

AUG 20 1986
RECEIVED

18 AUG 1986

Larry Looney
ABC Management Co.
P.O. Box 1197
535 South Abbe Rd.
Elyria, Ohio 44035

Dear Mr. Looney:

SUBJECT: Project No. 042-44274
HAMPSHIRE HOUSE
Warren, Ohio

This will confirm telephone conversation of August 5, 1986 between yourself and Mr. Ralph Jurkoshek of our Loan Management Branch. As you will recall, Mr. Jurkoshek had telephoned to discuss allegations contained in a letter received from Northeast Ohio Legal Services to the effect that ABC Management was requiring payment of a \$25.00 application fee by all applicants.

From conversation with you we understand that the fee in question is in fact an advance security deposit. We understand that the deposit is taken only after tenant screening has been completed and only after the applicant has been approved for acceptance. We understand that the deposit is refundable.

Regardless of the above, it is the position of the Department of HUD that no fees or deposits of any kind may be taken prior to the actual offering of a specific unit to the applicant. Prior to the actual offering of a unit there is no securable interest and therefore no fee or deposit (regardless of label or intent) is appropriate.

From your conversation we understand that you shall (under protest) discontinue the taking of said deposits. We also ask that steps be taken to return deposits now held to all affected applicants. We would expect that this could be accomplished within thirty days of receipt of this letter.

Please advise this office of your compliance with the above request within that same thirty day time frame.

Should you or your staff have questions in this matter please contact Mr. Jurkoshek directly at (216) 522-7523.

Sincerely,

Michael D. Diercouff
Director
Housing Management Division, 5.2HM

cc:

Margaret Waller Russell
Northeast Ohio Legal Services
700 Metropolitan Tower
Youngstown, Ohio 44503

3/1/81 that 12/2/80