

BUDGET BASED RENT INCREASE SUBMISSION PROCESS

Owners who are eligible for a budget based rent increase and wish to submit such a request are required to follow the instructions found in Chapter 7 of the HUD Handbook 4350.01. The request will be reviewed based on these requirements. A rent adjustment request package containing all of the applicable items listed below and meeting the requirements described in Chapter 7 can be processed more efficiently, thus reducing the number of requests for additional information.

At a minimum, a request for a budget based rent increase must contain the following items. **Please check off the items included with your submission and return this list along with your documentation.**

- Cover letter** summarizing reasons for the increase, proposed effective date, describe physical condition and any improvements budgeted for. Identify any proposed changes in services, equipment or charges and reasons for change.
- A **budget worksheet** (form HUD-92547-A, dated 08/2000) completed in accordance with handbook 4350.1. Forms reproduced by owners must observe the HUD format providing the same information including the owner's signed certification (Appendix 4d of 4350.1).
- Justification Statement** for changes in budgeted line item amounts that exceed last year's audited figures by \$500 or 5% and miscellaneous line items.
- Copy of **notice to tenants**, annotated to show where and how the notice was distributed (if applicable). Refer to 4350.1 for requirements.
- Executed copy of **Owner's Certification** Regarding Purchasing Practices and Reasonableness of Expenses (Appendix 3 of 4350.1).
- Energy Conservation Plan**, status report (if applicable) Chapter 12 of 4350.1.
- Signed request to increase **reserve deposits** or statement that reserves are adequate (Appendix 6 of 4350.1).
- A **utility allowance recommendation**, if tenants receive a utility allowance. Remember: utility allowances should be reviewed if there has been a 10% increase in utilities.
- Attachment 5** of the Section 8 Renewal Policy Guidebook – "Profit motivated Projects" submit with 1st budget base rent adjustment under MAHRA guidelines in conjunction with HUD Handbook 4350.1 Chapter 7.

Note: If the project is subject to tenant review and comment requirements, see Paragraphs 7-8 through 7-11 of HUD 4350.01, Rev. 1 for submission instructions for the Certification as to Compliance with 24 CFR Part 245 (Appendix 2) due following the 30 day tenant comment period.