

insurance or risk-sharing programs, direct loan, capital advance or grant programs, or other subsidy programs, and combinations thereof. On-going decision-making relates to an insured or subsidized project's occupancy, operations, and physical and financial condition from the time of occupancy through financial disposition including but not limited to prepayment, repayment of the loan or end of the subsidy contract, foreclosure, and/or termination of the subsidy contract. In addition, functions involve the renewal of section 8 contracts and other project-based assistance, and imposing sanctions upon project owners that, for example, violate the terms of their regulatory agreement and/or section 8 housing assistance contracts.

D. Competitive Capital Advance Programs: Competitive programs within the Office of Multifamily Housing typically include those for the section 202 supportive housing for the elderly, section 811 supportive housing for persons with disabilities, service coordinators, and the assisted living conversion programs. In any given year, Congress may authorize additional or alternative programs. Office functions include developing the criteria for applications, rating and ranking applications, and executing capital advance and grant agreements. Once a grant is awarded, functions include monitoring compliance with the grant agreement, terminating a grant for non-compliance, modifying a grant, and closing out a grant. Once a capital advance has been awarded under the section 202 or section 811 programs, functions include processing a firm commitment application, initially closing the project, monitoring compliance with the construction contract, and finally closing the project once costs have been certified.

E. Program Demonstrations: Periodically, the Congress will enact legislation that authorizes HUD to conduct a multifamily housing program on a demonstration basis. The purpose of a demonstration is essentially to test the viability of a new program on a limited basis, e.g., by geography, case volume, or time. Functions related to demonstration programs include developing program criteria, implementing the program, monitoring activities and results, preparing any required reports to Congress, and closing out the program.

F. Property Disposition: Property disposition functions begin after HUD has made an initial decision to foreclose on a property. These functions include notifying an owner, and hearing and deciding an owner's appeal to the

foreclosure determination; deciding the terms of and directing a foreclosure sale; accepting a deed-in-lieu of foreclosure, authorizing any work and related terms required by a project in advance of a sale; advertising a project for sale; approving disposition plans, sales documents, and purchasers; executing rental assistance contracts; and relocation of residents as may be necessary.

G. Coinsurance: HUD stopped accepting new applications for multifamily housing coinsurance in 1990. However, multifamily housing coinsurance program functions are still carried on in relation to the existing inventory, and include any and all actions necessary to carry out the program authorized under 12 U.S.C. 1715z-9. Functions also include authorizing second mortgage documents in partial-payment of claims cases, as well approving requests for the conversion of coinsurance to full mortgage insurance.

H. Portfolio Reengineering: The Portfolio Reengineering Demonstration Project was originally authorized in 1996 and most recently in 1998 under Title V of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Pub. L. 105-65). Although all cases under the program have been closed, there are certain actions remaining, such as final disbursements to joint venture partners, which will enable the program to be terminated.

I. Hospital Mortgage Insurance: Functions for the hospital mortgage insurance program cover the range of activities from the pre-commitment stage through property disposition. The functions include the same kinds of activities described above for the multifamily insurance program and fall within the generic categories of production, asset management, and property disposition.

J. Contract Administration Oversight/Funding: Functions in this area of contract administration oversight involve activities related to the award of the Contract Administration Contracts (Annual Contribution Contracts), assessment and assignment of section 8 contracts to the Performance-Based Contract Administrators (PBCAs), evaluation of PBCA performance, provision of technical assistance to PBCAs and prescription of any remedial actions needed to improve PBCA performance. Key functions also involve developing policies and procedures for field offices and coordinating efforts between the PBCAs and the local multifamily field office staff,

monitoring, evaluating, and providing technical guidance relative to field activities, assuring that PBCAs provide data needed to evaluate their performance and the status of contracts they administer, and coordinating audit activities associated with section 8 Contract Administration.

Funding activities involve all budget and funding responsibilities associated with the Rental Assistance Programs (RAP) (i.e., section 8 but not sections 202/811, RAP, Rent Supplement, Project-Based section 8, and Service Coordinators), including both HUD and third-party administered contracts. Activities also include creating and approving administrative commitments for active contracts, determinations of funding levels, reservations of the subsidy based on funding availability, monitoring allotments as compared to annual appropriations, funding assignments against allotments, reservations compared to fund assignments, and actual reservations versus estimated activity. Additional functions include monitoring the timely payment of section 8 housing assistance to administrators and project owners in cooperation with the section 8 Financial Management Center (FMC) and the accounting staff in the Office of the Chief Financial Officer. The work with the FMC primarily focuses on the impact of funding and payment when initiating conversions from HUDCAPS to LOCCS. The funding area also works with the Department's budget and accounting organizations to generate budget authority estimates for the above-referenced subsidy programs, develop procedures for funding and payment processes, and systems integration to support the data. Another function is to liaison and coordinate with counterpart staff in the field offices to provide training and guidance, and to assure that funds are obligated and contracted.

Section III. Multifamily and Health Care Programs—Summary of Delegations

As noted above, in order to efficiently administer the business of multifamily housing, the Assistant Secretary is delegating broad authority to clearly identified positions within the Office of Multifamily Housing in Headquarters and the Field, and to the Director and Deputy Director of OIHC. Delegations in relation to four programs are being afforded exceptional treatment. These programs are the property disposition program, coinsurance program, portfolio restructuring program, and the mortgage insurance program for hospitals. This section contains a general discussion of