

NEW MOR RATING GUIDELINES



MOR RATING

Superior (90-100)

Above Average (80-89)

Satisfactory (70-79)

Below Average (60-69)

Unsatisfactory (59 and Below)



MOR RATING

MOR Categories

% of Score

- General Appearance and Security 50%
- Follow-up and Monitoring of Project Inspections
- Maintenance and Standard Operating Procedures

- Financial Management/Procurement NOT RATED

- Leasing and Occupancy 50%
- Tenant/Management Relations
- General Management Practices

MOR RATING

Superior Rating

- Owner/agent has established policies and procedures which are successful in carrying out the objectives of HUD housing programs (i.e., provisions of well-maintained housing at the lowest possible rents and proper use and concern for Federal subsidy and insurance funds);
- Owner/agent strictly adheres to procedures, resulting in compliance with the regulatory agreement, subsidy and mortgage contracts, and management certifications; and
- There are no incidences of errors disclosed in the review or major adverse findings.

MOR RATING

Above Average Rating

- Owner/agent has established policies and procedures which are successful in carrying out the objectives of HUD housing programs (i.e., provisions of well-maintained housing at the lowest possible rents and proper use and concern for Federal subsidy and insurance funds);
- Owner/agent strictly adheres to procedures, with very few exceptions, resulting in compliance with the regulatory agreement, subsidy and mortgage contracts, and management certifications; and
- Incidences of errors disclosed in the review are minimal and there are no major adverse findings.

MOR RATING

Satisfactory Rating

- Owner/agent is successfully carrying out the objectives of HUD programs;
- Policies and procedures have been established but are not always adequate to prevent errors from occurring; and,
- The owner/agent or their employees have deviated from established policies resulting in deficiencies or there are findings that, with minor adjustments to existing policies or procedures or additional training, the owner/agent should be able to cure the deficiencies.
- In such cases, a satisfactory rating should be given only if the owner/agent is willing to make the necessary adjustments and complete the necessary training.

MOR RATING

Below Average Rating

- Owners/agents policies and procedures are ineffective or inappropriate for the project;
- The policies and procedures do not meet the requirements of the regulatory agreement, management certification, or subsidy contracts;
- Weaknesses in policies and procedures result in frequent failures to comply with published HUD instructions;
- There are repeat adverse findings;
- There are open findings from prior year's management reviews;
- The owner/agent would need significant changes to its existing policies and procedures or the owner/agent or on-site employees would need significant amounts of training to cure the deficiencies.

MOR RATING

Below Average Rating

- Owners/agents policies and procedures are ineffective or inappropriate for the project;
- The policies and procedures do not meet the requirements of the regulatory agreement, management certification, or subsidy contracts;
- Weaknesses in policies and procedures result in frequent failures to comply with published HUD instructions;
- There are repeat adverse findings;
- There are open findings from prior year's management reviews;
- The owner/agent would need significant changes to its existing policies and procedures or the owner/agent or on-site employees would need significant amounts of training to cure the deficiencies.

MOR RATING

Unsatisfactory Rating

- Owners/agents actions or failure to act have placed the Secretary's interest in jeopardy or frustrated achievement of the Secretary's housing objectives;
- There are major adverse findings such as physical deficiencies observed during the last REAC physical inspection resulting in a score below the minimally acceptable threshold. *In such cases, the owner/agent's failure to maintain the property in decent, safe, and sanitary condition and/or to correct deficiencies noted in the REAC physical inspection requires an overall rating of Unsatisfactory;*

(cont. on next page)

MOR RATING

Unsatisfactory Rating (cont.)

- The owner/agents actions have failed to meet state and local housing code requirements (regardless of REAC score); and,
- There are open findings from prior year's management reviews;
- The owners/agents policies and procedures are ineffective or lacking to the extent that the owner/agent frequently, and often seriously, fails to comply with HUD's regulations and published instructions.
- There are repeat major adverse findings.

MOR RATING

Examples of major adverse findings include,
but are not limited to:

- Willful failure to maintain the property in an acceptable physical condition;
- Failure to recertify tenants;
- Failure to collect tenant rent;
- Failure to comply with EIV requirements;
- Fraudulent recertifications by the owner/agent;
- Failure to comply with fair housing laws.

MOR FINDINGS FOR EIV

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1. O/A does not have access to EIV.
2. O/A is not using EIV for recertifications effective June 1, 2010.
3. Missing/incomplete EIV documents as listed on the Addendum C.
(Email HUD Headquarters immediately at: mf_alert@hud.gov to terminate the coordinator's/user's access)

4. Rules of Behavior for non-system users missing where applicable. (O/A's receiving EIV print outs from their Service Coordinator must complete, send a copy to the servicer and retain a copy on-site.)
5. EIV data being shared with other entities, e.g., state officials monitoring tax credit projects, Rural Housing staff monitoring Section 515 projects, or Service Coordinators.
6. EIV data not kept secure.

7. O/A has not updated Policies and Procedures to include EIV use.
8. O/A has not updated Tenant Selection Plan to include use of Existing Tenant Report.
9. EIV Income Reports are not in tenant files as third party verification.
10. Tenant files that do not have documentation to support EIV discrepancy resolution.

11. O/A is not reviewing New Hires Report.
12. Unresolved Failed Verification and Pre-screening Discrepancies.
13. Deceased Tenant Report has not been reviewed and/or errors corrected.
14. Multiple Subsidy Report has not been reviewed and/or errors corrected.

15. O/A is not following HUD's record retention requirements.
16. Missing/Incomplete form HUD-9887.
17. O/A is not providing tenants with the EIV & You brochure at move-in and recertification.
18. O/A is sharing access IDs and passwords.

Required Tenant File Documentation

- EIV Income Report included with each annual recertification (beginning June 1, 2010).
- Form HUD-92006, Supplement to Application for Federally Assisted Housing.
- Annual Acknowledgment of Head of Household's receipt of "EIV and You" brochure (Composite Form).
- Social Security Number Verification for All Household Members (copy of SS card preferred).
- Current and Original Lease, including attachments, & Lease Addendum Form HUD-91067.

Required Tenant File Documentation

Section:

EIV reports and any documentation to support *EIV Income Discrepancy* resolutions; including repayment amounts and dates collected.

Section:

Late Rent Notices and Payment/Repayment Plans including all associated documents (including payment amounts and dates collected)

Section:

Correspondence with the tenant(s)

Section:

Annual Inspections

MOR Tenant File Review Worksheet

MOR Tenant File Review Worksheet

- Application Supplement Form HUD-9206
- LBP Disclosure <http://www.epa.gov/lead/pubs/leadpdf.pdf>
- Race & Ethnicity form HUD-27061-H
- Release of Information form HUD-9887 & 9887A
- Composite form (Initial & Annual)
- Residents Rights & Responsibilities
- Fact Sheet-Sec. 8 (Appendix 14)
- “Is Fraud Worth It?” form HUD-1141
- Social Security Verification
- Owners Notice #1 form

MOR Tenant File Review Worksheet

Websites for Criminal & Sex Offenders

<http://www.ndcourts.gov/publicsearch/contactsearch.aspx>

[http://www.nsopw.gov/\(X\(1\)S\(vmjg4u45cw3gdx45rmdz0rzn\)\)/Core/OffenderSearchCriteria.aspx](http://www.nsopw.gov/(X(1)S(vmjg4u45cw3gdx45rmdz0rzn))/Core/OffenderSearchCriteria.aspx)

<http://www.bop.gov/iloc2/LocateInmate.jsp>

<http://www.sexoffender.nd.gov/>

MOR Tenant File Review Worksheet

- Disability Verification form HUD-90102
- Disability Verification form HUD-90103
- Student Certification
- Student Verification
- HUD Model Lease form HUD-90105-a
- HUD Model Lease form HUD-90105-b
- VAWA Addendum form HUD-91067
- Move-in/Move-out Inspection form HUD-90106

O/A MOR Responsibilities

1. The Contract Administrator (CA) will call you at least 30 days in advance to schedule on-site date(s) for the MOR.
2. You must be available, during the on-site visit to work with the CA.
3. Prior to the MOR, submit all information requested in the schedule confirmation letter by the date indicated.
4. Upon completion of the on-site visit, the Contract Administrator will conduct an exit conference summarizing the findings.
5. A written report will be sent to the property within 30 days identifying any corrective actions that may be required.
6. The property must provide an acceptable written response within 30 days.

SAMPLE FINDING

Condition #1:

1. Unit #123 shows retirement accounts of \$18871.82 and \$9666.38 were cashed in and deposited but not 3rd party verified.
2. Unit #456 large monetary change in Annuity Accounts from last year.

Criteria: HAP Contract, 1.9 Marketing and Leasing of Units

Cause: Failure to comply with HUD regulations

Effect: Possible overpayment of Housing Assistance Payments.

Required Corrective Action

1. Unit #123: Attain 3rd party verified accounts and funds associated. Submit a copy of the updated form HUD-50059 with any corrections to the move in and a copy of the 30 day rent increase letter *if applicable* with your response to this report.
2. Unit #456: Verify monetary discrepancy between the 2008 and 2009 recertification. Submit a copy of the updated form HUD-50059 with any corrections and a copy of the 30 day rent increase letter *if applicable* with your response to this report.