



## **HUD Approval of Requests for Transfers of Multifamily Housing Project-Based Rental Assistance, HUD-Held or Insured Debt, and Income-Based Use Restrictions (Section 214)**

*What are we doing?*

On or around March 23, Multifamily is publishing a Federal Register Notice called *HUD Approval of Requests for Transfers of Multifamily Housing Project-Based Rental Assistance, HUD-Held or Insured Debt, and Income-Based Use Restrictions*. This is a great preservation tool for transferring project based rental housing assistance from one property to another, to better meet the needs of tenants in the very-low and low income categories. Section 214 transfers are for those properties that both have a HUD assistance contract AND a use agreement, unlike 8bb transfers which are for those properties that only have a HUD rental assistance contract such as a HAP.

This notice establishes the terms and conditions by which HUD will approve a request for the transfer of project-based rental assistance, debt held or insured by the Secretary, and statutorily required income-based use restrictions from one multifamily housing project to another (or between several such projects).

Internally, we refer to this as “Section 214” (formerly Section 212). The policy is effective 30 days after the FR notice publishes.

*What are the benefits?*

The 214 notice offers clear guidance that was previously not available to assist HUD and owners with preserving budget authority and making sure that it is ported to where it’s needed most. This preservation tool allows HUD to authorize the transfer of existing project-based subsidies and liabilities from obsolete or economically nonviable housing to housing that better meets the needs of the assisted tenants. This also provides a path forward for those projects pending approvals.

Publication of the criteria will assist owners to determine whether a transfer is feasible given the specific circumstances of their multifamily projects. Publication of the criteria will also facilitate HUD’s review of transfer requests by helping owners formulate their requests in a manner that adequately address the statutory criteria.