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CHAPTER 1. INTRODUCTION

- 1-1 General Policy Statement. The purpose of the Single Family Property Disposition (SFPD) Program is to reduce the inventory of acquired properties in a manner that expands home ownership opportunities, strengthens neighborhoods and communities, and ensures a maximum return to the mortgage insurance fund. (24 CFR 291.1)
- 1-2 FHEO Policy.
- A. General. All contracting, occupancy, rental, and sales activities referred to in this handbook must be conducted without regard to race, color, creed, religion, sex, national origin, age, familial status, or disability. Beyond these requirements, it is HUD's policy to strengthen the participation of minority and women-owned businesses in all programs and activities of the Department.
- B. Contracting. It is HUD's policy to award a fair portion of its total contracting activity to small business, small disadvantaged business, labor surplus area concerns, minority business enterprises, and women-owned business. Detailed information and guidance on all socioeconomic programs which impact contracting activity is contained in Chapter 3 of HUD Handbook 2210.3., Procurement Policies and Procedures.
- 1-3 Handbook Organization.
- A. Overview. This handbook incorporates processing and fiscal requirements for SFPD activities. Previously, information relating to fiscal procedures for SFPD activities was contained in separate handbooks. As a single reference source for Field Office staff, this handbook focuses on the major stages of the SFPD program.
- B. Objectives. The objectives of this handbook are to:
1. Provide a comprehensive handbook to reflect SFPD program policy and processing requirements.
  2. Stress the importance of internal control procedures as an integral part of SFPD processing.
  3. Incorporate fiscal procedures applicable to SFPD processing.
  4. Indicate the interrelationship of SFPD processing procedures and the Single Family Accounting Management System (SAMS) processing requirements.
  5. Provide clear statements of SFPD policy for Field Office staff.

1-4 Overview of HUD's Property Disposition Program

A. Program Description.

1. The Department acquires single family properties (one-to-four family residential units) as a result of foreclosure of FHA-insured mortgages or special acquisitions as described in Chapter 3. Following foreclosure, mortgage lenders have the right to deed the properties to HUD in exchange for the mortgage insurance benefits.
2. SFPD's activities are largely decentralized, with Field Offices having day-to-day responsibility for individual properties. The Office of Insured Single Family Housing, Single Family Property Disposition Division (SFPDD), is responsible for the development of policies and procedures for the management and sale of properties. The Office of Mortgage Insurance and Accounting, Real Property Branch, is

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1-1

5/94

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4310.5 REV-2

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responsible for the development of fiscal and internal controls, policies, and procedures. Information needed to track the status of each property and the financial results of the disposition are recorded and maintained in SAMS.

3. Upon acquisition, properties are assigned to property managers i.e., Real Estate Asset Managers (REAMs) , and an appraisal is ordered. If properties require repair, such work is performed by private contractors. When the properties are ready for sale, they are generally offered on an open listing, subject to a 10-day competitive sealed bidding period.
4. The Department also participates with local government agencies and approved nonprofit organizations in support of their housing programs. These groups may purchase on a non-competitive basis and receive a discount off the fair market value. Newspapers, magazines, radio, television, and other media are utilized to advertise the Department's properties. Professional advertising support by a national contractor is also provided.
5. Real estate brokers are actively encouraged to participate in the Department's SFPD program. Private closing agents are contracted to perform the settlements.

B. SAMS supports the Field Office and Headquarters staff in the

performance of their roles and provides financial information needed by the Real Property Branch (RPB), Office of Mortgage Insurance Accounting and Servicing (MIAS), to manage, record, and reconcile accounting transactions.

1-5 Property Disposition Responsibilities

A. Headquarters.

1. The Single Family Property Disposition Division (SFPDD) develops and interprets policies and procedures for the management and sale of single family properties acquired by the Department or in the Department's custody, in accordance with SFPD program requirements. SFPDD reviews, analyzes, and evaluates the effectiveness of various programs and disposition techniques being used by Regional and Field Offices and initiates corrective actions as necessary to strengthen the program's efficiency, effectiveness, and internal controls. Responsibilities also include oversight of Field Office performance in carrying out Property Disposition objectives and meeting performance goals. SFPDD also analyzes and develops enhancements in conjunction with inventory management and internal control initiatives.

2. Real Property Branch (RPB), Office of Mortgage Insurance Accounting and Servicing (MIAS). Within the FHA Comptroller's Office, MIAS ensures the establishment and maintenance of subsidiary accounts for recording and reporting all accounting information concerned with the acquisition, management, and sale of acquired single family properties, in accordance with SFPD program requirements.

RPB also processes requests for financial adjustments to SAMS and monitors Field Office performance in cash management and internal control practices, in particular for the reconciliation of sales proceeds with data on the Form HUD-1, Settlement Statement. In this capacity, the RPB develops SAMS enhancements, fiscal and other internal control policies, and conducts on-site technical assistance and monitoring visits.

3. The Office of the Chief Financial Officer is responsible for recommending policy and monitoring the financial management activities of the Department.

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B. Regions.

1. Regional Offices of Housing monitor the performance of each Field Office in their jurisdiction to ensure program compliance, provide assistance in resolving discrepancies, and oversee field management goals.
2. The Regional Contracting Division (RCD) in Administration has overall responsibility for the award and administration of contracts in each Region. In some instances, contracting authority has been delegated to specific Housing/Field Office personnel. In those instances, the RCD is available to provide technical assistance in dealing with particular procurement problems such as solicitation development, bid/proposal evaluation, dealing with protests and appeals, contract terminations, etc. When contracting authority has been delegated, the RCD still retains responsibility and accountability for all contracting within the Region.
3. The Regional Comptroller (RC) is responsible for advising the Regional Administrator and Field Office staff on financial management matters, including administering the Regional Office accounting and financial management systems. The RC is also responsible for evaluating all financial management activities at the regional level, with line authority over accounting operations. The RC supervises the Regional Accounting Directors and has the functional responsibility for internal control and audit resolution.
4. Field Offices are responsible for ongoing management, marketing, sales, and closing of acquired properties under their jurisdiction. The overall director of Property Disposition (PD) at the local level is the Field Office Manager, under the general direction of the Regional Administrator.

Field Offices are required to use the procedures in this handbook and are encouraged to develop and recommend for Headquarters' approval new or experimental programs as needed.

5. Real Estate Asset Managers (REAMs) are responsible for providing day-to-day property management functions and ensuring that properties are maintained in a clean and presentable condition throughout HUD's ownership.
6. Other contractual services include closing agents who are under contract with the Department to perform sales closings and to ensure that the Department receives sales proceeds and properly completed closing documents in a timely manner. Independent appraisers are also under contract with the Department to provide an appraisal on each newly-acquired property.

1-6 Matrix of Responsibilities. A Single Family Property Disposition Responsibility Matrix is attached as an exhibit at the end of this chapter. This matrix reflects functions and activities covered in

each chapter of the handbook.

1-7 Procurement Policy. The award and administration of all HUD procurement contracts must comply with the following system of guidance. Because the Single Family Property Disposition program relies heavily on contractor-provided services, contracting methods and procedures are discussed throughout portions of this handbook. This handbook, however, is not intended to serve as a definitive source of procurement policy. Field Office staff acting as contracting officials should consult the appropriate source of official guidance when specific contracting issues arise.

A. The Federal Acquisition Regulation (FAR: 48 CFR Chapter 1);

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1-3

5/94

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4310.5 REV-2

B. The HUD Acquisition Regulation (HUDAR: 48 CFR Chapter 24);

C. HUD Handbook 2210.3, Procurement Policies and Procedures;

D. HUD Handbook 2210.13, Government Technical Representative; and

E. HUD Handbook 2210.16, Regional Contracting.

1-8 Summary of Legislative References and Regulations.

A. National Housing Act (P. L. 479, 73rd Congress)

B. Demonstration Cities and Metropolitan Development Act of 1966 (P. L. 89-754)

C. Fair Housing Act (formerly Title VIII of the Civil Rights Act of 1968)

D. Privacy Act of 1974 (P. L. 93-579)

E. Truth in Lending Act (P. L. 90-321)

F. Robert T. Stafford Disaster Relief and Emergency Assistance Act (P. L. 93-288 as amended by P. L. 100-707)

G. Cranston-Gonzalez National Affordable Housing Act (P. L. 101-625)

H. Section 3 of the Housing and Urban Development Act of 1968, as amended

I. 24 CFR Part 17 Subpart C - Procedures for the Collection of Claims by the Government

J. 24 CFR Part 24 - Debarment, Suspension and Limited Denial of Participation

K. 24 CFR Part 50 - Protection and Enhancement of Environmental Quality

L. 24 CFR Part 51 - Environmental Criteria and Standards

M. 24 CFR Part 100 - Discriminatory Conduct under the Fair Housing Act

N. 24 CFR Part 109 - Fair Housing Advertising

O. 24 CFR Part 121 - Collection of Data

P. 24 CFR Part 200 Subpart O - Lead-Based Paint Poisoning

- Prevention
- Q. 24 CFR Part 291 - Disposition of HUD-Acquired Single Family Property
- R. 24 CFR 203.375 through 203.382 - Condition of Property
- S. 24 CFR 203.385 through 203.391 - Property Title Transfers and Title Waivers
- T. 24 CFR 203.670 through 203.685 - Occupied Conveyance
- U. FAR; 48 CFR Chapter 1 - Federal Acquisition Regulation
- V. HUDAR; 48 CFR Chapter 24 - HUD Acquisition Regulation
- W. Handbook 1900.25 REV-3, Delinquent Debt Collection Handbook
- X. Handbook 2000.3 REV-3, Office of Inspector General Activities
- Y. Handbook 2210.3 REV-3, Procurement Policies and Procedures
- Z. Handbook 2210.13 REV-3, Government Technical Representative Handbook
- AA. Handbook 2210.16 REV-4, Regional Contracting Handbook
- AB. Handbook 4165.1, Endorsement for Insurance for Home Mortgage Programs
- AC. Handbook 4240.4, Home Mortgage Insurance...Disaster Victims
- AD. Handbook 2210.16, Regional Contracting Handbook
- AE. Handbook 4330.1, Administration of Insured Home Mortgages
- AF. Handbook 4330.4, FHA Single Family Insurance Claims
- AG. Handbook 4905.1, Requirements for Existing Housing - One to Four Family Living Units
- AH. SAMS User Handbook

1-9 Financial Systems Interfaces

- A. Single Family Accounting Management System (SAMS). SAMS is the Department's automated system for management, processing, and monitoring of acquired and custodial single family properties. SAMS is designed to facilitate and monitor the processing of single family properties through the disposition process and to perform a variety of accounting functions related to SFPD activities. SAMS tracks the receipt of title evidence, compliance with lead-based paint requirements, contractor performance, and other

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program management information. For financial management, SAMS records accounting information regarding tax payments, other accounts payable, cash disbursements and collections, and provides general accounting information. This information can be used to evaluate the effectiveness of financial management decisions concerning SFPD activities for the Department. The ten Disposition Monitoring steps are as follows:

1. Step 1 - Property Acquisition. Recording information from the Single Family Application for Insurance Benefits, Form HUD-27011, or through other means of acquisition, establishes a case in Step 1. Also included in Step 1 are

properties with Secretary-held mortgages for which preservation and protection activities are being performed.

2. Step 2 - Receipt of Property Condition Reports. Entry of appraisal data from the REAM moves a case to Step 2.
  3. Step 3 - Disposition Program Approved. Recording the approval of the disposition program moves a case to Step 3. Depending upon the disposition program, cases will then move automatically to Step 4 (Repairs) or Step 5 (Ready to List). Properties "Held-Off Market" remain in Step 3.
  4. Step 4 - Repairs. Cases enter this step from Step 3, if the disposition program requires repairs.
  5. Step 5 - Ready to List. Properties are ready to list for sale.
  6. Step 6 - Listed for Sale. Selection of "Select for List for Sale" and "Move to List for Sale" data screens moves a case to Step 6.
  7. Step 7 - Preliminary Acceptance of Sales Offers. This step is an optional screen. It can be used to remove a case from Step 6, but does not require the entry of purchaser information.
  8. Step 8 - Sales Offer Accepted. Recording the accepted offer, including purchaser and selling broker information, moves a case to Step 8.
  9. Step 9 - Sales Closing Package Received. A case is moved to Step 9 when the closing package data (HUD-1) is entered into SAMS.
  10. Step 10 - Sale Closed and Reconciled. Cases are moved to Step 10 following the reconciliation of the HUD-1 data with the funds received by the Department of the Treasury (Treasury).
- B. Single Family Insurance-In-Force (A43). The insurance-in-force data base is used to validate the case number and verify case insurance eligibility prior to the conveyance of a property to the Department. It also provides certain common data elements for entry into SAMS.
- C. Single Family Insurance Claims (A43C). The A43C claims interface is a daily interface in which the A43C system passes property acquisition data to SAMS. Case records are established in SAMS either from the A43C data base or by the Field Office entry of data from the form HUD-27011. A SAMS interface to A43C also provides title information including receipt of complete title evidence and date, and title approvals.

- D. Single Family Notes Foreclosures. This interface transfers the accounting transactions on Secretary-held foreclosures in the single family mortgage notes system to SAMS after all the accounting has been completed.

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4310.5 REV-2

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- E. Computerized Homes Underwriting System (CHUMS). A weekly interface that provides CHUMS with a file of sold properties and properties for which a disposition program was approved with a sales type of uninsurable.
- F. FEDWIRE (CASHLINK). The CASHLINK interface is used to load information regarding SFPD daily wires received by Riggs National Bank (RNB) into SAMS. RNB reviews SAMS reports, on a daily basis, to confirm that CASHLINK data loaded into SAMS are accurate and reconcile to the amounts received by Treasury.
- G. Institution Master File (F51). The monthly update of the F51 System provides the data elements needed to communicate with mortgagees regarding conveyed properties and billings for tax penalties, late charges, and preservation and protection expenses.
- H. LOCKBOX. Daily collections are sent by Field Offices and REAMS to the lockbox at Mercantile Bank, St. Louis, MO. The bank forwards a tape and all source documents to the accounts payable contractor daily. The bank also wires daily collections received to the Treasury.
- I. Management Science America General Ledger Interface (MSA). The MSA interface represents a monthly update of current period accounting activity from SAMS to HUD's general ledger.
- J. Resource Allocation Guidelines System (RAGS). A monthly interface that provides, on a fiscal year basis, the average beginning-of-the-month inventory; total acquisitions; total closed sales; number of properties under lease in the Homeless Program; and the total determinations made on requests for occupied conveyance.
- 1-10 Fiscal Responsibilities. Fiscal responsibilities include, but are not limited to, the processing of collections and disbursements of funds for the maintenance and sale of single family properties. Headquarters staff, Field Offices, Regional Offices, HUD's contractor, vendors, and contracted parties share fiscal responsibilities for the administration of the SFPD program. While specific fiscal activities are predominantly confined to a few chapters of this handbook, it is important to understand that all SFPD program activities and processes have financial consequences and should be viewed as fiscal in nature and scope. Each property



represents a sizeable asset to the Department and must be protected to avoid potential fraud, waste, and mismanagement of HUD's funds. Field Offices are responsible for collecting and disbursing funds associated with the disposition and sale of acquired single family properties and for monitoring these activities to ensure that HUD's assets are protected.

The matrix at the end of this chapter presents major areas and/or designations of individuals to carry out fiscal functions and internal controls related to single family acquired properties. Chapters 15 and 16 provide specific details on collections and disbursements, respectively. Chapter 17 provides specific details on debt collection. Chapter 18 gives instructions for the review of aged inventory.

- 1-11 Internal Control. According to 31 U.S.C. 3512 (a) and (b), the head of each agency is responsible for establishing and maintaining adequate systems of accounting and internal control. A satisfactory system of internal controls is an integral part of sound fiscal procedures. Internal control principles and procedures are set forth in public laws, various OMB circulars, the GAO Policy and Procedures Manual for Guidance of Federal Agencies, and U.S. Department of Treasury publications.
- A. The SFPD Internal Control Structure includes the organizational environment, accounting systems, and control procedures. This structure is established to provide reasonable

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5/94

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4310.5 REV-2

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assurance that appropriate financial management and programmatic objectives are achieved by SFPD. Such objectives can include:

1. Maximizing the return on SFPD activities to the FHA Fund;
  2. Safeguarding of single family properties;
  3. Maintaining accurate and complete accounting records; and
  4. Preventing and detecting fraud, waste or management by SFPD staff, contractors, or other related parties.
- B. The Organizational Environment reflects the overall tone established by program and/or financial managers concerning the importance of control factors, including the SFPD organizational structure, methods of assigning authority and accountability, and personnel practices.
- C. Accounting Systems consist of the source documents and methods used to collect, record, and report transactions related to SFPD, including maintaining accountability for related financial management assets and liabilities.

D. Control Procedures are those policies and procedures that management has established to provide reasonable assurance that programmatic and financial management objectives will be achieved. Generally they pertain to:

1. Proper authorization of transactions and activities;
2. Segregation of duties that reduce the opportunity to allow any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of duties. This includes: Assignment to different staff of responsibility for authorizing SFPD transactions, recording transactions, and maintaining custody of the properties;
3. Design and use of adequate documents and records to help ensure the proper recording of SFPD transactions and events;
4. Adequate safeguards over access to and use of assets and records, including access to SAMS and other related computer systems; and
5. Independent checks on performance and proper valuation of recorded amounts.

1-12 Internal Controls in Small Field Offices. Many controls which would be feasible in large Field Offices are not practical for small Field Offices. For example, in small Field Offices, fiscal procedures may be performed by few persons. These persons may have both disbursal and collection responsibilities, and segregation of duties may be impractical or severely limited. Such lack of controls increases the opportunity for errors and irregularities to occur undetected in the normal course of business. Inadequate segregation of duties may, in some cases, be offset by supervisory controls, for example, rotation of employees in specific duties and closer, more frequent review of SFPD transactions and activities by the Field Office Manager. Within each Field Office, the Field Office Manager or designee is accountable for ensuring that an appropriate separation of duties is maintained, to the extent feasible, and supplemented by supervisory controls, as required.

1-13 Designated Responsibilities. This handbook requires that individuals be designated, in writing, to carry out certain internal control duties. These written designations shall be retained by the Field Office in a separate file.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SINGLE FAMILY PROPERTY DISPOSITION  
MATRIX OF RESPONSIBILITIES

AACO = Alternate Assistant Collection

Mtgee = Mortgagee

|  |         |   |
|--|---------|---|
| ACO = Authorized Certifying Officer                | Officer | PD = Property Disposition   |
|  |         | PD * = Requires segregation of duties as shown in Chapters 15, 16 and 18. |
| CFO = Chief Financial Officer                      |         | RA = Regional Administrator   |
| CPO = Chief Property Officer                       |         | RC = Regional Comptroller   |
| CO = Contracting Officer                           |         | RCD = Regional Contracting Division                                       |
| Cont = HUD Contractor                              |         | REAM = Real Estate Asset Manager  |
| DHM = Director of Housing Management               |         | RPB = Real Property Branch, MIAS  |
| DOH = Director of Housing                          |         | RS = Realty Specialist  |
| FOM = Field Office Manager                         |         | RS = Realty Specialist  |
| GTR = Government Technical Representative          |         | SFPDD = Single Family Property Disposition Division                       |
| MIAS = Mortgage Insurance Accounting and Servicing |         |   |

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| Responsibility | Hdqtrs | Region | Field |
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CHAPTER 1. INTRODUCTION

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|-------|--|-------------|
| o     | Develop and interpret policy and procedures for the management and sale of HUD acquired properties. Provide oversight of Field Office performance in carrying out SFPD objectives and meeting performance goals. Review, analyze and evaluate program effectiveness.                                     | SFPDD       |
| <hr/> |  |             |
| o     | Establish and maintain subsidiary accounting information on Secretary-Held and HUD-owned properties. Make financial adjustments to SAMS and monitor Field Office performance in cash management and internal control practices including reconciliation of sales proceeds with information on the HUD-1. | MIAS<br>RPB |
| <hr/> |  |             |
| o     | Recommend policy and implement and provide oversight for all financial management activities of the Department.  | CFO         |
| <hr/> |  |             |
| o     | Monitor Field Offices to ensure program compliance and provide assistance as necessary in problem resolution and oversight of field management goals.  | DOH         |
| <hr/> |  |             |
| o     | Advise and assist the Regional Administrator and Field staff on financial management matters, including administering the Regional Office accounting and financial management systems. Provide line authority over accounting operations. Supervise  | RC          |

Regional Accounting Directors.

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- o Manage, market, sell and close acquired properties. FOM  
CPO
- 
- o Ensure appropriate segregation of duties, as required by internal control objectives discussed throughout this handbook. The CPO, with assistance of the DHM or FOM where necessary, is responsible for ensuring appropriate separation of duties in the daily execution of financial management responsibilities. CPO  
FOM  
DHM
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5/94

1-8

4310.5 REV-2

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Responsibility Hdqtrs Region Field

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CHAPTER 2. OCCUPIED CONVEYANCE

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- o Notify mortgagor and each head of household of pending acquisition and provide Request for Occupied Conveyance. Mtgee,  
Cont,  
Loan  
Mgmt or  
PD
- 
- o Initiate approval/denial of Request for Occupied Conveyance. CPO
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- o Provide final approval/denial of appeal of initial decision on Request for Occupied Conveyance. FOM
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CHAPTER 3. ACQUISITION

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- o Acquire and take possession of foreclosed properties, properties taken by deed-in-lieu of foreclosure and special acquisitions. Assign FHA case number if necessary and establish the case in SAMS. Assign REAM and appraiser within 48 hours. CPO
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- o Provide day-to-day property management. Inspect properties, remove imminent hazards and prepare applicable reports. Secure, preserve and protect property. REAM

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- o Supervise and monitor REAMs. CPO/GTR

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  - o Obtain and evaluate Uniform Residential Appraisal Report (URAR). Adjust as necessary to reflect current fair market value considering in-house data, market conditions and program objectives. Provide copy of appraisal to Valuation within one workday of receipt. Maintain appraisal log. CPO

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  - o Makes final decision on accuracy of appraisal and comparables. CPO

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  - o Review appraisals and provide results to PD within 30 days. Valuation Branch

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  - o Monitor and assess appraiser's performance under the contract. SFPDD CPO

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  - o Prepare annual Preservation and Protection (P&P) guidelines. DOH CPO

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  - o Instruct mortgagees on P&P procedures. CPO

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  - o Take initial action to collect for P&P work not performed or not properly performed, adverse occupancy, unpaid taxes or damaged property. CPO
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4310.5 REV.2

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| Responsibility | Hdqtrs | Region | Field |
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CHAPTER 4. REQUESTS FOR EXTENSIONS OF TIME, TITLE APPROVAL/RECONVEYANCE

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- o Review and respond to Mortgagee Requests for Extensions of Time, Form HUD-50012, within 10 days. CPO

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  - o Review and approve title evidence within 10 days. CPO

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  - o Discharge liens and assessments as necessary to clear title or protect the property from liens. CPO

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| o | Reconvey at the request of the mortgagee or after all efforts have been exhausted to resolve problems related to obtaining good marketable title or damaged properties conveyed without HUD permission. | CPO |
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| o | Sign Quit Claim Deed to reconvey. | FOM |
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CHAPTER 5. TAXES

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| o | Collect penalty/interest data through SAMS and ensure prompt payment of taxes and special assessments to avoid interest and penalties. | CPO |
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| o | Establish liaison with local tax authorities. Ensure that acquired properties are assessed individually based upon a comparison to similar properties and that individual tax bills are timely provided and paid. | CPO |
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| o | Maintain master file in SAMS. | CPO |
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| o | Issue tax payment guarantees to buyers for the payment of taxes prior to conveyance to buyer. | CPO |
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| o | Take initial action to recover penalties and interest and any claim paid for taxes owed but unpaid by mortgagee. | CPO |
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CHAPTER 6. PRINCIPAL PROGRAM APPROACHES

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|---|---|----|
| o | Complete Environmental Compliance Review. | RS |
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|---|------------------------------|----|
| o | Prepare Disposition Program. | RS |
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| o | Approve Disposition Program. | CPO |
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| o | Reanalyze after each 30 days of marketing. | RS |
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| o | Approve all reductions in price and/or terms of the disposition program. | CPO |
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| o | Authorize use of auction. | SFPDD |
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| o | Authorize use of Headquarters-approved special marketing tools. | CPO |
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| o | Review and monitor SAMS data to ensure accuracy of disposition program. | CPO |
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| o | Correct deficiencies in timely processing. | CPO/<br>DHM |
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| o | Authorize all expenditures and collect liquidated damages. | CPO<br>CO |
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5/94

1-10

4310.5 REV-2

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| Responsibility | Hdqtrs | Region | Field |
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CHAPTER 7. LEASE AND LEASE-OPTION PROGRAMS

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| o | Authorize rentals as part of disposition program. | CPO |
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| o | Prepare habitability and defective paint inspections. | Cont/<br>REAM/<br>SFPD |
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| o | Select tenants, except tenants of properties leased to other government agencies or nonprofit organizations. | CPO |
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| o | Approve fair market rent and advise renter of rent amount at time of occupancy. | CPO |
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| o | Approve lease form. | SFPDD |
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| o | Execute lease. | CPO |
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| o | Collect and deposit rent according to fiscal procedures. | CPO/<br>REAM |
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| o | Monitor SAMS data to verify the accuracy of REAM rent collection reports. | CPO |
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| o | Sample 10% of all leases, except for those with government agencies or nonprofit organizations. | CPO |
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| o | Ensure compliance with terms of lease. | CPO/<br>REAM |
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| o | Initial action to collect delinquent rent. | CPO/<br>REAM |
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| o | Report debts from delinquent tenants to credit bureaus. | Claims<br>Collection<br>Officer | CPO<br>Cont |
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| o | Terminate leases. |  | CPO           |
| o | Perform eviction. |  | REAM/<br>Cont |

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CHAPTER 8. LEASE AND SALE TO THE HOMELESS

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|---|---|-------|------------|
| o | Establish and maintain liaison with CPD for the management of the Homeless Program.   |       | CPO        |
| o | Provide list of available properties to CPD for their use in notifying homeless providers.  |       | CPO        |
| o | Determine fair market value of property and execute lease.  |       | CPO        |
| o | Monitor deposits into and withdrawals from tax escrow account.  |       | CPO        |
| o | Perform annual property inspections.  |       | CPO        |
| o | Review CPD monitoring reports for early identification of noncompliance with terms and conditions of the homeless lease-option program as it affects the condition of the property and collection of taxes. |       | RS<br>CPO  |
| o | Evict providers/occupants, if necessary.  |       | CPD        |
| o | Resolve program management issues or disputes.  | SFPDD | FOM<br>DHM |

4310.5 REV-2

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| Responsibility | Hdqtrs | Region | Field |
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CHAPTER 9. MEDIA ADVERTISING

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|   |  |  |     |
|---|--|--|-----|
| o | Analyze expenditures for advertising prior to procurement.   |  | CPO |
| o | Analyze ad program on a continuing basis to ensure it is targeted in the most cost effective manner. |  | CPO |



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| o | Monitor expenditures monthly and take corrective action as necessary to ensure performance. | CPO |
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CHAPTER 10. SALES PROCEDURES

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| o | Ensure that properties are listed timely and include required information. | CPO |
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| o | Obtain and monitor the Selling Broker Information and Certification form. | CPO |
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| o | Conduct bid openings. | CPO |
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| o | Approve sales contracts. | CPO |
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| o | Issue Notice of Contract Acceptance HUD Property Disposition Sale. | CPO |
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CHAPTER 11. SALES CLOSINGS

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| o | Ensure that closings are performed by bonded closing agents or qualified HUD staff. | CPO |
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| o | Approve requests for extensions of time. Monitor forfeiture of earnest monies where applicable. | CPO |
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| o | Review closing documents. Ensure that closing documents are completely and accurately prepared according to contract and fiscal procedures. Make corrections or revisions. | CPO |
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| o | Conduct on-site reviews of closing agent records and procedures. | CPO |
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| o | Review closing documents for accuracy. Ensure corrections or revisions are made by the closing contractor. | CPO |
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| o | Deposit sales proceeds no later than next banking day after closing. | CPO<br>CONT |
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| o | Enter accurate sales information from the HUD-1 Settlement Statement into SAMS on a timely basis. Reconcile HUD-1s within 30 days of closing. | CPO |
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| o | Ensure closing agent compliance with contract and take corrective action, including collection of liquidated damages, where warranted. | CPO<br>CO |
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| Responsibility | Hdqtrs | Region | Field |
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CHAPTER 12. SELECTING AND MONITORING REAMS

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|--|--|-----|--------------------|
| o Survey community for qualified property managers (REAMS), recommend and obtain Headquarters' approval for services beyond the standard REAM contract, if warranted.  |  |     | CPO                |
| o Prepare work specifications and bid solicitations; conduct preaward activities; and prepare, execute and distribute contracts.   |  | RCD | CPO                |
| o Conduct field inspections of 10 percent minimum, in each stage of processing, of properties assigned to REAMS. Prepare Form HUD-9519, Acquired Property inspection Report or Form HUD-9519-A, Property Maintenance Inspection Report, within two workdays of inspection. |  |     | RS<br>CPO          |
| o Prepare and submit Form HUD-9524, Monthly Inspections of Acquired Properties, to the Regional Director of Housing.   |  | DOH | CPO                |
| o Prepare bid specifications for spruce-up/repair.   |  |     | CONT<br>RS<br>REAM |
| o Regularly monitor REAM contract and prepare form HUD-9529, Checklist for HUD Review of AMB (REAM) Office.  |  |     | GTR<br>CPO         |
| o Rotate REAM GTR oversight responsibilities on an irregular basis.  |  |     | CPO                |
| o Prepare HUD-9537, CPO's Annual Evaluation of AMB (REAM).   |  |     | CPO                |

CHAPTER 13. LEAD-BASED PAINT

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|---|--|--|--------------|
| o Perform inspections for lead-based paint. |  |  | CONT<br>REAM |
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- o Disclose possibility of lead-based paint and provide Notice Watch Out for Lead-Based Paint Poisoning! to prospective buyers. CPO

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- o Treat defective paint surfaces. CONT REAM

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- o Payment for testing of children under the age of seven. Buyer

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CHAPTER 14. FILES AND RECORDKEEPING

- o Establish and maintain files and records. CPO

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- o Maintain SAMS data base file. CPO

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4310.5 REV-2

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| Responsibility | Hdqtrs | Region | Field |
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CHAPTER 15. COLLECTIONS AND DEPOSITS

- o Receive collection. PD \*

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- o Record collection on Form HUD-235. Prepare Form SAMS-1100 and forward to lockbox. If collection represents sales proceeds, prepare Form SAMS-1103 and wire transfer to HUD's account at Treasury. AACO

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- o Confirm lockbox deposits (wire transfers) in SAMS. PD \*

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- o Ensure completion of deposit confirmation. CPO or designee

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- o If funds were deposited under wrong post code or to incorrect case number, prepare Form SAMS-1120 to correct posting of funds. PD \*

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- o Approve Form SAMS-1120. CPO or designee

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- o Enter data to SAMS. RPB

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CHAPTER 16. DISBURSEMENTS

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|   |  |                    |
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| o | Comply with all applicable procurement regulations for purchases related to single family goods and services.  | FOM<br>CPO         |
| o | Ensure segregation of duties between officials initiating purchases or contracts, officials approving or accepting goods or services, and officials certifying to the accuracy of disbursement requests. | FOM<br>DHM<br>CPO  |
| o | Review and authorize by signing Forms SAMS-1111, 1115, 1116, and 1117 for vendor file maintenance.   | FOM or<br>designee |
| o | Review and authorize by signing Form SAMS-1112, Non-vendor Payment Information.  | CPO or<br>designee |
| o | Prepare Form SAMS-1106, Invoice Transmittal.   | PD *               |
| o | Examine disbursement transmittal prepared by property manager.   | PD *               |
| o | Review disbursement transmittal and verify invoices.   | CPO or<br>designee |
| o | Certify to accuracy of disbursement transmittal by signing and affixing certifying officer's stamp.  | ACO                |

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CHAPTER 17. DEBT COLLECTION ACTIVITIES

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|---|---|-----------|
| o | Collect debt including liquidated damages, disallowed expenditures and dishonored deposits. | CPO<br>CO |
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CHAPTER 18. REVIEW OF AGED INVENTORY

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|---|---|--------------------|
| o | Review properties in inventory 24 months or longer to determine HUD ownership and compliance with fiscal responsibilities. Annotate report. | PD *               |
| o | Certify to accuracy of review.  | CPO or<br>designee |
| o | Process inventory adjustments in SAMS.  | RPB                |

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