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December 20, 2023

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Required Use of Portfolio Manager for Green Mortgage Insurance Premium Compliance Reporting

On November 20, 2023, HUD’s Office of Multifamily Housing Programs and Office of Residential Care Facilities published a Housing Notice titled **Required Use of Portfolio Manager for Green Mortgage Insurance Premium Compliance Reporting**, which pertains to changes to annual compliance reporting for Green Mortgage Premium (MIP) rate recipients. The Notice replaces previous instructions provided to Section 232 properties as noted in ML 2022-13. Read the full Notice [here.](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsInVybCI6Imh0dHBzOi8vd3d3Lmh1ZC5nb3YvcHJvZ3JhbV9vZmZpY2VzL2FkbWluaXN0cmF0aW9uL2h1ZGNsaXBzL25vdGljZXMvaHNnP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSIsImJ1bGxldGluX2lkIjoiMjAyMzExMjcuODYyMDgwMDEifQ._yk5DWBmrdGtxBgVgGub2hfUYJrnVqg8ev4cGT7wCAw/s/1356290806/br/231625738490-l)

The Office of Residential Care Facilities owners must benchmark their properties using the Environmental Protection Agency (EPA)’s ENERGY STAR® Portfolio Manager® for Green MIP loans starting with all applications submitted on or after January 1, 2024.  The client will be required to create an account in Portfolio Manager and enter queried property information. For Section 232 properties, the user must select ORCF Benchmarking and use the Healthcare, “Senior Living Community” property type in Portfolio Manager.  To gain access to the benchmarking tool, property owner(s) can create a no-cost account at [Portfolio Manager Login | ENERGY STAR](https://www.energystar.gov/buildings/benchmark/portfolio_manager_login).

ORCF existing properties pursuing a Green MIP loan are required to benchmark both energy and water though Portfolio Manager in accordance with the benchmarking instructions.  The benchmarked Statement of Energy Performance (SEP) must also be delivered with the mortgage application as required by ML 2022-13.  The Statement of Energy Intent is not benchmarked but is delivered with the loan application.  After the retrofits or construction is complete, the client will submit the post-improvement (as-is) Statement of Energy Performance (SEP) in Portfolio Manager for both New Construction, Substantial Rehabilitation and Existing projects, then annually.

Annual SEPs will be submitted through Portfolio Manager no later than March 31 *after* the 12-month data collection period of January 1 to December 31. Portfolio Manager will automatically gateway the benchmarked SEP data to HUD’s Integrated Real Estate Management System (iREMS).

Please review Multifamily and ORCF’s Benchmarking Instructions here: [Benchmarking Instructions](https://www.hud.gov/sites/dfiles/Housing/documents/FINAL_9.2023.Benchmarking-Instructions_with_Cover.pdf).

***Keywords:*** *Green MIP, Benchmarking, Portfolio Manager*

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Department of Labor Publishes Final Rule Updating Davis-Bacon and Related Acts Regulations

On August 23, 2023, the Department of Labor (DOL) published the [final rule](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsInVybCI6Imh0dHBzOi8vd3d3LmZlZGVyYWxyZWdpc3Rlci5nb3YvZG9jdW1lbnRzLzIwMjMvMDgvMjMvMjAyMy0xNzIyMS91cGRhdGluZy10aGUtZGF2aXMtYmFjb24tYW5kLXJlbGF0ZWQtYWN0cy1yZWd1bGF0aW9ucz91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkiLCJidWxsZXRpbl9pZCI6IjIwMjMxMDIzLjg0NDkxMDExIn0.nyldlIHprO49tyYPEAt2bNOJQJx-q_vfzXA81F_je2Y/s/1356290806/br/228790860904-l) that updates regulations issued under the Davis-Bacon and Related Acts.

**Please note the following:**

* The final rule went into effect on October 23, 2023.
* Provisions of this final rule regarding wage determination methodology and related part 1 provisions prescribing the content of wage determinations may be applied only to wage determination revisions completed by the Department of Labor on or after October 23, 2023. Except with regard to § 1.6(c)(2)(iii), the provisions of this final rule are applicable only to contracts entered into after October 23, 2023.
* Many of the amendments to part 5 of the regulations are regulatory changes that codify the Department of Labor's current practices and interpretations of existing regulations. As a result, such changes do not, in practical terms, impose new obligations on contractors or contracting agencies.
* For contracts that lock-in on or after the final rule effective date, October 23, 2023, Contractors should consider the changes in the final rule when analyzing internal controls, developing their bids, and negotiating contract pricing.
* Contract clauses and related matters section of the rule covers the required contract clauses inserted into contracts.

**Office of Residential Care Facilities Implementation**

The Office of Residential Care Facilities will determine any needed edits to the Form HUD-92554-ORCF, Supplementary Conditions of the Contract for Construction, in light of these regulatory revisions, in our next revision update, subject to OMB Paperwork Reduction Act approval.

See the [DOL Final Rule](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsInVybCI6Imh0dHBzOi8vd3d3LmZlZGVyYWxyZWdpc3Rlci5nb3YvZG9jdW1lbnRzLzIwMjMvMDgvMjMvMjAyMy0xNzIyMS91cGRhdGluZy10aGUtZGF2aXMtYmFjb24tYW5kLXJlbGF0ZWQtYWN0cy1yZWd1bGF0aW9ucz91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkiLCJidWxsZXRpbl9pZCI6IjIwMjMxMDIzLjg0NDkxMDExIn0.Bc6os-nbK239OJ8R7FEL1KuQ8lE2olNF5NZIz4bTggM/s/1356290806/br/228790860904-l) for additional information.

***Keywords:*** *Davis-Bacon*

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Reminders on Environmental Items

ORCF would like to remind lenders of a few environmental items:

1. Environmental items requiring repairs such as asbestos abatement, radon mitigation or recommendations of the Phase I consultant must be included in the repair list in the PCNA, in the Lender’s Narrative and in Exhibit C to the Firm Commitment.
2. Radon Mitigation is considered to be a repair in excess of routine maintenance per [CPD Memo 16-02](https://www.hud.gov/sites/documents/16-02CPDN.PDF), so applications with Radon Mitigation are subject to Section 106 Historic Preservation review.
3. Repairs in the Repair list, Exhibit C to the Firm Commitment, must describe repairs in sufficient detail to facilitate inspections, schedules of repairs and credible bids.  When repairs are not sufficiently described, HUD staff and the State Historic Preservation Office cannot determine whether a repair exceeds routine maintenance and whether the repair will have an adverse impact on historic properties.

***Keywords:*** *Underwriting*

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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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