinking@hud.gov).  For more information on the Lean 232 Program, check out: [http://www.hud.gov/healthcare](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTAxMDQuMzI3OTIyMzEiLCJ1cmwiOiJodHRwOi8vd3d3Lmh1ZC5nb3YvaGVhbHRoY2FyZT91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.1u0SLtDtXsU62834yVCK0A042fLMrX4ZfmVsijRPzQI/s/1356292409/br/92636915983-l).    Stay Connected with the Office of Housing and the Federal Housing Administration: |
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