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Important Notice
New Policy: Chapter 9 of the Section 8 Renewal Policy Guide
Rent Comparability Studies

On December 1, 2016, HUD issued substantial revisions to Chapter 9 of the Section 8 Renewal Policy Guide. This chapter provides technical guidance to appraisers and reviewers. The updated policies will go into effect for rent comparability studies signed by the appraiser on or after March 1, 2017.

This final version of Chapter 9 includes HUD's comprehensive technical guidance for creating rent comparability studies (RCS) using a more market-based approach as part of the rent-setting mechanism under the Multifamily Assisted Housing Reform and Affordability Act (MAHRA). The Department has undertaken a number of initiatives to improve the development and review of rent comparability studies and this revised Chapter 9 is the last in the package of reforms.

The changes to Chapter 9 include:

- Redesign to make it easier to follow;
- Material organized for each stakeholder group: owners, appraisers, and reviewers;
- Technical guidance broken out from concepts;
- Clarified communication timelines;
- Stronger narrative requirements--for example: Why was adjustment to comp rent necessary and how was dollar value derived?;
- Updated sample rent comparability studies to include "after rehab" market rent setting scenario;
- Optional sample checklist for owners;
- Revised reviewer checklists;
- Defined qualifications for reviewers;
- Triggers for second review if not reviewed by appraiser and
- Defined nominal adjustment.

You can find the new chapter on the Section 8 Renewal Policy website at <http://portal.hud.gov/hudportal/documents/huddoc?id=Com-package-11-30-16.pdf>.



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We encourage you to watch a short training video available on HUD's YouTube Channel at <https://youtu.be/uSkNooMb6As>. Note, HUD is working on more detailed training on RCS reviews that will be available to HUD staff and PBCAs later this year.

Please contact Stan Houle (Stanley.r.houle@hud.gov) with any questions.



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