

Tenant Rights

The M2M rules include the following provisions to protect tenants and include them in the process:

- Tenants must be notified of an owner's intention to enter the M2M program, renew their Section 8 contract, sell their property, or opt out of the program.
- Tenants have a right to organize without retaliation, attend and speak at public meetings or submit written comments, recommend improvements, review certain reports about the property, review and comment on the restructuring plan and rental assistance plan before it is completed, and ask for assistance in obtaining relevant materials about M2M provisions.

Available Assistance

To ensure that tenants and communities are informed and receive assistance in understanding the M2M program, HUD has established partnerships with a number of nonprofit tenant and housing organizations throughout the country.

Some organizations work under Outreach and Technical Assistance Grant (OTAG) programs to help tenants organize, participate, and apply for Intermediary Technical Assistance Grants (ITAGs) for their buildings. In addition, these and other nonprofit organizations have Americorps VISTA volunteers assigned to them through the Corporation for National Service and National Alliance of HUD Tenants.

HUD provides ITAGs through three interstate nonprofit organizations to help tenant and community-based nonprofit organizations build tenant capacity, assemble purchase plans, and help eligible public or community entities provide assistance.

What Happens in the M2M Process?

A property owner must decide to enter the program at least 3 months before that property's Section 8 contract expires. HUD will then determine whether the property is eligible for M2M. **The PAE or owner will inform tenants of the owner's decision and HUD's eligibility determination.**

- If the property is eligible, the owner works with the PAE and the lender to develop a new financial plan so that the property's finances will allow lower Section 8 subsidies. **The PAE will give tenants the opportunity to review a full restructuring plan before it is submitted to HUD.**
- After the plan is put into place, HUD or the PAE monitors the property to make sure the plan is implemented.
- As part of M2M, HUD will assess the condition of the buildings, the management, and many other things to make sure the housing will be safe, decent, and affordable.

How Can I Learn More About M2M?

HUD provides several M2M information sources:

- HUD's M2M Web site (www.hud.gov/omhar) provides documents and other information describing all aspects of M2M and its implementation.
- HUD's Multifamily Housing Clearinghouse distributes brochures and other written information on the program. It also provides the names, addresses and phone numbers for the OTAG providers and ITAG administrators by region. Call the Clearinghouse toll-free at **1-800-685-8470**.
- Local HUD Multifamily Hubs can provide information on PAEs in their area.



Making Affordable Housing Work for Everyone

Tenant Information



U.S. Department of Housing and Urban Development
Office of Multifamily Housing Assistance Restructuring

What Is Mark-to-Market?

In the coming months, you may hear about or be asked to participate in a program called Mark-to-Market (M2M). M2M is a new program designed to help assisted housing properties—like the one you live in—work for everyone. This brochure will explain the M2M process, how you can participate in meetings about how M2M will affect your development, and where, as tenants, you can get help organizing. But before getting down to the details, please keep this in mind:

- It will help preserve decent affordable housing for you and others for years to come. In some cases, the residents of the property may be provided a voucher that permits them to stay in their current home or move to another affordable property.
- HUD, through the Office of Multifamily Housing Assistance Restructuring, will administer M2M through a Participating Administrative Entity (PAE). The PAE may be a State or local housing finance agency or other entity selected by HUD and will be responsible for

including tenants in the M2M process and negotiating the M2M process with the owners.

- You have a right to know whether the owner of your property is planning to participate in the M2M process.
- **You and other tenants *can* make a difference in what happens to your housing.**

Why Is M2M Needed?

In the mid-1970s, in an effort to spur the construction of affordable housing and encourage private owners to come into the Section 8 program, the Federal Government offered high rental subsidies and entered into contracts with owners that called for automatic annual rent adjustments. In return, the owners agreed to rent to lower income households. Over the years, however, HUD subsidies at some assisted properties have risen to levels above the competitive market rents for the area. To reduce the high cost of providing subsidies while maintaining decent and safe properties, HUD developed the M2M program.

How Can M2M Help You and the Owner?

M2M works for tenants by . . .

- Ensuring that tenants can continue to rent housing at affordable rents.
- Repairing the properties as needed so they continue to offer a decent place to live.
- Making sure property managers are able to do their job by keeping properties clean and in good condition, maintaining good relations with tenants, and doing what they can to make sure the buildings are safe places to live.
- Guaranteeing the property will continue to provide affordable housing for the next 30 years.

M2M works for owners by . . .

- Adjusting or “restructuring” their mortgages to make sure they can pay their expenses and maintain their properties at the new, lower subsidy.
- Facilitating the complex negotiations between HUD and its partners, the owner(s) of your property, and the lender(s) who hold the mortgage to decide how to restructure the owner’s mortgage debt.

M2M works for everyone by . . .

- Reducing housing assistance payments paid by HUD on properties for which rents are higher than rents for similar apartments in the area.

