



OFFICE OF HOUSING

HUD UPDATES

OFFICE OF MULTIFAMILY HOUSING PROGRAMS



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Office of Multifamily Housing Programs

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Welcome!

AGENDA

- Introductions
- HOTMA updates
- Budget
- PBCA Updates
- BBRA for post M2M properties
- RAD
- Staffing

Housing Opportunities Through Modernization Act (HOTMA) Updates 2025

- Current compliance target is January 1, 2026, however, this may be extended in the coming weeks.
- While we acknowledge the importance of providing clear guidance and resources to support stakeholders through this transition, any potential updates to the Handbook, Forms, and TRACS will be communicated through official channels as they become available.
- After full implementation of HOTMA, we will update the 4350.3 handbook to match the new HOTMA requirements and other sub regulatory guidance that has been released since the 2013 update of the handbook.
- HUD's Office of Multifamily Programs developed a series of [Frequently Asked Questions \(FAQs\)](#) to address stakeholder questions that have been submitted to MFH_HOTMA@hud.gov.
 - This guidance includes information on the phase-in hardship relief provision as detailed in the [HOTMA final rule](#), HOTMA-compliant [Tenant Selections Plans](#) at Management and Occupancy Reviews, and use of the [rent override function](#) in TRACS 202D up until the compliance date
- Please continue to submit your questions related to HOTMA to MFH_HOTMA@hud.gov.



Funding Status

- We are currently operating under a Continuing Resolution (CR) through September 30th.
 - HUD does not have a budget from Congress at this point and could continue to operate under another CR past 9/30.
- HQ will put out an official statement towards the end of the month if a shutdown appears imminent.
- October payments should not be impacted.

PBCA Updates

- PBCA activities will also continue as scheduled.
- The PBCA program is essential to the sustainability of the Section 8 Project Based Rental Assistance (PBRA) program and the more than 1.2 million low-income households it serves. We appreciate the large number of partners who care deeply about affordable housing and who want to ensure the ongoing success and sustainability of PBRA properties.
- HUD is continuing to explore next steps. We received helpful feedback through the three large group PBCA listening sessions and followed those with small group sessions to encourage more interaction and collaboration. All provided great perspective from program stakeholders.
- HUD is working closely with the appropriations committees to get to a legislative solution to enable us to sustain the program.

HUD 4350.1 Handbook

- Multifamily is updating all of the chapters, individually, in our 4350.1 “Multifamily Asset Management and Project Servicing” Handbook, which was first published in 1992.
- Four chapters have gone through public comment on the MFH Drafting table, more to come
- We began by assessing and then revising the table of contents, for example to eliminate outdated topics and add new ones.
- The current version of the Handbook has 38 chapters; the new one will have 55.
- Going forward, we intend to revise all Multifamily handbooks, retiring those that are obsolete and consolidating where it makes sense for us to do so. We are also putting a plan in place to keep all Handbooks updated going forward.

NSPIRE Updates

- NSPIRE was implemented October 2023, all inspections conducted are under the NSPIRE protocol.
- Contract inspectors have changed – two new contractors are scheduling and performing inspections now.
- Multifamily is working with REAC on continued improvement to systems and process for our stakeholders.
- HUD Notice 2024-11 extended the implementation for new affirmative requirements under NSPIRE until October 1, 2025.
 - These new affirmatives include Fire Labeled Doors; Electrical—GFCI or Arc Fault Circuit Interrupter (AFCI); Guardrail; Heating, Ventilation, and Air Conditioning (HVAC); Interior Lighting; and Minimum Electrical and Lighting.

BBRA for Post-M2M Projects

- Congress amended the Multifamily Assisted Housing Reform Affordability Act (MAHRA) to grant HUD the authority to amend or renew contract rents that are equal to the lesser of budget-based rents or comparable market rents in certain circumstances.
 - Last year, HUD published a Final Rule to implement the new authority and a notice, [H 2024-05](#), to implement the processing of PM2M BBRA's.
 - New appropriations to fund PM2M BBRA's were not provided, so they are funded with available Section 8 recapture funds.
- Owners of properties meeting Group A criteria, as set forth in the notice, were invited to apply for a PM2M BBRA. 142 applications were found to be eligible for a budget-based rent adjustment, representing an estimated total cost of over \$65.8 M.
- HUD invited 29 properties (2,680 units), representing an estimated total cost of \$12.2M, to submit Final Submissions so that the Department can conduct a complete evaluation of the project and assess the BBRA need.

BBRA for Post-M2M Projects

- In mid-2025, upon completion of application reviews, HUD began sending out final approval letters to owners who submitted Final Submissions last fall.
- As additional funding becomes available, HUD will invite more owners to submit a Final Submission for a PM2M BBRA.
- If you submitted an eligible application and would like to know where you are in the queue, the waitlist is available on HUD's [Post M2M BBRA website](#).
- HUD is still accepting applications for properties meeting Group A criteria and has not opened applications to other Groups just yet.

RAD Updates

- Nationally, Public Housing Authorities have converted 1,774 projects covering 241,817 housing units under the RAD program.
- This consists of 179,946 RAD Section 8 units, 37,959 non-RAD Section 8 units, 18,413 Low Income Housing Tax Credit units and 5,499 market units. That means approximately 549,130 people have had their assisted housing secured and preserved for the long-term on the Section 8 platform.
- Under RAD, the physical condition of these properties will be improved, and capital needs for the next 20 years will be accounted for, ensuring that these homes remain affordable in perpetuity.
- We don't have a current projection of the capital needs of the remainder of the public housing portfolio.
 - If the RAD portfolio is representative of the capitalization and modernization needs of those that haven't converted, the figure would be around \$115B.
 - If this figure is remotely in the right ballpark, the investment needs in the portfolio are clearly beyond what Federal appropriations can cover and public housing authorities need to be looking at options, like RAD, for securing private sector funds through debt or equity investments.

RAD Updates

- HUD recently published the RAD Supplemental Notice 4C to improve the effectiveness of RAD.
 - Extended the RAD Application Date through 9/30/2029.
 - Simplified the RAD/Section 18 Blends. The statute authorized the TPV budget authority associated with Section 18 units in a RAD conversion to also convert through RAD. This allowed HUD to dramatically streamline the program and reduce the administrative burdens of operating the property post-conversion.
 - Permitted RAD/Section 18 Blends that resulted in both PBV and PBRA units on the same site to consolidate onto a single PBRA subsidy contract, thereby streamlining their operations post-conversion.
 - Used newly authorized waiver authority to permit self-sufficiency and other services normally available only on public housing sites to continue on RAD-converted properties after conversion to Section 8.

RAD Updates

- The Notice establishes a waiver process for post-conversion properties (primarily early adopters) experiencing extraordinary circumstances to request a rent adjustment where the OCAF is not fully capturing operating cost increases.
- The Notice allows continuity of RAD program requirements by resolving conflicts with the HOTMA Voucher Final Rule (the Housing Opportunity Through Modernization Act of 2016 – Housing Choice Voucher and Project Based Voucher Implementation; Additional Streamlining Changes, published in the *Federal Register* on May 7, 2024 at [89 FR 38304](#), as corrected in a publication in the *Federal Register* on May 28, 2024 (89 FR 46020) and effective as of June 6, 2024.)
- The Notice clarified assistance renewal terms, enhanced resident protections, and updated HUD's underwriting and other reviews

Staffing

- It is critical that all asset management workload requests for HUD be submitted to the existing incoming mailboxes previously established for our Multifamily regional and satellite offices. i.e. det.incoming@hud.gov
- Use of the mailboxes will help us ensure that your request is received, assigned, and tracked through completion.
- HUD now has an active portfolio listing link for portfolio assignments and contacts. [Multifamily Housing Regions | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

CNA e-Tool

- Version 3.2 is now in use extensively across Multifamily Production, the Office of Recap, and Asset Management to standardize and streamline PCNA electronic submissions, and all reviews, within the CNA eTool system. The U.S. Dept. of Agriculture's Multifamily Division have requested to use the CNA eTool and are working with HUD Multifamily on a cross-agency pathway.
- The Estimated Useful Life (EUL) input for materials, and components, will be reprogrammed to allow for adjustments of 50% "+ or -" as needed within the CNA eTool system.
- The Multifamily Production team have also discussed forthcoming updates to both the interest rate and the inflation rates within the CNA eTool system. These rates standardize the calculation of the Initial Deposit to Replacement Reserves (IDRR), and the Annual Deposit to Replacement Reserves (ADRR). The rates have not been updated since 2022, and the updated rates are listed below courtesy of HUD's PD&R group:

CNA e-Tool

- Data aggregation for current and future: The CNA eTool is the primary electronic application intake system for HUD Multifamily properties. All data inputs are entered, compiled, and submitted as one application, and other HUD systems (i.e. iREMS, PLUS / DAP etc.) pull from these data sets.
 - One application submitted to Multifamily Production satisfies, and standardizes, the data requirements for the Office of Recap, and the Office of Asset Management. Further upstream, these data sets are pulled for weekly, monthly and quarterly reports to internal HUD decision makers.
- The Multifamily Production team are working with our internal HUD partners, to unlock existing funding sources for updating the CNA eTool system. The system has not received any direct funding in four years to make necessary updates and upgrades.
- The Multifamily Production team will be offering multiple CNA eTool system training sessions to our lenders, Needs Assessors, and CNA eTool submitters beginning in July. If any of our lending partners need a one on one training session, please reach out to CNA eTool team at CNAeTool@hud.gov or ioane.i.tautiaga@hud.gov directly.



Questions?

