



# Senate and House Committees Give OMHAR Extension a Thumbs-Up

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On August 1, the Senate Banking Committee approved S. 1254, which reauthorizes the Multifamily Assisted Housing Reform and Affordability Act of 1997. The bill, introduced by Sen. Paul Sarbanes (D-Md.), would extend the Section 8 Mark-to-Market program for five years. S. 1254 and H.R. 2589, a House bill that would extend the Mark-to-Market Program for three years, would bring the Office of Multifamily Housing Assistance Restructuring (OMHAR) under the Federal Housing Administration. It would also expand HUD's power to determine which projects would be subject to the Mark-to-Market program, as well as determine those projects' rents. Specifically, it would:

- Modify the definition of eligible properties to include those whose rents exceeded comparable rents prior to renewal of project-based assistance;

- Revise the amount of the second mortgage connected to a debt restructuring to include full or partial FHA insurance claim payment;
- Subject enhanced Section 8 vouchers, which provide assistance tied to actual unit rents when project-based assistance is terminated, to the mark-to-market rent comparability requirements and to the program's rent reasonableness standard. Apply the 5 percent exception to all units subject to restructured rents and mortgages under the mark-to-market program; and
- Require project owners to accept the vouchers from tenants remaining in a project if the property continues to be used as rental housing if a participating administrative entity (PAE) approved tenant-based assistance as part of a restructuring plan.

For a copy of the proposed bill, visit [www.novoco.com/legislation.htm](http://www.novoco.com/legislation.htm). ❖

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