



Whether Owner/Management prepare HAP or PRAC requests for BBRI for submission to CA/HUD, I am offering Owners/Management a Free Offer to review their proposed BBRI. This includes recommendation, if applicable, revisions to prepared BBRI. In order for me to provide an analysis of a Proposal I would need the following:

1. Name of the Project
2. Section 8 or PRAC Contract Number
3. Term of Contract
4. Section 8 Contract renewal Option
5. FHA Project Number
6. Current HUD-Approved Rent Schedule
7. Copy of cover letter for the BBRI
8. Copy of prepared HUD Budget Worksheet
9. Owner Explanation of Budget Income and Expense Estimates

After my review of proposed BBRI documents, I will provide an analysis with my opinion whether the BBRI request is deficient or appears to meet HUD criteria, pursuant to Chapter 7 of HUD Handbook 4350.1.

If applicable, if you need follow-up specifics to revise the BBRI request I will discuss with your lead representative a negotiated Consultant Fee to assist you in revising your BBRI request to maximize an increase in rents.

Also, if Tenants receive Utility Allowances you must submit a Utility Survey pursuant to new HUD Notice H-2015-04, Methodology for Completing a Multifamily Housing Utility Analysis, published on June 22, 2015. You may download the Notice at the following link:  
<https://www.hud.gov/sites/documents/15-04HSGN.PDF>

As a former Senior HUD Asset Manager, I trained Junior Managers in servicing HUD Project Portfolios.

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HUD-Consultant.com  
[hud-consultant.com/References.html](http://hud-consultant.com/References.html)  
[hud-consultant.com/budget-proposal.html](http://hud-consultant.com/budget-proposal.html)  
[hud-consultant.com/PRAC.html](http://hud-consultant.com/PRAC.html)

# HUD BUDGET-BASED RENT INCREASE (BBRI) LESSON 101



## HUD HOUSING CONSULTANT

**! You do not know what you do not know!**

What do I mean, HUD Regulations and outstanding instructions are constantly changing. What you thought you knew may not be the truth. That is why before you commit to submitting a Budget-based Rent Increase (BBRI) or request renewal of your Section 8 Contract you should know what current HUD Policies are.

My Consulting Services will help you in doing your “due diligence” in making a decision on what to include when you prepare HUD Proposals.

In my experiences as a former HUD Multifamily Asset Manager and as a HUD Housing Consultant, HUD Budget-Based Rent Increase (BBRI) Worksheet submissions to HUD Contract Administrators (CA)/HUD, whether with a Section 8 Contract Renewal, Section 8 Housing Assistance Payments (HAP) Contract or with a Project Rental Assistance Contract (PRAC), Owners/Agents have missed the mark and do not include all Budget Expenses they are entitled to.

Exception: From time-to-time Contract Administrators/HUD Multifamily Account Executive Staff are asked to process special rent increases for projects that have been sold at foreclosure sales to third parties or sold by HUD, as a HUD-owned property. In either case, if a property was sold without financing, there are special processing procedures that must be followed. These procedures are intended to provide a mechanism to deal with projects that were financed by the owner after acquisition on an all-cash basis.

Note: To do a comprehensive analysis, based on HUD outstanding instructions, my services would include a complete Proposed submission. This would include collaboration with your staff approving a proposed BBRI, which consists of completing all HUD required forms prepared on company letterhead for submission to Contract Administrator/ HUD.

I have developed a computerized version of the budgeted carrying charge/rent increase process. My prepared proposals have been accepted and approved by HUD Field Offices. If you provide me with necessary information, I will prepare complete BBRI proposal for rentals and cooperatives projects.

From HUD’s standpoint, prior an Annual Audited Financial Report, in particular, Profit & Loss Statement demonstrated expenses for that period is HUD’s primary consideration for approval of a request for a BBRI request. For the BBRI period, HUD’s thinking is the demonstrated expenses for the Annual Financial Audited Report period to be a measuring stick against the requested BBRI request.

Theoretically, in order for the project operation to break even the project must recoup any shortfall in income from the previous fiscal year due to any increase in expenses. When you think it through, HUD’s BBRI method for processing rent increases makes sense. Using this process has served my clients well and gotten them rent increases.

After all is said and done you will agree all HUD Field Offices’ policies are not equal and finding a balance between these policies is difficult but solvable.