



U. S. Department of Housing and Urban Development
Southwest District
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September 9, 1996

96-FW-212-1804

MEMORANDUM FOR: Albert Cason, Director, Multifamily Housing Division, 6EHM

FROM: D. Michael Beard, District Inspector General for Audit, 6AGA

SUBJECT: Nova Management
Houston, Texas

As part of our Operation Safe Home effort, we conducted a review of the operations of Nova Management as it related to three HUD projects with HUD insured/held mortgages. Based on this review, a draft finding was provided to you and to the President of Nova Management.

As a result of your efforts, based on the draft, a successful settlement agreement was reached with Nova Management. As you are aware, Nova agreed to repay the three projects as follows:

<u>Project</u>	<u>Amount</u>
Dyersdale	\$ 58,409
Gulf Coast	46,283
Columbus	<u>43,560</u>
Total	<u>\$148,252</u>

Your staff advised that Nova made the last payment under the settlement agreement on August 10, 1996. Also, the President of Nova Management has apparently taken a more active interest in the day-to-day operations to ensure that HUD requirements are being followed. Therefore, the combined efforts of the HUD Multifamily staff and the OIG Audit staff led to the successful completion of this Operation Safe Home effort.

If you have any questions, please contact Darrel M. Vaught, Assistant District Inspector General for Audit.