

RANDALL PENTIUK, ESQ.  
EDITOR-IN-CHIEF

**SPECIAL  
POINTS OF  
INTEREST:**

Going Green!

**MAHC**  
Annual  
Conference

International  
Year of the  
Cooperative

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# MAHC MESSENGER

VOLUME 11, ISSUE 1

FEBRUARY 2012

## Congressman Fattah Introduces Bill to Spur the National Cooperative Movement

**Federal Information & News Dispatch, Inc.**

WASHINGTON D.C., Dec. 15 - Congressman Chaka Fattah (D-PA), Congressional leader for the national cooperative movement, especially urban co-ops, today introduced the National Cooperative Development Act.

"It's high time for Cooperatives -- a great idea that has emerged from and gained success in our urban neighborhoods as well as rural communities - to move onto the national radar," said Fattah, whose Philadelphia district includes numerous thriving co-ops. "This legislation brings federal resources and a policy priority to the effort.

"Cooperatives are a special kind of economic stimulus. Cooperatives benefit the communities they serve while building opportunities for shared wealth. Cooperatives are truly vehicles for protecting the middle class and creating economic growth," Fattah said.

The Fattah bill, H.R. 3677, authorizes \$25 million a year through 2016 to create and fund the National Cooperative Development Center.

Cooperatives are owned and controlled by the people who use the co-op's services or buy its goods. They range in size from the local corner store to Fortune 500 companies, and can include insurance, healthcare, housing, recreation materials and equipment as well as more traditional uses such as rural electricity. Overall, U.S. cooperatives account for more than \$3 trillion in assets, over \$500 billion in total revenue, \$25 billion in wages and benefits, and nearly 1 million jobs.

"We have food deserts in low-income urban areas where food cooperatives are often the only enterprises willing to bring food security and nutrition while anchoring the buy-local campaigns we see happening everywhere," Fattah said. "Every new or expanded cooperative, regardless of the goods or services it provides, will be a job creator and an economic engine where it's most needed."

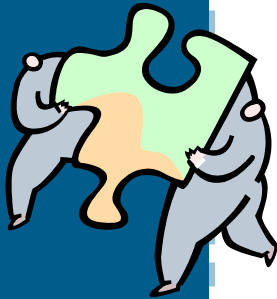
Fattah pointed out that cooperatives still face many problems, including difficulty in gaining access to capital, which can stunt the growth of even the most successful enterprises.

In addition, Fattah noted, "the unique nature of the cooperative ownership model requires that cooperative operators receive specialized training and assistance in setting up the governance, operations, and financial structures that are required to run a successful cooperative.

"Co-ops need help that the federal government will now be in a position to provide," Fattah said. "The legislation addresses these problems by establishing the Development Center to provide capital, training, and other resources to foster cooperative development."

The National Cooperative Development Center will:

\* Award grants to nonprofit organizations, colleges, and universities so that they can provide technical



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authorizes \$25  
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through 2016 to  
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the National  
Cooperative  
Development  
Center.*

## Fattah Cont.

assistance to operating cooperatives or groups that are attempting to form cooperatives;

- \* Provide guidance, information on best practices and technical assistance to communities seeking to establish cooperatives;

- \* Create a revolving loan fund to provide loans and seed capital to groups who are attempting to form cooperatives;

- \* Provide funding for training of providers of technical assistance and supporting existing professional development training for organizations engaged in cooperative development;

- \* Establish cooperative development centers in areas that currently do not have them.

Read this original document at:

<http://fattah.housegov/index.cfm?sectionid=34&sectiontree=247,34&itemid=1061>

## CO-OP Action

### Michigan Alliance of Cooperatives - November, 2011

The Occupy Wall Street protestors are right: our global corporate economy no longer serves our interests; the over-paid corporate executives have failed. We are plagued by persistent unemployment, by relentless inflation of the prices of staples, by lack of new investment in renewable energy, by transference of jobs overseas, by widening gaps between the super-rich incomes and incomes of the 99%, by unnecessary foreclosures of homes and by shifting of economic power from consumers into the hands of bankers.

We need to make some changes. Fortunately, we can build on the successful cooperative sectors of our economy, which are a superior form of business enterprise and have avoided the problems of the rest of the economy. We are seeing a massive shift of people from 'too-big-to-fail' banks to local, democratically controlled credit unions. Credit unions have not needed special favors or panicky subsidies, the way the big banks have. Credit unions are reliably local and community oriented, not pretentious empires of casino gambler 'banksters.'

Food cooperatives are prospering and multiplying, and placing emphasis upon local growers and producers, unlike the Wal-Mart type of goliaths which under-pay their workers and buy as much as they can from overseas. These co-ops, too, are democratically controlled and local. They are experimenting with novel approaches to the distribution of their products, working with community supported agriculture and other approaches. They are a stark contrast to the rigid, hierarchy-bound procedures of the huge corporate food distributors who bring grapes in from Chile and apples from New Zealand.

Most dramatic are the housing cooperatives, where not a single homeowner has been taken on a boom-and-bust roller coaster ride by predatory banks offering 'teaser' initial mortgage rates or unwise second mortgages. No co-op homeowners have been foreclosed, but millions of fee simple homeowners have been evicted from their homes. The superiority of the co-op way is most clearly demonstrated by co-op housing, not only for its stability and affordability but also for the ability of housing co-ops to create and enhance community with additional member services, such as child care, buying clubs, car pools, etc.

## CO-OP Action Cont.



It is significant that the big corporations act like communistic dictators, pushing their customers around willy nilly, but the co-ops function in a free competitive market fashion, fully responsive to the consumers' needs.

Even in health care, cooperative health plans have served their members well, while millions who are subject to ordinary health insurance giants have become more and more dissatisfied.

We usually think of our cooperative businesses as small potatoes compared to the global giants dominating the world's economy. But our strength is in our smaller, flexible character, based locally and more resilient. The global corporations are huge dinosaurs, with built-in arthritic stiffness, inflexible and incapable of responding to the unique needs of each community served.

We know what happened to the ancient dinosaurs thousands of years ago. And we know the smaller, adaptable mammals survived — and became us, among other species. Big corporations are already in trouble, demanding bigger and bigger subsidies from government, paid out of main street taxes.

The increasing resistance to heavy polluting, increasingly government supported fossil fuels is part of the decline of the dinosaurs. Government subsidies to oil, coal, corporate farms and other politically nurtured monsters will be stopped. The dinosaurs will die off. And local, democratically controlled co-ops and credit unions will play more important roles.

We have a special message for the corporate dinosaurs' CEOs: you have failed. You show you can't do the job. You're fired. Step aside. Now it is the co-ops' turn.

-Joel Welty

*\*If you wish to receive CO-OP Action directly from Joel, send your e-mail address to [jwelty@power-net.net](mailto:jwelty@power-net.net)*

*The Superiority  
of the Co-op  
way is most  
clearly  
demonstrated  
by co-op  
housing, not  
only for its  
stability and  
affordability . .*

## Lucille Morgan Williams: Cooperative Youth Program

With approval of the board of directors; Lucille Morgan Williams, Clementine Stitt-Wood, Barbara Williams, Pearly Williams and Janice Tillman (none of the Williams are related), the "Summer Intern" program at the Chicago Cooperative, Hermitage Manor, was implemented.

Roughly 8 years ago, numerous Members were complaining about groups of teenagers hanging around with nothing to do when school was out. The idea to constructively entertain the youth while creating an immaculate property, took from in replacing previously outsourced chores and paying that wage to the youth members. A budget of

\$6,000 was allocated out of operating expense to pay \$8/hour to 10 carefully selected youth, ages 14-17. On payday every two weeks, interns were paid in cash purposely with at least one \$50 bill in the check. The cooperative posted snapshots of the kids getting their \$50 bills, which spread word around the Co-op.

Two prerequisites took control of the interviewing process; conduct on the property and conduct at school. Supervisors required seeing the last part of each interviewee's report card. GPA didn't matter as much as the teacher's comments. If a youth was a problem at school they were not to be rewarded with a summer job.

The interview process was advertised via flyer and was conducted with a start date of July 1. It was first come, first serve and being promptly at 9:00 am. Only 10 students were hired each summer so if someone was hired last summer, they would have to rotate out so as to give everyone an opportunity. 60 students have been in the program thus far.

A problem arose when a number of youth moved into the Co-op only for the summer. So as to not take over from the children who were registered Members, this resulted in an additional requirement that the summer interns had to be members of the property for at least 1 year. **Cont. on Page 4**



## Cooperative Youth Program Cont.



*Supervisors stressed the importance of respect and taught that a reputation follows a person everywhere.*

This program benefited this Co-op in ways no one expected. Not only was the property constantly immaculate, but also the youth really began to take pride in their community. The discipline for the 12 and 13 year olds excelled because they were being watched to get approved from the Board when they turned 14, but also from the interns as they were not in charge of cleaning up after their younger peers. Youth disciplining youth proved extensively effective. Although the supervisors gave the students 4 rules that were non-negotiable, 3 more rules were up to them to decide upon. Surprisingly, they are more harsh with their own rules than anything created by their elders.

The summer interns would work in uniform white t-shirts from 8am-11am 5 days/week. The very first project

consisted of painting the rod iron fence that surrounded the property. A quoted job of \$4,500, the inters quickly volunteered and completed the project for \$1,500. One of the boys even came up with an idea to used boards the width of a doorway to lay under the fence so the paint would stay off the sidewalks. Other duties included cleaning streets, sweeping, window washing, planting different kinds of shrubbery, built a retaining wall for the flowers and even laid a brick walkway that excelled any contractor's work. Lucille Williams served as Supervisor along with fellow Board members Janice Tillman and Pearly Williams. She says she loved the opportunity to get to know the youth better. "In the really hot summers, by the end of the day we'd have a water fight with the hose and just laugh with each other."

For most of the kids, this was their first real job. They understood that when they went to look for their next job, they would have to obtain a recommendation from the supervisors. "Sure enough, for new jobs, college applications and dorm master positions, they would have to come ring my doorbell and I'd be happy to write them a letter," says Lucille Williams. The supervisors stressed the importance of respect and taught that a reputation follows a person everywhere.

At the end of every summer, the Members took the opportunity to display appreciation for a hard summer's work. A much envied dinner of the intern's choice on Michigan Avenue in a white stretch limousine was always very anticipated. This event only added to the desire from the younger youth to be a part of this position in the future.

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# TOP 10 GOLDEN NUGGETS OF CUSTOMER SERVICE

## Decrease turnover and build relationships by becoming a Customer service guru

BY DAVID K. AAKER, IOM

**EVERY AREA OF LIFE HAS CUSTOMERS**, and the real estate management industry is no exception. Your tenants/residents, vendors and owners depend on you for solving problems, saving money and getting things done right—in addition to providing a high level of customer service.

Following are my *Top Ten Golden Nuggets* of customer service. Apply them to your business relationships and transform even the most difficult customer into a successful story.

### 1 KNOW YOUR CUSTOMER BY NAME

*Get a commitment to the conversation: Acknowledge your customer by first name in the first two sentences.*

At the beginning of your phone call or when leaving a voicemail message, take a few seconds to write down the specific time and full name and/or title of the customer to make sure you have them recorded correctly. Ground the conversation by repeating your customer's name throughout the conversation or message. Believe me, your customer will notice the extra effort, and you'll be able to stay a few words and ideas ahead of the conversation at all time without worrying about forgetting valuable contact information.

### 2 LISTEN TWICE AS MUCH

*Make a special effort to apply this tactic.*

Sometimes we find ourselves talking over one another, particularly toward the end of the conversation. It's like someone having a conversation during the final words of a great movie: the impact is lost.

Making a habit of listening more than you talk is not as easy as it sounds, but it gives you the opportunity to fully understand what the customer is requesting—particularly when these requests aren't explicitly stated. Beyond demonstrating respect to the person you are speaking with, making an effort to listen reduces the chance of misunderstandings.

### 3 ALWAYS TELL THE TRUTH

*You have less than ten seconds—the time it takes to drive by a new billboard—to make an impression on your customer.*

In the real estate management world, it's not only your expertise that matters—it's the way you communicate your expertise. The brief, seconds-long window of your first impression can make or break business decisions for years to come. Truth can be interpreted in a split second, and will determine if your relationships are established with trust and confidence. Always tell the truth, and you will never forget what you said.

### 4 NEVER ARGUE WITH A CUSTOMER

*There is no future in arguing.*

This little piece of advice has rescued me many times during my 20 years as a CEO: "When one won't, two can't argue."

A large portion of your day is spent in negotiations—not just with finances, tenant improvements or maintenance tasks, but with relationships. We send and receive communication through the following three delivery methods: 1) 7 percent by the words we speak; 2) 38 percent by the tone of our voice; and 3) 55 percent by nonverbal communication, such as mannerisms and body language. Have you considered the nonverbal signals you may be sending to your customers?



### 5 UNDER-PROMISE, OVER-PERFORM

*When is the last time someone has exceeded your expectations? Wasn't it surprising?*

A couple of years ago, I entered a line for a ride at Disneyland. The sign said, "Waiting time from this point is 25 minutes," but I ended up reaching the entrance to the ride within fifteen minutes. I noticed, and I was impressed.

Finding small ways to under-promise and over-perform goes a long way in ensuring your customer is completely satisfied.



**A CUSTOMER WHO COMPLAINS ACTUALLY OFFERS YOU THE OPPORTUNITY TO MAKE UP FOR HIS/HER DISSATISFACTION.**

#### COMMUNICATION BREAKDOWN:

- ➤ **7% BY THE WORDS WE SPEAK**
- ➤ **38% BY THE TONE OF OUR VOICE**
- ➤ **55% BODY LANGUAGE**



# Customer Service Cont.



**A customer who complains actually offers you the opportunity to make up for his/her dissatisfaction; take the change to turn an unhappy customer into a loyal customer.**

## 6 FOLLOW UP, FOLLOW UP, FOLLOW UP

*Fact: In your last meeting, phone call or personal conversation, the other person only heard 7 percent of what you said.*

The power of a simple follow-up is astounding. It costs approximately five times more to acquire a new client, customer or tenant, than to keep those you currently have.

If a potential new tenant is shopping for a new location and the conversation leaves a few unanswered questions, make an effort to find answers and follow up in a timely manner. Remember, no one wants your new tenant more than your competition. Take inventory of the last three conversations: Did you deliver what they requested? Did they receive your e-mail or FedEx in a timely manner? Never regret taking the time to follow up, it keeps the doors of communication open, builds a better commitment to your customers and reduces turnover.

## 8 SHOW ENTHUSIASM

*"Catch on fire with enthusiasm and people will travel for miles to watch you burn." - John Wesley*

It is not a felony to have fun: Sincere enthusiasm is one of the strongest tools you can use to achieve business success.

Enthusiasm is such a great business builder; use it often, use it with sincerity and use it any time you communicate. What can you say in your next conversation that your customer will remember one year from now?

## 9 BE THANKFUL FOR EACH AND EVERY CUSTOMER

*Never underestimate the power of gratitude: Don't assume your customers know that you appreciate and value them.*

Each time you have the opportunity to share a sincere thank you with someone who is in your sphere of influence, don't hesitate to do so. It is easy to take long-term customers for granted and assume they will remain loyal simply because they have been with you for several years. Take the opportunity to sincerely thank those who have made you a success—you know who they are. Simply telling someone that you appreciate and value your business relationship can go a long way. When was the last time someone told you that?

## 7 BE THANKFUL FOR CUSTOMERS WHO COMPLAIN

*A complaining customer provides an opportunity to serve.*

Consider that most unsatisfied customers typically move on—perhaps to your competition—when unsatisfied. A customer who complains actually offers you the opportunity to make up for his/her dissatisfaction; take the chance to turn an unhappy customer into a loyal customer. Personally and professionally provide solutions to complaints—it's worth the investment.

## 10 FOLLOW THE GOLDEN RULE

*Serve others as you expect to be served.*

By nature, we are judgmental in several areas of our lives. The standards we set in our own lives are often the standards others have set, too. Each day, you have the opportunity to set the benchmark—and even raise the bar—with the services you provide to customers.

Customer service is not a "big thing," it is a conglomeration of the many "little things" that combine to make a big difference. I invite you to put your fingerprint on these "Golden Nuggets" and witness how the relationships in your life grow and flourish.



*This article originally published in Nov/Dec 2011 IREM  
Please visit [www.irem.org/jpm](http://www.irem.org/jpm)*

*David K. Aaker, IOM ([david@davidkaaker.com](mailto:david@davidkaaker.com)) is president of Aaker & Associates in Rancho Mirage, Calif., and was a keynote speaker at the IREM 2011 Leadership and Legislative Summit in Washington, D.C.*

# Linville Management Company

## N. Kansas City, MO

Linville Management Services, Inc., is a full-service professional management firm with more than 30 years of experience in cooperative housing. "We work for the governing body of a cooperative -- the board of directors -- and are responsible for the upkeep and maintenance of the property, the job performance of on-site staff, occupancy and marketability of the cooperative and the handling of all accounting, real estate and legal matters associated with the administration, operation and maintenance of the cooperative", says Melva Linville, founder. Melva found out what a housing cooperative was in 1969 when her family moved into North Brighton Townhouses. Moving into North Brighton gave her and her family a home, a community and a future. It also gave Melva a job as the on-site manager. "What a wonderful job it was to help families find decent, safe housing at an affordable price", she says. Her passion for housing cooperatives did not take long to develop. In 1989, she formed Linville Management Services and was managing one cooperative in Independence, MO, and two in Kansas City, MO by the end of the year.

Linville's clients are housing cooperatives throughout the Kansas City, MO area ranging from 200 to 378 units on 30 to 80 acres. The company stays effective by focusing on a mission to provide safe, affordable housing for people of moderate incomes. They are committed to the dignity that comes from living in decent homes in stable neighborhoods. "Our cooperatives plan events and activities designed to include everyone who lives there -- families with young children, teenagers, single parents, college students and retirees", says Melva. A few current events include annual picnics, festivals, yard sales, movie nights, holiday parties, senior luncheons, costume parades and many other fun-filled occasions that bring members together and build community spirit at the same time.

Melva has, inspired by the MAHC annual conferences, initiated her own mini-conference for all of the cooperatives Linville manages. Like the MAHC conference, the annual Linville Management Mini-Conference brings members of the local cooperatives together to meet each other and interact away from the properties. Board members, office personnel and maintenance staffs discuss issues they all have in common, exchange ideas and learn from each other about solutions or new developments. "A local level mini-conference allows us to provide customized training that addresses specific needs of the Kansas City, Mo., area", adds Melva.

Linville Management Services strives to remind members that they have a vote and a voice in the operations of the cooperative. "Your housing cooperative is member-owned and member-governed. Your voice counts at monthly board meetings. Your vote counts at annual elections. You can make a huge difference in your cooperative by becoming involved", concludes Melva.



CEL11121

S.L.C.

112TH CONGRESS  
1ST SESSION

**S. RES.** \_\_\_\_\_

Designating the year of 2012 as the "International Year of Cooperatives".

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IN THE SENATE OF THE UNITED STATES

Mr. JOHNSON of South Dakota (for himself and Mr. COCHRAN) submitted the following resolution; which was referred to the Committee on

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## **RESOLUTION**

Designating the year of 2012 as the "International Year of Cooperatives".

Whereas in the United States, there are more than 29,000 cooperatives with 120,000,000 members;

Whereas cooperatives in the United States generate 2,000,000 jobs and make a substantial contribution to the economy of the United States with annual sales of \$652,000,000,000 and assets of \$3,000,000,000,000;

Whereas the cooperative business model has empowered people around the world to improve their lives through economic and social progress;

Whereas cooperatives are a major economic force in developed countries and a powerful business model in developing countries, employing approximately 100,000,000 people;



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## 2

Whereas there are millions of cooperatives, which are owned and governed by more than 1,000,000,000 members, operating in every nation of the world;

Whereas the economic activity of the largest 300 cooperatives in the world is equal to that of the 10th largest national economy;

Whereas United Nations Resolution 64/136, adopted by the General Assembly on December 18, 2009, designates the year 2012 as the “International Year of Cooperatives”;

Whereas the theme of the International Year of Cooperatives is “Cooperative Enterprise Builds a Better World”; and

Whereas cooperatives are the businesses of the people, and for more than a century, have been a vital part of the world economy: Now, therefore, be it

1       *Resolved*, That the Senate—

2               (1) designates the year 2012 as the “Inter-  
3       national Year of Cooperatives”;

4               (2) congratulates cooperatives and members of  
5       cooperatives in the United States and around the  
6       world on the recognition of the United Nations of  
7       2012 as the “International Year of Cooperatives”;

8               (3) recognizes the vital role cooperatives play in  
9       the economic and social well-being of the United  
10      States;

11              (4) urges the establishment of a National Com-  
12      mittee for the 2012 International Year of Coopera-  
13      tives to be comprised of representatives from each

CEL11121

S.L.C.

3

1 Federal agency, all cooperative sectors, and key  
 2 stakeholders;  
 3 (5) recognizes the importance of raising the  
 4 profile of cooperatives and demonstrating the man-  
 5 ner by which cooperatives build local wealth, gen-  
 6 erate employment, and provide competition in the  
 7 marketplace; and  
 8 (6) encourages highlighting the positive impact  
 9 of cooperatives and developing new programs for do-  
 10 mestic and international cooperative development.



Cooperatives

Walton Park Manor Pinelake Village  
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 Pontiac Townhouses Hickory Hollow  
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 Executive Director – Cindy Jones

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(at least we're going to try)

But we need **YOUR** help to do this. If you currently receive the **MAHC Messenger** and you have an e-mail address, please **email** Carolyn Jackson at [CarolynMAHC@aol.com](mailto:CarolynMAHC@aol.com) and include the following information:

**First & Last Name**  
**Address, City, State & Zip**  
**Name of Cooperative or Business**  
**Email Address**

Thank you for your help in our endeavor to make the world a little **greener!**



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
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As Special Attention of

**All Multifamily Hub Directors**  
**All Multifamily Program Center Directors**  
**All Multifamily Operations Officers**  
**All Directors of Project Management**  
**All Field Counsel**

## **Notice H 2011-20**

Issued: August 16, 2011

Expires: August 31, 2012

Cross References:

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**SUBJECT:** Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted  
Multifamily Housing

### **I. Purpose**

Bed bug infestations have become a serious problem in housing throughout the country. HUD Insured and Assisted Multifamily properties are not immune to infestations. This Notice provides information and references to best practices regarding the prevention and control of bed bug infestations. It also provides guidance on the rights and responsibilities of HUD, Owners and Management Agents (O/As) and tenants with regard to bed bug infestations.

### **II. Background**

After a long absence, bed bug infestations are a growing problem in the United States today. According to the United States Environmental Protection Agency (EPA), bed bug populations have increased dramatically. Bed bugs are considered a pest of significant public health importance by the EPA and the Centers for Disease Control and Prevention (CDC). Although the insects are not known to transmit disease, bites may itch and cause an allergic reaction in some people, which may lead to secondary infections. The presence of bed bugs can also cause stress or anxiety.

Experts suspect the resurgence is associated with greater international and domestic travel, lack of knowledge regarding the complex measures needed to prevent and control bed bugs, changes in pesticide availability and technology, and increased resistance of bed bugs to available pesticides. Bed bugs are not an indicator of poor sanitation, but excess clutter can provide them more places to hide, making early detection and targeted control difficult.

HUD has received numerous reports of bed bug infestations in Multifamily properties in various regions. HUD is working closely with other federal agencies to develop and share best practices for preventing and controlling bed bugs.

### **III. Applicability**

This Notice is applicable to all Multifamily properties with active HUD Insured, HUD-Held or Direct Loans, Section 202 or 811 Capital Advances, Project-Based Rental Assistance contracts, and/or HUD Use Agreements.

### **IV. Prevention of Bed Bug Infestations**

The best approach to bed bug management is to prevent an infestation from occurring in the first place. Federal agencies, such as EPA and HUD, are working in tandem to develop and share recommendations to prevent bed bug infestations.

O/As are strongly encouraged to develop an Integrated Pest Management (IPM) Plan. Such plans describe the ongoing efforts the property management will take to prevent and respond to pests. For more detail on IPM, please see the online guide at <http://www.stoppests.org>. According to the EPA, principles of IPM for bed bugs include:

- Raising awareness through education on prevention of bed bugs;
- Inspecting infested areas, plus surrounding living spaces;
- Checking for bed bugs on luggage and clothes when returning home from a trip;
- Looking for bed bugs or signs of infestation on secondhand items before bringing the items home;
- Correctly identifying the pest;
- Keeping records – including dates when and locations where pests are found;
- Cleaning all items within a bed bug infested living area;
- Reducing clutter where bed bugs can hide;
- Eliminating bed bug habitats;
- Physically removing bed bugs through cleaning;
- Using pesticides carefully according to the label directions; and,
- Following up on inspections and possible treatments.

In addition or as part of an IPM, Multifamily O/As are strongly encouraged to take the following preventive steps:

- Provide training for staff to identify bed bugs, and to perform ongoing prevention actions as outlined in the IPM. When a community is at high risk for bed bugs (for example, if the community has experienced prior infestations), periodic building inspections are recommended.
- Actively engage residents in efforts to prevent bed bugs. Education and involvement of project residents is a critical component of IPM for bed bugs. Bed bugs may often go undetected and unreported, because they are active at night, and tenants may not be aware of their presence. O/As may wish to hold workshops for tenants to learn to identify bed bugs, to create unfriendly environments for pests, and to report suspicions of bed bugs as soon as possible.



- Provide orientation for new tenants and staff, and post signs and handouts.

More information on bed bug prevention may be found by accessing the following websites:<sup>1</sup>

- **Healthy Homes Training:** *What's Working for Bed Bug Control in Multifamily Housing?: Reconciling best practices with research and the realities of implementation.*  
[http://www.healthyhometraining.org/ipm/NCHH\\_Bed\\_Bug\\_Control\\_2-12-10.pdf](http://www.healthyhometraining.org/ipm/NCHH_Bed_Bug_Control_2-12-10.pdf).
- **National Pest Management Association Bed Bug Hub:**  
<http://pestworld.org/pest-world-blog/the-bed-bug-hub-one-stop-shop-for-bed-bug-information>
- **National Pest Management Association Best Practices Website:**  
<http://www.bedbugbmps.org>
- **Environmental Protection Agency:**  
<http://www.epa.gov/pesticides/bedbugs/>

## V. Addressing Infestations

The O/A should respond with urgency to any tenant report of bed bugs. Within 24 hours of the tenant report, the O/A should make contact with the tenant, provide the tenant with information about bed bugs, and discuss measures the tenant may be able to take in the unit before the inspection is performed. However, a bed bug inspection and, if necessary, treatment, may take time to schedule. The O/A should endeavor to take appropriate action within a reasonable time period using the guidelines provided below.

Following a report of bed bugs, the O/A or a qualified third party trained in bed bug detection should inspect the dwelling unit to determine if bed bugs are present. It is critical that inspections be conducted by trained staff or third party professionals. Low level inspections may escape visual detection. For this reason, multiple detection tools are recommended. Recent research indicates that "active" bed bug monitors containing attractants can be effective tools for detecting early infestations. Some licensed pest control applicators use canine detection to verify the presence of bed bugs. The inspection should cover the unit reporting the infestation and no less than surrounding apartments consisting of the units above, below, left and right, and should be completed within 3 calendar days of a tenant complaint if possible. If reputable, licensed pest control companies are unattainable within three calendar days, the O/A is required to

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<sup>1</sup> An additional resource for interested parties is the *Bed Bug Handbook*, L.J. Pinto, R. Cooper, and S.K. Kraft, *Bed Bug Handbook: The Complete Guide to Bed Bugs and Their Control* (Mechanicville, MD: S.K. Pinto & Associates, 2007).

retain documentation of the efforts to obtain qualified services. If an infestation is suspected but cannot be verified using the methods described above, the O/A should re-inspect the unit(s) periodically over the next several months.

When an infestation is identified, the unit and surrounding units should be treated for bed bugs according to the IPM Plan. Chemical treatments may be necessary, but are not reliable. Therefore, encasement, interception devices, vacuuming, steaming, freezing and commodity or building heat treatments may be utilized as part of the bed bug control effort. Infestations are rarely controlled in one visit. Effective treatment may require two to three visits, and possibly more. The length, method and extent of the treatment will depend on the severity and complexity of the infestation, and the level of cooperation of the residents.

An O/A may contact HUD to request financial resources for bed bug control. The Hub/PC Director may honor requests for releases from the Reserve for Replacement or Residual Receipts accounts to reimburse an Owner for bed bug treatment. The releases should follow the processes outlined in HUD Handbook 4350.1, *Multifamily Project Servicing*, Chapters 4 and 25. Owners should be encouraged to make advances (loan without interest) when no reserves are available. HUD may also consider an increased pest control line item in the project's operating budget, if the Section 8 Housing Assistance Payments (HAP) contract allows for budget-based rent setting in accordance with the *Section 8 Renewal Policy Guide*. However, any request for a rent increase should be part of an ongoing pest prevention program.

## **VI. Recurring Infestations**

Many properties are facing recurring infestations. O/As may offer protective tools to residents to help safeguard properties from recurrences. For example, the O/A may offer residents bed covers, climb-up interceptors, or other detection or protection devices that may become available. O/As may voluntarily offer to inspect tenants' furniture before move-in. O/As may require the non-chemical treatment of furniture upon tenant move-in, and may offer, but may not require, non-chemical treatment or inspection of used furniture and/or non-chemical treatment of luggage before it is unpacked when a tenant returns from a trip. Tenants may voluntarily use such services. These services or products are to be offered at the Owner's expense.

An O/A may not deny tenancy to a potential resident on the basis of the tenant having experienced a prior bed bug infestation, nor may an owner give residential preference to any tenant based on a response to a question regarding prior exposure to bed bugs. An Owner may not charge a tenant to cover the cost of bed bug treatment. Such costs should be covered by the Owner or from project funds authorized by HUD as described above. HUD reserves the right to approve Lease Addenda. Lease Addenda may not conflict with this Notice.

## **VII. Tenant Rights and Responsibilities**

Tenants are strongly encouraged to immediately report the suspicion of possible bed bugs in a housing unit or other areas of the property. Early reporting allows the pests to be identified and treated before the infestation spreads. Tenants are the first line of defense against bed bug infestations and should be encouraged to create living environments that deter bed bugs. This includes reducing unreasonable amounts of clutter that creates hiding places for bed bugs, and regular checking of beds and laundering of linens.

Bed bug infestations can cause health concerns, including physical discomfort, stress and anxiety on the part of the residents. Tenants should be advised of the following:

- An O/A may not deny tenancy to a potential resident on the basis of the tenant having experienced a prior bed bug infestation, nor may an owner give residential preference to any tenant based on a response to a question regarding prior exposure to bed bugs.
- A tenant reporting bed bugs may expect expeditious response and attention by the O/A, but should be advised that inspection and, if necessary, treatment of bed bugs may take time to schedule. The inspections should occur within three calendar days of the tenant report when possible.
- Following a tenant report of bed bugs, the O/A staff trained in bed bug identification (or a third party pest control representative) may inspect any unit in the property to independently verify the presence of bed bugs and to treat an infestation. The O/A may enter the unit to perform these activities, in accordance with the lease.
- If bed bug infestation is found in the unit, the tenant may expect treatment to begin within five days of the inspection, though depending on the form of treatment, this may not be possible. Tenants should be advised that treatment may take several weeks.
- Tenants are expected to cooperate with the treatment efforts by allowing for heat treatment of clothing and furniture and refraining from placement of infested furniture or other items in common areas such as hallways. Tenant cooperation is shown to expedite the control of bed bugs and to prevent spreading of infestations.
- Management may make staff available to help with moving and cleaning of furniture to accomplish the treatment effort.
- The tenant will not be expected to contribute to the cost of the treatment effort.



- Generally, relocation from the unit is not necessary; bed bugs may cause discomfort but are not believed to carry disease. However, if reasonable temporary relocation is necessary, the O/A may request withdrawals from Reserve for Replacement or Residual Receipts accounts as described above for those days when treatment is actively occurring that may render the unit uninhabitable. All withdrawals of this type must be approved by the Hub/PC Director or designee. Any temporary relocation must be carried out in accordance with applicable civil rights laws, including, but not limited to, Title VI of the Civil Right Act of 1964 and Section 504 of the Rehabilitation Act of 1973. For example, when persons with disabilities are temporarily relocated, they must be placed in housing that provides, at a minimum, the same accessibility features as the housing in which they currently reside. Additionally, the O/A must ensure the right of return for tenants who have had to be temporarily relocated while the bed bug treatment is being performed.
- The tenant will not be reimbursed the cost of any additional expense to the household, such as purchase of new furniture, clothing or cleaning services. However, the tenant may be reimbursed the cost of protective bed covers, at the Owner's discretion.

#### **VIII. Responding to Inspection Findings**

Bed bugs should be addressed when reported by staff, tenants or the Real Estate Assessment Center (REAC), or if an audit by the HUD Office of the Inspector General identifies possible infestation.

Presently, REAC inspectors will only deduct points if bed bugs are observed in an apartment or building. However, inspectors now ask the O/A to identify any units and/or buildings that are infested before the inspection begins. If bed bugs are reported, the inspector will record the units and/or buildings affected in the comment section of the Physical Inspection report.

The REAC sends a "Bed Bugs Reported" email to the Hub/Program Center Director when bed bugs are noted in the comments section of a Physical Inspection Report. The Owner will see the information on the inspection report in the comment area.

HUD staff must take the following steps upon receipt of the "Bed Bugs Reported" email from REAC, regardless of the score, or if bed bugs are cited as a deficiency within the REAC report or if bed bugs are reported by the O/A, project residents, the Performance Based Contract Administrator, or an OIG audit:

- Enter the bed bug information on the Problem Statement screen in the Integrated Real Estate Management System (iREMS).
- If bed bugs were identified by REAC, send the attached letter to the Owner regardless of the score of the REAC Physical Inspection.



- Advise the Owner to describe what actions were taken or will be taken to eradicate the infestation.
- Advise the Owner to inform HUD when the problem has been completely eradicated.
- Consider releasing funds from Reserve for Replacement or Residual Receipts accounts if requested.
- Continue to enter all related information into the Problem Statement screen in iREMS; and,
- Report any significant developments or problems regarding a bed bug infestation to Headquarters, Office of Asset Management.

**Note:** Bed bugs are a national problem, so the above action should be taken when REAC notes the presence of bed bugs in the comments section of an inspection, and/or if bed bugs are cited as a deficiency within the body of the inspection report.

If you have questions, please contact your Desk Officer in the Office of Asset Management.

/s/

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Carol J. Galante  
Acting Assistant Secretary for Housing –  
Federal Housing Commissioner

Attachment



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# International Year of the Cooperative

The year 2012 has been recognized as the International Year of Cooperatives (IYC) by the United Nations. This is an acknowledgement by the international community that cooperatives drive the economy, respond to social change, are resilient to the global economic crisis and are serious, successful businesses creating jobs in all sectors.

The [International Year](#) (IYC) celebrates the important contribution of cooperatives to socio-economic development across the globe. It recognizes the role of cooperatives in reducing poverty, generating employment and creating greater social equality. During the 51st Annual Conference of the National Association of Housing Cooperatives (NAHC) in San Juan, Puerto Rico in November 2011, NAHC members unanimously passed a [resolution supporting the IYC](#).

## Goals of the International Year of Cooperatives

Increase public awareness of cooperatives and their contribution to socio-economic development and the achievement of the [Millennium Development Goals](#).

Promote the formation and growth of cooperatives.

Encourage Governments to establish policies, laws and regulations conducive to the formation, growth and stability of cooperatives.

Throughout the year NAHC will send updates on IYC activities and ways you and your cooperative can get involved in IYC initiatives. NAHC is a member of the National Cooperative Business Association (NCBA) and is partnering with them to promote the IYC. NCBA's upcoming issue of the *Cooperative Business Journal* prominently features the International Year of Cooperatives. It includes an IYC 2012 Calendar that points to **January 12, 2012** as a coordinated day of international action. The listing for that day encourages all U.S. coops to Tell Your Story by uploading it to [Stories.coop](#). NAHC encourages you to tell your story to demonstrate the solidarity of US coops with coops from around the world in celebrating the International Year of Cooperatives.

Global cooperative movement 2012 site: [www.2012.coop](http://www.2012.coop)

Official UN IYC site: <http://social.un.org/coopsyear/>

**\*\*This story originally published by NAHC**



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# Land Survey's and Refinancing

By  
Joseph G. Couvreur, Esq.

The refinancing of a cooperative is a expensive and time consuming process. One of the cost associated with refinancing involves the purchase of land survey which is known as an ALTA survey. Lenders commonly require such a survey. ALTA stands for American Land Title Association and an ALTA survey is a very detailed map which is drawn to specific specifications. Boundary line locations and a description of all the main and ancillary buildings are included. All easements are detailed and such easements include access rights for water, gas, phone, cable and any other utilities which service the property and sometimes adjacent properties. Parking Lots, roads, driveways, sidewalks, fences, patios, pool and any other structures which exist on the premises are also shown.

We have reviewed many

surveys and have discovered problems which needed to be resolved in order to be able to refinance the property. However, some problem are minor and did not need to be cured for refinancing to occur and where deemed necessary were cured after the closing occurred. Improperly installed fences are a common problem. Roads and parking lots sometime encroach upon adjacent properties. Buildings are sometimes built over easements and may need to be moved or the easement agreement revised. Legal descriptions sometimes do not correspond with the tax records of a municipality and thus we have worked with various municipalities to correct the problem.

In addition to working with borrowers, many if not most surveying companies derived most of their revenue working for builders and real estate developers. Due to

the lack of real estate development these past few years, many surveying companies are no longer in business. It is now more difficult to find qualified surveyors who are in competition with other qualified surveyors. Thus, the cost of obtaining a survey is not as competitive as it was in the past. The size and amount of structures, improvements and easements will affect the time necessary to prepare the survey.

The survey is just one component of a refinancing transaction. However, due to the cost and time involved, it is important to address this part of the refinancing process in the early stage. A surveyor will need a legal description of the property in order to provide a quote.

## LEGAL UPDATES AFFECTING THE MIDWEST

### MICHIGAN

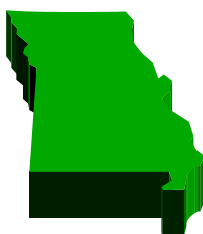
Similar to the laws enacted in Illinois requiring certification of property managers, we may soon see a bill signed into law requiring the adoption of a manager certification program here in Michigan. The matter was initially presented during the 2010 Legislative session however gained no support. It was presented again in 2011 with some positive support leading some to believe that a bill will likely be introduced and quite possibly passed by the end of 2012.

### MISSOURI

SB 366 was signed into law and provides the first statutory structure for cooperatives in Missouri, although the new law focuses solely on business cooperatives it leaves the door open to future amendments providing for ownership in residential housing cooperatives.

### WISCONSIN

Wisconsin is preparing the way for enacting a similar manager-licensing statute as sister state Illinois' requiring manager licensing in the state. Stay tuned for more info.



# HUD Release - Nov. 23, 2011



## U.S. Department of Housing and Urban Development

Detroit Field Office  
Multifamily HUB  
Patrick V. McNamara Federal Building  
477 Michigan Avenue, Room 1710  
Detroit, MI 48226-2592  
Tel. (313) 226-7900 FAX (313) 226-2002

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an  
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Pest  
Management  
Plan  
(IPM)

TO: Owners and Management Agents of HUD Insured, HUD-Held or Direct Loans, Section 202 or 811 Capital Advances, Project-Based Rental Assistance Contracts, and/or HUD Use Agreements

FROM: Susie Sapilewski, Director, Project Management Division

SUBJECT: Notice H-2011-20 Issued August 16, 2011  
Guidelines on Bed Bug Control and Prevention in HUD Insured and Assisted Multifamily Housing

The Detroit Multifamily Hub issued guidance in May of this year to provide owners and agents some information and tools with which to manage the increasing instances of bed bug infestation. On August 16, 2011 HUD issued Notice H2011-20 which provided national guidance on bed bug control and prevention. This Notice, which can be found on HUD's Website, [www.hud.gov](http://www.hud.gov), supersedes our guidance, provides guidance and information on the rights and responsibilities of owners, management agents and tenants with regards to bed bug infestation, and should be read carefully. Some of the highlights are described in the remainder of this memorandum.

Owners and agents are strongly encouraged to develop an Integrated Pest Management (IPM) Plan to take care of existing infestations and limit the possibility of future infestations. The Notice sets forth the elements of such a plan.

This Notice describes required actions for owners and agents to take when bed bug infestation is reported by residents, HUD's Real Estate Assessment Center, or HUD's Inspector General along with timeframes in which to take these actions. Note that residents may not be charged the cost of bed bug treatment.

The Department recognizes that treating bed bug infestation may be costly and there may be insufficient funds in a property's operating account. If needed, HUD will approve requests for releases from either the Reserve for Replacement or Residual Receipts accounts to pay for the treatment. Owners and agents whose budgets are approved by the Department should consider, as part of an ongoing pest prevention program, increasing their budget line item for pest control.

The Notice also discusses actions owners and agents may take in order to prevent bed bug infestation. These actions are voluntary and the services delineated in the Notice are to be offered at the owner's expense. Owners and agents may not deny tenancy to potential tenants due to any prior infestation, nor may owners and agents provide preferences to tenants base upon prior exposure to bed bugs.





# **MAHC Annual Conference**

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**CarolynMAHC@aol.com**

**(734) 955-9516**



An Excerpt from  
**101 Ways to Improve Your Cooperative**  
**A Law Primer**

By: Randall A. Pentiuk, Esq.

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**CHAPTER FOUR: DEALING WITH MEMBERS**

People, pets and parking are the common issues faced by every Board. Getting a handle on these problems and developing strategies to deal with them will alleviate a lot of headaches among the Board.

41. Perhaps the best way to deal with members is to have a detailed Rule book in place that spells out what is expected of your membership, their occupants and guests. A good Rule book, coupled with a good Occupancy Agreement, allows the Board to identify misconduct and the consequences. It is a vital tool and as such, should be reviewed and revised by the Management Agent and Cooperative Attorney periodically.
42. The Board of a Cooperative has the right to promulgate reasonable rules by adopting them and then sending them out to all the members. The Rules are prospective, not retroactive. Documentation that each member received them is imperative. If possible, get the members to sign a statement that is placed in their file.
43. Insist that a member lodging a complaint against another places it in writing. Advise the complaining member that if the Board cannot resolve the issue by voluntary compliance, the complainant will have to testify in court.
44. The offending member should be notified in writing of the Rule violation and, depending on the severity of the misconduct, given a reasonable opportunity to correct the situation.
45. If the member in violation wants to meet with the Board, that should be accommodated but the Cooperative Attorney should be present and a recording made if it is likely to end up in court.
46. The Board should be even-handed in enforcing the Rules, to avoid claims of retaliation or discrimination. Management should apprise the Board of all complaints and their disposition for this reason.

An Excerpt from  
**101 Ways to Improve Your Cooperative**  
**A Law Primer**

By: Randall A. Pentiuk, Esq.

47. The Rules should be written in a way to give the Board options of dealing with violations, but reserving the right to bypass progressive discipline depending on the nature of the complaint. Do not adopt language that restricts or limits the options for punishment.
48. As noted above, if the case is headed to court, involve the Attorney early on and have the complaint investigated.
49. An effective tool we often use is to obtain a consent judgment or an addendum to the Occupancy Agreement that effectively places the errant member on probation whereby if there are future complaints, the membership is automatically revoked.
50. For cases involving unwelcome guests, we often use warning letters that are copied to the chief of police, threatening prosecution of the unwelcome guest and termination of the membership and eviction of the member.
51. Screening applicants for membership is a highly effective tool if criminal background checks are obtained for the member as well as all adult occupants. Keeping out undesirable people is the first line of defense and should be routinely done.
52. Indoctrination of new members as to the meaning of living in a cooperative is a necessity. Review of the Rules is a component that should not be neglected, since most new people will not take the time to read it themselves. Make this a prerequisite to membership, not an afterthought.

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### Going Green?

If you are like many other cooperatives, you are looking for every way possible to save money for the community. Using energy efficient systems and taking advantage of tax incentive programs is one way of both improving your property and saving money both now and into the future. Going to the website below will open up a state by state offering of green programs that not only provide energy efficiency; they can also provide a basis for tax deductions and exemptions.

<http://www.dsireusa.org/incentives/>

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