

Chapter 4. Processing Initial Notices of Intent (NOIs) to  
Terminate Affordability Restrictions

- 4-1. Purpose. This Chapter outlines the steps Loan Management staff must take when it receives an Initial NOI to terminate affordability. It explains what Loan Management must return to the owner and what it must instruct the owner to do.
- 4-2. Action Upon Receipt of an Initial Notice of Intent.
- A. Loan Management Staff will Distribute Initial Notice of Intent. Within five days of receipt of an Initial NOI to terminate affordability restrictions, LOG date distributed Loan Management staff will distribute it, by overnight mail if mailing is necessary, to the Economic and Market Analysis Staff (EMAS), the Office of Fair Housing and Equal Opportunity (FHEO), and the Housing Programs Branch, Attention: Valuation Branch, with a request that they supply information relevant to the market area.
- B. Other Branches Provide Information. Within 90 days of receipt of the Initial NOI, EMAS, FHEO, and Valuation Branch will provide:
1. Any readily available data and information on the characteristics and market conditions of comparable affordable housing and the overall rental market in the housing market area; including such things as estimates of the current supply of subsidized and market rate rental housing, occupancy and vacancy conditions in rental housing, rent ranges and recent trends in rents, studies or reports on the overall rental market supply demand conditions previously prepared by EMAS, and vacancy rates and length of waiting lists in assisted housing in the market area.
  2. The impact of the termination of affordability restrictions on minorities in the market area.

- 4-3. Loan Management Staff sends Information to the Owner. Within six-months after HUD receives the Initial NOI,

Loan Management staff will send Appendix 4, Letter to Owner Transmitting Information for Terminating Affordability Restrictions. LOG date letter sent This letter advises the owner of the requirements for submitting a Plans of Action (POA) to terminate affordability restrictions and, by means of Appendix 4A, Information About Market Areas, transmits the information provided by other Divisions/Branches which the owner will need to develop the POA.

4-4. Information to Tenant Representatives and State and Local Governments. Simultaneously with notifying the owner, Loan Management staff will send the tenant representative(s) and the appropriate State and local government agencies any information it provided to the owner by sending them a copy of the letter sent to the owner and all attachments (see Appendix 4A and 4B) LOG date sent .

4-5. Information to Tenants. It is Loan Management's responsibility to make the information sent to owners available to tenants by posting. Therefore, the letter sent to the owner in accordance with Paragraph 4-3, will instruct the owner to post the letter with all attachments including Appendix 4B, Information for Tenants. The owner must post this information which contains the rights and opportunities of tenants in each affected building. By means of Appendix 4B, Information for Tenants, tenants must be informed of:

- A. The opportunity to provide comments to the Loan Management Branch at all stages of the decision-making process;
- B. The name, address, and phone number of any tenant representative(s) who has been provided this information, and may be expected to consult with, provide guidance, and act on behalf of the tenants;
- C. Assistance which may be provided to tenants if the project mortgage is prepaid including Section 8 rental assistance and guarantees of

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continued occupancy in accordance with Chapter 10 of this Handbook; and

- D. Information about the market area sent to owner by Appendix 4A.

4-6. Submission and Evaluation of Plans of Action. POAs

will be evaluated in accordance with the guidelines provided in Chapter 8 reserved .