

MODEL LETTER

Get HUD Approval to Use Residual Receipts

To ask HUD's permission to withdraw money from your residual receipts account, send a request letter to your local HUD office. Here's a letter you can use for guidance when you put together your own letter.

Dear Sir/Madame:

1. Pursuant to Handbook 4350.1, par. 25-9, we hereby request HUD's permission to withdraw funds from our site's residual receipts account. We are seeking permission to withdraw \$10,000.
2. We need to withdraw funds from the account to offset increased operating expenses. Expenses have increased in the past year for taxes, utilities, and insurance. Because the site is not entitled to rent increases under current HUD rules, we anticipate that the site's rental revenue will not be sufficient to pay operating expenses during the next 12 months. We estimate that the revenue shortfall will be approximately \$10,000. We have attached a budget that shows our income and expense projections for the next 12 months.
3. As a result of our excellent management performance, the site has generated a substantial amount of residual receipts during the past 15 years. The current balance of the residual receipts account is approximately \$50,000. Please note that there are no unresolved problems stemming from management reviews or audits of our operations.
4. If you do not allow us to draw upon our residual receipts, we anticipate that we will need to reduce services at the site. We are reluctant to do this. As your records indicate, the site has always been well managed and maintained.
5. We are available to meet with you to discuss this request. Please call me at 123-555-5555 or email me at jmanager@site.com at your earliest convenience to arrange a meeting or to ask for any additional documentation you require to process this request.

Yours truly,
James Manager