

Dear NAHMA Members,

Today, HUD released an update to the proposed rule, [“Improving the Previous Participation Reviews of Prospective Multifamily Housing and Healthcare Programs Participants”](#). This proposed rule updates the previous rule HUD published in August 2015. Please review the attached proposed rule update and submit comments Scott Mcmillen or Larry Keys by **June 8, 2016**.

Summary

In August 2015, HUD published a proposed rule that revised regulations for reviewing 2530s in an effort to clarify and simplify the review process. In [NAHMA’s comments](#) to the August 2015 proposed rule, members expressed some concerns, but agreed with the overall intent to improve the 2530 review process. While stating support for the overall intent to simplify the 2530 process, NAHMA noted “the regulations included many open-ended, catch-all categories, which are overly broad and ambiguous, and may actually increase burdens on a number of participants...HUD should revise and elaborate on the proposed rule before final publication, and because so many concepts and details were not presented for review and comment in the proposed rule, the Department should re-issue a revised proposed 2530 rule before proceeding to final rule making.”

The purpose of this proposed rule update is to provide members an opportunity to comment a few key provisions, which have been added in response to NAHMA’s comments. Below are the provisions HUD is seeking comments, specifically the **Processing Guide for Previous Participation Reviews** and the **Definition of Risk**:

1. See Appendix, beginning on pg.9, **“Processing Guide for Previous Participation Reviews of Prospective Multifamily Housing and Healthcare Programs’ Participants” (Guide)**. According to HUD, “this Guide, which will be posted on HUD’s website, will provide the details on procedures which commenters are seeking and which HUD submits is more appropriate for a process guide than for regulatory text.

The Guide will provide the detailed information desired on the previous participation review process, and provide HUD with the ability to make changes as may be needed to address specific circumstances that may arise in the previous participation process and to keep up-to-date with changes that may arise in the housing market.

The Guide, in addition to elaborating upon terms and provisions in the proposed rule, also addresses “flags,” which are not addressed in either the existing regulations or proposed regulations.

The Guide also includes certain information collection requirements but those requirements are ones which are already included in HUD’s 2530 form. For example, the Guide requires organizational information to be presented in an

organizational chart instead of merely listed. However, the Guide makes clear that not every entity identified in the organizational chart will be considered a Controlling Participant, as defined in the regulation.”

2. See pg.7-8, **Description of Definition of “Risk”**

***** Please submit comments Scott Mcmillen or Larry Keys by June 8, 2016.*****

Thanks,

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NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.