



TO: Owners and Managers of Project-Based Section 8 Properties
FROM: Robert Conroy, Director of Asset Management
Numerical Scoring of Management and Occupancy Reviews

Effective August 2010, HUD Released Change 2 to Chapter 6 of the HUD Handbook 4350.1 Revision 1. HUD Handbook 4350.1 is the primary handbook used by HUD Field Staff and Contract Administrators in carrying out their asset management and loan servicing responsibilities. Chapter 6 describes the process for conducting Management Reviews. The revision to Chapter 6 includes guidance for numerically scoring Management and Occupancy Reviews. MaineHousing will immediately incorporate the requirement for numerical scoring in our Management and Occupancy Reviews.

The on-site management review consists of seven categories. The reviewer must assess each category to determine the appropriate performance indicator (Superior, Above Average, Satisfactory, Below Average, Unsatisfactory or Not Rated). Each indicator is assigned a numerical score. The categories are weighted based on the level of risk for deficiency within that category and an overall numerical score is calculated. A category that is Not Rated is dropped from the calculation and the review is scored based on the remaining categories. The categories are weighted as follows:

Category	Percentage of Overall Rating
A. General Appearance and Security	10%
B. Follow-up and Monitoring of Project Inspections	10%
C. Maintenance and Standard Operating Procedures	10%
D. Financial Management/Procurement	25%
E. Leasing and Occupancy	25%
F. Tenant/Management Relations	10%
G. General Management Practices	10%
	100%

Numerical scores are as follows:

Performance Indicator	Performance Indicator Value
Superior	90 – 100
Above Average	80 - 89
Satisfactory	70 - 79
Below Average	60 - 69
Unsatisfactory	<=59

The overall numerical score will appear on the Management and Occupancy review cover letter. For more information on rating Management and Occupancy Reviews please follow the following link to HUD Clips:

<http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/4350.1/index.cfm>

If you have any questions regarding scoring Management Reviews, please contact the Asset Manager assigned to your specific property.

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