

WHAT TYPE OF PROPERTY IS ELIGIBLE FOR AN AAF (ANNUAL ADJUSTMENT FACTOR) RENT ADJUSTMENT?

Properties that have not renewed their HAP contract since 1997.

HAP Contracts that have **NOT** yet renewed under HUD's 1997 Multifamily Assisted Housing Reform and Affordability Act (MAHRA):

223 F

221 (d) (3) if there are S8 units

Non-Insured Rural Development

Other Non-Insured Properties

The AAF adjustment is processed in conjunction with the property's contract anniversary date. The adjustment factor applied to the rent adjustment usually changes each year and is based on a formula that consists of data on residential return and utility cost changes from the most current Bureau of Labor Statistics Consumer Price Index (CPI) survey and from HUD's Random Digit Dialing (RDD) rent change surveys.

Properties that have renewed their HAP contract since 1997.

HAP Contracts that **HAVE** been renewed under HUD's 1997 Multifamily Assisted Housing Reform and Affordability Act (MAHRA):

Certain properties that have entered into a Preservation HAP Contract, Option 5 of MAHRA. The Plan of Action (POA) describes the type of rental adjustment that the property is eligible for, (i.e. AAF, budget, and/or OCAF). Reference the [Section 8 Guidebook](#) for further details and/or contact your MHFA Housing Assistance Payments Representative.

Please note: MHFA does not intend this to be an all-inclusive list of federal requirements. Please review the Federal Register, and/or the Section 8 Renewal Guidebook to gain a full understanding of all requirements.