



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

OFFICE OF HOUSING

MEMORANDUM FOR:

Multifamily Regional Center Directors
Multifamily Satellite Office Directors
Multifamily Asset Management Division Directors
Multifamily Account Executives
Performance Based Contract Administrators (PBCAs)

FROM:

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Date: 2021.10.13 15:16:18
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Toby Halliday, Director, Office of Asset Management and Portfolio
Oversight Division (OAMPO), HTG

SUBJECT:

Procedures to Prevent Unauthorized Bypassing of Tenant Waiting
Lists

This memorandum is in response to Office of Inspector General (OIG) audit 2018-KC-0802 titled “Limited Review of HUD Multifamily Waiting List Admissions.” The results of this audit indicated that tenants were able to move into units and become heads of household without being put on the established waiting list. The purpose of this document is to ensure that Management and Occupancy Reviews (MORs) include procedures to assess, identify and monitor tenants seeking to bypass waiting lists in subsidized multifamily housing units.

The review of tenant files in an MOR should ensure that additions of family members to the lease and the change in the head of household follow the procedures identified in 4350.3, which will help safeguard that households are not inappropriately expanded and that leases are only transferred to remaining household members under appropriate circumstances. Please note that these procedures also apply when PBCAs or HUD staff review unit transfers, not just during MORs.

It’s important that we continue to ensure compliance with existing procedures for adding new members to a household and for processing a change in the head of household to avoid situations where individuals may attempt to use these processes for the purpose of bypassing the waiting list. We believe that these procedures will create greater awareness to prevent persons from violating HUD’s regulations and inappropriately moving into units, taking sole possession of the lease, and bypassing the waiting list instead of having been selected from an established waiting list.

Please refer to HUD Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Programs at: <https://www.hud.gov/sites/documents/43503HSGH.PDF>. Chapter 3, Paragraph 3-9, D, 7 provides information about circumstances when Tenants must provide Social Security Numbers when adding new household members to an existing household. Chapter 3, Section 3 provides Verification of Eligibility Factors. Chapter 7, Paragraphs 7-11 and 7-12 provide instructions regarding processing interim recertifications and the required verification for new family members income and related expenses.

Thank you for your prompt attention to this request. If you need additional information, please contact Jessica.L.Jackson@hud.gov or Belinda.P.Koros@hud.gov .