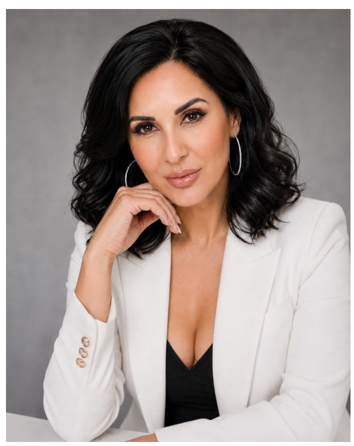
Housing Consultants of America

How to Prepare for a HUD Management and Occupancy Review (MOR)

A practical guide for affordable housing owners, agents, property managers, and compliance teams



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A HUD Management and Occupancy Review is more than a file check. It evaluates whether a HUD-assisted property is being managed in accordance with program requirements, governing documents, and the property's own policies and procedures. Strong preparation helps a team identify gaps before the reviewer arrives, organize supporting documentation, and reduce avoidable findings.

Start With a Property-Wide MOR Readiness Review

The most effective MOR preparation begins before the reviewer requests files. Assign responsibility for each review area, gather current policies and forms, and create a central location for supporting documentation. Confirm that staff understand which documents are current, where they are maintained, and who will be available to answer questions.

1. Review Tenant Files for Completeness and Consistency

Conduct a sample review of tenant files using the same disciplined approach you would expect from an outside reviewer. Do not look only for whether a document exists; verify that dates, signatures, calculations, supporting verifications, and household information are consistent throughout the file.

- Confirm eligibility and income documentation supports the certification.
  - Verify household composition, assets, deductions, and allowances as applicable.
  - Check required signatures and dates.
  - Review annual and interim recertification activity for timeliness.
  - Confirm move-in documentation and lease materials are complete.
  - Make sure corrections remain transparent and do not obscure the original record.

2. Audit EIV Documentation and Procedures

Enterprise Income Verification (EIV) is a frequent area of scrutiny. Review whether required reports are obtained, resolved, documented, and retained in accordance with applicable HUD requirements and property policy. Staff should also be able to explain how discrepancies are researched and how EIV information is protected.

- Confirm required EIV reports are present when applicable.
  - Review documentation of income discrepancies and follow-up.
  - Verify identity or failed-verification issues are addressed.
  - Confirm access, security, privacy, and retention practices.
  - Make sure staff practices match the written EIV policy.

3. Compare Written Policies With Actual Practice

Review the Tenant Selection Plan, EIV policies, pet rules, complaint procedures, reasonable accommodation practices, VAWA-related procedures, house rules, and other property-specific policies that may be examined. A policy can create a finding when it is outdated, incomplete, or inconsistent with what staff actually do.

Ask: If a reviewer selected a recent file, would the documentation show that the property followed its own written policy?

4. Review Notices and Resident Communications

Examine a sample of resident notices to ensure they contain required information, were issued within applicable timeframes, and are supported by the file. This may include recertification notices, rent-change notices, termination or noncompliance notices, inspection communications, and other program-required correspondence.

5. Reconcile Security Deposits and Tenant Charges

Review security deposit records and tenant charges for accuracy and consistency with leases, ledgers, and property policies. Confirm deposits were collected and handled appropriately, changes are documented, and refunds or dispositions are supported when households move out. Review fees, damages, repayment agreements, and other amounts for clear documentation and program permissibility.

6. Confirm Required HUD and Property Forms Are Current

Create a forms inventory before the MOR. Check that the property is using current versions required for its program and has not continued using outdated internal templates. Confirm required acknowledgments, disclosures, certifications, consent forms, and property-specific forms are included when applicable.

7. Review Rent, Utility Allowance, and Assistance Calculations

Spot-check rent calculations against the supporting certification and source documentation. Confirm the correct utility allowance, deductions, allowances, contract rent, tenant rent, and assistance amounts were applied for the applicable period. When changes occurred, verify the effective date and resident notice match the calculation.

8. Organize the MOR Support File

Do not wait until the reviewer arrives to locate documents. Assemble an organized MOR support file or secure electronic folder containing requested management documents, current policies, forms, logs, certifications, inspection records, resident communications, and other supporting materials. A document index helps staff retrieve items quickly.

9. Conduct a Mock Interview With Key Staff

Property managers and compliance staff should be prepared to explain their processes. Ask how they handle late recertifications, EIV discrepancies, reasonable accommodations, VAWA requests, security deposits, resident complaints, file corrections, and escalation of compliance concerns.

10. Correct Issues Before the MOR - and Document the Correction

When your internal review identifies a problem, determine whether it can and should be corrected before the MOR. Document what was identified, what action was taken, who completed the correction, and whether a broader review is necessary. One file error may indicate a training or process issue affecting multiple households.

A Simple Pre-MOR Readiness Checklist

Before the review, your team should be able to answer yes to these questions:

- Have we independently sampled tenant files for eligibility, calculations, signatures, dates, and required documentation?
- Are EIV reports, discrepancy resolutions, and security procedures documented?
- Are written policies current and consistent with actual practice?
- Are resident notices timely, accurate, and supported?
- Do security deposits and tenant charges reconcile with leases and ledgers?
- Are we using the correct required forms?
- Have we spot-checked rent, assistance, and utility allowance calculations?
- Are management documents organized and easy to retrieve?
- Can key staff confidently explain property procedures?
- Have identified deficiencies been corrected and documented?

Why an Independent MOR Review Can Help

Internal teams know their properties well, but that familiarity can make recurring habits, inconsistent documentation, or outdated processes easier to miss. An independent compliance review brings a fresh set of eyes to tenant files, policies, forms, EIV practices, notices, and operational procedures before the formal MOR.

Housing Consultants of America (HCA) provides MOR preparation, support, and follow-up services for affordable housing properties that want an independent compliance review before the audit. HCA can help identify potential deficiencies, organize documentation, prepare staff for the review process, and support corrective-action planning when issues are discovered.

The goal is not simply to "pass" an MOR. Strong preparation helps create a more consistent compliance operation - one in which files are easier to defend, policies reflect actual practice, staff understand expectations, and problems are identified before they become larger findings.

Prepare Before the Reviewer Arrives

An MOR should not be the first time a property discovers that its files, policies, notices, or procedures are out of alignment. A structured pre-MOR review gives management time to understand its risk, make appropriate corrections, and enter the review with organized documentation and a prepared team.

Need MOR preparation or an independent compliance review?
Housing Consultants of America can support your team before, during, and after the MOR with file reviews, policy assessments, staff preparation, and compliance follow-up.

About the Author

Jenna Ghisolfo is President & Founder of Housing Consultants of America. Her work focuses on affordable housing compliance, operational support, training, file review, and helping housing organizations strengthen day-to-day compliance practices.

Disclaimer: This article is intended for general educational purposes and is not a substitute for current HUD guidance, governing program documents, legal advice, or property-specific compliance direction. Requirements can vary by program and property.