

Association Members: I have been made aware that the impact of sequester on the multi-family industry will be significant. CMHA is preparing for a **10% reduction in the payments made to Property Owners, effective immediately**. For example, a \$425 rent payment by CMHA would be reduced by \$43. This is allowed under the CMHA contracts, as their funds are based on "availability of funds". However, residents may still be held responsible for the funds that CMHA fails to pay. Needless to say, this will most likely create a number of legal problems and lawsuits, especially around the area of potential evictions for non-payment.

Please prepare staff and appropriate management.

We are not sure yet how other housing authorities will address this issue.

As this issue develops, more information will be forthcoming.