



MEMORANDUM

July 3, 2025

To: C. Lamar Seats
Deputy Assistant Secretary for Multifamily Housing, HT

Irving Dennis
Principal Deputy Chief Officer, F

Daniel Ballard
Deputy Chief Financial Officer, F

//signed//


From: Kilah S. White
Assistant Inspector General for Audit, Office of Inspector General, GA

Subject: Audit Notification – Improper Payment Estimate for HUD’s Multifamily Project-Based Rental Assistance (MF-PBRA) Program

We are initiating an audit to estimate improper payments in HUD’s Project-Based Rental Assistance (PBRA) program under the Office of Multifamily Housing (MF). The objective of our audit is to determine whether a sample of housing assistance payments (HAP) in the MF-PBRA programs are proper; if improper, then estimate the total improper and unknown payments. To develop our estimate, we will test a sample of June 2025 HAP and annualize our results to produce an estimate for one year. We will use the Tenant Rental Assistance Certification System (TRACS) data to select a statistical sample of tenants. For each tenant selected, we will review relevant documentation to ensure that the HAP from the owner was calculated correctly and supported by all necessary documentation.

An entrance conference to discuss our review and introduce the audit team has been scheduled for Tuesday, July 15, 2025, at 10:00 AM EST. During this meeting, we will discuss the nature and scope of our review and answer any questions you may have.

We will start our audit immediately and expect to complete our testing by April 2026. We will work directly with the property owners and project-based contract administrators (PBCAs) to obtain supporting documentation and information necessary to conduct our audit. Please advise of any updates or changes to the field offices directory that are not reflected on HUD’s website.



To help facilitate an efficient review, and to minimize disruption to your operations, we request the following documentation or information be made available at the entrance conference or by email to rlloyd@hudoig.gov.

1. Identify current and past investigative proceedings, legal proceedings, and any known instances of fraud related to the subject matter being reviewed.
2. Identify previous audits or other studies related to the audit objectives.

If any information provided during the related planning review is to be used as audit evidence, your office will be provided the opportunity to validate the information previously obtained.

If you have any questions, please contact Ronal Lloyd, Audit Director, at (215) 704-0554.