

Chapter 6. Owner's Options

6-1 Introduction. This Chapter outlines the options available to owners based on the choice indicated on the Initial Notice of Intent (NOI) and the information that the owner received from HUD in accordance with Chapters 4 or 5 in response to the NOI.

6-2. Owner's Initial Notice of Intent was to Terminate Affordability. The owner may decide to:

- A. Continue with Initial Intent and Terminate Affordability. Within six months after receiving the information from HUD in accordance with Chapter 4, Paragraph 4-3, the owner must submit a Plan of Action (POA) to terminate the affordability restrictions in accordance with the guidelines established in Chapter 8 Reserved of this Handbook.

Change Initial Intent and Extend Affordability. If the owner changes its mind and does not submit a POA to terminate affordability restrictions within six months after receiving the information from HUD in accordance with Chapter 4, Paragraph 4-3, the owner may submit a new Initial NOI to extend affordability. The new NOI may not be submitted prior to six months after the deadline for submitting the POA and must meet all requirements for an Initial NOI set forth in Chapter 3. The Field Office will take the actions outlined in Chapter 5 in response to the new Initial NOI.

6-3. Owner's Initial Notice of Intent was to Extend Affordability Restrictions. The owner may decide to:

- A. Retain ownership of the project and extend affordability as originally requested.
1. All owners have this option.
 2. Within six months after receiving the information from HUD in accordance with Chapter 5, Paragraph 5-11, the owner must submit a POA meeting the requirements set forth in Chapter 8 Reserved .

- B. Sell the project through a voluntary sale. In a

voluntary sale, the owner retains the option to choose the purchaser, refuse any bona fide offer, or accept an offer for less than Transfer Preservation Value (TPV).

1. All owners have this option. However, if Transfer Preservation Rent (TPR) exceeds the Federal Cost Limit (FCL), the incentives received by the purchaser may not require gross annual rents which exceed the FCL.
 2. Within 30 days after receiving the information from HUD in accordance with Chapter 5, Paragraph 5-11, the owner must submit Form HUD-9609, "Second NOI," Appendix 6.
 3. All requirements for submission of a Second NOI are the same as for submission of an Initial NOI as outlined in Chapter 3, except the Second NOI does not have to be sent to each occupied unit unless there is no known tenant representative. Notification of the Availability of Translations, Form-HUD 9608A, Appendix 3C, must be sent to any tenant who receives the NOI, any Tenant Representative known to the owner, and posted in each affected building, alongside the Second NOI. Chapter 7 Reserved provides instructions for processing a Second NOI.
- C. Attempt to prepay the mortgage by first offering the project for a mandatory sale. Before an owner may prepay a project, the project must be offered for mandatory sale for the entire sale period specified in Paragraph 6-4. During the sale period, the owner must accept any bona fide offer at the TPV.
1. The owner may choose this option if the TPR exceeds the FCL and the owner wishes to prepay the mortgage.

2. Within 30 days after receiving the information from HUD in accordance with Chapter 5, Paragraph 5-11, the owner must submit Form HUD-9609, "Second NOI."
3. All requirements for submission of a Second NOI are the same as for submission of an

Initial NOI as outlined in Chapter 3, except the Second NOI does not have to be sent to the mortgagee. Notification of the Availability of Translations, Form-HUD 9608A, Appendix 3C, must also be sent to each occupied unit, any Tenant Representative known to the owner, and posted in each affected building, alongside the Second NOI. Chapter 7 Reserved provides instructions for processing a Second NOI.

- D. Do Nothing at this Time. If a Second NOI to sell is not filed within 30 days or a POA to extend affordability is not filed within six months of receipt of the information from HUD in accordance with Chapter 5, Paragraph 5-11, the process is ended. If the owner wishes to participate in the program at a later date, a new Initial NOI must be submitted after the owner has waited six months from the deadline for submitting the POA.
- 6-4. Sale of the Project. The Second NOI initiates a 15-month offering period for sale of the project.
- 6-5. If the owner changes its mind after submitting a Second NOI to proceed through a voluntary or mandatory sale of the project and, instead decides to request incentives, the owner must submit a POA for incentives within six months of receiving the information from HUD in accordance with Chapter 5, Paragraph 5-11, as if no Second NOI had been submitted. If it fails to submit a POA for incentives within six months, it must wait six months from the deadline for filing the POA before filing a new Initial NOI.

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- 6-6. Submission of new Initial Notices of Intent. The submission of a new Initial NOI will be handled in the same manner as submission of the original Initial NOI. If a new initial NOI is submitted, the original appraisals may not be used.