



TSAHC ASSET OVERSIGHT MANUAL

TABLE OF CONTENTS

	<u>Page</u>
1. OVERVIEW.....	4
2. TIMELINE.....	4
A. Calendar.....	4
B. Notice.....	4
C. Desk Review.....	4
D. Site Review.....	5
F. Final Asset Oversight Observation Report.....	5
G. Corrective Action.....	5
3. DESK REVIEW.....	5
A. Notice and Report Requested.....	5
B. Asset Oversight Observation Reports.....	6
C. Review Last Years Report.....	6
4. SITE REVIEW.....	6
A. Initial Meeting.....	6
B. Observation Reports.....	6
C. Property Inspection.....	6
D. Unit Inspection.....	7
E. Exit Interview.....	7
5. POST SITE REVIEW.....	7
A. Observations.....	7
B. Findings.....	7
C. Responses.....	8
D. Email and Phone Calls.....	8
E. Borrower’s Default.....	9
6. CHECKLIST FOR THE ASSET OVERSIGHT OBSERVATION REPORT.....	9
A. Physical Inspection.....	9
B. Security Program.....	10
C. Office.....	11
D. Key Control.....	12
E. Maintenance Program.....	12
F. Marketing.....	13
G. Lease Renewal.....	14
H. Vacant/Make Ready.....	14
I. Budget.....	16
J. Revenue.....	16
K. Accounts Payable.....	17
L. Delinquency.....	17

	M. Returned Checks.....	18
	N. Personnel.....	18
	O. Owner Participation.....	19
	P. Summary of Findings and Observations.....	19
7.	ANNUAL BUDGET.....	19
8.	ASSET OVERSIGHT MONTHLY REPORT.....	20
	A. Monthly Crime Prevention Reporting.....	20
9.	ASSET OVERSIGHT ANNUAL REPORTS.....	20
	A. TSAHC Asset Oversight Annual Report.....	20
	B. TSAHC Annual Totals Report.....	20

Attachments for the TSAHC Asset Oversight Manual

- Attachment 1: Asset Oversight Site Visit Notification Letter
- Attachment 2: Contact Form
- Attachment 3: Asset Oversight Observation Report
- Attachment 4: Corrective Action Letter (Cover Letter)
- Attachment 5: Asset Oversight Findings Closed Letter
- Attachment 6: Letter of Non-Response
- Attachment 7: Letter of Incomplete Response
- Attachment 8: Monthly Crime Prevention Reporting Spreadsheet
- Attachment 9: Asset Oversight Annual Report
- Attachment 10: Annual Report Totals



TSAHC ASSET OVERSIGHT MANUAL Asset Oversight Procedures

1. **OVERVIEW**

The Asset Oversight Manual is to serve as guide for the Asset Oversight reviews required for qualified residential rental projects that are financed through the Multifamily Programs Department at Texas State Affordable Housing Corporation (TSAHC). This manual serves as a training tool for the owner, management company, and property staff. Additionally it provides information on the following areas: a timeline of completing the Asset Oversight Report, documents requested to complete the Asset Oversight Report, a copy of the Asset Oversight Report, and minimum guidelines that are reviewed.

The Asset Oversight review serves as a method of verifying that the owner, management company, and the property staff, are adhering to established guidelines in all areas of property operations. After the Asset Oversight review, Texas State Affordable Housing Corporation staff will provide the owner, management agent, and the property staff with information about the activities of the properties.

A site visit and Asset Oversight Report will be conducted on each property annually. All Asset Oversight site visits will be completed by November 30th of each year.

2. **TIMELINE**

- A. **Calendar** – The Asset Oversight and Compliance Department will schedule annual site visits. The schedule is not posted and may change due to unanticipated events.
- B. **Notice** - A written notice will be sent to the owner, management company, and the property staff, and/or any requested contacts at least 21 days before a scheduled Asset Oversight site visit requesting the required reports for delivery to TSAHC 14 days prior to the site visit.
- C. **Desk Review** – TSAHC staff will review the operating budget, financial statements, variance report, NSF policy and NSF log, physical occupancy, police reports, and renewal reports that are to be submitted 14 days before a scheduled Asset Oversight site visit. The reports and documents will be used to prepare the appropriate sections of the report prior to the site visit. Additional information may need to be requested to complete the sections.

- D. **Site Review** – TSAHC staff will perform the site visit at the scheduled time. TSAHC staff will perform a physical inspection and will request reports to complete the following sections: Maintenance Program, Marketing, Lease Renewal, Vacant/Make Ready Units, Accounts Payable, and Delinquencies. Additional information may be requested on the day of the site review and following the site visit.
- E. **Final Asset Oversight Observation Report** - The final copy of the report with all comments, observations, and findings are due to the owner, management company, and the property manager within 90 calendar days after the site visit.
- F. **Corrective Action** - The corrective action notice advises the owner, management company, and the property staff, and/or any requested contacts of the deficiencies and provides 30 days to cure most findings. Violations that are of serious health and safety concern should be cured within 24 to 72 hours depending on the type of health and safety violation.
- G. **Annual Reports**-The Asset Oversight and Compliance Department will prepare annual reports summarizing the observations and findings from the Asset Oversight reports and will submit the reports to the Board at the end of each calendar year.

3. **DESK REVIEW**

The desk review is the first step in preparing for the site visit. When the requested information is submitted, the first sections can be completed and any comments/questions can be prepared for the site visit.

- A. **Notice and Report Request**- The TSAHC site visit notification letter (Attachment 1) and Contact Sheet (Attachment 2) will be sent to the Owner, Management Agent, the Property Manager, and/or any requested contacts 30 days before the scheduled site visit via email or fax. The letter also requests that the following reports be sent to TSAHC at least 14 days prior to the site visit:
 - Current Year Operating Budget
 - Current Year to Date Financial Statements
 - Current Variance Report including Budget Comparison reflecting actual and year to date budget information
 - A copy of the written Non Sufficient Funds (NSF) policy, a copy of the NSF log for the past 3 months, and a copy of the corresponding resident ledgers (no more than 10 resident ledgers)
 - Physical Occupancy for each month of the past 12 months
 - Police Report (911 Call Sheet) for the past three months
 - Monthly renewal reports for the past 12 months reflecting the renewals due and the actual renewals completed for the month
 - Updated Contact Information (including e-mail addresses) for the Owner, Management Agent, the Property Manager, and/or any requested contacts
- B. **Asset Oversight Observation Report** – The following sections of the Asset Oversight Observation Report (Attachment 3) will be partially completed as part of the desk review prior to the site visit:

- Average Occupancy over the past 12 months
- Security Program (Parts I and II)
- Lease Renewals
- Budget Management
 - Revenue
 - Returned Checks

C. **Review Last Year Observation Report-** The previous year’s Asset Oversight Observation Report should be reviewed for areas of concern that should be evaluated for potential improvement or further deterioration.

4. **SITE REVIEW**

During the site review, Asset Oversight and Compliance staff will request different reports to complete sections of the report. Staff will also complete a physical inspection of the building exteriors and interiors along with all common areas of the property. Questions may be asked and comments may be given throughout the site review by staff.

- A. **Initial Meeting** – TSAHC staff will explain the Asset Oversight review process to the property manager and will request the following reports the day of the site visit:
- Service Request Report reflecting the number of completed service requests for the past 30 days and the number of requests completed within 24 hours
 - Traffic Summary Report reflecting the number of prospects and leases generated by traffic source for the past 30 days
 - Lease Renewal Report for the previous 12 months reflecting the number of leases expiring and the number of residents that actually renewed, and the number of month to month leases
 - Unit Availability Report reflecting the current vacant units, made ready units, and length of vacancy
 - Current Accounts Payable Report as of the day of the site visit reflecting the current balance, 30 day balance, 60 day balance, and 90 day balance
 - Current Delinquency Report as of the day of the site visit reflecting the current balance, 30 day balance, 60 day balance, and 90 day balance
- B. **Asset Oversight Observation Report-** The following sections of the Asset Oversight Observation Report will be filled out as described (see Section 6, the Checklist for the Asset Oversight Observation Report) using the information from the reports received at the initial meeting:
- Service Request
 - Marketing
 - Lease Renewal
 - Vacant/Make Ready
 - Accounts Payable
 - Delinquencies
- C. **Property Inspection** – TSAHC staff will conduct a physical inspection of the property, including inspection of all common areas, leasing/office areas, maintenance shop(s), and boiler rooms if applicable. Items that are inspected include but are not limited to the building foundations, building exteriors, stairways, sidewalks,

landscaping, trip hazards, monument sign, windows, leaks, roofs, perimeter fence, and damage due to a natural disaster. After the inspection is complete, TSAHC staff will complete the Physical Inspection section of the Asset Oversight Observation Report.

- D. Unit Inspection** – TSAHC staff will select and inspect a minimum of three (3) vacant made ready units, all down units identified by the property manager, and any units vacant for an extended period of time. If there are not three (3) vacant made ready units to view, TSAHC staff will select occupied units as necessary to equal the required three (3) units. After the inspection of the units, TSAHC staff will then complete the Units Walked section of the Vacant/Make Ready Units section of the Asset Oversight Observation Report. The units inspection includes but is not limited to review the quality of made ready product, condition of down units, condition of the units vacant for an extended period of time, and management policy on turning vacant units.
- E. Exit Interview**- During the exit interview, TSAHC staff will ask the manager any questions that are still unanswered on the Asset Oversight Observation Report. After completing the Observation Report, TSAHC staff will discuss with the property manager any areas of concern on the property, including any potential Observations and Findings.

5. POST SITE REVIEW

The post site review starts after the site visit is completed. During the post site review, Asset Oversight and Compliance staff completes all the sections in the Asset Oversight and Compliance Report from the submitted reports for each property. Staff will also write any comments, observations, and findings noted during the site visit. When the report is completed, the report will be sent to the owner, management company, property manager, and/or any other requested contacts.

- A. Observations**- Observations are recommendations used as an important tool to allow TSAHC to address areas of concern and/or need for improvement. A cover letter sent with the Asset Oversight Observation Report that defines Observations and Findings (Attachment 4).
- **Recommendations**- Recommendations accompany Observations. Adherence is not necessarily required; however, TSAHC expects that the property would give serious consideration to its content.
Example- Work orders are not being tracked efficiently. XYZ Apartments should consider purchasing industry related software that will allow its service request processing system to become automated and more efficient.
- B. Findings**- Findings represent violations that require that the owner/agent take corrective action as required by TSAHC. If a report is not submitted at all, a Finding is noted. All Findings must be clear, concise, and specific to the problem discussed. The problem that has been outlined as a Finding should state the specific problem. For example: the unit number, time frame and or building location number should be

included if applicable. A cover letter sent with the Asset Oversight Observation Report that defines Observations and Findings (Attachment 4).

- **Corrective Action-** Corrective action requirements must also be concise and specific. The language must clearly state what the property must do to correct the issue, by what date it needs to be completed, and in what manner the property should notify TSAHC of the completed corrective action. For most Findings, the property will have 30 days to cure, but all health and safety Findings should have a time frame suited to the specific issue. This could give the property a time frame as short as 24 hours for a serious health or safety violation.

Example- The owner/agent of XYZ Apartments must replace the smoke alarm on unit 21 in building 6. A copy of the work order must be submitted as evidence that the Finding is corrected to TSAHC within 24 hours from the site review.

C. Responses

- **Findings Closed-**If TSAHC has received all requested Corrective actions within the prescribed time frame; a Findings Cleared Letter (Attachment 5) will be sent by email to the owner, management company, property manager, and/or any other requested contacts.
- **Non Response-** If TSAHC has not received a Corrective Action response within the prescribed time frame; a Letter of Non-Response (Attachment 6) will be sent to the owner, management company, property manager, and/or any other requested contacts by email and/by certified mail with a certified receipt requiring a response within 10 calendar days.
- **Incomplete Response-** If TSAHC has received an incomplete or insufficient submission of a corrective action, an Incomplete or Insufficient Response letter (Attachment 7) will be drafted specifically to the outstanding Finding(s) that did not have sufficient documentation and will explain what action needs to be taken to completely resolve the Finding. The Incomplete Response letter will be sent to the owner, management company, property manager, and/or any other requested contacts by email and/by certified mail with a certified receipt requiring a response within 10 calendar days.
- **Extensions-** Properties requesting an extension to cure Corrective Action requirements must submit a formal written request on company letterhead to TSAHC's Asset Oversight and Compliance Manager. The length of extensions will be determined on an individual basis. Extensions will only be granted if the Finding cannot be cured within 30 days and in TSAHC's judgment cure has commenced.

- ### D. Email and Phone Calls- During the corrective action process, a TSAHC staff member will be in contact with the owner, management company, property manager, and/or any other requested contacts to address any outstanding questions about the

required or suggested Corrective Action and to check on the status of the required work.

E. Borrowers' Default- If a property has not cured the outstanding Findings within the prescribed time frame; it can result in a Default.

6. CHECKLIST FOR THE ASSET OVERSIGHT OBSERVATION REPORT

This section includes a copy of the Asset Oversight Observation Report. Descriptions and examples of what to review are provided for each section of the report. Comments, Observations, and Findings should be written in the Comments Section of each section when needed. For additional information or questions, please contact the Asset Oversight and Compliance Department.

A. Physical Inspection

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?			
2) Is the community monument sign in acceptable condition?			
3) Is the perimeter fence surrounding the property in acceptable condition?			
4) Are the grounds and landscaping in acceptable condition?			
5) Are trees and shrubs properly trimmed?			
6) Are there signs of erosion, foot paths or tree root elevations?			
7) Are sidewalks clean and in good repair?			
8) Is the parking lot clean and in good repair with handicap parking clearly marked?			
9) Are recreational/common areas clean, maintained and accessible?			
10) Are laundry facilities clean, maintained and accessible?			
11) Is facility equipment operable and in acceptable condition?			
12) Is the area around the waste receptacles clean and are the enclosures in good repair?			
13) Is the exterior of the buildings in acceptable condition? (Please use the comment section if there is rotted wood, peeling paint, missing or broken bricks, or other signs of deferred maintenance.)			
14) Are hallways clean and maintained?			
15) Are storage/maintenance areas clean, maintained and organized?			
16) Are building foundations in good repair?			
17) Are the gutters, downspouts and fascia boards on the buildings in good repair?			
18) Do the building roofs appear to be in good condition?			
19) Do balconies and upper level walkways appear to be in good condition?			
20) Do windows, blinds, doors, and trim appear to be in good condition?			
21) Are there any major repairs on the property currently? (Please use the comment section if there are any water main repairs, boiler repairs, utility repair, other.)			
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			
23) Are there any other health, fire or safety concerns that need to be addressed?			
COMMENTS:			

- o **Landscaping:** While conducting the property inspection, take note of the landscaping. If there are any major problems such as muddy areas, standing water, areas of dead trees or seriously overgrown trees, erosion, ect., make note of problems or deficiencies in the comments section under Physical Inspection.

- **Common Areas:** All common areas must be inspected for cleanliness and safety. This includes but is not limited to looking at the driveways, parking areas, sidewalks, clubhouse facilities, pool, playground, and laundry facilities, and any other amenities.
- **Building Exterior:** Look at the exterior of the buildings for signs of rotted wood, peeling paint, roof damage, structural damage, balconies and patios, deterioration and other signs of deferred maintenance.
- **Building Interior:** Check common hallways and elevators for cleanliness, vandalism, and health and safety concerns. All model units must be walked and noted in the Vacant/Make Ready section.
- **Health and Safety:** If there are any other health and safety concerns that have not been covered in the other questions make note of it in the Comments section. All serious health and safety violations result in a Finding with a 24 hour cure. (Examples of Health and Safety violations include the following: Air Quality (Mold and Gases), Electrical Hazards (Exposed Wires/Open Panels and Water Leaks on/near Electrical), Elevation (Tripping), Emergency/Fire Exits (Blocked/Unusable Exits and Missing Exit Signs), Flammable Materials (Materials improperly stored), Garbage and Debris, Hazards (Sharp Edges, General Defects that pose risk of bodily injury, and Tripping), and Infestation.)
- **Documentation:** Give details in the comments sections of any concerns you have observed while performing the physical inspection. Also, provide positive comments when warranted.
- **Photographs:** For any Observations or Findings, provide photographs to support the item when possible. Also, take photographs of the monument sign, exterior of the leasing office, common areas such as the pool or playground, and the exterior of a building. A minimum of five photographs should be included in all completed Observation Reports.

B. Security Program

SECURITY PROGRAM Part I		
1) In reviewing the police report the following incidents were noted and includes the number of times incidents occurred:		
Incident Type	# of Occurrences	Comments:
- Burglary?		
- Theft?		
- Criminal Mischief?		
- Personal Assault?		
- Drug Activity?		
- Gunfire?		
- Domestic Violence?		
- Disturbance?		
- Other?		
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property?		
3) What pro-active measures is the property taking to address crime on the property?		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.)		
COMMENTS:		

SECURITY PROGRAM Part II		YES	NO	N/A
1)	Is the Staff trained in addressing crime on the property?			
2)	Does the Management Policy or the Resident Services Program address any of the following activities responding to the needs of the community:			
	- Violent Crime?			
	- Drug Activity?			
	- Family Violence?			
	- Other?			
3)	Are there other signs of vandalism on the property?			
4)	Are criminal background checks being conducted on all residents over 18 years of age?			
5)	Has a risk assessment been conducted to determine risk liabilities at the property?			
COMMENTS:				

- **Visual Observation:** While walking the property, look for signs of criminal activity such as graffiti, property damage, and loitering.
- **Police Report:** TSAHC staff will request the police reports for the three (3) months prior to the scheduled site visit. The information found in the report should be used to complete the above questions as well as to help facilitate the conversation about this subject. If the police reports show multiple burglaries, drug activity, multiple assaults, gun activity, murder, etc, this could result in a Finding of creating a Crime Prevention Plan and monthly reporting to TSAHC.
- **Manager Questions:** Discuss with the Manager what types of security are being used on-site and if the criminal activity is increasing/decreasing and why. If a light check is conducted, obtain a copy of the form or schedule.

C. Office

OFFICE		YES	NO	N/A
1)	Is the office neat, the desk uncluttered?			
2)	Are accurate office hours posted?			
3)	Are emergency phone numbers posted?			
4)	Are the EHO logos clearly posted?			
5)	Are the following displayed in full view:			
	- Fair Housing Poster?			
	- Occupancy Qualifications?			
6)	Are property licenses and permits on file and renewed on a timely basis?			
7)	Are insurance binders maintained on vendors on-site and/or at the corporate office?			
8)	Is there a compliance department that ensures the set aside and requirements are being maintained? (If no, please explain the current compliance procedures.)			
9)	What community facilities and amenities are provided for resident use?			
COMMENTS:				

- **Office Organization:** During the initial interview, ask the manager for binders regarding vendor insurance and the property's licenses and permits. Review the binder to ensure that insurance permits and property licenses are current. If licenses or permits are expired, this would result in a Finding with a response that the property must submit current licenses and permits within 7 calendar days.

- **Signage:** When you arrive at the property, take note of the signage outside the building. Look for the office hours, emergency phone number, and Equal Housing Opportunity sticker. While inside the leasing office, look to make sure that they have fair housing posters and their occupancy qualifications posted. The fair housing and occupancy qualification should be posted in English. If there is not an English version of the fair housing sign, a Finding should be issued.
- **Compliance:** Discuss with the Manager the compliance policies and procedures and look at their Qualifying Criteria to see if it is accurate and acceptable.
- **Overall Office:** Check for cleanliness and safety. If you have any concerns about the office, make note of it in the comments section. Make note of any positive items such as an organized office.

D. Key Control

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?			
2) Is key box locked and secured?			
3) Is the key code list kept separate from the key box?			
4) Are locks being changed during turnover of vacant units and turnover of staff?			
COMMENTS:			

- **Key Box Inspection:** Look at the key box to make sure that it is locked and in a secure location. While looking at the key box, check to see if the keys have a different code than the apartment number and not in any noticeable pattern. Also, make sure that the key code log is not being stored with the box. If either of these situations is found, there would be a serious safety concern resulting in a Finding with a corrective action requirement of 24 hours to cure from the date of the site visit.

E. Maintenance Program

MAINTENANCE PROGRAM	YES	NO	N/A
1) Is there a schedule for preventive maintenance/servicing? (Please include a copy of the schedule)			
2) Is the maintenance shop clean and organized?			
3) How often does the exterminator provide services?			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?			
5) What is the policy on follow ups for completed service request?			
6) What is the property's after hour's emergency policy?			
7) What capital improvements have been scheduled for this budget year?			
8) Were capital improvements scheduled from last year conducted?			
The following information was reported for the month of _____:			
Number of service requests completed in the past 30 days:			
Number of service requests completed within 24 hours:			
Number of outstanding service requests:			
COMMENTS:			

- **Service Request Report:** Use the service request report to calculate the number of work orders completed within 30 days, completed within 24 hours, and the number of outstanding work orders. The reports are evaluated to assess the effectiveness and efficiency of the maintenance program. Observations and Findings will be based on program by program basis.
- **Maintenance Shop Inspection:** During the Physical Inspection, look at the Maintenance Shop. Look for a working smoke detector in the maintenance shop and the Material Safety Data Sheets (MSDS) binder. If the smoke detector does not work or is not present, allow management staff a chance to correct the problem while you are present. If it is not fixed, a Finding will be issued with a cure period of 24 hours. The MSDS binder must be present in the Maintenance Shop or in the Office.

F. Marketing

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Source of traffic:			
Drive-By/Word of Mouth			
Flyers			
Resident Referral			
Locator Service			
Printed Advertising			
Internet Advertising			
Preferred Employer			
Other Source (list)			
(The rental activity reflected in the above table was for the month of .)			
	YES	NO	N/A
2) Is the property doing bilingual advertising?			
3) How often are competitors shopped?			
4) How often is a market survey completed?			
COMMENTS:			

- **Traffic Report:** Use the traffic report from the past 30 days to complete the table with the number of Prospects and the number of Leases from the traffic. If the number of Prospects and Leases are not tracked, it may result in an Observation. TSAHC would recommend that management should track the number of Prospects and Leases to evaluate the marketing plan.
- **Monthly Costs:** To find out the monthly costs of all forms of marketing, have the manager tell you the amounts spent last month in each of the areas. If they do not know the information, it can be found by looking at the invoices for the previous month or at the actual dollars spent on the current variance report.
- **Manager Questions:** Discuss with the manager the current marketing plan and its effectiveness. Also, discuss how often the market survey is updated and how often the competition is being shopped. Feel free to add any helpful comments to the comments sections. Any items of concern in this area should be listed as an Observation.

G. Lease Renewal

LEASE RENEWAL		YES	NO	N/A
1)	Is an effective lease renewal program in place?			
2)	What percentage of residents renewed last month, past 6 months, and past 12 months?			
3)	When are the lease renewal/rent increase notices sent to residents?			
4)	Are individual files being reviewed to determine renewal/non-renewal status?			
5)	How are renewals tracked and monitored?			
6)	Are rate increases being implemented?			
7)	What is the number of month-to-month leases?			
8)	What is the month-to-month charge?			
COMMENTS:				

- o **Lease Renewal Report:** If the property has a lease renewal report or a renewal binder, use it to help answer the questions in this section. Calculate the renewal percentage for each month to find the renewal percentage for the last month, the last 6 months, and the last 12 months. If the month to month leases are not shown on the reports, have the manager pull a report that shows the number of people that are on month to month leases. Make certain that all month to month leases that are low income residents have a current Tenant Income Certification. Section 8 households should be on a monthly lease unless the situation permits otherwise.
- o **Manager Questions:** Have the manager explain the effectiveness of the renewal process and why he/she feels that it is working or not. If no policy is in place and the property has an extremely low renewal rate this would be considered a Finding. If a policy is in place but the renewal rate is low and the staff is not doing a good job handling the renewals, this would be considered an Observation.

H. Vacant/Make Ready

VACANT/MAKE READY UNITS	
1)	Number of vacant units at time of activity report:
2)	Number of completed made ready units at time of activity report:
3)	Number of completed one bedroom units at time of activity report:
4)	Number of completed two bedroom units at time of activity report:
5)	Number of completed three bedroom units at time of activity report:
6)	Number of uncompleted made ready units at time of activity report:
7)	Number of uncompleted one bedroom units at time of activity report:
8)	Number of uncompleted two bedroom units at time of activity report:
9)	Number of uncompleted three bedroom units at time of activity report:
Units Walked (model and minimum of 3 make ready units)	
Unit #	Brief Description (See Unit Inspection Sheet for details)

Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description (See Unit Inspection Sheet for details)		
		YES	NO
		N/A	
1)	Is the make ready product acceptable?		
2)	Does the Unit Availability Report match the make ready board?		
3)	Are there any down units?		
4)	Are units being turned in a timely manner?		
5)	Are there vacant units that have been vacant for an extended period of time? (If yes, specify the reason below.)		
6)	Does management have a system to monitor timely preparation of vacant units?		
7)	Does the property manager walk vacant units after they are made ready?		
8)	How often are occupied units inspected?		
9)	What is the company policy on turning vacant units?		
10)	How many vacant unready units are near completion?		
COMMENTS:			

- **Unit Availability Report:** Use the current unit availability report to complete this section of the report. The report should be compared to the Make Ready Status board in the office or the maintenance shop to check for accuracy. Using the information on the report, select the three (3) made ready units you would like to inspect. You can also use it to see if there are any down units and how quickly units are being turned. If there are down units or units vacant for an extended period of time, those units should be walked.
- **Down Units:** A unit’s down status may be provided by the property manager and/or a down unit may be noted when walking vacant units. Any down units that are noted during the site review must be included in this section. If the down units are not removed from the Unit Status Report before the Asset Oversight Report is completed, it would result in a finding. If the down units are removed from the Unit Status Report before the Asset Oversight Report is completed, the down units should be included as a comment. A spreadsheet has been created to track the down units for each property.
- **Manager Questions:** Discuss with the manager anything on the unit availability report that might seem odd or of concern. It is also important to ask the manager if there are any down units or major renovations currently being done at this time. Ask the manager if there is a model apartment. If there is, walk all model units.
- **Physical Unit Inspections:** When inspecting made ready units, check the quality of the unit to ensure that it is really ready to be lived in. Look for items such as heavily stained/worn carpet, dirty walls, unclean appliances, insects, or mold. Also, check to see if proper preventative maintenance is being done such as changing air filters or smoke detector batteries. Check for any health and safety concerns such as smoke detectors beeping or uneven sub flooring. If there are any other maintenance problems with the units such as leaking plumbing fixtures or

broken windows, also make notations of these items. Write down as many items as needed in the description section. If the unit is in good condition, state the condition. For all Observations and Findings, photograph the items for documentation.

I. Budget Management

BUDGET MANAGEMENT						YES	NO	N/A
1) Is management using the current budget to monitor and control operating expenses?								
2) How many bids are solicited in order to obtain materials, supplies, and services?								
3) Explain variance of 10% or greater YTD.								
Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending								
(Please note that a positive variance is under budget and a negative variance is over budget.)								
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION			
COMMENTS:								

- **Budget Comparison:** Using the Year-to-Date information in the variance report, complete the table above. When using the property’s report, check the mathematical calculations yourself for accuracy. Calculate the variance percent for each of the expense items listed. Any percentages 10% or higher should be included in the table. For this table, positive variances are under budget and negative variances are over budget. Ask the manager about variances 10% and over.
- **Manager Questions:** During the exit interview, discuss with the manager any large variances in the Variance Report. This could cause an Observation or Finding. If management is keeping within the budget, make a note in the comment section.

J. Revenue

REVENUE			
FOR THE MONTH OF		YEAR TO DATE	
Gross Potential	\$	Gross Potential	\$
Budgeted		Budgeted	
Variance + (-)		Variance + (-)	
Collected to Date		Collected to Date	
Other Revenue		Other Revenue	
Total Collected		Total Collected	
Budgeted		Budgeted	
Variance + (-)		Variance + (-)	
COMMENTS:			

- **Budget Comparison:** Using the actual and budget values for Month End and the Year-to-Date information, complete the above table. Examine the categories and notice the variance of over and under budgeted expense items.

K. Accounts Payable

ACCOUNTS PAYABLE		YES	NO	N/A
1)	Is the payable report up to date?			
2)	Do the invoices reflect late charges due to late payments?			
3)	Have any property accounts been closed in the past 30 days?			
4)	Is debt being controlled?			
5)	How often are invoices processed?			
6)	If payments are a problem, what is management doing to correct the problem?			
COMMENTS:		Current:		\$
		30 Days:		\$
		60 Days and Over:		\$
		TOTAL		\$

- **Accounts Payable:** Request a copy of the aged accounts payable report on the day of the site visit. The report should be current as of the day of the site visit. Look for the current balance, 30 day balance, 60 day balance, and 90 day balance. Record the balances to complete this section. If there is a large aged balance, this could result in an Observation or Finding. Additional documentation may be requested to complete the section. Compare the current year balances to the previous year's balance for any significant increases or decreases.

L. Delinquencies

DELINQUENCIES		YES	NO	N/A
1)	Is the delinquency report up to date?			
2)	What is the collection policy for outstanding rents?			
3)	When is legal action taken against delinquent accounts?			
4)	Does the property currently have any resident(s) under eviction? (If yes, how much?)			
5)	Does housing have any outstanding balances? (If yes, how much?)			
COMMENTS:		Current:		\$
		30 Days:		\$
		60 Days and Over:		\$
		TOTAL		\$

- **Delinquency Report:** Request a copy of the aged delinquency report the day of the site visit. The report should be current as of the day of the site visit. Look for the current balance, 30 day balance, 60 day balance, and 90 day balance. Record the balances to complete this section. This report is instrumental in a review of how resident accounts are handled and if company policies on delinquencies are being handled correctly. If there is a large aged balance, this could cause an Observation or Finding.
- **Manager Questions:** Use the report to lead the discussion. Inquire with the manager how resident accounts are handled when there are outstanding balances. The manager will need to

provide TSAHC with the eviction dollar amount and if there is a balance owed by the housing authority. If there are residents on eviction, calculate the total outstanding and input the dollar amount in the table. If the housing authority owes money, input the dollar amount in the table.

M. Returned Checks

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:			
2) Has the manager collected and deposited all returned checks?			
3) Is the manager following company policy on returned checks?			
COMMENTS:			

- o **Non-Sufficient Funds Policy:** Review the NSF policy to ensure that management is following the policy on Returned Checks.
- o **NSF Report:** Use the NSF report to count the number of Returned Checks that the property received in the three (3) months prior to the site visit. Use the log to ensure that you have received the correct resident ledgers to the residents that are on the NSF report.
- o **Resident Ledgers:** Review all of the resident ledgers verify if the NSF checks have been paid, how much they were charged in late fees, and NSF fees. In addition, verify if all resident account charges are consistent. If the amounts are different, find out why and determine if this would be an Observation or a Finding.

N. Personnel

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?			
2) Does the property appear to be adequately staffed?			
3) Is overtime being controlled?			
4) Were requested pre-audit reports submitted on time?			
5) Does it appear that personnel are team oriented?			
6) Do personnel appear to be dressed appropriately?			
7) Are name tags/photo IDs being worn by the maintenance personnel?			
8) Was management staff prepared for the site visit?			
9) How often are staff meetings held?			
10) Have personnel been trained in Fair Housing?			
11) List all training staff has received in the past three years.			
COMMENTS:			

- o **Observation:** Most of the personnel questions will be answered through observing the staff during the site visit. Observe whether the staff is wearing name tags or company identification, is the attire appropriate and professional and is there team work among the staff.
- o **Manager Questions:** Ask the manager about any training that the office staff or maintenance personnel have attended within the last three years. Also, ask about scheduling and is the property fully staffed. If the staff has not attended or is not scheduled to attend Fair Housing or Compliance training on a regular basis this would be an Finding.

O. Owner Participation

OWNER PARTICIPATION		YES	NO	N/A
1)	Does the owner have access to computer generated reports?			
2)	If owner does not have computer access to the reports, what reports are submitted to the owner?			
3)	How often are the reports submitted to the owner?			
4)	What is the approval amount that the owner requires for the release of funds?			
5)	Are the funds for needed capital improvement items, turning of units, marketing campaigns released by the owner according to what has been budgeted?			
COMMENTS:				

- o **Manager Questions:** There is no report for this section. These answers will come directly from the property manager or the property supervisor.

P. Summary of Findings and Observations

SUMMARY OF OBSERVATIONS AND FINDINGS

- o **Findings:** Cut and paste all of the Findings from the body of the report and add the appropriate Corrective Action requirements. Be very specific and include the date by which the Corrective Action must be submitted.
- o **Observations:** Cut and paste all of the Observations from the body of the report; add the suggested Recommendation for each Observation.
- o **Photos:** Include pictures of the property sign, leasing office, swimming pools, amenities, buildings, parking lots, etc.

7. ANNUAL BUDGET

TSAHC staff will review the annual budget submitted by the property manager and will make recommendation to the Owner regarding the property manager’s budget proposal (such recommendation will be based upon the Asset Oversight and Compliance Department’s opinion as to whether income, expense and capital items are realistic within the context of the property and its rental market). In addition, recommendations to the Owner concerning any proposed variations from such budget that would require the approval of the Owner.

8. ASSET OVERSIGHT MONTHLY REPORTS

- A. Monthly Crime Prevention Reporting**- If a property had a finding that required management to create and implement a Crime Prevention Plan, the property has to report to TSAHC on the 10th of the month. A report was created to track the submission of reports required by the properties who are reporting monthly (Attachment 8).

9. ASSET OVERSIGHT ANNUAL REPORTS

- A. TSAHC Asset Oversight Annual Report**- The TSAHC Asset Oversight Annual Report shows the properties by portfolio. The annual report has the property name, property address, the occupancy on the day of the site visit, the occupancy before year's end, and the findings and observations that were found on the site visit (Attachment 9).
- B. TSAHC Annual Totals Report** - The TSAHC Annual Report Totals breaks down the average occupancy, findings, and observations by region and portfolio. The report is completed at the end of each calendar year and submitted to the Board when completed (Attachment 10).

THIS DOCUMENT IS REVISED WHEN NECESSARY. TO VIEW THE MOST CURRENT VERSION GO TO: www.tsahc.org.

Attachments for the TSAHC Asset Oversight Manual

- Attachment 1: Asset Oversight Site Visit Notification Letter
- Attachment 2: Contact Form
- Attachment 3: Asset Oversight Observation Report
- Attachment 4: Corrective Action Letter (Cover Letter)
- Attachment 5: Asset Oversight Findings Closed Letter
- Attachment 6: Letter of Non-Response
- Attachment 7: Letter of Incomplete Response
- Attachment 8: Monthly Crime Prevention Reporting Spreadsheet
- Attachment 9: Asset Oversight Annual Report
- Attachment 10: Annual Report Totals

Attachment One



Date

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: Name of Property

Dear Owner:

The purpose of this letter is to serve as notification that a TSAHC Representative will conduct an Asset Oversight review at **Name of Property** on **Date**, starting at approximately **Time**. In order to facilitate an efficient review, we intend to complete as much of the review as possible in our office prior to our on-site visit.

Please review the list of required documents outlined below and forward them to our office no later than **14 days before your site visit**. These documents may be submitted via e-mail, fax, or regular mail. It is the intention of TSAHC to minimize the disruption to your staff's routine and the amount of time we spend at your site; therefore, we will need to begin our desk review of these documents as soon as possible.

- Current Year Operating Budget
- Current YTD Financial Statements
- Most recent Variance Report Including Budget Income Comparison with Actual and YTD Budgeted
- Written NSF policy along with NSF log for the past 3 months and a copy of the corresponding resident ledger (no more than 10)
- Physical Occupancy for each of the past 12 months
- Police reports (911 call sheet) for the past three months
- Monthly renewal reports for the past 12 months showing the percent that renewed or information to calculate the percent.
- Updated contact information (including e-mail addresses) for the property, management company, and the borrower

The site visit consists of an evaluation of property reports, a limited physical inspection, and a comprehensive interview with at least one member of the management staff. As part of the limited physical inspection, three vacant units will be randomly selected for inspection by the TSAHC staff member. If three vacant units will not be available for inspection, please send a notice to all residents that an inspection of their unit might occur on the date of the site visit.

The ability to develop a productive partnership is important to us, and we welcome the opportunity to serve you and your residents. We hope that our work together will assist in providing the best possible affordable housing within the State of Texas. As always, you may contact me via telephone or e-mail for assistance or information.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number



Contact Information

Development Information:

Development Name: _____
Development Physical Address: _____
Development Mailing Address: _____
On-Site Manager: _____
Development Telephone: _____
Development Fax #: _____
Manager E-mail Address: _____

Management Information

Management Company Name: _____
Management Mailing Address: _____
Management Contact: _____
Management Telephone: _____
Management Fax#: _____
Management Contact
E-mail Address: _____

Legal Owner Information

Owner Name: _____
Owner Mailing Address: _____
Owner Contact: _____
Owner Telephone: _____
Owner Fax#: _____
Owner Contact E-mail Address: _____

Texas State Affordable Housing Corporation
 “Bringing Affordable Housing Closer to Home”

<u>Property</u>			
Address			
City, state, zip			
Owner:		Date Built:	
Management Company:		Property Manager:	
INSPECTION DATE/ TIME:			
Inspector’s Name:			
Number of Units:	Occupancy at Time of Report:	%	Average Occupancy Over Last 12 Months: %
Number of One Bedrooms:	Number of Two Bedrooms:	Number of Three Bedrooms:	

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?			
2) Is the community monument sign in acceptable condition?			
3) Is the perimeter fence surrounding the property in acceptable condition?			
4) Is the grounds and landscaping in acceptable condition?			
5) Are trees and shrubs properly trimmed?			
6) Are there signs of erosion, foot paths or tree root elevations?			
7) Are sidewalks clean and in good repair?			
8) Is parking lot clean and in good repair with handicap parking clearly marked?			
9) Are recreational/common areas clean, maintained and accessible?			
10) Are laundry facilities clean, maintained and accessible?			
11) Is facility equipment operable and in acceptable condition?			
12) Is the area around the waste receptacles clean and are the enclosures in good repair?			
13) Is the exterior of the buildings in acceptable condition? (Please use the comment section if there is rotted wood, peeling paint, missing or broken bricks, or other signs of deferred maintenance.)			
14) Are hallways clean and maintained?			
15) Are storage/maintenance areas clean, maintained and organized?			
16) Are building foundations in good repair?			
17) Are the gutters, downspouts and fascia boards on the buildings in good repair?			
18) Do the building roofs appear to be in good condition?			
19) Do balconies and upper level walkways appear to be in good condition?			
20) Do windows, blinds, doors, and trim appear to be in good condition?			
21) Are there any major repairs on the property currently? (Please use the comment section if there are any water main repairs, boiler repairs, utility repair, other.)			
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?			
23) Are there any other health, fire or safety concerns that need to be addressed?			

COMMENTS:

SECURITY PROGRAM Part I		
1) In reviewing the police report the following incidents were noted and includes the number of times incidents occurred:		
Incident Type	# of Occurrences	Comments:
- Burglary?		
- Theft?		
- Criminal Mischief?		
- Personal Assault?		
- Drug Activity?		
- Gunfire?		

Texas State Affordable Housing Corporation

“Bringing Affordable Housing Closer to Home”

- Domestic Violence?		
- Disturbance?		
- Other?		
2) Does the property have a Crime Prevention Plan in effect to address criminal activity on the property? ➤		
3) What pro-active measures is the property taking to address crime on the property? ➤		
4) How often is a light check conducted on the property? (Please obtain a copy of the schedule.) ➤		
COMMENTS:		

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained in addressing crime on the property?			
2) Does the Management Policy or the Resident Services Program address any of the following activities responding to the needs of the community:			
- Violent Crime?			
- Drug Activity?			
- Family Violence?			
- Other?			
3) Are there other signs of vandalism on the property?			
4) Are criminal background checks being conducted on all residents over 18 years of age?			
5) Has a risk assessment been conducted to determine risk liabilities at the property?			
COMMENTS:			

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?			
2) Are accurate office hours posted?			
3) Are emergency phone numbers posted?			
4) Are the EHO logos clearly posted?			
5) Are the following displayed in full view:			
- Fair Housing Poster?			
- Occupancy Qualifications?			
6) Are property licenses and permits on file and renewed on a timely basis?			
7) Are insurance binders maintained on vendors on-site and/or at the corporate office?			
8) Is there a compliance department that ensures the set aside and requirements are being maintained? (If no, please explain the current compliance procedures.)			
9) What community facilities and amenities are provided for resident use? ➤			
COMMENTS:			

KEY CONTROL	YES	NO	N/A
1) Are all property keys properly coded?			
2) Is key box locked and secured?			
3) Is the key code list kept separate from the key box?			
4) Are locks being changed during turnover of vacant units and turnover of staff?			
COMMENTS:			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Is there a schedule for preventive maintenance/servicing? (Please include a copy of the schedule)			
2) Is the maintenance shop clean and organized?			
3) How often does the exterminator provide services? ➤			
4) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?			

Texas State Affordable Housing Corporation
 “Bringing Affordable Housing Closer to Home”

➤			
5) What is the policy on follow ups for completed service request?			
➤			
6) What is the property's after hour's emergency policy?			
➤			
7) What capital improvements have been scheduled for this budget year?			
➤			
8) Were capital improvements scheduled from last year conducted?			
➤			
The following information was reported for the month of _____:			
Number of service requests completed in the past 30 days:			
Number of service requests completed within 24 hours:			
Number of outstanding service requests:			
COMMENTS:			

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Source of traffic:			
Drive-By/Word of Mouth			
Flyers			
Resident Referral			
Locator Service			
Printed Advertising			
Internet Advertising			
Preferred Employer			
Other Source (list)			
TOTAL			
(The rental activity reflected in the above table was for the month of .)			
	YES	NO	N/A
2) Is the property doing bilingual advertising?			
3) How often are competitors shopped?			
➤			
4) How often is a market survey completed?			
➤			
COMMENTS:			

LEASE RENEWAL	YES	NO	N/A
1) Is an effective lease renewal program in place?			
2) What percentage of residents renewed last month, past 6 months, and past 12 months?			
3) When are the lease renewal/rent increase notices sent to residents?			
➤			
4) Are individual files being reviewed to determine renewal/non-renewal status?			
5) How are renewals tracked and monitored?			
➤			
6) Are rate increases being implemented?			
7) What is the number of month-to-month leases?			
8) What is the month-to-month charge?			
COMMENTS:			

Texas State Affordable Housing Corporation
 “Bringing Affordable Housing Closer to Home”

VACANT/MAKE READY UNITS			
1)	Number of vacant units at time of activity report:		
2)	Number of completed made ready units at time of activity report:		
3)	Number of completed one bedroom units at time of activity report:		
4)	Number of completed two bedroom units at time of activity report:		
5)	Number of completed three bedroom units at time of activity report:		
6)	Number of uncompleted made ready units at time of activity report:		
7)	Number of uncompleted one bedroom units at time of activity report:		
8)	Number of uncompleted two bedroom units at time of activity report:		
9)	Number of uncompleted three bedroom units at time of activity report:		
Units Walked (model and minimum of 3 make ready units)			
Unit #	Brief Description (See Unit Inspection Sheet for details)		
Units Walked (units vacant and unready for extended period of time and all down units)			
Unit #	Brief Description (See Unit Inspection Sheet for details)		
		YES	NO
1)	Is the make ready product acceptable?		
2)	Does the Unit Availability Report match the make ready board?		
3)	Are there any down units?		
4)	Are units being turned in a timely manner?		
5)	Are there vacant units that have been vacant for an extended period of time? (If yes, specify the reason below.)		
6)	Does management have a system to monitor timely preparation of vacant units?		
7)	Does the property manager walk vacant units after they are made ready?		
8)	How often are occupied units inspected? >		
9)	What is the company policy on turning vacant units? >		
10)	How many vacant unready units are near completion? >		
COMMENTS:			

BUDGET MANAGEMENT					YES	NO	N/A	
1)	Is management using the current budget to monitor and control operating expenses?							
2)	How many bids are solicited in order to obtain materials, supplies, and services? >							
3)	Explain variance of 10% or greater YTD.							
<u>Expense Items that Varied by 10% or Greater from the Budget for Year to Date Operations Ending</u>								
(Please note that a positive variance is under budget and a negative variance is over budget.)								
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION			

Texas State Affordable Housing Corporation
 “Bringing Affordable Housing Closer to Home”

COMMENTS:			

REVENUE			
FOR THE MONTH OF		YEAR TO DATE	
Gross Potential	\$	Gross Potential	\$
Budgeted		Budgeted	
Variance + (-)		Variance + (-)	
Collected to Date		Collected to Date	
Other Revenue		Other Revenue	
Total Collected		Total Collected	
Budgeted		Budgeted	
Variance + (-)		Variance + (-)	
COMMENTS:			

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?			
2) Do the invoices reflect late charges due to late payments?			
3) Have any property accounts been closed in the past 30 days?			
4) Is debt being controlled?			
5) How often are invoices processed?			
6) If payments are a problem, what is management doing to correct the problem?			
COMMENTS:	Current:		\$
	30 Days:		\$
	60 Days and Over:		\$
	TOTAL		\$

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the collection policy for outstanding rents?			
3) When is legal action taken against delinquent accounts?			
4) Does the property currently have any resident(s) under eviction? (If yes, how much?)			
5) Does housing have any outstanding balances? (If yes, how much?)			
COMMENTS:	Current:		\$
	30 Days:		\$
	60 Days and Over:		\$
	TOTAL		\$

Texas State Affordable Housing Corporation
 “Bringing Affordable Housing Closer to Home”

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:			
2) Has the manager collected and deposited all returned checks?			
3) Is the manager following company policy on returned checks?			
COMMENTS:			

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?			
2) Does the property appear to be adequately staffed?			
3) Is overtime being controlled?			
4) Were requested pre-audit reports submitted on time?			
5) Does it appear that personnel are team oriented?			
6) Do personnel appear to be dressed appropriately?			
7) Are name tags/photo IDs being worn by the maintenance personnel?			
8) Was management staff prepared for the site visit?			
9) How often are staff meetings held? ➤			
10) Have personnel been trained in Fair Housing?			
11) List all training staff has received in the past three years. ➤			
COMMENTS:			

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to computer generated reports?			
2) If owner does not have computer access to the reports, what reports are submitted to the owner? ➤			
3) How often are the reports submitted to the owner? ➤			
4) What is the approval amount that the owner requires for the release of funds? ➤			
5) Are the funds for needed capital improvement items, turning of units, marketing campaigns released by the owner according to what has been budgeted?			
COMMENTS:			

SUMMARY OF OBSERVATIONS AND FINDINGS

Attachment Four



Date

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: **Name of Property**

Dear Owner:

On **date**, an Asset Oversight Review was performed at the above referenced property. Details of the review can be found in the enclosed Observation Report.

The results of this review may indicate items in need of correction in order to be in compliance with your TSAHC Multifamily Bonds. A list of Findings and/or Observations resulting from the review is enclosed. Each Finding will include Corrective Action dates for those items considered deficient. Properties with any Corrective Action Requirements will be placed on a Monitoring Status pending correction.

For Clarification:

Observations will address issues that can be improved upon, but do not require immediate action. An **Observation** will always be followed by a **Recommendation**. Management should consider **Recommendations** but there is no written response required. **Findings** address serious issues that need to be cured immediately. **Findings** will always be followed by **Corrective Action Requirements**. Management must complete the **Corrective Action Requirements** and send certification to TSAHC that they have been resolved as stipulated within each **Corrective Action Requirement**. This certification must be on company letterhead and address each item individually.

I appreciate the time and effort your staff allotted to our review. If you wish to discuss the report findings before preparing your response, please feel free to contact me at the number listed below.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number

Attachment Five



Date

Owner

Attn: Name
Street Address
City, State, Zip

RE: **Property**

Dear Owner:

The Texas State Affordable Housing Corporation (TSAHC) has received the corrective action submitted by **Person** on **Date**, for the Asset Oversight performed on **Date**.

Asset Oversight Audit:

This response is sufficient information to establish that the Findings identified on the Asset Oversight Observation Report dated **Date**, sent to you **Date** has been corrected.

(The Monthly Criminal Activity reporting will still be required until TSAHC staff notifies the owner and management that it is no longer necessary.)

Thank you for your attention to this important matter. Please do not hesitate to call should you have any questions regarding this notice.

Respectfully,

TSAHC Staff Member

Title
E-mail Address
Phone Number



Date

By Email

**NON RESPONSE NOTICE
REQUEST FOR CORRECTIVE ACTION**

Owner

Attn: Owner Contact
Owner Address
City, State, Zip

RE: Name of Property

Dear Owner:

The Texas State Affordable Housing Corporation (TSAHC) has not received a response to the Findings identified on the Asset Oversight Observation Report dated **Date**, sent to you **Date**. To ensure compliance, we must receive documents meeting the Corrective Action Requirements set out in the Report no later than **Date**. Please refer to the Narrative pages of the Report for the corrective action requirements.

Thank you for your attention to this important matter. If you have forwarded the required documents, please contact us to ensure we have received the information that you submitted. Please do not hesitate to call should you require additional information or clarification on this important request.

Respectfully,

TSAHC Staff Member
Title
E-mail Address
Phone Number

Attachment Seven



Date

By Email

**NOTICE OF
INCOMPLETE
RESPONSE NOTICE REQUEST
FOR CORRECTIVE ACTION**

Owner

Attn: Owner Contact

Owner Address

City, State, Zip

RE: **Name of Property**

Dear Owner:

The Texas State Affordable Housing Corporation (TSAHC) has received an incomplete response from **Name of Person** to the Findings identified on the Asset Oversight Observation Report dated **Date**, sent to you **Date**. Specifically, your response has not sufficiently addressed the following Corrective Action requirements:

List the Outstanding Items

We must receive documents meeting the Corrective Action Requirements set out in the Report no later than **Date**.

Thank you for your attention to this important matter. Please do not hesitate to call should you require additional information or clarification on this important request.

Respectfully,

TSAHC Staff Member

Title

E-mail Address

Phone Number

Attachment Eight

Crime Prevention Reporting			
Name of Property	Reported		Received
	YES	NO	
AA			
BB			
CC			
DD			

Attachment Nine

TSAHC Portfolio
20_ Asset Oversight Review Summary

Portfolio Name						
Property Name	# of Units	Location	Audit Date	Occupancy as of __	Average 12 Month Occupancy	Annual Summary
AA						Findings: Observations:
BB						Findings: Observations:
CC						Findings: Observations:
DD						Findings: Observations:

Attachment Ten

TSAHC Asset Oversight Portfolio
Annual Report Totals

Average Totals by Region

Region	Number of Properties	Number of Findings in 20__	Number of Observations for 20__	Average Occupancy on ____, 201__
Amarillo				
Beaumont				
Brownsville				
Copperas Cove				
Corpus Christi				
Dallas/Fort Worth Area				
El Paso				
Houston Area				
Lampasas				
Lubbock				
Odessa				
San Antonio				
Victoria				
Wichita Falls				
Totals				

Average by Portfolio

Portfolio	Number of Properties	Number of Findings in 2010	Number of Observations for 2010	Average Occupancy on November 19, 2010
American Housing Foundation				
American Opportunity for Housing				
Asset Oversight Contract				
Common Wealth				
Worthing Oaks				
Odyssey Properties				
Rainbow				
South Texas				
Totals				