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CHAPTER 3. HEADQUARTERS PROCESSING

3-1 Participation Control Staff

When the Field Office completes its processing of the HUD-2530 and the review indicates the need to forward the HUD-2530 and any related exhibits to Headquarters, it is received and examined by the Participation Control Staff, Participation and Compliance Division, Office of Housing. The Participation Control Staff then conducts a review of each principal listed on the HUD-2530 where adverse information is indicated. The sources for this review generally fall into one or more of the following categories:

- A. The information disclosed by the principals as set forth on the HUD-2530.
- B. Information disclosed by the field office submitting the HUD-2530 to Headquarters.
- C. Information submitted to Headquarters relating to the principal's performance in Departmental programs by other field offices;
- D. Information flagged in the PPRS; and/or
- E. Information available from the Office of Inspector General concerning completed investigations or audits.

When the Participation Control Staff compiles the information from the above sources, it reviews the results to determine if any adverse information exists that would fall into one or more criteria for withholding or disapproving the principal(s) as outlined in the Regulations. When no such information exists, the Participation Control Officer issues an approval which is transmitted to the field office. When adverse information does exist, the Executive Secretary prepares the case for review by the MPRC.

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3-2 Multifamily Participation Review Committee (MPRC)

The MPRC is composed of various housing office and division

directors who are designated by the Assistant Secretary for Housing - Federal Housing Commissioner. The specific offices are set forth in 24 C.F.R. Section 200.93.

The MPRC acts for the Assistant Secretary for Housing in determining the acceptability of those principals submitted by the Executive Secretary. The MPRC, after fully reviewing the information submitted by the Executive Secretary may:

- A. Approve the principal and return a signed copy of HUD-2530 to the field for disposition;
- B. Grant conditional approval subject to special conditions or limitation;
- C. Withhold approval for a temporary period, not to exceed 120 days, pending receipt and review of additional information upon which to base a final decision or pending the outcome of a criminal complaint or indictment; or
- D. Disapprove the principal when standards for disapproval in 24 C.F.R. Section 200.230 are met.

When the Committee's deliberations are completed and its decision is something other than approval, the Executive Secretary notifies the principal(s) by certified mail (at the address they furnished on the HUD-2530) that approval has not been granted, conditions have been imposed, or approval withheld. The Executive Secretary's notice to the principal(s) includes a statement of the reasons for the Committee's decision.

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Upon receipt of the notice, the principal(s) may elect to request reconsideration by the Committee and furnish additional written data, evidence or briefs, or he/she may elect to request an oral hearing before a Departmental Hearing Officer where testimony under oath may be received from witnesses. The hearings are conducted in accordance with the procedures set forth at 24 C.F.R. Part 26. Witnesses can be cross-examined. Principal(s) may represent themselves or employ an attorney.

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