

Tyler Housing Agency

# Housing Choice Voucher Program

## Administrative Plan

Revised: April 27, 2025

Upon request Tyler Housing Agency makes accommodations for persons with disabilities.



# Tyler Housing Agency

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## **DAYS & HOURS OF OPERATION**

Monday - Thursday

8:00 a.m. – 5:00 p.m.

# Tyler Housing Agency Administrative Plan

## TABLE OF CONTENTS

Selection	Page
Chapter 1 ..... Statement of Policies and Procedures .....	5
Chapter 2 ..... Eligibility for Admission .....	17
Chapter 3 ..... Applying for Admission .....	27
Chapter 4 ..... Maintaining the Waiting List .....	31
Chapter 5 ..... Subsidy Standards .....	36
Chapter 6 ..... Factors Related to Total Tenant Payment and Family Share Determination .....	43
Chapter 7 ..... Verification Procedures .....	62
Chapter 8 ..... Voucher Issuance and Briefings.....	113
Chapter 9 ..... Request for Tenancy Approval and Contract Execution.....	121
Chapter 10 ..... Housing Quality Standards and Inspections.....	129
Chapter 11 ..... Owner Rents, Rent Reasonableness and Payment Standards .....	139
Chapter 12 ..... Recertifications .....	145
Chapter 13 ..... Moves with Continued Assistance/ Portability .....	156
Chapter 14 ..... Contract Terminations.....	164
Chapter 15 ..... Denial or Termination of Assistance .....	168
Chapter 16 ..... Owner Disapproval and Restoration .....	182

# Tyler Housing Agency Administrative Plan

# TABLE OF CONTENTS

Selection	Page
Chapter 17 ..... Owner or Family Debts to the PHA/ Family Debts to Owner .....	185
Chapter 18 ..... Complaints and Appeals .....	190
Chapter 19 ..... Special Housing Types .....	198
Chapter 20 ..... Program Integrity Addendum.....	208
Chapter 21 ..... Violence Against Women Act (VAWA) Addendum ..	215
Appendix A ..... The City of Tyler Housing Choice Voucher Program Locations .....	222
Appendix B ..... The HOTMA 102/104 to the Administrative Plan .....	223
Glossary A ..... Acronyms Used in Subsidized Housing .....	226
Glossary B ..... Terms Used in Subsidized Housing .....	231
Glossary C ..... Terms Used in the Non-Citizens Rule.....	258

## **CHAPTER 1**

### **STATEMENT OF POLICIES AND OBJECTIVES**

#### **INTRODUCTION**

The Section 8 Program was created by the Housing and Community Development Act of 1974 and amended by the Housing and Community Development Act of 1981, the Housing and Urban-Rural Recovery Act of 1983, the Technical Amendments Act of 1984, and the Housing and Community Development Act of 1987. The change of assistance from the Section 8 certificate and voucher program to the Housing Choice Voucher (HCV) Program started October 1, 1999. All rental vouchers and over-FMR certificate tenancies became subject to requirements of the Housing Choice Voucher Program. This was possible because the housing choice voucher program was modeled on these programs, and the housing assistance payments contracts for those tenancies allowed for changes in computing unit subsidy and family share of rent based upon HUD program rules.

Administration of the Housing Choice Voucher Programs are the responsibilities of the City of Tyler local government. Housing Choice Voucher Program (HCVP) staff shall be in compliance with the personnel policy of the City of Tyler, the Equal Opportunity Plan, and the Housing Choice Voucher Operations/Procedures Manual. All Federal, State, and Local housing laws will be followed and the PHA will comply with Fair Housing Regulations.

#### **LEGAL JURISDICTION**

The Public Housing Agency (PHA) of the City of Tyler jurisdiction shall include the City's corporate limits, and extend to its extraterritorial jurisdiction, which includes Smith County, Texas (not within the territorial boundaries of another municipality with a Housing Agency that administers an HCV program. For further information on Legal Jurisdiction, please refer to Appendix A.

#### **A. MISSION STATEMENT**

To provide affordable housing opportunities for low-income households in Smith County in an environment that preserves personal dignity and in a manner that maintains the public trust.

#### **B. LOCAL GOALS [24 CFR 982.1]**

1. PHA Goal: Expand the supply of assisted housing.  
Objective: Increase housing choices for families and individuals, and
2. PHA Goal: Increase assisted housing choices.  
Objective: Balance service delivery in all housing market areas.

THA will continue to actively pursue opportunities to expand housing choices for families and individuals. THA will continue to develop Community Partnerships and collaborate with local government, developers, financial institutions, etc. to expand and increase

housing opportunities. THA will focus on the following:

- A. Development of Partnership with the City of Tyler's Development Center by promoting incentives to local area builders for building decent and affordable homes for low to moderate-income families.
    - a. The incentive program provides incentives for builders to build homes in certain areas of the city. Incentives include:
      - Waiver of re-zoning fees,
      - Waiver of plat fees,
      - Waiver of water and sewer tap fees, and
      - Waiver of building permit fees.
  - B. Development of Partnerships with local builders and developers to promote and develop new affordable housing stock to be made available to low to moderate-income families.
  - C. Development of Partnerships with area financial institutions for financial education, information regarding special financial incentives, and resources to be made available to low to moderate-income families to assist with the purchase of homes. THA will also promote programs that assist low to moderate-income families with down payment and closing cost assistance.
  - D. THA will seek to increase its voucher allocation by applying for additional vouchers should they become available to support the development of supportive housing.
  - E. THA will arrange and/or coordinate an owner symposium to recruit new owners and recognize existing participating owners in the HCV Program.
3. PHA Goal: Improve the quality of assisted housing.  
Objective: Maintain safe, decent, sanitary units and improve quality of life for residents

THA is founded on the belief that decent, safe, and sanitary housing is central to the physical and emotional health, productivity, and self-esteem of the people it serves.

- A. **A newly developed model by the United States Department of Housing and Urban Development (HUD) assesses the conditions of affordable housing. The National Standards for the Physical Inspection of Real Estate (NSPIRE) is the new physical inspection model designed to promote HUD's stated goal of reducing health and safety hazards in homes.**

**NSPIRE** prioritizes health, safety, and functional defects over appearance and aims to better reflect the true physical conditions of the property. The model encourages sound, year-round maintenance practices to enhance residents' quality of life. Units must meet NSPIRE expectations before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy.

THA will begin performing NSPIRE inspections to meet the criteria for the health and safety of program participants. **NSPIRE** aims to enhance housing conditions and ultimately improve the lives of residents.

- B. THA will conduct owner-focused workshops addressing new guidelines, procedures, and or suggestions to ensure program compliance. These workshops will also provide a forum for questions, answers, and guidance on maintaining their assisted units.

- 4. PHA Goal: Ensure equal opportunity and affirmatively further fair housing.  
Objective: Promote equal housing opportunities.

- A. As a part of the partnership indicated in Section B.2 item (B), THA will work with said partners to access decent and sanitary housing in all areas and continue utilizing partnerships to market the HCV Program to new community developers to create a balanced housing stock throughout the community.
- B. THA personnel who are in direct contact with the public will attend annual fair housing training conducted by HUD and/or facilitated by fair housing professionals. The agency will also promote fair housing practices, host and/or participate in annual fair housing activities, seminars, workshops, events, etc.

- 5. PHA Goal: Promote self-sufficiency and asset development of families and individuals.  
Objective: Create additional economic independence opportunities for families and Individuals.

THA is dedicated to the promotion of independence and growth of its participants by providing and promoting programs that will assist participants in increasing their earnings and building assets and financial capability.

- A. THA seeks to provide the following:

- a. Structured goal planning,
- b. Access to a variety of referrals for education, financial management classes and comprehensive credit counseling,
- c. Job training and employment support, and assistance with Homeownership.

- 6. PHA Goal: Efficiently and effectively manage and support agency programs and human resource capital.  
Objective: Streamline and enhance internal operations.

THA will continue to explore methods to become more efficient with day-to-day operations while investing in the growth and development of agency personnel. THA is committed to serving its community and will seek options to capture areas to improve its service delivery and operations.

- A. THA will leverage technology and education to assure network and information security while transitioning to more convenient, self-serve options via system automation, electronic fillable forms, online portals, etc.
- B. Ensure commitment to customer service while enforcing established laws, regulations policies, and procedures.
- C. Hire, retain, and train professional, innovative staff to achieve agency goals.
- C.** Housing Opportunity through Modernization Act of 2016 (HOTMA)  
On February 14, 2023, the Department of Housing and Urban Development (HUD) published a Final Rule in the Federal Register implementing Sections 102, 103, and 104 of the Housing Opportunity through Modernization Act of 2016 (HOTMA). The provisions under Section 103 are discussed in HHA's Admissions and Continued Occupancy (ACOP) Policy, as they relate to public housing residents. The provisions under Sections 102 and 104 are to be effective January 1, 2024, unless otherwise modified by HUD.

*As of the date of this Administrative Plan, THA is awaiting further guidance from HUD regarding the implementation of these provisions and related requirements. THA will update its policies throughout this Plan to incorporate HOTMA requirements according to applicable guidance. THA will also update this Plan and its policies as needed to reflect any subsequent guidance released by HUD pertaining to HOTMA, the Final Rule, and other related regulatory requirements. THA will comply with the HOTMA Final Rule and all requirements, except for policies that have been waived by THA pursuant to an authorization by HUD.*

#### **D. PURPOSE OF THE PLAN**

The overall plan for the Housing Choice Voucher Program is designed to achieve 4 (four) major objectives:

1. To provide improved living conditions for very low - income families while maintaining the rent payments at an affordable level,
2. To promote freedom of housing choice and partial de-concentration of lower income and minority families,
3. To provide decent, safe, and sanitary housing for eligible participants, and
4. To provide an incentive to private property owners to rent to lower income families by offering timely housing assistance payments, and counseling to tenants on obligations under lease.

The purpose of the Administrative Plan is to establish policies for items which are not covered under Federal regulation for the Housing Choice Voucher Program. The Plan covers both admission and continued participation in the Housing Choice Voucher Program. Changes to the Plan will be forwarded to the Department of Housing and Urban Development (HUD) for final approval. The City of Tyler Housing Choice Voucher Program is responsible for complying with all subsequent changes HUD regulations pertaining to these programs. If such changes conflict with this Plan HUD regulations will have precedence.



#### **E. ADMINISTRATIVE FEE RESERVES**

The Housing Services Manager is authorized to approve the use of funds in the administrative fee reserve at a maximum amount of \$200,000.00 without specific approval from the PHA City Council.

#### **F. RULES AND REGULATIONS** [24 CFR 982.52]

This Administrative Plan is set forth to define the PHA's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to HCV Program not addressed in this document are governed by such federal regulations, HUD Memos, notices and guidelines or other applicable law. The policies in this Administrative Plan have been designed to ensure compliance with the consolidated (Annual Contributions Contract) ACC and all HUD-approved applications for program funding.

#### **G. TERMINOLOGY**

The City of Tyler's Housing Choice Voucher Program is referred to as "PHA" or "Tyler's Housing Agency (THA) or "Housing Agency" (HA) throughout this document.

"Family" is used interchangeably with "Applicant", "Participant" or "Consumer" and can refer to a single person family.

"Tenant" is used to refer to participants in terms of their relation to landlords.

"Landlord" and "Owner" are used interchangeably.

"Disability" is used where "handicap" was formerly used.

"Non-Citizens Rule" refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

The Section 8 program is also known as the Housing Choice Voucher Program (HCV).

"HQS" means the Housing Quality Standards required by regulations as enhanced by the PHA.

"Failure to Provide" refers to all requirements in the first Family Obligation. See "Denial or Termination of Assistance" chapter.

"Merger date" refers to October 1, 1999, which is the effective date of the merging of the Section 8 Certificate and Voucher programs into the Housing Choice Voucher Program.

See Glossary for other terminology.

#### **H. FAIR HOUSING POLICY**

It is the policy of the City of Tyler HCV Program (hereinafter referred to as the PHA) to comply fully with all Federal, State, and local non-discrimination laws and with the rules and

regulations governing Fair Housing and Equal Opportunity in housing and employment.

The mission of the Office of Fair Housing and Equal Opportunity (FHEO) is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities by leading the nation in the enforcement, administration, development, and public understanding of federal fair housing policies and laws.

The PHA shall not deny any family or individuals the equal opportunity to apply for or receive assistance under the HCV Programs on the basis of race, color, religion, sex, gender identity, sexual orientation, pregnancy, status as a parent, national origin, age, disability (physical or mental), family medical history or genetic information, political affiliation, military service, or other non-merit-based factors.

To further its commitment to full compliance with applicable Civil Rights laws, the PHA will provide Federal/State/Local information to voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request at the front desk.

In addition, any family that claims illegal discrimination which has prevented the family from leasing a suitable unit will be given the Fair Housing Information and Discrimination Complaint Forms and assistance in filing the forms if needed. If appropriate and requested by the family, the Housing Agency may contact the owner or landlord to help negotiate a lease.

The PHA maintains a list of available housing submitted by owners and in all neighborhoods within the PHA's jurisdiction, to ensure "greater mobility and housing choice" to low-income households served by this agency.

#### Assistance Provided to Applicants and Participants Claiming Illegal Discrimination

If a family believes it has been discriminated against in their search for housing on the basis of race, color, religion, sex, gender identity, sexual orientation, pregnancy, status as a parent, national origin, age, disability (physical or mental), family medical history or genetic information, political affiliation, military service, or other non-merit based factors, they may file a housing discrimination complaint with any HUD Field Office of Fair Housing and Equal Opportunity. An extension of the family's search time may be adjusted.

Each briefing packet includes:

1. The housing discrimination complaint form-HUD903
2. The PHA will provide the family with information on how to fill out and file a housing discrimination complaint.

The Housing Agency's office(s) is accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TTD.

#### I. **REASONABLE ACCOMODATIONS POLICY** [24 CFR 100.202]

It is the policy of this PHA to be service directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families.

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before the PHA will treat a person differently than anyone else. The PHA's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting accommodation will be made known by including notices on PHA forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with the PHA, when the PHA initiates contact with a family including when a family applies, and when the PHA schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

1. A physical or mental impairment that substantially limits one or more of the major life activities of an individual,
2. A record of such impairment; or
3. Being regarded as having such an impairment

Rehabilitated former drug users and alcoholics are covered under ADA. However, a current drug user is not covered. In accordance with 5.403, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals

are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, the PHA will require that a professional third party competent to make the assessment provides written verification that the person needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program.

If the PHA finds that the request accommodation creates an undue administrative or financial burden, the PHA will deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of the PHA (i.e., waiving a family obligation).

An undue financial burden is one that when considering the available resources of the Agency as a whole, the requested accommodation would pose a severe financial hardship on the PHA.

The PHA will provide a written decision to the person requesting the accommodation within 10 (ten) business days. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the PHA's decision.

Reasonable accommodation will be made for persons with disability that requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission

of the person with the disability.

All PHA mailings will be made available in an accessible format upon request, as a reasonable accommodation.

**Exception payment standards for providing reasonable accommodation (24 CFR 982.503, 982.505)**

HUD authorized the PHA to approve a payment standard of not more than 120 (one hundred twenty) percent of the Fair Market Rent (FMR) without HUD approval if requested as a reasonable accommodation by a family that includes a person with a disability.

The PHA will need documentation that shows:

- A rent reasonableness analysis was conducted in accordance with the HCVP regulations at 24 CFR 982.507,
- The family requested lease approval for the unit and requested an exception payment standard as a reasonable accommodation, and
- The unit has features that meet the needs of a family member with disabilities. For example, a unit may be suitable because of its physical features or for other reasons, such as having the requisite number of bedrooms, location on an accessible transit route, or proximity to accessible employment, education, services, or recreation.

**Verification of Disability**

The PHA will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and Americans with Disabilities Act.

**Applying for Admission**

All persons who wish to apply for any of the PHA's programs must submit an online pre-application. To provide specific accommodations to persons with disabilities, upon request, the Housing Agency will partner with a local agency to offer assistance with completing the application online.

The full application is completed at the eligibility appointment in the applicant's own handwriting, unless assistance is needed, or a request for accommodation is requested by a person with a disability. If help is needed at the time of the appointment, then a witness will need to be present. A witness can be a person who has power of attorney over the applicant or another caseworker. Applicants will then be interviewed by PHA staff to review the information on the full application form. Verification of disability as it relates to 504, Fair Housing, or ADA reasonable accommodation will be requested at this time. The full application will also include questions asking all applicants whether reasonable accommodations are necessary.

**J. TRANSLATION OF DOCUMENTS**

In determining whether it is feasible to provide translation of documents written in English into other languages, the PHA will consider the following factors:

- Number of applicants and participants in the jurisdiction who do not speak English and speak the other language,
- Estimated cost to the PHA per client of translation of English written documents into the other language,
- The availability of local organizations to provide translation services to non-English speaking families,
- Availability of bilingual staff to provide translation for non-English speaking families.

#### **K. MANAGEMENT ASSESSMENT OBJECTIVES**

The PHA operates its housing assistance program with efficiency and can demonstrate to HUD auditors that the PHA is using its resources in a manner that reflects its commitment to quality and service. The PHA policies and practices are consistent with the areas of measurement for the following HUD SEMAP indicators.

- Selection from the Waiting List,
- Reasonable Rent,
- Determination of Adjusted Income,
- Utility Allowance Schedule,
- HQS Quality Control Inspections,
- HQS Enforcement,
- Expanding Housing Opportunities,
- Payment Standards,
- Annual Re-examinations,
- Correct Tenant Rent Calculations,
- Pre-Contract HQS Inspections,
- Annual HQS Inspections,
- Lease-up,
- Bonus Indicator Deconcentration

Quality Assurance reviews will be performed by an established Housing Manager or other qualified person other than the person who performed the work, as required by HUD, on the following SEMAP factors:

- Selection from the waiting list,

- Rent reasonableness,
- Determination of adjusted income,
- HQS Enforcement,
- HQS Quality Assurance

The annual sample of files and records will be drawn in an unbiased manner, leaving a clear audit trail. The minimum sample size to be reviewed will relate directly to each factor. Designated Staff will cross-reference other programs and software related to the HCV program in order to ensure compliance with HUD regulations and program policies.

#### **L. RECORDS FOR MONITORING PHA PERFORMANCE**

In order to demonstrate compliance with HUD and other pertinent regulations, the PHA will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and/or assess the PHA's operational procedures objectively, accurately and in accordance with SEMAP requirements with internal supervisory audits.

#### **M. PRIVACY RIGHTS** [24 CFR 982.551 and 24 CFR 5.212]

Applicants and participants including all adults in their households (including family members who turn 18 (eighteen), are required to sign the HUD 9886-A Authorization for Release of Information and other required release forms authorizing HUD and THA to request and obtain information needed to make eligibility and rent determinations, which states the conditions under which HUD will release information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD/PHA will release family information.

The PHA's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information.

The PHA's policy regarding release of information is:

1. To release pertinent client information only in accordance with the signed "blanket" release on the application form,
2. To release no information without the signed client release on the individual request for information,
3. To release information on amounts owed to the PHA for claims paid and not reimbursed by client where there is no current Repayment agreement in effect,
4. To release information on amounts owed to the PHA for prior overpayment of assistance where there is no current Repayment agreement in effect,
5. To release information on amounts owed with information concerning past behavior by family members as occupants of assisted or unassisted housing:
  - a. The family's current address (as shown in the PHA records)
  - b. The name and address (if known to the PHA) of the landlord at the family's current and prior address
  - c. Information in the PHA possession about the tenancy history of family members

- d. Information in the PHA possession about drug-trafficking by family members,
6. To release information in accordance with the Personnel Policy.
7. To release information only by the authorization of the Manager or Supervisor of the Housing Program and written consent of the affected party or by court subpoena.

Requests for information must be accompanied by a written release request in order for the PHA to release any information involving an applicant or participant, unless disclosure is authorized under Federal or State law.

## **OUTREACH PROCEDURES**

### **N. FAMILY OUTREACH**

The PHA will continue to publicize and disseminate information, as needed, concerning the availability and nature of housing assistance for very low-income families. Upon execution of an ACC for additional units, the PHA will make known to the public through publication in a newspaper of general circulation, minority media, and other suitable means the availability and nature of housing assistance for Very Low-Income families, unless application taking has been suspended according to HUD regulations.

#### *Notice Requirements*

The Notice must:

- Advise families when applications will be accepted,
- Briefly describe the Housing Choice Voucher Program.

To reach persons who cannot read the newspapers; the PHA will distribute fact sheets to the broadcasting media. Personal contacts with the news media and with community service personnel, as well as public service announcements, will be made.

### **O OWNER OUTREACH**

The PHA issues public invitations to owners as needed to make dwelling units available for leasing by eligible families in accordance with the Equal Opportunity Housing Plan.

The Housing Staff of the PHA continues to make personal contact in the form of formal or informal discussions or meetings with private property owners, property managers, and real estate agencies where rents are possibly within reach of the payment standards for the Certificate Program and all types of rental units for the Voucher Program. Program requirements are explained, and printed material is offered to acquaint the owner/manager with the opportunities available under the program. The PHA maintains a list of interested landlords and their property available for the Housing Choice Voucher Program and updates this list monthly. As inquiries from prospective new owners are called in, program staff requires the owner to submit a standard housing form of the unit's information to make it available to the prospective tenant upon request. The PHA will specifically target those property owners and managers who rental units located outside areas of low-income or minority concentration for personal contacts and invitations to any meetings, encouraging landlord participation.

As an effort to expand Housing Choice Voucher Programs, the PHA may offer to conduct Housing Quality Standard inspections on potential new rental units to the program without a request for tenancy approval submitted.

**P**     **ASSISTANCE TO FAMILIES THAT INCLUDE PERSONS WITH DISABILITIES** The PHA outreach efforts to reach eligible person with disabilities includes:

- Mobility counseling
- Providing a list of accessible units or other reasonable accommodations, and
- Those owners with accessible units are encouraged to participate in the program.

The PHA takes into account the special problems associated with locating an accessible unit. When required as a reasonable accommodation for a family that includes a person with disabilities, the PHA may establish a higher payment standard and adjust the search time.

**Q.     Operations and Management**

Paperless Operations.

Waiting List and Occupancy files will be kept electronically. All file documentation will be scanned into housing software. Scanned documents are kept for 30 days and are shredded thereafter.

Assistance Check is the primary, electronic source and method for voucher holders to utilize when communicating with THA along with transmitting and receiving documents during annual re-exams.



## CHAPTER 2

### ELIGIBILITY FOR ADMISSION

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

#### **INTRODUCTION**

This Chapter defines both HUD and the PHA's criteria for admission and denial of admission to the program. The policy of this PHA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The PHA staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by the PHA pertaining to their eligibility.

#### **A. ELIGIBILITY FACTORS [982.201(b)]**

The PHA accepts applications only from families whose head or spouse is at least 18 (eighteen) years of age or emancipated minors under State law.

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by the PHA.

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person, an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together. Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, and the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

*Gender Identity* means actual or perceived gender characteristics.

*Sexual orientation* means homosexuality, heterosexuality, or bisexuality.

HUD has 5 (five) factors for eligibility:

1. Family Definition -  
Only applicants who meet a PHA's definition of family are eligible,
2. Income limits -  
The household's annual income may not exceed the applicable income limit as established by HUD,
3. Citizenship Status -  
The applicant must meet the documentation requirements of citizenship or eligible immigration status. At least one member of the applicant family must be either a U.S. citizen or have eligible immigration status before the PHA may provide any financial assistance,
4. Eviction for Drug-Related Criminal Activity -  
Persons evicted from public housing or any Section 8 Program for drug-related criminal activity are ineligible for assistance for at least three years from the date of the eviction,
5. Lifetime Sex Offenders

Reasons for denial of admission are addressed in the "Denial or Termination of Assistance" chapter. These reasons for denial constitute additional admission criteria. Eligibility factors will not be verified until the family is selected from the waiting list for final eligibility processing and issuance of a Voucher.

**B. FAMILY COMPOSITION [24CFR 982.201(c)]**

A family is either a single person or a group of persons and includes:

- A household with or without children. A child who is temporarily away from home due to placement in foster care is considered a member of the family,
- An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 (sixty-two) years of age; or two or more persons, each of whom are at least 62 (sixty-two), living together; or one or more persons who are at least 62 (sixty-two) living with one or more live-in aides,
- A disabled family, which means a family in which each member or the sole member is a person with disabilities; or two or more persons with disabilities; or one or more persons with disabilities with one or more live-in aides,
- A displaced family, which is governmental actions, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by Federal disaster relief laws,
- A near elderly family is a family whose head (including co-head), spouse or sole member is a person who is at least 50 (fifty) years of age but below the age of 62 (sixty-two); or two or more persons, who are at least 50 (fifty) years of age but below the age of 62 (sixty-

two), living together; or one or more persons who are at least 50 (fifty) years of age but below the age of 62 (sixty-two),

- A remaining member of a tenant family is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit

**(A remaining member of the household is required to attend an orientation/briefing and complete the necessary documents including the family obligations form)**

- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family,

The family must qualify as a Family. A family must contain a competent adult of at least 18 (eighteen) years of age, or under guardianship in order to enter into a contract and capable of functioning as the head of the household.

### **Head of Household**

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under state/local law. Emancipated minors who qualify under State law will be recognized as head of household.

### **Spouse of Head**

Spouse means the husband or wife of the head.

For proper application of the non-Citizens Rule, the definition of spouse is the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

### **Co-Head**

An individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent. A co-head does not get an additional bedroom.

### **Live-in Attendants**

A Family may include a live-in aide provided that such live-in aide:

- Is determined by the PHA to be essential to the care and well-being of an elderly person, a near-elderly person, or a person with disabilities,
- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s).

A live-in aide is treated differently than family members:

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits,
- Live-in aides are not subject to non-Citizen Rule requirements,
- Live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

A Live-in Aide may only reside in the unit with the approval of the PHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, health care professional or case worker. The verification provider must certify that a live-in aide is needed for care of the family member.

The PHA will approve a live-in aide if needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability. Approval of a live-in aide for reasonable accommodation will be in accordance with CFR 24 Part 8 and the reasonable accommodations section in Chapter 1 of this administrative plan.

Verification must include the hours the care will be provided.

In accordance with 24 CFR 982.316 at any time, the PHA will refuse to approve a particular person as a live-in aide or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to the PHA in connection with Section 8 or public housing assistance under the 1937 Act.

### **Split Households Prior to Voucher Issuance**

When the household is divided and becomes more than one household (e.g., divorce or legal separation), the PHA must determine who is eligible to participate in the program.

The Voucher may be retained by either household if there is mutual consent or a Court stipulated determination of which household retains the Voucher.

Where the PHA must make a determination, the Voucher will be retained by the head of household, except in those situations where one new household is comprised of the head of household as a single, non-elderly nor handicapped or disabled individual and the other new household continues to meet the PHA's definition of family.

If those situations are present, the Voucher will be retained by the household that meets the PHA's definition of family.

In cases, where a family breaks up, the PHA will determine who will retain the rental assistance is as follows:

1. First Priority

If all adult family members agree as to which household will retain the assistance or there is a Court determination, then the PHA will concur. Care will be taken to determine if any of the family members have been threatened into agreeing to give up the assistance.

2. Second Priority

An adult family member who will keep at least one dependent from the original household and has received actual or threatened physical violence against them or the dependent, from their spouse or another member of the household, will retain the assistance. In this case, if there are no dependents in the original household, then the family member who received the actual or threatened physical violence will still qualify for this priority. The PHA will use certification from local police, social service agencies, court, clergy persons, physician, or counseling facility as a verification of the actual or threatened violence.

3. Third Priority

The adult family member who will have the most dependents, from the original household, will retain the assistance.

4. Fourth Priority

The adult family member who is elderly with a disability or handicap will retain the assistance.

5. Fifth Priority

The adult family member with a disability or handicap will retain the assistance.

6. Sixth Priority

The adult family member who remains in the contract unit will retain the assistance

In cases where domestic violence played a role, the standard used for verification will be the same as that required for the "domestic violence" preference. The PHA will require evidence that the family has been displaced as a result of fleeing violence in the home. Families are also eligible for this preference if there is proof that the family is currently living in a situation where they are being subjected to or victimized by violence in the home (See "Establishing Preferences and Maintaining the Waiting List" chapter).

### **Multiple Families in the Same Household**

When the families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

### **Joint Custody of Children**

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively.

When the parents or relatives are on the Waiting List and both are trying to claim the child, children, the parent/relative whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

## **C. INCOME LIMITATIONS**

Annual income shall not exceed the Very Low-Income Limit as established by HUD and published in the federal register.

There are three income limits that are used to determine eligibility for the Housing Choice Voucher Program, and a third that is used to ensure that the PHA has met its target for assisting the neediest families in the community.

The very-low-income limits which is set at 50 (fifty) percent of the area median income. The low-income limit is set at 80 (eighty) percent of the area median income.

- Continuously assisted under the public housing or Housing Choice Voucher programs,
- Non-purchasing households in the following homeownership program covered under 24 CFR 284.173,
- Displace as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract.

The extremely low-income limit, set at 30 (thirty) percent of the median income.

The definition of an extremely low-income family includes the definition of a very low-income family whose annual income does not exceed the higher of:

- The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved or
- 30 (thirty) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may find such variations are necessary because of unusually high or low family incomes.
- Changes in income will not be processed until after leasing up (post new admissions/enrollment). Once an applicant has leased up, all changes to income and/or increases in household composition, will be processed accordingly.

### **MANDATORY SOCIAL SECURITY NUMBERS**

If a child under 6 (six) was added to the family in the 6 (six) month period prior to the household's date of admission (or the date of voucher issuance for the HCV program), then documentation verifying the child's social security information need only be supplied within 90 (ninety) days of the date of admission (or, for the HCV program, the effective date of the Housing Assistance Payment (HAP) contract. one additional 90 (ninety) day extension may be added, if the applicant's failure to meet the first timeline was outside his or her control.

Verification will be done through the provision of a valid Social Security card issued by the Social Security Administration.

The PHA will not accept copies of the social security card input regulation information.

**D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS** [24 CFR Part 5, Subpart E]  
(check regulation for changes)

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals, who are neither, may elect not to contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

- Mixed Families-

A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

- All members ineligible-

Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

- Non-citizen students-

Defined by HUD in the non-citizen regulations at 24 CFR 5.522. Not eligible for assistance.

- Appeals-

For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

**E. OTHER CRITERIA FOR ADMISSIONS** [24 CFR 982.552(b)]

A family will not be admitted to the program if any member of the family has been evicted from federally assisted housing for a serious violation of the lease within the past 3 (three) years.

A family will be denied admission to the program if any member of the family who is 18 (eighteen) years of age and/or older fails to sign and submit consent forms for obtaining information required by the PHA, including Form HUD-9886-A.

The PHA will apply to the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program:

- The family Total Tenant Payment must not exceed the current Payment Standard as set by HUD for the family's eligible unit size in the region.
- The family must not have violated any family obligation during a previous participation in the

Housing Choice Voucher (HCV) Program for 5 (five) years prior to final eligibility determination.

- The PHA will make an exception, if the family member who violated the family obligation is not a current member of the household on the application.
- The family must be in good standing regarding any current payment agreement made with another PHA for a previous debt incurred, before this PHA will allow participation in its HCVP.
- The PHA will check criminal history for all adults in the household to determine whether any member of the family has violated any of the prohibited behaviors as referenced in the section on screening and terminations policy in the "Denial or Termination of Assistance" chapter.
- If any applicant deliberately misrepresents the information on which eligibility or tenant rent is established, the PHA may deny assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum).

#### **F. TENANT SCREENING**

Listing a family on the Housing Agency (PHA) waiting list or selecting a family for participation in the program, is not a representation by the Housing Agency to the owner about the family's expected behavior or the family's suitability for tenancy. Owners are permitted and encouraged to screen families on the basis of their tenancy histories. An owner may consider a family's background with respect to such factors as:

- Payment or rent and utility bills.
- Caring for a unit and premises.
- Respecting the rights of others to the peaceful enjoyment of their housing.
- Drug-related criminal activity or other criminal activity that is a threat to the life, safety, or property of others.
- Compliance with other essential conditions of tenancy.

#### *PHA Information About Tenant*

#### **The PHA will give the owner:**

- The family's current address (as shown in the PHA records),
- The name and address (if known by the PHA) of the landlord at the family's current and prior address,
- When a family wants to lease a dwelling unit, the PHA may offer the owner other information in the PHA possession, about the family, including information about the tenancy history of family members, or about drug trafficking by family members,
- The PHA policy provides that the PHA will give the same types of information about all families to all owners.

#### *Policy On Information Provided to Owners*



When the family submits a request for tenancy approval, the PHA will provide the prospective owner with the family's current and prior address as shown in the PHA's records. If the PHA has the information, it will also provide the name and address of the landlord at the family's current and prior address.

At or before PHA approval to lease a unit, the PHA will inform the owner that it is the landlord's responsibility to screen prospective tenants for suitability as tenants as evidenced by the family's previous rental history. When the PHA has information related to a family's previous tenancies, the PHA will inform the landlord that the information is available and will provide it upon written request from the owner regarding any information it has regarding any other tenancy that is reliable. Only the Housing Manager or Department Director may provide information about previous tenancies other than landlord names and addresses. The information may be provided in writing or during an in-person meeting with the prospective landlord. Any information available to the PHA about any potential housing choice voucher program will be provided upon landlord request.

All new families and all families preparing to move will be informed about this policy through information included in the information packet provided at the briefing for new and moving families.

The PHA will advise families how to file a complaint if they have been discriminated against by an owner. The PHA will advise the family to make a Fair Housing complaint. The PHA may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

#### **F. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE THE OF CONTRACT**

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment.

#### **G. INELIGIBLE FAMILIES**

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status. See "Complaints and Appeals" chapter for additional information about reviews and hearings.

#### **H. PROHIBITED ADMISSIONS CRITERIA** [982.202(b)]

Admission to the program may not be based on:

- Where the family lives prior to admission to the program; however, the PHA may target assistance for families who live in public housing or other federally assisted housing, or may adopt a residency preference (982.207),

- Where the family will live with assistance under the program,
- Discrimination because members of the family are un-wed parents, recipients of public assistance, or children born out of wedlock,
- Discrimination because a family includes children,
- Whether a family decides to participate in a family self-sufficiency program; or
- Other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.

## CHAPTER 3

### APPLYING FOR ADMISSION

#### A. GENERAL POLICY

This chapter describes the policies and procedures for completing an initial application for assistance and placement on the waiting list. The primary purpose of the intake function is to gather information about the family after which the application will be placed on the waiting list in accordance with this plan.

Applications are accepted to compile a waiting list. Due to the demand for housing in the PHA's jurisdiction, the PHA does take applications on an "open enrollment" basis. A complete application will be processed once a family applies for participation in the program. When the family comes to the top of the waiting list and the PHA is ready to issue a Voucher, the PHA will update and verify the information provided on the completed application.

#### B. APPLICATION TAKING

##### *Acceptance of Applications*

The policy of the PHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply regardless of race, color, religion, sex, national origin, age, or family status. Applications for the Housing Choice Voucher Program (HCVP) will be accepted online only. The PHA will announce the opening of the waiting list by public notice.

Individuals who may need help completing the online application can go to the designated locations for assistance.

Any family requesting an application for Housing Choice Voucher Program assistance will be given the opportunity to apply as long as the waiting list is open and the PHA is accepting applications. Prior participation and owing the PHA money do not disqualify the applicant from applying; however, monies owed to the agency must be paid in full prior to the issuance of a voucher (if/when selected from the waiting list).

##### Adult members-

- Not identified at the time of the application will not be later added to the application unless they are the spouse of the family head (and were married after the application was received), or
- With non-excludable income that is essential to the support of the family, or
- Needed to provide a reasonable accommodation for a disabled member of the household.

**The PHA will not approve the addition of adults to a family if the addition will increase the voucher size for which the family qualifies or if the adults do not pass the criminal history screening.**

##### Minors-

- Added by birth, adoption or court awarded custody between the time of application (admission will be added to the household when verification of the birth, adoption or court

awarded custody to a family member listed on the application is provided to the PHA)

All individuals added to the household are subject to HUD's eligibility and the PHA's suitability standards.

**Anyone added to the application may not be on another active application for the same type of assistance.**

Removing Family Members from The Application:

1. First Priority-

If all adult family members agree as to which members will remain on the application or there is a Court determination, then the PHA will concur.

Care will be taken to determine if any of the family members have been threatened into agreeing to be removed.

2. Second Priority-

An adult family member who will keep at least one dependent from the original household and has received actual or threatened physical violence against them or the dependent, from their spouse or another member of the household, will retain the application. In this case the household member who threatened or engaged in the violence must not remain in the assisted household.

If there are no dependents in the original household, then the family member who received the actual or threatened physical violence will still qualify for this priority.

The PHA will use certification from local police, social service agency, court, clergy person, physician, or counseling facility as a verification of the actual or threatened violence.

3. Third Priority-

The adult family member who will have the most dependents, from the original household, will retain the application.

4. Forth Priority-

The adult family member who is elderly with a disability or handicap will retain the application.

5. Fifth Priority-

The adult family member with a disability or handicap will retain the application.

**Closing the Waiting List**

The PHA may stop applications if there are enough applicants to fill anticipated openings for the next 12 **(twelve) – 24 (twenty-four)** months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable legal and civil rights laws.

The PHA will announce the closing of the waiting list by public notice.

The open period shall be long enough to achieve a waiting list adequate to cover projected

turnovers and new allocations over the next 12 (twelve) - 24 (twenty-four) months. The PHA will give at least 7 (seven) days' notice prior to closing the list. When the period for accepting applications is over, the PHA will add the new applicants to the list by software random selection.

### **Limits on Who May Apply**

Any family requesting an application for Housing Choice Voucher Program assistance will be given the opportunity to apply as long as the waiting list is open and the PHA is accepting applications.

### **C. INITIAL APPLICATION PROCEDURES**

The PHA will utilize a basic application form to be filled out directly by the applicant. The purpose of the application is to determine placement on the waiting list. The application will contain basic type of information:

- Names and ages of all household members,
- Race and ethnicity of all household members,
- Sex and relationship of members,
- Address and telephone number(s),
- Amount and source of all income and assets,
- Information on disabilities of family members,
- Information related to selection preferences

Once the application is complete, the PHA staff that is thoroughly acquainted with the eligibility criteria will assess the applicant's eligibility or ineligibility as a Housing Choice Voucher participant. The information on the form will not be verified until the client has been selected from the waiting list for final processing.

Applicants are responsible for informing the PHA of changes in family circumstances (including income and address), and are responsible for responding to requests from the PHA to update applications. Refusal to provide information may result in the applicant being removed from the waiting list.

If the family is determined to be ineligible based on the information provided in the pre-application, the PHA will notify the family in writing (in accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See "Complaints and Appeals Chapter"

### **D. APPLICANT STATUS WHILE ON WAITING LIST [CFR 982.204]**

**Applicants are required to inform the PHA of changes of address through the use of Waitlist Check/ Assistance Check. Applicants are also required to respond to requests from the**

**PHA to update information on their application and to determine their interest in assistance.**

The PHA will maintain an accurate waiting list that conforms to HUD requirements. The waiting list will provide the following information on households who have submitted a pre-application:

- Names and ages of all household members,
- Race and ethnicity of all household members,
- Sex and relationship of members,
- Address and telephone number(s),
- Amount and source of all income and assets,
- Information on disabilities of family members, and
- Information related to selection preferences

**E      ORDER OF WAITING LIST SELECTION**

Applications will be filed in the following order:

- The order is filed by random selection by dedicated system software.

Interviews for completion of an application are scheduled on this basis.

When a person's name is reached on the waiting list a letter will be uploaded through Assistance Check and/or mailed to the address that was provided on the pre-application, unless an updated address was provided, in writing. The applicant will have at least 10 (ten) business days to respond and bring in the requested documents. When the PHA has received the documents, an appointment will be scheduled for the applicant to complete and sign paperwork. At this time the PHA will make sure that the family is not over the income limits for the HCV Program.

**F. COMPLETION OF A FULL APPLICATION**

**Requirement to Attend Interview**

The PHA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other PHA services or programs which may be available.

All adult family members are required to attend the interview virtually through teleconference or Webex. Forms must be signed and uploaded through Assistance Check, faxed and/or mailed. In-person interviews may be conducted at the discretion of the agency and its personnel.

If an applicant fails to appear for a pre-scheduled appointment, the PHA will automatically schedule a second appointment. If the applicant misses the second appointment without prior approval, the application is denied.

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See "Complaints and Appeals" chapter.)

The head of household will sign the application form. All adult members must sign:

1. The authorization form,
2. Declaration of citizenship form,
3. The debts owed form,
4. The Enterprise Income Verification (EIV), and
5. All forms required by the PHA.

Applicants will be required to sign specific verification forms that are not covered by the HUD form 9886-A. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by the PHA.

Every adult household member must sign a consent form to release criminal conviction records and to allow PHAs to receive records and use them in accordance with HUD regulations.

If the information is not supplied in this time period, the PHA will provide the family a notification of denial for assistance. (See "Complaints and Appeals" chapter)

#### **G. VERIFICATION [24 CFR 982.201(e)]**

Information provided by the applicant will be verified, using the verification procedures in the "Verification Procedures" chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 (sixty) days old at the time of issuance of the Voucher.

#### **H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY [24 CFR 982.201]**

After the verification process is completed, the PHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the PHA, and the current eligibility criteria in effect. If the family is determined to be eligible, the PHA will upload through Assistance Check and/or mail a notification of eligibility. A briefing will be scheduled for the issuance of a voucher and the family's orientation to the housing program.

## Chapter 4

### MAINTAINING THE WAITING LIST

#### A WAITING LIST

When the City of Tyler opens its Waiting List, a computer-generated lottery selection will be used from Housing Pro software for a specified number of slots (determined by THA when the waiting list is opened) to be placed on the active list. Applications will only be accepted online utilizing the Housing Pro Software provided website. No paper application will be accepted. Date and time of application will not affect placement on the waiting list. Once the waiting list closes, the lottery will be conducted, and the applicants will be numbered for placement at that time. All applicants must live and/or work in Smith County. Also, Elderly and or Disabled Head, Spouse and/or Co-Head individuals - ages 62 (sixty-two) and older - in addition to Veteran's, will receive preference. The Housing Agency will provide a location and/or create partnerships with agencies/businesses to serve as sites, for those that do not already have internet access. The Housing Agency may use newspapers, radio, and/ or television, etc. to reach all communities. Information will be posted in English and Spanish. The public notice will be issued to reopen the waiting list once the list is depleted.

An application pool will be maintained in accordance with the following factors:

- The application will be a permanent file.
  - The pool will not be subdivided by bedroom size requirements of the applicants.
- All applications must meet "Very Low Income" eligibility requirements as established by HUD. Any exceptions to these requirements must have been previously approved by the HUD Field Office.

The following families will not be considered part of the waiting list and will be treated under the portability section of this plan.

- Portability families from another jurisdiction holding a valid Voucher.
- Families "targeted" by HUD to receive a special type of Voucher.

#### **YOUNG v. TURNER**

By an Interim Injunction issued by the United States District Court for the District of Eastern Texas against the Department of Housing and Urban Development in **Young v. .** we are required to give assistance to applicants who are members of the classes involved in the lawsuit.

HUD has implemented a Special Exceptional Area in our jurisdiction. This special exceptional area has a higher Payment Standards in effect. This special exceptional area has been established to attract minority moves from historically minority concentrated



areas to areas not historically accessible to minorities.

The 20 (twenty) percent exception rule shall not apply in this special exceptional area.  
*Young Litigation Desegregation Vouchers*

In order to fulfill obligations under the Young Litigation, vouchers may be issued to families on the waiting list in an order not dependent on the date and time of application. The issuance of these vouchers will be in accordance with procedures provided by HUD and/or the Fair Housing Service Center as governed by the requirements of the court order in the Young case.

The PHA will maintain an accurate waiting list that conforms to HUD requirements.

The waiting list will provide the following information on households who have submitted a completed application:

- Name of all Household Members,
- Date and time the application was received,
- Family unit size (number of bedrooms a family qualifies for under PHA subsidy standards),
- Race or ethnic designation of the head of household,
- Qualifications for any local preference,
- Annual (gross) family income,
- Number of persons in the family

**B. SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]**

If HUD awards a PHA program funding that is targeted for specifically named families, PHA will admit these families under Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. The PHA maintains separate records for these admissions.

The following are examples of types of program funding that may be designated by HUD for families living in a specified HUD Complex.

- Families residing in a project —based Section 8 HAP Contract and ending because of an abatement.
- Families residing in a project covered by a project-based Section 8 HAP Contract at or near the end of HAP contract term; because of an opt-out contract.

Applicants, who are admitted under Special Admissions, rather than from the waiting list, are identified by codes in the automated system.

**F. LOCAL PREFERENCES** [24 CFR 982.207]

**1. Local Preference-**

All applicants must live and/or work in Smith County.

**2. Aging and Disabled-**

Elderly and or Disabled, Head, Spouse and/or Co-Head individuals ages 62 (sixty-two) and older will receive preference when the random sorting is conducted.

**3. Veteran -**

Veterans who have been honorably discharged and have the proper documentation to validate Veteran status, i.e., DD-214 document

**The PHA uses HUD regulated preferences only.**

**G. UPDATING / PURGING THE WAITING LIST**

The PHA may choose to purge the waiting list throughout the year and/or as needed in order to ensure that the list is accurate and current. The PHA chooses not to have applicants, complete a new preliminary application. The applicants are to return a continued interest letter. If the applicant is contacted at a later time, he/she will be required to submit the necessary documents in order to ensure eligibility requirements are met.

The PHA will upload through Assistance Check and/or mail a letter to the head of household's current address on file, requesting information regarding their continued interest in maintaining a place on the waiting list. If the applicant head of household has not completed and submitted a change of address form in writing, as required and explained at the time of application, the PHA will not be responsible for the head of household's failure to receive the continue interest letter.

The request/ continued interest letter will be dated and will include a deadline date by which the applicant head of household must return the letter of continued interest through Assistance Check, mail or in person. In order to prevent the reporting of false or inaccurate information by potential non-applicant head of household applicants, the PHA will not accept phone calls to either update contact information or to confirm continued interest on the waiting list.

The deadline stated in the continued interest letter will give the head of household at least 15 (fifteen) business days from the date of the letter to respond to the PHA. If the continued interest letter is received in the office by the requested/ deadline date, the application will remain on the waiting list and will remain in an active status until the applicant's name is reached and assistance is offered. If the PHA has not received the continued interest letter in the office by the requested/ deadline date, the application will be removed from the waiting list and the record will be updated to an inactive status.

Note: The PHA does not accept responsibility for mail delays.

If the continued interest letter is returned by the Postal Office without a forwarding address, the applicant will be removed without further notice and the envelope and letter will be maintained in the file.

If a letter is returned with a forwarding address, it will be uploaded through Assistance Check and/or re-mailed to the address indicated on the returned envelop.

If the applicant did not respond to the PHA request for information or updates because of a disability or family member's disability, the PHA will reinstate the applicant on the waiting list.

If an applicant is removed from the waiting list for failure to respond he/she will not be reinstated onto the waiting list unless a member of management, supervisory level and/or above, determines there were circumstances beyond the applicant head of household's control.

The PHA will select a waiting list of slots based on the number of annual turnovers, available funding, and the chances of assisting the applicants within 24 (twenty-four) months.

**Chapter 5**  
**SUBSIDY STANDARDS**

[24 CFR 982.54(d) (9)]

**INTRODUCTION**

HUD guidelines require that PHA's establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards.

This Chapter explains the subsidy standards which will be used to determine the voucher size (family unit size) for various sized families when they are selected from the waiting list, as well as the PHA's procedure when a family's size changes, or a family selects a unit size that is different from the Voucher.

**A      DETERMINING FAMILY UNIT (VOUCHER) SIZE**

The PHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. The PHA's subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

**Subsidy Standards**

Children under the age of 3 (three) will share a bedroom with an adult parent or with another child regardless of sex, an adult is a person 18 (eighteen) years old or older.

All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented. **The PHA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody (See section on Adding Family Members to Your Household).**

**Exceptions will be reviewed on a case-by-case basis and will be under the discretion of the PHA.**

One bedroom will generally be assigned for each 2 (two) family members. The PHA will consider factors such as family characteristics including sex, age, or relationship. Consideration will also be given for medical reasons and the presence of a live-in aide.

Generally, the PHA assigns 1 (one) bedroom to 2 (two) people within the following guidelines:

- Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship and children under three),

- 2 (Two) children of the same gender will share a bedroom
- Children under the age of 3 (three) will share a bedroom with an adult parent or with another child under the age of 3 (three) regardless of sex,
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining family unit size,
- Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family,
- Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member who is away in the military or a member away at college,
- Adults of different generations will have separate bedrooms,
- Single person families shall be allocated 0 (zero) or one-bedroom vouchers,
- An unborn child of a pregnant family member will be counted as a family member when determining the initial subsidy standard for the family. After the family has been housed under the program, an unborn child will not be counted for subsidy standard determinations.

#### GUIDELINES FOR DETERMINING VOUCHER SIZE

Voucher Size		Minimum Number of Persons in Household	Maximum Number of Persons in Household
0	Bedroom	1	1
1	Bedroom	1	2
2	Bedroom	2	4
3	Bedroom	4	6
4	Bedroom	6	8
5	Bedroom	8	10
6	Bedroom	10	12

## **B. EXCEPTIONS TO SUBSIDY STANDARDS**

The PHA shall grant exceptions from the subsidy standards if the family requests and the PHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

The PHA will grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a need such as a:

- Verified medical or health reason; or
- Elderly persons or persons with disabilities who may require a live-in attendant.

### **Request for Exceptions to Subsidy Standards**

The family may request a larger sized voucher than indicated by the PHA's subsidy standards. Such request must be made in writing within 15 (fifteen) days of the PHA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size. Documentation verifying the need or justification will be required as appropriate.

**The PHA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.**

Requests based on health-related reasons must be verified by a doctor /medical/ professional/ or social service professional.

### **PHA Error**

If the PHA errors in the bedroom size designation, the family will be issued a Voucher of the appropriate size.

### **Changes for Applicants**

The voucher size is determined prior to the briefing by comparing the family composition to the PHA subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of the PHA subsidy standards, the above-referenced guidelines will apply.

### **Changes for Participants**

The members of the family residing in the unit must be approved by the PHA. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, marriage, or court-awarded custody, in which case the family must inform the PHA within **30 (thirty)** days. The above referenced guidelines will apply.

## **Adding Family Members to Your Household**

### **NOTE:**

**Family members will not be able to take over a voucher unless they have been added to the household, approved in advance by the PHA and have resided in the home at least 12 (twelve) consecutive months.**

An interim change of household form must be completed for the addition or removal of household members and when documented by the participant on the Tenant Information Form when completing and submitting recertification documents during a participant's annual recertification.

**Verification of Citizenship/Eligible Immigrant Status for newly added members** [24 CFR 5.508, 5.510, 5.512, 5.514]

To be added to the household, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status once.

### **Adding Adults:**

If you would like to add an adult to your household, you must request advance permission in writing by completing the appropriate form.

Additionally, you must wait until you receive written permission from the HA before the additional adult moves in. The HA will conduct its standard eligibility screening on new household members.

The following adults may be added to the household (if approved in advance by the HA).

\* This addition may result in a larger voucher size.

- The parent of the head of household,
- The parent of the head of household's spouse,
- The grandparent of the head of household and/or spouse (under specific circumstances that will be reviewed by the HA on a case-by-case basis)

The following adults may be added to the household (if approved in advance by the Housing Agency/ Authority)

\* This addition will NOT increase your family's voucher size.

Additionally, these adults will only be approved if they do not cause overcrowding.

- The spouse of the head of household.

### **Adding Children:**

If you would like to add a child to your household, you must request advance permission in writing by completing the following form. Additionally, you must wait until you receive written permission from the HA before the child moves in.

NOTE: Prior authorization and approval must be received by the agency before a participant moves in and/or adds a child to their existing lease/ housing choice voucher case based on requests of Child Protective Services (CPS) or orders by the court (court injunction must be received and owner must approve the addition).

The HA understands that in some cases it may not be possible to request advance permission for the addition of a child. In such cases, you **MUST** notify the HA within 30 (thirty) calendar days of the addition of the child. However, the HA may not approve the request.

The following children may be added to the household.

\* This addition **may** result in a larger voucher size.

- The child of the head of household and/or the head of household's spouse,
- The grandchild of the head of household and/or the grandchild of the head of household's spouse

**(if** the grandchild is of school age, he/she must be registered in school based on the address of the adult that obtains custody)

The following children may be added to the household,

\* This addition will **NOT** increase the family's voucher size.

Additionally, these children will only be approved if they do not cause overcrowding.

- Minor birth child of any existing household member (unless a child under the age of 3 (three) currently resides in the unit. If this is the case, an increase in the voucher size may occur)

No other adults or children may move into the assisted unit other than those specifically identified above.

Please be aware that if you fail to provide proper notification and / or request advance permission regarding any changes in your family composition, your housing assistance may be terminated, or you may be responsible for paying back any overpayment(s) of subsidy caused by the unreported information or violation.

### **Under-housed Families**

If a unit does not meet HQS space standards due to an increase in family size, (unit to small), the PHA will issue a new voucher of the appropriate size and assist the family in



locating a suitable unit.

The PHA will also notify the family of the circumstances under which an exception will be granted, such as:

- If a family with a disability is under-housed in an accessible unit.
- If a family requires the additional bedroom because of a health problem which has been verified by the PHA.

**NOTE:** There are situations where certain conditions do not require the continued use of certain equipment that may not warrant an indefinite necessity of an additional bedroom. HUD has an expectation of every housing agency/ authority to review requests such as this to ensure federal funds are being maximized to its fullest extent in all areas related to housing while also assisting as many citizens as possible with the opportunity of participating in the subsidy program. Requests for updated reasonable accommodation information may be asked by THA in order to verify the continued use/need of an additional bedroom previously requested for medical-related equipment.

This information/ paperwork must be completed annually, at the time of the participant's annual recertification.

Although a participant may be on a biennial HQS inspection schedule, as opposed to an annual inspection schedule, an inspection by HQS inspectors and/or housing personnel will be required to verify the continued use/ need for the additional bedroom for medical-related equipment.

Fifty (50) percent or more of the additional bedroom space is expected to be utilized / occupied for the requested/ required medical equipment and/or medical supplies.

#### **C. UNIT SIZE SELECTED [24 CFR 982.402(c)]**

The family may select a different size dwelling unit than that listed on the Voucher. There are 3 (three) criteria to consider:

##### **1. Subsidy Limitation:**

The family unit size as determined for a family under the PHA subsidy standard for a family assisted on the voucher program is based on the PHA's adopted payment standards. The payment standard for a family shall be the *lower* of:

- The payment standard amount for the family unit size; or
- The payment standard amount for the unit size rented by the family.

##### **2. Utility Allowance:**

The utility allowance used to calculate the gross rent is based on the unit size the family qualifies for.

3. Housing Quality Standards:

The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as show in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

**HQS GUIDELINES FOR UNIT SIZE SELECTION**

Unit Size		Maximum Number of Persons in the Household
0	Bedroom	1
1	Bedroom	4
2	Bedroom	6
3	Bedroom	8
4	Bedroom	10
5	Bedroom	12
6	Bedroom	14

## Chapter 6

### FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION

[24 CFR Part 5, Subparts E and F; 982, 153, 982.551]

#### **INTRODUCTION**

This chapter is applicable prior to the PHA's HOTMA 102/104 compliance date. After this date, the PHA will follow policies as outlined in Appendix B, 6.B. Income.

The program regulations in the current Code of Federal Regulations (CFRs) were updated for HOTMA on January 1, 2024. As a result, pre-HOTMA regulations from 2023 are no longer available on the electronic CFRs. However, since full HOTMA implementation is still pending, the pre-HOTMA regulations continue to apply to some elements of the program, and this chapter makes references to both pre-HOTMA and HOTMA regulations where applicable. Where HOTMA regulations apply, citations in this chapter have been provided indicating that current HOTMA CFRs are applicable. For all other citations, the pre-HOTMA CFRs apply. The federal government archives previous versions of the CFRs, and PHAs may access them here: <https://www.govinfo.gov/app/collection/cfr/2023/title24>.

The PHA will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and at annual reexamination is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memorandums. The formula for the calculation of TTP is specific and not subject to interpretation. The PHA's policies in this Chapter address those areas, which allow the PHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

#### **A. INCOME AND ALLOWANCES [24 CFR 5.609]**

- Income:

Includes all amounts monetary or not which are received on behalf of the family. For purposes of calculating the TTP, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income, which is not specifically excluded in the regulations, is counted.

- Annual Income (5.609):

- (a) Annual income means all amounts, monetary or not, which:
- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
  - (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
  - (3) Which are not specifically excluded in paragraph [5.609(c)].
  - (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

***Earnings of a Minor [24 CFR 5.609(b)(3) as updated for HOTMA]***

A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

- Adjusted Income:

Is defined as the Annual income minus any HUD allowable expenses and deductions.

Documents Required from Family (Annual Appointment)

HUD has 5 (five) allowable deductions from Annual Income:

1. Dependent Allowance: \$ 480.00 for each family member (other than the head of household, co-head or spouse who are minors, and for family members who are 18 (eighteen) years of age and older who are full-time students or who are disabled. CFR 5.603 (6) & CFR 5.611(a) (1)
2. Elderly/Disabled Allowance: \$ 400.00 per family members where the head, spouse, co-head is a person who is at least 62 (sixty-two) years of age, or a person who is at least 62 (sixty-two) years of age or a person with disabilities. CFR 5.40 3 & CFR 5.611(a) (2)
3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family. CFR 5.40 3
4. Child Care Expenses: Deducted for the care of children under 13 (thirteen) when childcare is necessary to allow an adult member to work, attend

school, or actively seek employment. CFR 5.603 (b) & CFR 5.611(2) (4)

5. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an **adult** family member to work. CFR 5.603 (2) (b) & CFR 5.611(3) (ii)

## **B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES [24 CFR 5.617; 982.201 (b) (3)]**

**EARNED INCOME DISREGARD** 24 CFR 5.617, 960.255

### **EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617; Streamlining Final Rule (SFR) Federal Register 3/8/16; Notice PIH 2023-27]**

HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.

#### **Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with their "baseline income." The family member's baseline income is their income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that they are participating in the EID.

#### **Calculation Method**

##### ***Initial 12-Month Exclusion***

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

NOTE: The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

##### ***Second 12-Month Exclusion***

During the second exclusion period of 12 consecutive months, the PHA must exclude at

least 50 percent of any increase in income attributable to employment or increased earnings.

NOTE: During the second 12-month exclusion period, the PHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.  
employment

### ***Lifetime Limitation***

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance. The EID will sunset on January 1, 2026. In no circumstances will a family member's exclusion period continue past January 1, 2026.

***De minimis error***, an error that results in a difference in the determination of a family's adjusted income of \$30 or less per month.

## **C. MINIMUM RENT** [24 CFR 5.616]

### **Minimum Rent**

"Minimum rent" is \$ 50.00 (fifty). Minimum rent refers to the Minimum Total Tenant Payment and includes the combined amount a family pays toward rent and/or utilities when it is applied.

### **Hardship Requests for an Exception to Minimum Rent**

The PHA recognizes that in some circumstances even the minimum rent may create a financial hardship for families. The PHA will review all relevant circumstances brought to the PHA's attention regarding financial hardship as it applies to the minimum rent. The following section states the PHA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. **HUD** has defined circumstances under which a hardship could be claimed. (24 CFR 5.630)

### **Criteria for Hardship Exception**

In order for a family to qualify for a hardship exception the family's circumstance must fall under one of the following **HUD** hardship criteria:

- The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance, including a family with a member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;

- The family would be evicted as a result of the imposition of the minimum rent requirements;
- The income of the family has decreased because of changed circumstances, including loss of employment, death in the family, or other circumstances as determined by the **PHA** or **HUD**.

#### **PHA Notification to Families of Right to Hardship Exception**

The PHA will notify all families subject to minimum rents of their right to request a minimum rent hardship exception.

"Subject to minimum rent" is the highest of the following:

- 30 (thirty) percent of the monthly adjusted income. (Monthly adjusted income is annual income less deductions allowed by the regulations);
- 10 (ten) percent of monthly income;
- Welfare rent, if applicable; or
- A \$ 25.00 (twenty-five) minimum rent or higher amount - up to \$ 50.00 (fifty) - set by the PHA.

The PHA notification will advise families that hardship exception determinations are subject to PHA review and hearing procedures.

The PHA will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing. The PHA will request documentation as proof of financial hardship. The PHA will use its standard verification procedures to verify circumstances that have resulted in financial hardship.

Requests for minimum rent exception must include a statement of the family hardship that qualify the family for an exception.

#### **Suspension of Minimum Rent** CFR 5.630

The PHA may grant the minimum rent exception to a family who requests it, effective the first of the following month, upon review of circumstances.

"Suspension" means that PHA must not use the minimum rent calculation until the PHA has made this decision. During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly. If the PHA determines that the minimum rent is not covered by statute, the PHA will impose a minimum rent including payment for minimum rent from the time of suspension. The family must pay any back rent.

### **Temporary Hardship**

If the PHA determines that the qualifying hardship is temporary, a minimum rent will not be imposed for a period of up to 90 (ninety) days beginning the month following the family's request. At the end of the 90 (ninety) day suspension period, a minimum rent will be imposed retroactively to the time of suspension of the family's request for a hardship exemption.

The PHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period. (See "Owner and Family Debts to the PHA" chapter for Repayment agreement policy).

### **Long-Term Duration Hardships** [24 CFR 5.616(c) (3)]

If the PHA determines that there is a qualifying long-term financial hardship, the PHA must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the 1st (first) day of the month following the family's request for exemption.

### **Retroactive Determination**

The PHA will reimburse the family for any minimum rent charges which took effect after October 21, 1998 that qualified for one of the mandatory exceptions. If the family owed a retroactive payment, the PHA will provide reimbursement in the form of a cash refund

### **D. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT** [24 CFR 982.54(d)(10), 982.551]

The PHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the PHA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

**"Temporarily absent" is defined as away from the unit for more than 15 (fifteen) calendar days.**

Temporarily Absent Family Member's Income:

Income of temporarily absent family members is counted. If the spouse, registered domestic partner or co-head of the head of household is temporarily absent, his/her entire income is counted, whether or not he/she is on the lease.

A temporarily absent individual on active military duty may be removed from the household, and his or her income will not be counted (unless that person is the head of household, spouse, or co head).

(a). However, if the spouse or a dependent of the person on active military duty resides in the unit, the income of the person on active duty will be counted in full (except hazardous duty pay when exposed to hostile fire), even if the military member is not the head, or spouse of the head of household.

(b). The income of the head, spouse, or co-head will be counted even if that person



is temporarily absent for active military duty

It is the responsibility of the head of household to report changes in family composition. The PHA will evaluate absences from the unit using this policy.

### **Absence of Any Member**

Any member of the household will be considered permanently absent if he/she is away from the unit for 45 (forty-five) consecutive days except as otherwise provided in this chapter.

### **Absence due to Medical Reasons**

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, the PHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 90 (ninety) consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the PHA's "Sole Member of Household Policy".

### **Absence Due to Full-time Student Status**

Full time students 18 (eighteen) years of age and/or older who attend school away from the home will be treated in the following manner:

Full time students 18 (eighteen) years of age and/or older who have moved out of the household and attend school away from the home and live with the family during school recess, will not ~~still~~ be considered part of the household.

### **Absence due to Incarceration**

If the sole member (Head of Household or Spouse) is incarcerated for more than **45 (forty-five) consecutive days**, he/she will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if he/she is incarcerated for **45 (forty-five) consecutive days**.

### **Absence of Children due to Placement in Foster Care**

If the family includes a child or children temporarily absent from the home due to placement in foster care, the PHA will determine from the appropriate agency when the child/ children will be returned to the home.

If the time period is greater than **90 (ninety) consecutive days** from the date of removal of the child/children, the Voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the PHA's

subsidy standards.

### **Absence of Spouse due to Military Service**

A military spouse will be considered temporarily absent if a spouse or registered domestic partner leaves the household and the period of time is estimated to be less than 6 (six) months, the family member will be determined temporarily absent unless one of the situations below occurs.

- If a spouse or registered domestic partner files for divorce, the person who leaves the household will be considered permanently absent.
- If a spouse or registered domestic partner is incarcerated, a document from the Court or prison should be obtained as to how long they will be incarcerated.

If any other adult in the household goes into the military and leaves the household, they will be determined permanently absent unless that adult's spouse or dependent remains in the unit. In that case the military adult will be considered temporarily absent.

### **Absence of Entire Family**

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the PHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify the PHA before they move out of a unit and to give the PHA information about any family absence from the unit.

Families must notify the PHA no less than 15 (fifteen) days after leaving the unit if they are going to be absent from the unit for more than 45 (forty-five) consecutive days.

If the entire family is absent from the assisted unit for more than 45 (forty-five) consecutive days, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit, the PHA will not continue assistance payments.

HUD regulations require the PHA to terminate assistance if the entire family is absent from the unit for a period of more than 180 (one hundred eighty) consecutive calendar days.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the PHA may:

- Write letters to the family at the unit,
- Telephone the family at the unit,

- Interview neighbors,
- Verify if utilities are in service,
- Check with the post office,
- Contact Landlord

A person with disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 (one hundred eighty) consecutive calendar day limit.

If the absence which resulted in termination of assistance was due to a person's disability, and the PHA can verify that the person was unable to notify the PHA in accordance with the family's responsibilities, and if funding is available, the PHA may reinstate the family as an accommodation if requested by the family, within 45 (forty-five) days.

### **Caretaker for Children**

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the PHA will treat that adult as a visitor for the first 30 (thirty) days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher may be transferred to the caretaker. If the court has not awarded custody or legal guardianship, but the action is in process, the PHA will secure verification from social services staff or the attorney as to the status.

If custody is awarded for a limited time in excess of stated period, the PHA will state in writing that the transfer of the Voucher is for that limited time or as long as they have custody of the children. The PHA will use discretion as deemed appropriate in determining any further assignment of the Voucher on behalf of the children.

When the PHA approves a person to reside in the unit as caretaker for the child/children, the income should be counted pending a final disposition. The PHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than **45 (forty-five) days**, the person will be considered permanently absent.

### **Visitors**

Any adult not included on the HUD 50058 who has been in the unit more than 15 (fifteen) consecutive days without PHA approval, or a total of **30 (thirty) days** in a 12 (twelve) month period, will be considered to be living in the unit as **an unauthorized** household member.

Evidence of absence or any other address will be considered verification that the visitor is a member of the household. The landlord will be considered in making that determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be constructed as permanent residence. The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the household and the PHA will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to **90 (ninety)** days per year without being considered a member of the household (head of household member must receive prior written approval from the landlord for college students visiting the unit during summer, fall and/or spring breaks).

In a joint custody arrangement, if the minor is in the household less than **183 (one hundred eighty-three)** days per year, the minor will be considered to be an eligible visitor and not a family member.

#### **Reporting Additions to Owner and PHA**

Reporting changes in household composition to the PHA is both a HUD and a PHA requirement.

The family obligations require the family to request PHA approval to add any other family member as an occupant of the unit and to inform the PHA of the birth, adoption, marriage, or court awarded custody of a child. The family must request prior approval of additional household members in writing. If any new family member is added, the income of the additional member will be included in the family income as applicable under HUD regulations. Also, HQS space standards will apply in determining whether to approve a revised lease adding new members.

An interim reexamination will be conducted for any additions to the household.

#### **Reporting Absences to the PHA**

Reporting changes in household composition is both HUD and PHA requirement.

If a family member leaves the household, the family must report this change to the PHA, in writing, within **30 (thirty)** days of the change and certify as to whether the member is temporarily absent or permanently absent. The PHA will conduct an interim evaluation for changes, which affect the Total Tenant Payment in accordance with the interim policy.

### **E. AVERAGING INCOME**

There are two ways to figure income when the income is not received for a full year:

- Annualizing current income (and subsequently conducting an interim reexamination if income changes); or
- Averaging known sources of income that vary to compute an annual income (no interim adjustment if income remains what was calculated).

The PHA will use the annualizing current income method for all families unless a Supervisor approves a deviation. If the last 3 (three) months of income are representative of the income, which may be anticipated for the next year, such as overtime worked when the employer cannot anticipate how much overtime the family member will have over the next year, the last 3 (three) months may be used to anticipate the income.

## **F. MINIMUM INCOME**

### Zero Income

0 (Zero) income is defined as 0 (zero) earned income.

The Agency will not require 0 (zero) income clients to complete a 0 (zero) income worksheet. There is no minimum income requirement. Families that report 0 (zero) income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc. If the family's expenses exceed their known income, the PHA will make inquiry of the head of household as to the nature of the family's accessible resources.

PHA will enroll all 0 (zero) earned income Head of Household, Spouse, Co-Heads, and adult family members 18 (eighteen) years and older (not currently enrolled as a full-time student) in Workforce Solution's Job Connection Program. Verification of registration in job search activities (Work in Texas.com) and/or enrollment in job readiness sessions is required. Families will receive notification to register in Job Seeker/ Work Search Programs and activities, which must be completed within 90 (ninety) calendar days of the date the letter is uploaded through Assistance Check and/or mailed. If Social Security or SSI is received by any of the required party's attendance is not required but may choose to participate. If required household members are not present, their assistance may be terminated. Decisions will be made by the Housing Manager and/or Housing Eligibility Supervisor on a case-by-case basis.

## **G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME**

[24 CFR 982.54(d)(10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the PHA will calculate the income by using the following methodology and use the income figure, which would result in a lower payment by the family:

- Exclude the income and deductions of the member if his/her income goes directly to the facility; or
- Include the income and deductions of the member if his/her income goes to a family

member.

#### **H. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609]**

Regular contribution and gifts (monetary or not) received from persons outside the household are counted as income for calculation of the total tenant payment. Any contribution or gift received frequently will be considered a "regular" contribution or gift unless the amount is less than \$ 100.00 (one hundred) per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts (See "Verification Procedures" chapter for further definition).

If the family's expenses exceed its known income, the PHA will ask the family to verify receipts of contributions and gifts.

#### **I. ALIMONY AND CHILD SUPPORT [24 CFR 5.609]**

Regular alimony and child support payments are counted as income for calculation of total tenant payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the PHA will use the amount awarded by the court unless the family can verify that they are not receiving the full amount for at least 3 (three) consecutive months and verification of item(s) below are provided.

The PHA will accept verification that the family is receiving an amount less than the award if:

- The PHA receives verification from the agency responsible for enforcement or collection. [i.e., electronic soft or hard copy]
- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

#### **J. LUMP-SUM RECEIPTS [24 CFR 5.609]**

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be

considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing. In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

The PHA will calculate prospectively if the family reported the payment within 10 (ten) days and retroactively to date of receipt if the receipt was not reported within that time frame.

#### **Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

- At the next annual recertification, the PHA will apply the percentage balance to the lump sum and add it to the rest of the annual income.
- At the PHA's option, the PHA may enter into a Payment Agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

#### **Attorney Fees**

The family's attorney fee may be deducted from the lump sum payments when computing annual income if the attorney's efforts have recovered a lump sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

#### **K. CONTRIBUTIONS TO RETIREMENT FUNDS-ASSETS [24 CFR 5.603(d)]**

Contributions to company retirement/pension funds are handled as follows:

- While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment,
- After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

#### **L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(d)(3)]**

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclose or bankruptcy is not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or

separation is not considered to be assets disposed of for less than fair market value.

The rule applies only when the fair market value of all assets given away during the past 2 (two) years exceeds the gross amount received by more than \$1,000.00 (one thousand).

#### **M. CHILDCARE EXPENSES [24 CFR 5.603]**

Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education [must be deducted from annual income]. Childcare expenses will be processed upon verification during the time of reported expenses during the interim review.

Amounts anticipated to be paid by the family for the care of children under 13 (thirteen) years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount of deducted shall not exceed the amount of employment income that is included in annual income.

#### **Clarifying the Meaning of Child for This Deduction**

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household. For the purpose of childcare expenses, the PHA defines child to include foster children under the age of 13 (thirteen) living in an assisted family's household.

#### **Qualifying for the Deduction**

##### **Determining Who is Able to Pursue an Eligible Activity**

The family must identify the family member(s) that will pursue an eligible activity. The term eligible activity in this section means any of the following activities that may make the family eligible for a childcare deduction:

1. Seeking work-

If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed by the PHA.

2. Furthering education-

If the childcare expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or



vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

### 3. Being gainfully employed-

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full or part-time) for which a family member is compensated.

In evaluating the family's request, the PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the relationship of the family members(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

### **Earned Income Limit on Child Care Expense Deduction**

When a family looks for work or furthers his or her education, there is no cap on the amount that may be deducted for childcare — although the care must still be necessary. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income".

The earned income used for this purpose is the amount of earned income verified after any earned income disallowance or income exclusions are applied.

The PHA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working.

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the PHA will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

### **Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare.

### **Allowable Child Care Activities**

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp) are allowable forms

of childcare. The costs of general housekeeping and personal services are not eligible. Likewise, childcare expenses paid to a family member who lives in the family's unit are not eligible.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 (thirteen) or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### **Necessary and Reasonable Costs**

Childcare expenses will be considered necessary if:

- A family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and
- The family certifies, and the child provider verifies, that the expenses are not paid or reimbursed by any other source.

Childcare expenses will be considered for the time required for the eligible activity. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent to class. To establish the reasonableness of childcare costs, the PHA may use the schedule of childcare costs from the local welfare agency.

## **N. MEDICAL EXPENSES**

Medical expenses are defined as medical expenses including medical insurance premium that are anticipated during the period for which annual income is computed and that are not covered by insurance or otherwise reimbursed. When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

The medical expense deduction is permitted only for household in which the head or spouse is at least 62 (sixty-two) or disabled (elderly or disabled households). If a family qualifies for the medical expense deduction, the medical expenses of all family members are eligible for the deduction.

To anticipate medical expenses, third party information will be solicited from the applicant's or participant's doctors, pharmacies, hospitals, dentists, clinics, etc. The verification forms will request medical expenses for the past 12 (twelve) months and any outstanding medical bills with the average payment made toward those bills. The anticipated medical expenses minus any amounts to be paid by insurance, plus average payments made toward outstanding bills for a 12 (twelve) month period or the pay out of the bill will be used to project the medical expenses. Pharmacies may provide a listing of the medications purchased during the past 12 (twelve) months and a projected average for the next 12 (twelve) months will be calculated based on these figures. Any amounts paid toward medical insurance as verified by a copy of the in-force policy will also be projected

for 12 (twelve) months and added to the anticipated medical expenses as well as the amounts paid toward Medicare as verified by the Social Security Administration.

The allowable medical expense is that portion of total medical expenses that exceeds 3 (three) percent of annual income. Medical bills from previous months/years paid in full that occurred during the current year will be reviewed; however, recent medical bills will not be counted or considered until the following program year at the annual review. One-time past expenses that are unlikely to recur in the coming year.

#### **O. PRORATION OF ASSISTANCE FOR “MIXED” FAMILIES [24 CFR 5.520]**

##### **Applicability**

An eligible mixed family who requests prorated assistance must be provided prorated assistance.

##### **Prorated Assistance Calculation**

Step 1: Determine the amount of the pre-proration voucher housing assistance payment.

Step 2: Multiply the amount determined in Step 1 (one) by a fraction for which:

1. The numerator is the number of family members who have established eligible immigration status; and
2. The denominator is the total number of family members.

#### **P. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

The PHA will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- Fraud by a family member in connection with the welfare program; or
- Failure to participate in an economic self-sufficiency program; or
- Noncompliance with a work activities requirement

PHA's are required not to consider reductions in income attributable to the welfare agency's sanctioning and enforcement of other welfare program requirements that are

not related to economic self-sufficiency and work activity requirements.

The list of households exempt from the limitation on rent reduction should also include a household that may have lost welfare income due to economic self-sufficiency sanction, but has subsequently obtained income from new sources.

The amount of income not actually received by the family as a result of sanctioning is included in the annual income as "imputed welfare income". If the member of the family is no longer receiving any such benefits (because the family member is now working) the exception is not applicable. If the member of the family for the family is still receiving some portion of welfare/public assistance benefits, the exception remains applicable, even if the member of the family has income from other sources. A PHA should continue to include the imputed welfare income until either the sanction term ends or the family's income from other resources is at least equal to the imputed welfare income.

#### **Verification Before Denying a Request to Reduce Rent**

The PHA will obtain written verification from the welfare agency stating the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction. The welfare agency, at the request of the PHA, will inform the PHA of:

- Amount and term of specified welfare benefit reduction for the family;
- Reason for the reduction; and
- Subsequent changes in term or amount of reduction.

#### **Q. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS** [24 CFR 982.153, 982.517]

The same Utility Allowance Schedule is used for all tenant-based programs.

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

The PHA's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. The PHA may not provide allowance for non-essential utility costs, such as costs of cable or satellite television.

The PHA must classify utilities in the utility allowance schedule according to the following general categories: space heating, air conditioning, cooking, water heating, water, sewer, trash collection, other electric, refrigerator (for tenant-supplied refrigerator), range (cost of tenant-supplied range), and other specified services. Allowance for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing for

appropriate appliance pro-rated over the useful life of the appliance based on factors provided by HUD.

The PHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10 (ten) percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination. The approved utility allowance schedule is given to families along with their voucher. The utility allowance is based on the actual size selected.

Where families provide their own range and refrigerator, the PHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser cost of leasing or purchasing the appropriate appliance over the useful life of the appliance, based on factors provided by HUD.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family [24 CFR 982.514(b)], the PHA will provide a utility reimbursement payment for the family each month. The tenant must have an active checking account or pre-paid debit card so the PHA can deposit the utility reimbursement; therefore, each tenant that is eligible for a utility reimbursement is required to complete the necessary documents to become a vendor in order for payments to be issued.

NOTE: Participants who owe the agency and currently in a repayment agreement may apply his/ her utility reimbursement towards repayments/ balances due. THA will remit utility reimbursements to the participant only. All payments made to THA must be initiated by the participant.

## **Chapter 7**

### **VERIFICATION PROCEDURES**

[24 CFR Part 5, Subparts B, D, E and F; 24 CFR 982.158; 24 CFR 5.617]

#### **INTRODUCTION**

HUD regulations require that the factors of eligibility and total tenant payment/family share be verified by the Public Housing Agency (PHA). PHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third-party verifications are not possible as to why third-party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to the PHA whenever information is requested. The PHA's verification requirements are designed to maintain program integrity. This chapter explains the PHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The PHA will obtain proper authorization from the family before requesting information from independent sources.

#### **A. METHODS OF VERIFICATION AND TIME ALLOWED** [24 CFR 982.516(a)]

The PHA will verify information through the 6 (six) methods of verification acceptable to HUD in the following order:

1. Enterprise Income Verification (EIV),
2. Upfront Income Verification UIV (non-HUD system),
3. 3<sup>rd</sup> Party Authentic Document,
4. 3<sup>rd</sup> Party Verification Form,
5. Oral 3<sup>rd</sup> Party,
6. Tenant Declaration

The PHA will allow 15 (fifteen) days to obtain return of third-party verifications written or oral, before going to the next method. The PHA will document the file as to why third party written verification was not used. For applicants, verifications may not be more than 60 (sixty) days old at the time of voucher issuance. For participants, they are valid for 120 (one hundred twenty) days from date of receipt.

#### **Third-Party Written Verification**

Third-Party verification is used to verify information directly with the source. Third party verification will be accepted via mail, fax, email and/or in person. The family will be required to sign an authorization for the information source to release the specified information. Verifications received electronically directly from the source are considered third party written verifications.

The PHA will accept verifications in the form of computerized printouts delivered by the family from the following agencies:

- Social Security Administration,
- Veterans Administration,
- Welfare Assistance,
- Unemployment Compensation Board,
- City or County Courts,
- IRS forms,
- Computerized class schedule,
- Child support payment history from Attorney General Office,
- Texas Child Support Distribution Unit,
- District Clerk office

The PHA can send requests for third party written form verifications when the family disputes EIV employer data & has no documentation to verify the disputed information.

### **Third-Party Oral Verification**

Oral third-party verification will be used when written third-party verification is delayed or not possible. When 3rd (third)-party oral verification is used, staff will be required to complete a Certification of Document Viewed or Person Contacted form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral 3rd (third)-party verification is not available, the PHA will compare the information to any documents provided by the Family. If provided by telephone, the PHA must originate the call.

Third party employment forms should at a minimum include:

- Regular and overtime hours anticipated,
- Overtime hours anticipated,
- Overtime hours for the past 12 (twelve) months,
- Total pay anticipated for the next 12 (twelve) months,
- Current rate of pay,
- Any anticipated rate increases for the next 12 (twelve) months,
- Year-to-date earnings

## **Self-Certification/Self-Declaration**

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification means a notarized statement under penalty of perjury.

### **B. RELEASE OF INFORMATION [24 CFR 5.230]**

All adults and all family members 18 (eighteen) years of age and over will be required to sign the HUD 9886-A Release of Information/Privacy Act form. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature. The executed consent remains effective until:

- The family is denied assistance, or
- Assistance is terminated, or
- The family provides written notification to the PHA to revoke consent

Family refusal to cooperate with signing the 9886-A form and/or the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by the PHA or HUD.

- NOTE:
  - The PHA will terminate assistance if the family revokes consent for the PHA to collect information from financial institutions.
  - Under HOTMA, PHA's must notify their local HUD office when an applicant or participant family member revokes their consent,
  - PHA's must explain to the families the consequences, if any, for revoking their consent.

### **C. COMPUTER MATCHING**

For some time, HUD has conducted a computer matching initiative to independently verify resident income. HUD can access income information and compare it to information submitted by PHAs on the 50058 form. HUD can disclose Social Security information to PHAs, but is precluded by law from disclosing Federal tax return data to PHAs. If HUD receives information from Federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family of the discrepancy. The PHA will also notify the family that HUD has notified the PHA in writing that the family has been advised to contact the PHA. HUD will send the PHA a list of families who have received "income discrepancy" letters.

When the PHA receives notification from HUD that a family has been sent an "income discrepancy" letter, the PHA will:



- Wait 40 (forty) days after the date of notification before contacting tenant.
- After 40 (forty) days following the date of notification, the PHA will contact the tenant through Assistance Check and/or by mail or telephone asking the family to promptly furnish any letter or other notice by HUD concerning the amount or verification of family income. The PHA will fully document the contact in the tenant's file, including a copy of the letter to the family or written documentation of phone call.
- When the family provides the required information, the PHA will verify the accuracy of the income information received from the family, review the PHA's interim recertification policy, will identify unreported income, will charge retroactive rental assistance as appropriate, and change the amount of rent or terminate assistance, as appropriate, and based on the information.

**If the amount of Housing Assistance Payment owed to the PHA exceeds \$ 3,600 (three thousand six-hundred) the PHA may elect to terminate assistance.**

**If tenant fails to respond to PHA:**

1. The PHA will ask HUD to send a second letter.
2. After an additional 40 (forty) days, the PHA will ask HUD to send a third letter.
3. After an additional 40 (forty) days, the PHA will send a letter to the head of household, warning of the consequences if the family fails to contact the PHA within two weeks.

**If the tenant claims a letter from HUD was not received:**

1. The PHA will ask HUD to send a second letter with a verified address for the tenant. After 40 (forty) days, the PHA will contact the tenant family.
2. If the tenant family still claims they have not received a letter, the PHA will ask HUD to send a third letter.
3. After an additional 40 (forty) days, the PHA will set up a meeting with the family to complete IRS forms 4506 and 8821.
4. If the tenant family fails to meet with the PHA or will not sign the IRS forms, the PHA will send a warning letter to the head of household, notifying the family that termination proceedings will begin within 1 (one) week if the tenant fails to meet with the PHA and/or sign forms.

**If tenant does receive a discrepancy letter from HUD:**

1. The PHA will set up a meeting with the family.
2. If the family fails to attend the meeting, the PHA will reschedule the meeting.
3. If the family fails to attend the second meeting, the PHA will send a termination

warning. The family must bring the original HUD discrepancy letter to the PHA.

**If tenant disagrees with the Federal tax data contained in the HUD discrepancy**

**letter:**

- The PHA will ask the tenant to provide documented proof that the tax data is incorrect.
- If the tenant does not provide documented proof, the PHA will obtain proof to verify the Federal tax data using third party verification.

**D. ITEMS TO BE VERIFIED [24 CFR 982.516]**

All income not specifically excluded by the regulations.

Full-time student status including high school students who are age 18 (eighteen) and over.

Current assets including assets disposed of for less than fair market value in the preceding 2 (two) years.

Childcare expense where it allows an adult family member to be employed, or actively seeking employment or to further his/her education.

Total medical expenses of all family members in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.

Disability for determination of preferences, allowances, or deductions.

U.S. citizenship/eligible immigrant status.

Social security numbers for all family members over 6 (six) years of age or older who have been issued a social security card.

"Preference" status

Marital status when needed for head or spouse definition.

Verification of Reduction in Benefits for Non-compliance:

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

## **WHAT MUST BE VERIFIED**

The following elements must all be verified:

- Income, assets, and asset income,
- Divested assets,
- Income exclusions,
- Allowances and deductions,
- Family composition,
- Social security numbers
- Citizenship or eligible immigration status

### **E. VERIFICATION OF INCOME [24 CFR 982.516]**

This section defines the methods the PHA will use to verify various types of income.

#### **Employment Income**

Verification forms request the employer to specify the:

- Dates of employment,
- Amount and frequency of pay,
- Date of the last pay increase,
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 (twelve) months,
- Year-to-date earnings,
- Estimated income from overtime, tips, bonus pay expected during 12 (twelve) months.

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer or statement from employer,
2. Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings,

3. W-2 forms plus income tax return forms,
4. Self-certifications or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income. In cases where there are questions about the validity of information provided by the family, the PHA will require the most recent federal income tax statements. Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

### **Seasonal Employment**

Calculate the actual anticipated income from all known sources for the entire year. There will be no interim reexamination when the income changes as already anticipated. A history of the individual's income from past years is needed. This method cannot be used when the future income source is "unknown" or "none". If client does not have 24 (twenty) months of history to display this seasonal income, the current income will be annualized, and an interim re-exam will be conducted when the income changes.

### **Social Security, Pensions, Supplementary Security Income (SSI), Disability Income**

Acceptable methods of verification include, in this order:

1. Benefit verification form completed by agency providing the benefits,
2. Award or benefit notification letters prepared and signed by the providing agency,
3. Computer report electronically obtained or in hard copy

### **Unemployment Compensation**

Acceptable methods of verification include, in this order:

1. Verification form completed by the unemployment compensation agency,
2. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts,
3. Unemployment payment history/ summary.

### **Welfare Payments or General Assistance**

Acceptable methods of verification include, in this order:

1. PHA verification form completed by agency payment provider,
2. Written statement from agency payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 (twelve) months,
3. Computer-generated Notice of Action,
4. Computer-generated list of recipients from Welfare Department

### **Alimony or Child Support Payments**

Acceptable methods of verification include, in this order:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules,
2. A notarized letter from the person paying the support,
3. Copy of latest check and/or payment stubs from Court Trustee. PHA must record the date, amount, and number of the check,
4. Court / Attorney certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received,
5. Computer generated report of support history

If payments are irregular, the family must provide:

- A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules,
- A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement,
- A notarized affidavit from the family indicating the amount(s) received,
- A welfare notice of action showing amounts receive by the welfare agency for child support,
- A written statement from an attorney certifying that a collection or enforcement action has been filed

**NOTE:** The PHA will require participants to submit the most recent 2 (two) months of non-payments/receipts of child support income prior to the agency removing the child support income from the participants' record.

**Net Income from a Business** 24 CFR 5.609(b)(28) as updated for HOTMA; Notice PIH 2023-27)]

Annual income includes “the net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allows the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family”.

NOTE: To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

In order to verify the net income from a business, the PHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 (twelve) months.

Acceptable methods of verification include-

IRS Form 1040, including:

- Schedule C (Small Business),
- Schedule E (Rental Property Income),
- Schedule F (Farm Income)

*If accelerated depreciation was used on the tax return or financial statement, an account's calculation of depreciation expense, computed using straight-line depreciation rules.*

- Audited or non-audited financial statement(s) of the business,
- Credit report or loan application,
- Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or

lesser period if not in business for 6 (six) months) to project income for the next 12 (twelve) months. The family will be advised to maintain these documents in the future if they are not available,

- Family's notarized self-certification or affidavit as to net income realized from the business during previous years

### **Independent Contractors**

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 2.609 (b)(24) as updated for HOTMA].

An *independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are consequently subject to the self-employment tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b) as updated for HOTMA]. This may include individuals such as third-party delivery and transportation service providers and “gig workers” like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income.

### **Business Expansion**

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

### **Capital Indebtedness**

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

NOTE: *Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

### **Negative Business Income**

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

### **Withdrawal of Cash or Assets from a Business**

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

NOTE: Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the PHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to

the business without compensation.

**Co-owned Businesses**

NOTE: If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.



### **Child Care Business**

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a “cash and carry” operation (which may or may not be licensed), the PHA will require that the applicant/participant complete a form for each customer which indicates:

- name of person(s) whose child (children) is/are being cared for,
- phone number,
- number of hours child is being cared for,
- method of payment (check/cash),
- amount paid, and
- signature of person.

If the family has filed a tax return, the family will be required to provide it. If childcare services were terminated, a third-party verification will be sent to the parent whose child was cared for.

### **Recurring Gifts**

The family must furnish a self-certification which contains the following information:

- The person who provides the gifts,
- The value of the gifts,
- The regularity (dates) of the gifts,
- The purpose of the gifts

### **0 (Zero) Income Status**

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. The PHA will request information from the Texas Workforce Commission (TWC) and Department of Health and Human Services Commission (HHSC).

PHA may require families to complete a 0 (zero) income worksheet (internal Revenue SVS Form).

### **Full-time Student Status**

The institution defines what *full-time* means for its student population.

#### ***Earned Income of Full-Time Students [24 CFR 5.609(b)(14) as updated for HOTMA]***

The earned income of a dependent full-time student in excess of the amount of the dependent deduction is excluded from annual income. All sources of unearned income, except those specifically excluded by the regulations, are included.

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. Full-time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, *Lease Requirements*, p. 5].

Only the first \$ 480.00 of the earned income of full-time students 18 (eighteen) years of age and/or older, other than head, co-head, or spouse, will be counted towards family income (includes full-time high school students in addition to full-time college students).

The Department of Education defines tuition as the amount of money charged to students for instructional services which may be charged per term, per course, or per credit. The Department of Education further defines tuition and fees as the amount of tuition and required fees covering a full academic year most frequently charged to students. These values represent what a typical student would be charged and may not be the same for all students at an institution.

If tuition is charged on a per credit hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition. Required fees include all fixed sum charges that are required of a large proportion of all students. The student who does not pay the charges is an exception. Examples of required fees include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).

Expenses related to attending an institution of higher education must not be included as tuition. Examples of these expenses include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed sum charges.

#### **Verifying Full-Time Student Status Include:**

- Current enrollment status letter showing:
  - School name and address,
  - Dates of enrollment,

- Total number of classes or credits attempted in a given quarter or semester – Current school transcript,
- Paid receipt indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution,
- Most recent grade report,
- Full time as determined by institution

## **Student Financial Assistance [24 CFR 5.609(b)(9)]**

### **Introduction**

The treatment of student financial assistance depends on the HUD program, student/household characteristics, and the type of financial assistance received by the student. For public housing residents, all income received under Title IV of the HEA must be excluded from income. Other student financial assistance may be included depending on the students actual covered costs to For Section 8 programs, including HCV, however, for over 10 years HUD appropriations have included a provision that for Section 8 students who are age 23 and under and without dependent children, any amounts received in excess of tuition and any other required fees and charges must be considered income. Under HOTMA, HUD has interpreted this limitation to apply when the student is the head of household or spouse, but not when the student resides with their parents [71 FR 18146]. For any funds from a year where HUD's appropriations continue to include this Section 8 student financial assistance limitation, if the student does not reside with their parents is the head of household, cohead, or spouse, and is under the age of 23 or without dependent children, then both the assistance received under Title IV HEA and other student financial assistance received by the student is included as income to the extent that it exceeds the total of tuition and any other required fees and charges.

In contrast, student financial assistance received by a Section 8 student who is the head of household, spouse, or cohead, and is over the age of 23 with dependent children, or a student who resides with their parents in a Section 8 unit, is governed by the HOTMA student rule, which is described below.

During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance for all Section 8 students defaults to the methodology for public housing.

### **HOTMA Student Financial Assistance Requirements [24 CFR 5.609(b)(9)]**

The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally

mandated income exclusions are included [24 CFR 5.609(b)(9)(ii)].

NOTE: The HA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, the HA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

If the HA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy **[24 CFR 5.609(c)(3) and Notice PIH 2023-27]**

The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) which must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)].

Examples of assistance under title IV of the HEA include:

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or Bureau of Indian Affairs/Education student assistance programs
  - The Higher Education Tribal Grant
  - The Tribally Controlled Colleges or Universities Grant Program

The second category is any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education (not otherwise excluded by the Federally mandated income exclusions) [24 CFR 5.609(b)(9)(ii)]. Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is included in income.

*Actual covered costs* are defined as the actual costs of:

- Tuition, books, and supplies;
  - Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the education institution.

For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;
- To assist a student with the costs of higher education; or
- To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

The financial assistance must be a grant or scholarship received from:

- The Federal government;
- A state, tribal, or local government ;
- A private foundation registered as a nonprofit;
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.
- Student financial assistance, does not include:
- Financial support provided to the student in the form of a fee for services performed; (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

### **Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]**

There are two steps required as part of the calculation for Section 8 students. First,

determine the student's relationship to the household, age, and whether they have dependent children. Second, calculate whether any excess student financial assistance should be included in the family's income.

If the student does not live with their parents and is the head of household, cohead, or spouse, and is 23 or younger or does not have dependent children, then Title IV HEA assistance is considered when determining the student's total financial aid amount. Subtract the total tuition plus required fees and charges from the total student financial assistance (Title IV HEA assistance and any other student financial assistance). If the total tuition plus required fees and charges is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance is included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges must be included in annual income.

If the student either lives with their parents or is over 23 with dependent children, then the calculation will use the HOTMA methodology for calculating financial assistance, which always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

NOTE: If the student does not live with their parents and is the head of household, cohead, or spouse, and is 23 or younger or does not have dependent children, then Title IV HEA assistance will be considered when determining the student's total financial assistance to be included in annual income. The PHA will use Notice PIH 2015-21 as a guide to determine the total amount of the student's tuition plus required fees and charges. The PHA will subtract the total tuition plus required fees and charges from the total student financial assistance. If the result is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance will be included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges will be included in annual income.

#### **Example 1**

- Tuition and required fees and charges: \$20,000
- Title IV HEA assistance: \$10,000
- Other student financial assistance: \$15,000
- Total student financial assistance:  $\$10,000 + \$15,000 = \$25,000$
- Included income:  $\$25,000$  in financial assistance -  $\$20,000$  tuition and required fees =  $\$5,000$

If a student is head, spouse, or cohead, and is over 23 with dependent children or lives with their parents, the following applies:

If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the PHA will exclude the full amount of the assistance received under Title IV from the family's annual income.

The PHA will not calculate actual covered costs in this case.

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. The PHA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

#### **Example 1**

- Actual covered costs: \$20,000
- Other student financial assistance: \$25,000
- Excluded income: \$20,000 (\$25,000 in financial assistance - \$20,000 in actual covered costs)
- Included income: \$5,000

When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under

other student financial assistance” would be excluded from income.

**Example 2**

- Actual covered costs: \$25,000
- Title IV HEA assistance: \$26,000
- Title IV HEA assistance covers the students entire actual covered costs.
- Other Student Financial Assistance: \$5,000
- Excluded income: The entire Title IV HEA assistance of \$26,000
- Included income: All other financial assistance of \$5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.



### **Example 3**

- Actual covered costs: \$22,000
- Title IV HEA assistance: \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$7,000 (\$22,000 in actual covered costs - \$15,000 in Title IV HEA assistance).
- Other Student Financial Assistance: \$5,000
- \$7,000 in remaining actual covered costs - \$5,000 in other financial assistance
- Excluded income: \$15,000 entire amount of the Title IV HEA Assistance + \$5,000 in other financial assistance
- Included income: \$0

### **Example 4**

- Actual covered costs: \$18,000
- Title IV HEA Assistance: \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$3,000 (\$18,000 in actual covered costs - \$15,000 in Title IV HEA Assistance)
- Other student Financial Assistance: \$5,000
- When other student financial assistance is applied, financial assistance exceeds actual covered costs by \$2,000 (\$3,000 in actual covered costs - \$5,000 in other financial assistance).
- Included income: \$2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

**Periodic Payments [Notice PIH 2023-27]**

Periodic payments are forms of income received on a regular basis.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.

However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b) as updated for HOTMA, and thus they are included in annual income. Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

**Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16) as updated for HOTMA]**

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

NOTE: The HA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 9. If not, the PHA will consider the amount when processing the family's next annual recertification.

**Retirement Accounts [24 CFR 5.609(b)(26) as updated for HOTMA; Notice PIH 2023-27]**

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets. However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.

**Social Security Benefits [Notice PIH 2023-27]**

The HA is required to use the gross benefit amount to calculate annual income from Social Security benefits. Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27]. When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

NOTE: Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

**Nonrecurring Income [24 CFR 5.609(b)(24) as updated for HOTMA and Notice PIH 2023-27]**

Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during

the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).

Income amounts excluded under this category may include, but are not limited to:

- Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;
- Payments for eviction prevention;
- Security deposits to secure housing;
- Payments for participation in research studies (depending on the duration); and
- General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i) as updated for HOTMA].
- Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii) as updated for HOTMA].
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv) as updated for HOTMA].
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v) as updated for HOTMA].
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi) as updated for HOTMA]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii) as updated for HOTMA].

**State Payments to Allow Individuals with Disabilities to Live at Home [24 CFR 5.609(b)(19) as updated for HOTMA]**

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies, or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

**Civil rights Settlements [24 CFR 5.609(b)(25) as updated for HOTMA; FR Notice 2/14/23]**

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received. Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed the HUD-published threshold amount (\$50,000 for 2024, and \$51,600 for 2025), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.

**Additional Exclusions from Annual Income [24 CFR 5.609(b) as updated for HOTMA; FR Notice 1/31/2024]**

Other exclusions contained in 24 CFR 5.609(b) as updated for HOTMA and FR Notice 1/31/2024 that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4) as updated for HOTMA].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5) as updated for HOTMA]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6) as updated for HOTMA].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7) as updated for HOTMA].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10) as updated for HOTMA].
- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10) as updated for HOTMA].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11) as updated for HOTMA].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17) as updated for HOTMA]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20) as updated for HOTMA]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].

- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21) as updated for HOTMA]. Generally, payments received by tribal members in excess of the first \$2,000 of per capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income.
- Replacement housing "gap" payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments [24 CFR 5.609(b)(23) as updated for HOTMA].
- Income earned on amounts placed in a family's Family Self-Sufficiency account [24 CFR 5.609(b)(27) as updated for HOTMA].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(12)(ii) as updated for HOTMA].
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(b)(12)(i) as updated for HOTMA].
- Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.600(b)(12)(iii) as updated for HOTMA].
- Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv) as updated for HOTMA].

NOTE: The HA defines *training program* as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It

may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The HA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3-4].

In calculating the incremental difference, the HA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the HA’s interim reporting requirements.

- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(b)(13) as updated for HOTMA].
- Adoption assistance payments for a child in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15) as updated for HOTMA].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20) as updated for HOTMA].
- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) as updated for HOTMA apply. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary [24 CFR 5.609(b)(22) as updated for HOTMA]. HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the *Federal Register* on January 31, 2024. It includes:
  - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets.
  - (b) Benefits under Section 1780 of the Richard B. Russell School Lunch Act and Child Nutrition Act of 1966, including WIC and reduced-price lunches.
  - (c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.
    - Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum



wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)).

- (d) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)).
- (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506).
- (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).
- (g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)).
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Section 6).
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)).
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408).
- (m) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).
- (n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.
- (o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean and Thailand service veterans born with spinal bifida (42 U.S.C. 12637(d)).
- (p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets.
- (q) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990 (42 U.S.C. 9858q).
- (r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.
- (s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands

of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433). This exclusion also applies to assets.

- (t) Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).

For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)).

- (u) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).
- (v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).
- (w) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).
- (x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets.
- (y) Distributions from an ABLE account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.
- (z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).
- (aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.
- (ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement

proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).

- (ac) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. Chapter 11 or dependency and indemnity compensation under 38 U.S.C. Chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.).

**F. INCOME FROM ASSETS** [24 CFR 982.516]

**Savings Account Interest Income and Dividends**

Acceptable methods of verification include, in this order:

1. Statements supplied by the financial institution or account statements, passbooks, certificates of deposit, statements supplied by the family or PHA verification forms completed by the financial institution,
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification,
3. IRS Form 1099 from the financial institution, provided that the PHA must adjust the information to project earnings expected for the next 12 (twelve) months

**Interest Income from Mortgages or Similar Arrangements**

Acceptable methods of verification include, in this order:

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 (twelve) months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown),
2. Amortization schedule showing interest for the 12 (twelve) months following the effective date of the certification or recertification.

**Net Rental Income from Property Owned by Family**

Acceptable methods of verification include, in this order:

1. IRS Form 1040 with Schedule E (Rental Income),
2. Copies of latest rent receipts, leases, or other documentation of rent amounts,
3. Documentation of allowable operating expenses of the property:
  - tax statements,
  - insurance invoices,
  - bills for reasonable maintenance and utilities, and
  - bank statements or amortization schedules showing monthly interest expense,
4. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

## **G. VERIFICATION OF ASSETS**

### **Family Assets**

Asset Verification. PHA will obtain third-party verification of all family assets upon admitting a family to the HCV program and then again at least every 3 (three) years thereafter. During the intervening annual reexaminations, PHA will accept a family's declaration that it has total net assets equal to or less than \$ 5,000.00 (five thousand) annually, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the PHA will not request supporting documentation to verify the assets, or the amount of income expected to be received from those assets. The family's declaration of total assets must show each asset and the amount of income expected from that asset. The total amount of income expected from all assets must be less than or equal to \$ 5,000.00 (five thousand) annually. The total amount of the expected income from assets will be the family's "final asset income," and must be entered in field 6j of Form HUD-50058. PHA will obtain a family's declaration of assets under \$ 5,000.00 (five thousand) annually at the family's next interim or annual reexamination effective. All family members 18 (eighteen) years of age and older will sign the family's declaration of total assets. PHA will require families to submit a declaration of assets along with the consent forms that are required pursuant to 24 CFR 5.230. A family that knowingly submits false information is subject to a civil penalty, plus damages, under the False Claims Act (31 U.S.C. 3729). Whenever a family member is added, PHA will obtain a third-party verification of that family member's assets. At the next annual reexamination of income following the addition of that family member, the PHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$ 5,000.00 (five thousand) annual asset threshold. If the addition of that family member's assets does not put the family above the \$ 5,000.00 (five thousand) annual asset threshold, then the PHA is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member; however, third-party verification of all family assets is required at least every 3 (three) years. The PHA will obtain third-party verification of all assets of any family at the family's next income redetermination of that family.

The PHA will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash).

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker. If third-party verification is not available, any of the following will be accepted:
  - Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker,
  - Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate,
  - Real estate tax statements if the approximate current market value can be deducted from them,
  - Financial statements for business assets,
  - Copies of closing documents showing the selling price and the distribution of the sales proceeds,
  - Appraisals of personal property held as an investment,
  - Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes,
  - An Assets Self-Declaration can be completed – If assets are less than \$ 5,000.00 (five thousand) annually.

**Assets Disposed of for Less than Fair Market Value (FMV) During 2 (Two) Years Preceding Effective Date of Certification or Recertification**

At admissions and re-certifications, the PHA will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the 2 (two) years preceding the effective date of the admission or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows:

- All assets disposed of for less than FMV,
- The date they were disposed of,
- The amount the family received for each asset, and
- The market value of each asset at the time of disposition. Third party verification will be obtained wherever possible.

***Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24)(viii) as updated for HOTMA; Notice PIH 2023-27]***

- The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.
- In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.
- Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.
- However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 12. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.
- For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.
- PHA Policy
- Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a \$1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

***Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]***

When net family assets are \$5,000 or less, the HA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the HA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the PHA to establish a passbook rate within 0.75 percent of a national average.

- The HA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

NOTE: The HA initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The HA will review the passbook rate annually. The rate will not be adjusted unless the current HA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

The effective date of changes to the passbook rate will be determined at the time of the review.

### ***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

### ***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

### ***Jointly Owned Assets***

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

NOTE: If an asset is owned by more than one person and any family member has unrestricted access to the asset, the HA will count the full value of the asset. A family member has unrestricted access to an asset when they can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the HA will prorate the asset evenly among all owners.

***Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require the HA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

***Minimum Threshold***

The *HCV Guidebook* permits the HA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

NOTE: The HA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

***Separation or Divorce***

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

NOTE: All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

***Foreclosure or Bankruptcy***

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

***Family Declaration***

NOTE: Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The HA may verify the value of the assets disposed of if other information available to the HA does not appear to agree with the information reported by the family.

**Types of Assets**

***Checking and Savings Accounts***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the



account is zero.

NOTE: In determining the value of checking account and savings accounts, the HA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the HA will multiply the value of the account by the current rate of interest paid on the account.

### ***ABLE Accounts [24 CFR 5.609(b)(10) as updated for HOTMA; Notice PIH 2019-09]***

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The HA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

### ***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

NOTE: In determining the market value of an investment account, the HA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known.

For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings).

When the anticipated rate of return is not known (e.g., stocks), the HA will calculate asset income based on the earnings for the most recent reporting period.

### ***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

NOTE: In determining the equity, the HA will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The HA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the HA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The HA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value minus the balance of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

NOTE: For the purposes of calculating expenses to convert to cash for real property, the HA will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

NOTE: In the case of capital investments owned jointly with others not living in a

family's unit, a prorated share of the property's cash value will be counted as an asset unless the HA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

***Trusts [24 CFR 5.609(b)(2) as updated for HOTMA]***

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account. Typically, special needs trusts are considered irrevocable. Irrevocable trusts not under the control of any member of the family are excluded from net family assets. The value of the trust continues to be excluded from net family assets so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4) as updated for HOTMA]. Further, where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. The PHA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables (\$50,000 for 2024, and \$51,600 for 2025), and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).
- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.

- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

## ***Retirement Accounts***

### ***Company Retirement/Pension Accounts***

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26]. After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

### ***IRA, Keogh, and Similar Retirement Savings Accounts***

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

## ***Personal Property***

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

NOTE: In determining the value of personal property held as an investment, the HA will use the family's estimate of the value. The HA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal. Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

NOTE: Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

## ***Life Insurance***

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the

family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

#### **H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME [24 CFR 982.516]**

##### **Childcare Expenses**

*Childcare expenses* are defined (at 24 CFR 5.603(b)) as amounts anticipated to be paid by a family for the care of children under 13 (thirteen) years of age during the period for which annual income is computed if the care is necessary to enable a family member to seek employment, be gainfully employed or further his or her education.

Written verification from the person who receives the payments is required. If the childcare provider is an individual, he/she must provide a statement of the amount they are charging the family for their services.

Note: A general rule, childcare expenses deducted to permit employment may not exceed the amount of employment income included in annual income.

Verifications must specify the childcare provider's name, address, telephone number, social security number, the names of the children cared for, the number of hours the childcare occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Childcare expenses are deductible only to the extent that they:

- Are not reimbursed,
- Reflect reasonable charges for childcare

Verifying that an individual is "actively seeking work" include:

- Evidence that the individual is fulfilling welfare-to-work requirements or the requirements for receiving unemployment compensation,
- Written or oral verification from a local or state government agency that oversees work-related activities,
- If third-party verification is impossible, the PHA may verify that a family member is "actively seeking work" by 1 (one) or both of the following methods:
  1. Reviewing family-supplied documents,
  2. Obtaining a notarized statement from the family member attesting to his or her efforts to find employment

## **Medical Expenses**

### **Health and Medical Care Expenses Deductions [24 CFR 5.611(a)(3)(i) and 5.603(b) as updated for HOTMA]**

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The health and medical care expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a health and medical care expense deduction, the medical expenses of all family members are counted [VG, p. 28].

### **Definition of *Medical Expenses***

HUD regulations define *health and medical care expenses* at 24 CFR 5.603(b) (as updated for HOTMA) to mean “any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.” Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed.

Although HUD revised the definition of *health and medical care expenses* to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies to IRS Publication 502. PHAs must review each expense to determine whether it is eligible in accordance with HUD’s definition. While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable expenses, and the PHA may list examples of allowable expenses in their policy provided they comply with HUD’s definition at 24 CFR 5.603 as updated for HOTMA. The HA may not define *health and medical care expenses* more narrowly than the regulation.

**NOTE:** The HA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstances will the HA deduct any expenses listed in IRS Publication 502 that do not conform with HUD’s definition of *health and medical care expenses*.

<b>Summary of Typical Allowable Health and Medical Care Expenses</b>	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, and non-cosmetic	Psychiatric treatment
Services of medical facilities	
Hospitalization, long-term care, and in-home nursing services	

<p>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</p> <p>Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)</p> <p>Medical insurance premiums or the cost of a health maintenance organization (HMO)</p> <p>Medicare Part B and Part D premiums</p>	<p>Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502.</p> <p>The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</p> <p>The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.</p>
<p><b>Note:</b> This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.</p>	

Families who claim medical expenses will be required to sign a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by 1 (one) or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of:
  - (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and
  - (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 (twelve) months. A computer printout will be accepted.

If a health care provider does not respond to the request for verification of a medical expense, the PHA may review tenant provided documents.

### **Deduction for Elderly Families**

- An *elderly family* is defined as a family whose head, spouse, or co head is a person who is at least 62 (sixty-two) years of age. (24 CFR 5.403)
- The mandatory deduction for an elderly family is \$ 400.00 (four hundred). (24 CFR 5.611(a)(2))
- The documents needed to verify the deduction for an elderly family are the same documents that you would normally collect when admitting a family to the program such as the birth certificates and social security cards of all family members.
- These documents are used to verify the name, sex, social security number, and date of birth of each family member as well as the relationship of each member to the head of household.

### **Deduction for Disabled Families**

- A *disabled family* is defined as a family whose head, spouse, or co head is a person with disabilities. (24 CFR 5.403.)
- The mandatory deduction for a disabled family is \$ 400.00 (four hundred). (24 CFR 5.611(a)(2))
- The deduction for a disabled family that is receiving disability benefits from the Social Security Administration (SSA) may be verified:
  - Through HUD's Tenant Assessment Subsystem (TASS)
  - Enterprise Income Verification (EIV)
  - Through the SSA by phone with the disabled family member on the line
  - By viewing an original SSA notice provided by the disabled family member if third-party verification is not available
- The deduction for a disabled family that is not receiving SSA disability benefits may be verified in writing by a 3<sup>rd</sup> (third) party who is a qualified professional with knowledge of the person's disability status.
  - The professional may, but does not have to be, a doctor.
  - The verification form sent to the qualified professional will state the



regulatory requirements for qualifying as a person with disabilities.

For attendant care:

- A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
- Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency provides the services.
- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 (twelve) months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 (twelve) months.
- Receipts or other record of medical expenses incurred during the past 12 (twelve) months that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
- The PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

**Assistance to Persons with Disabilities** [24 CF 5.611©]

In All Cases:

- Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
- Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

- Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
- Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

- Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- In the case where the person with disabilities is employed, a statement from the doctor or employer that the auxiliary apparatus is necessary for employment.

## **I. VERIFICATION NON-FINANCIAL FACTORS**

### **Verification of Legal Identity**

In order to prevent program abuse, the PHA requires applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth,
- Naturalization papers,
- Church issued baptismal certificate,
- Current, valid driver's license,
- Current State ID,
- U.S. military discharge (DD 214),
- U. S. passport,
- Voter's registration,
- Department of Vehicles Identification Card,
- Hospital records

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth,
- Adoption papers,
- Custody agreement,
- Health and Human Services ID,
- School records

If none of these documents can be provided, a 3rd (third) party who knows the person may, at the 'HA's discretion, provide verification.

### **Verification of Marital Status**

- Verification of divorce status will be a certified copy of the divorce decree,

signed by a Court Officer,

- Verification of a separation may be a copy of court-ordered maintenance or other records,
- A copy of the marriage certificate.

### **Familial Relationships**

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

Verification of relationship-

- Official identification showing names,
- Birth Certificates,
- Baptismal certificates

Verification of guardianship is:

- Court-ordered assignment,
- Verification from social services agency stating head of household receives benefits on behalf of the minor child

### **Verification of Permanent Absence of Family Member**

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PHA will consider any of the following as verification:

- Husband or wife institutes divorce action,
- Husband or wife institutes legal separation,
- Order of protection/restraining order obtained by one family member against another,
- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available,
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location,
- If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated, and the offense charged.

If no other proof can be provided, the PHA will accept a self-certification from the head of household or

the spouse or co-head, if the head is the absent member.

### **Verification of Change in Family Composition**

The PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school, or Department of Motor Vehicles (DMV) records, and other sources.

### **Verification of Disability**

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

### **Verification of Citizenship/Eligible Immigrant Status** [24 CFR 5.508, 5.510, 5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PHA hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

The PHA will require citizens to provide documentation of citizenship.

Acceptable documentation will include at least 1 (one) of the following original documents:

- United States birth certificate,
- United States passport,
- Resident alien/ registration card,
- Social security card,
- Other appropriate documentation as determined by the PHA

Eligible Immigrants aged 62 (sixty-two) or over are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are

copied front and back and returned to the family. The PHA verifies the status through the INS Systematic Alien Verification for Entitlements (SAVE) system. If this primary verification fails to verify status, the PHA must request within 10 (ten) days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa, but their status will not be verified, and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide. If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

### **Time of Verification**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination/at the time of initial application.

The PHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

The PHA will verify U.S. citizenship/eligibility immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1988.

For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, the PHA must conduct the determination.

### **Verifying Citizenship and Eligible Immigration**

- The regulations governing the submission of evidence of citizenship or eligible immigration status are located at 24 CFR 5.508.
- Further guidance is provided in HUD guidebook 7465.7, *Restrictions on Assistance to Noncitizens*.

### **SUMMARY**

- PHAs are the final judge of what constitutes adequate and credible verification.

- If the PHA staff doubt the reliability of any information received, they should request additional information and documentation.
- PHA staff is not required to accept information simply because it is offered.

### **Extension of Time to Provide Documents**

#### **1. Extensions of time to submit evidence of eligible status**

The PHA can extend the time to submit evidence of eligible immigration status if the family member:

Submits the declaration required under 5.508 (a) certifying that any person for whom required evidence has not been submitted is a noncitizen with eligible immigration status and,

Certified that the evidence needed to support a claim of eligible immigration status is temporarily unavailable, additional time is needed to obtain and submit the evidence, and prompt and diligent efforts will be undertaken to obtain the evidence.

#### **2. 30 (Thirty) day extension period**

Any extension of time, if granted, shall not exceed thirty days. The additional time provided should be sufficient to allow the individual the time to obtain the evidence needed. The responsible entity's determination of the length of the extension needed shall be based on the circumstances of the individual case.

#### **3. Grant or denial of extension to be in writing**

The responsible entity's decision to grant or deny an extension should be in writing.

### **Acceptable Documents of Eligible Immigration**

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (1-551)
- Alien Registration Receipt Card (1-151)
- Arrival-Departure Record (1-94)
- Temporary Resident Card (1-688)
- Employment Authorization Card (1-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept 5 (five) years.

The PHA will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list. If the PHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated with a 30 (thirty) day notice to the family and landlord.

**Verification of Social Security Numbers** [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members age 6 (six) and over if they have been issued a number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the documents listed below showing his or her social security number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the social security card information provided is/are complete and accurate:

- A driver's license,
- Identification card issued by a Federal, State, or local agency,
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid),
- An identification card issued by an employer or trade union Earnings statements or payroll stubs,
- Bank Statements,
- IRS Form 1099,
- Benefit award letters from government agencies,
- Retirement benefit letter,
- Life insurance policies,
- Court records such as real estate, tax notices, marriage and divorce, judgment, or bankruptcy records,
- Verification of benefits or social security number from Social Security Administration

New family members age 6 (six) and older will be required to produce their social security card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the PHA.

If an applicant or participant is able to disclose the social security number but cannot

meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by the PHA. The applicant/participant or family member will have an additional 10 (ten) days to provide proof of the social security number. If they fail to provide this documentation, the family's assistance will be terminated. In the case of an individual at least 62 (sixty-two) years of age, the PHA may grant an extension for an additional 60 (sixty) days to a total of 120 (one hundred twenty) days. If at the end of this time, the elderly individual has not provided documentation the family's assistance will be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

### **Medical Need for Larger Unit**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.



## Chapter 8

### VOUCHER ISSUANCE AND BRIEFINGS

[24 CFR 982.301, 982.302]

#### **INTRODUCTION**

The 'HA's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefits while complying with program requirements. When eligibility has been determined, the PHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, PHA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

#### **A. ISSUANCE OF VOUCHER [24 CFR 982.204(d), 982.54(d)(2)]**

When funding is available, the PHA will issue vouchers to applicants whose eligibility has been determined. The number of vouchers issued must ensure that the PHA stays as close as possible to 100 (one hundred) percent lease-up. The PHA performs a monthly calculation electronically to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent the PHA can over-issue (issue more vouchers than the budget allows to achieve lease up).

The PHA may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers which are over-issued must be honored if funding is available and/or accessible. If the PHA finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

Participants must register to use Assistant Check and utilize as the primary, electronic source of transmitting data/ information in lieu of paper and postal mail.

**New participants** enrolled after **April 27, 2020**, must be in compliance at the time of enrollment and existing participants must be in compliance by **September 30, 2020**.

#### **B. BRIEFING TYPES AND REQUIRED ATTENDANCE [24 CFR 982.301]**

##### **Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. In-person briefings may be conducted at the discretion of the agency and its personnel. Briefings may be conducted virtually through teleconference or Webex by Housing Specialists. Materials may also be made available and/or provided online

or uploaded through Assistance Check. Briefings will be conducted in English; however, upon request, briefings can also be conducted in Spanish.

The purpose of the briefing is to explain how the program works and the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

The PHA will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. All household members 18 (eighteen) years of age and older must attend a briefing. Applicants who provide prior notice of inability to attend briefing will be scheduled for the next briefing. Applicants who miss the 2nd (second) appointment and proved the PHA with acceptable verification of the emergency or urgency may be given a third appointment. After the 3rd (third) appointment is missed, the applicant may be denied admission based on failure to supply information needed for certification and/or be removed from the waiting list and required to re-apply. Failure of an applicant to participate in two scheduled briefings shall result in withdrawal of his/her application from the waiting list. The applicant will be notified of such withdrawal and determination of ineligibility and of his/her right to an informal review. The PHA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

**Briefing Packet** [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. The family is provided with the following information and materials.

- The form the family must use to request approval of tenancy, and a description of procedure for requesting approval for a tenancy.
- The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with Housing Quality Standards (HQS).
- The HUD pamphlet on lead-based paint entitled *"Protect Your Family from Lead in Your Home"*.
- Information on Federal, State, and local equal opportunity laws and a copy of the Housing discrimination complaint form. The PHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines.
- A list of landlords or other parties willing to lease to assisted families or help in the search of known units available for the voucher issued. The list includes landlords or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration. In addition, the Housing Agency will make available, upon request, a map outlining those areas within its jurisdiction, areas of high poverty/minority concentration.

The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.

- PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

*The 'HA's security deposit policy.*

If applicable, the PHA should explain its security deposit policy. 'HA's may choose to develop policies that limit the security deposit to no more than an amount commonly charged in a private or to no more than the owner charges to unassisted tenants. Other than this, however, the PHA cannot place any restrictions on the security deposit amount charged by owners.

**Contents of Briefing Packet**

The information packet that families selected to participate in the housing choice voucher program receive for the briefing must include the following information:

- Terms of the voucher.
- PHA policy on extensions or suspensions of the voucher term and procedures for requesting an extension. Information on the payment standard, including any exception payment standards, and the 'HA's utility allowance schedule.
- Explanation of how the PHA determines the maximum rent for the unit (rent reasonableness).
- Explanation of portability.
- HUD tenancy addendum.
- The form for requesting tenancy approval and an explanation on how to request such approval.
- PHA policy on providing information about a family to prospective owners.
- PHA subsidy standards including any exceptions to these standards.
- HUD brochure on selecting a unit.
- List of owners or others (e.g., real estate agents) who may agree to lease a unit to the family or help the family find a unit.
- Notice stating that, if the family includes a person with disabilities, the family may request a current listing of potentially available accessible units known to the PHA. Also, the family is informed the right to request an exception payment standard when needed as a reasonable accommodation.

- Obligations of the family under the Housing Choice Voucher Program.
- Grounds for which the PHA may terminate the family's assistance.
- Informal hearing process and how to request one.
- Information on computing the housing assistance payment

'HA's must provide families with an explanation of the calculations that determine the maximum subsidy and how much rent a family will have to pay. It is impossible to tell a family exactly how much it will have to pay in rent and utilities until after the PHA approves the selected unit. This is because the family's share depends upon the amount the owner is charging for the selected unit. Nonetheless, it is very important that a family begin its housing search with a general understanding of how much it can afford and the maximum it will be allowed to pay in rent and utilities.

The formulas for calculating rent and subsidy are complex. Explaining rent and subsidy terms and formulas as simply and clearly as possible should be a key concern. To help families narrow their search to units in an affordable price range, the PHA should provide a clear definition for each of the following terms at the briefing; then, the PHA should give each family the corresponding amount from the family's own income and rent calculation:

- **Total Tenant Payment (TT-)** - The minimum amount a family will have to pay for rent and utilities. This figure is the greatest of:
  - 30 (thirty) percent of monthly adjusted income,
  - 10 (ten) percent of monthly income, the welfare rent is as-paid states, or the PHA minimum rent (or special minimum rent for enhanced voucher).
- **Maximum initial rent burden.** The maximum amount the family is allowed to pay for rent and utilities at initial leasing of unit under the voucher program. If rent for the unit exceeds the PHA payment standard, this figure is 40 (forty) percent of monthly adjusted income.
- **Maximum Subsidy.** The maximum amount the PHA will pay the owner on the family's behalf. This figure is obtained by subtracting the TTP from the payment standard.

The briefing package should clarify that, if the gross rent (rent plus utilities) for the unit selected is above the payment standard, the family share must be the TTP plus any amount the gross rent exceeds the payment standard. If this figure exceeds the maximum initial rent burden, the unit cannot be approved. If the amount of gross rent is below the payment standard, the subsidy is reduced accordingly.

A map of the PHA's jurisdiction showing various areas with housing opportunities and

other housing market information. Housing market information should not be limited to exception rent areas. In order to encourage de-concentration and promote housing opportunity, the PHA should provide housing market information, maps for other PHA jurisdictions in the same general market area, and a list of PHAs in neighboring jurisdictions including addresses, telephone numbers, and the name of the contact person for portability. Maps are particularly useful in urban areas to indicate the agency's jurisdiction, public transportation system, locations of employment opportunities, schools, hospitals, day care centers, shopping areas and other public facilities relevant to housing choice. Note that making this information available to families is a requirement for SEMAP INDICATOR 7, Expanding Housing Opportunities.

### ***Other Briefing Packet Items***

In addition to items required by the regulations, PHAs may wish to include supplemental materials to help explain the program to both participants and owners. Examples of supplemental materials for consideration include:

- Brochures to explain the Housing Choice Voucher Program to owners.
- Form HUD-52641, Housing Assistance Payments Contract for the Housing Choice Voucher Program.
- Description of the 'HA's security deposit policy. The PHA will let the state law govern the security deposit collected by the owner unless the deposits are in excess of the private market practice or amounts charged by the owner to unassisted tenants.
- Requirements for notifying the PHA of any changes in income.
- List of units known to be available for rent. Such a list is only useful if it is up to date. In smaller, less active rental markets, the PHA will be able to maintain a rental list more easily. The list should be made available to all families and should include units outside areas of low-income or minority concentration. Units placed on the list may be pre-inspected by the PHA to determine that they meet housing quality standards and rent reasonableness. If the units have not been approved, the PHA should emphasize to the family that the units are not pre-approved. In larger markets and areas with low vacancy rates, a list of owners who have indicated their interest in participating in the program may prove to be more useful since any identified vacant unit may be rented before its availability can be advertised to voucher holders.

### **C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION**

At the briefing, families are encouraged to search for housing in non-impacted areas and the PHA will provide assistance to families who wish to do so.

The PHA has maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

The PHA will investigate and analyze when voucher holders are experiencing difficulties locating or

obtaining housing units outside areas of concentration.

The assistance provided to such families includes:

- Direct contact with landlords,
- Counseling with the family,
- Providing information about services in various non-impacted areas,
- Formal or informal discussions with landlord groups,
- Formal or informal discussions with social service agencies
- Meeting with rental referral companies or agencies,
- Meeting with fair housing groups or agencies

**D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION**

The PHA will give participants a copy of HUD form 903 to file a complaint.

**E. SECURITY DEPOSIT REQUIREMENTS** [24 CFR 982.313]

The owner is not required to, but may collect a security deposit from the tenant. Security deposits charged to families may be any amount the owner wishes to charge, as long as the security deposit charged by the owner does not exceed those charged to unassisted tenants or the maximum prescribed by state or local law.

For lease-in place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

**F. TERM OF VOUCHER** [24 CFR 982.303, 982.54(d)(11)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the PHA and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

**Expirations**

The voucher is valid for a period of at least 60 (sixty) calendar days from the date of issuance. The family must submit a RFTA and an unsigned copy of the lease within the 60 (sixty) day period unless an extension has been granted by the PHA.

If the voucher has expired, and has not been extended by the PHA or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

### **Extensions**

A family may request a written request for an extension of the voucher time period. All requests for extensions must be received prior to the expiration of the voucher. Extensions are permissible at the discretion of the PHA, up to a maximum of an additional 60 (sixty) days primarily for these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time that has affected the family's ability to find a unit within the initial 60 (sixty) day period. Verification is required.
- The PHA is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the PHA, throughout the initial (60) (sixty) day period. A completed search record is required.
- The family was prevented from finding a unit due to disability accessibility requirements or large size bedroom unit requirement. The Search Record is part of the required verification.

### **Assistance to Voucher Holders**

Families who require additional assistance during their search may call the PHA Office to request assistance. Voucher holders will be notified at their briefing session that the PHA periodically updates the book listing of available units and that the updated book list is always available in the lobby.

The PHA will assist families with negotiations with owners and provide other assistance related to the families search for housing.

### **G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS** [24 CFR 982.315]

In those instances, when a family assisted under the HCVP becomes divided into two otherwise eligible families due to a divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Housing Services Manager shall consider the following factors to determine which of the families will continue to be assisted.

- Which of the 2 (two) new family units has custody of dependent children.

- Which family member was the head of household when the voucher was initially issued (listed on the initial application).
- The composition of the new family units, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties. If documentation is not provided, the PHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

#### **H. REMAINING MEMBER OF TENANT FAMILY — RETENTION OF VOUCHER** [24 CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit. A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the family.

In order for a minor child to continue to receive assistance as a remaining family member:

The court has to have awarded emancipated minor status to the minor, or The PHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child/children for an indefinite period. A reduction in family size may require a reduction in the voucher family unit size.

**A remaining member of the household is required to attend an orientation/briefing and complete the necessary documents including the family obligations form.**



## Chapter 9

### REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

[24 CFR 982.302]

#### **INTRODUCTION** [24 CFR 982.305(a)]

The 'HA's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. The 'HA's objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of the PHA, or outside of the 'HA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments (HAP) Contract with the PHA. This chapter defines the types of eligible housing, the 'HA's policies, which pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RFTA).

#### **A. REQUEST FOR TENANCY APPROVAL** [24 CFR 982.302, 982.305(b)]

The Request for Tenancy Approval (RFTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family during the term of the voucher. The family must submit the RFTA in the form and manner required by the PHA, including any extension.

The RFTA must be signed by both the owner and voucher holder. The PHA will not permit the family to submit more than one RFTA at a time.

NOTE: 1) If a participant/ family **does not** move out by the agreed upon date or by the last day of the month, the participant will be responsible for paying the **full rental amount** to the owner while remaining in occupancy.

- 2). Participants who take possession/ move into a unit prior to the authorization of the agency will be responsible for pro-rated and/or full month's contracted rent to the owner until the agency approves tenancy and a HAP contract executed with the owner.
- 3). RFTA's that remain pending due to non-repairs will be voided after 60 (sixty) days if inspection and/or agency personnel have not received feedback from the owner and/or the participant specifically regarding the required repairs.

Inspection personnel will archive the information and occupancy staff will void the RFTA and re-issue a new RFTA to the family (if the family has remaining time to search on their voucher).

- 4). Multiple requests to void an original notice to move/ vacate a unit will not be approved; however, a participant may submit one request for a void notice to move.

Participants who have not located a new unit after an additional request to void a notice to move, and remain in occupancy in the unit will be responsible for full contracted rent to the owner.

The PHA will review the proposed lease and the RFTA documents to determine whether or not they are approvable. The request will be approved if:

- The unit is an eligible type of housing.
- The unit meets 'UD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan)
- The rent is reasonable.
- The security deposit is approvable in accordance with any limitations in this plan.
- The proposed lease complies with HUD and PHA requirements and includes the HUD Lease Addendum. (See "Lease Review" section below).
- The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval" section below).

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and move), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 (forty) percent of the family monthly adjusted income (See Owner Rents, Rent Reasonableness and Payment Standards chapter of this Administrative Plan).

### **Disapproval of RFTA**

If the PHA determines that the request cannot be approved for any reason, the landlord and the family will be notified in writing. The PHA will instruct the owner and family of the steps that are necessary to approve the request. When, for any reason, an RFTA is not approved, the PHA will furnish another RFTA form to the family so that the family can continue to search for eligible housing.

### **B. ELIGIBLE TYPES OF HOUSING**

The following types of housing may be utilized in the Voucher program (unless designated otherwise):

- All structure types can be utilized, including but not limited to single family, duplex, triplex, fourplex, garden apartments, townhouses, and high rises;

- Manufactured homes where the tenant leases the mobile home and the pad;
- Manufactured homes where the tenant owns the mobile home and leases the pad;
- Independent Group Residences; and,
- Congregate Housing.

A Section 8 tenant may not be related by blood or marriage to the owner of the unit they rent under the Section 8 program. Exceptions may only be granted in rare cases as a reasonable accommodation for a person with disabilities who requires a specially modified unit, and such a unit is only available from a relative. In no case is a Section 8 tenant permitted to rent a unit from a relative if the relative also lives in the unit. Therefore, the owner must provide verification that they do not live in the unit to be assisted through the Section 8 program. Verification of family status will be requested and required to be submitted to the agency.

The PHA may not permit a voucher holder to lease a unit which is receiving project-based Section 8 assistance or any duplicative rental subsidies.

### **C. LEASE REVIEW [24 CFR 982.308]**

The PHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA.

The family and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants on the premises. The terms and conditions of the lease must be consistent with state and local law.

The lease must specify:

- The names of the owner and tenant
- The address of the unit rented (including apartment number, if any)
- The amount of the monthly rent to owner
- The utilities and appliances to be supplied by the owner
- The utilities and appliances to be supplied by the family.

The lease must include word-for-word, all provisions of the lease addendum required by HUD. Effective September 15, 2000, the owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must provide that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate tenancy.

The lease must also provide that owner may evict family when the owner determines that:

- Any household member is illegally using a drug; or
- A pattern of illegal use of drug by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

The lease must provide that the following types of criminal activity by a "covered person" are grounds to terminate tenancy:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises),
- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises,
- Any violent criminal activity on or near the premises by a tenant, household member, or guest,
- Any violent criminal activity on the premises by any other person under the tenant's control.

The lease must provide that the owner may terminate tenancy if a tenant is:

- Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees; or
- Violating a condition of probation or parole imposed under federal or state law.

House Rules of the owner may be attached to the lease as an addendum, provided they are approved by the PHA to ensure they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

### **Actions Before Lease Term**

All of the following must always be completed before the beginning of the initial term of the lease for a unit:

- The PHA has inspected the unit and has determined that the unit satisfies the HQS,
- The PHA has determined that the rent charged by the owner is reasonable,
- The landlord and the tenant have executed the lease, including the HUD prescribed tenancy addendum,

- The PHA has approved leasing of the unit in accordance with program requirements, and
- When the gross rent exceeds the applicable payment standard for the family, the PHA must determine that the family share (Total Tenant Payment) will not be more than 40 (forty) percent of the family's monthly adjusted income.

**NOTE:** RFTA's that have been approved by the agency and have passed HQS compliance that remains pending and not under a HAP contract will be voided after 30 (thirty) days from the date the unit was approved and/or met compliance expectations (whichever is the latter) and will not be extended after 30 (thirty) days.

#### **D. SEPARATE AGREEMENTS**

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease. The family is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the PHA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher, or garage) or are permanently installed in the unit, cannot be put under separate agreement, and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance, or other item.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed. All agreements for special items or services must be attached to the lease approved by the PHA. If agreements are entered into at a later date, they must be approved by the PHA and attached to the lease.

The PHA will not approve separate agreements for modifications to the unit for person with disabilities. The modifications are usually considered with the dwelling and are critical to the use of the dwelling.

#### **H. INITIAL INSPECTIONS** [24 CFR 982.305(a) & (b)]

See "Housing Quality Standards and Inspections" chapter of this Administrative Plan.

#### **I. RENT LIMITATIONS** [24 CFR 982.507]

The PHA will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market, and the

rent charged by the owner for a comparable unassisted unit in the building or premises. By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner is required to provide the PHA with information requested on rents charged by the owner on the premises or elsewhere. At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by the PHA.

**J. DISAPPROVAL OF PROPOSED RENT** [24 CFR 982.502]

If the proposed gross rent is not reasonable, at the family's request, the PHA will negotiate with the owner to reduce the rent to a reasonable rent if the rent is not affordable because the family share would be more than 40 (forty) percent of the family's monthly adjusted income, the PHA will negotiate with the owner to reduce the rent to an affordable rent for the family. At the family's request, the PHA will negotiate with the owner to reduce the rent or include some or all of the utilities in the rent to owner.

If the rent can be approved after negotiations with the owner, the PHA will continue processing the RFTA and lease. If the revised rent involves a change in the provision of utilities, a new RFTA must be submitted by the owner or the file will be documented.

If the owner does not agree on the rent to owner after the PHA has tried and failed to negotiate a revised rent, the PHA will inform the family and owner that the lease is disapproved. Provided the voucher has not expired, to include extensions, the family shall continue to locate eligible housing.

If the agency deems the participant ineligible for the unit and/or the unit does not meet HQS compliance expectations and the participant takes possession/ moves into the unit, the participant will be responsible for the pro-rated and/or full month's contracted rent to the owner. The participant must then decide to remain in the unit and forfeit the voucher or move to maintain the voucher and assistance.

**K. INFORMATION TO OWNERS** [24 CFR 982.307(b), 982.54(d)]

In accordance with HUD requirements, the PHA will furnish prospective owners with the family's current address as shown in the PHA's record and, if known to the PHA, the name and address of the landlord at the family's current and prior address. The PHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

The PHA will inform the owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

A statement of the PHA's policy on release of information to prospective landlords will be included in the briefing packet, which is provided to the family.

**L. OWNER DISAPPROVAL** [24 CFR 982.306] See Chapter on "Owner Disapproval and

Restriction."

**M. CHANGES IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE**

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified, and the total family share will be recalculated. The family will be required to pay the original quoted "TTP for the purpose of qualifying for that unit size for the 1st (first) contract month.

The newly calculated TTP will become effective the 1st (first) month following the reported change. \* If the family does not report any change, the PHA need not obtain new verifications before signing the HAP contract, even if verifications are more than 60 (sixty) days old.

\*NOTE: This only applies to new admissions and moving with continued assistance that have submitted a request for Tenancy Approval, and the proposed rent does not exceed the 40 (forty) percent rent limitation.

**N. CONTRACT EXECUTION PROCESS [24 CFR 982.305(c)]**

The PHA prepares the HAP Contract and lease for execution. The family and the owner will execute the lease agreement, and the owner and the PHA will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents. The PHA will retain a copy of all signed documents.

The PHA makes every effort to execute the HAP contract before the commencement of the lease term. The HAP contract may not be executed more than 60 (sixty) days after commencement of the lease term and no payments will be made until the contract is executed.

The following PHA representative(s) are authorized to execute a contract on behalf of the PHA: Director of Housing Assistance Programs or their designee.

Owners must register to use Assistant Check and utilize as the primary, electronic source of transmitting data/ information in lieu of paper and postal mail.

**New participating property owners** enrolled after **April 27, 2020**, must be in compliance at the time of enrollment and existing **property owners** must be in compliance by **September 30, 2020**.

Owners must provide the current address of their residence. A Post Office box may be used as an alternate mailing address.

NOTE:

If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit address.

Owners must provide a federal tax ID number or social security number.

Owners must also submit proof of ownership of the property, such as grant deed or tax bill. If requested by the PHA. A copy of the management agreement if the property is managed by a management for multifamily properties the TAAS lease will be used for this purpose. Must be submitted if requested by the PHA.

The owner must provide a home telephone number and business number if applicable.

Unless their lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister, or brother of any family member. The PHA will waive this restriction as a reasonable accommodation for a family member who is a person with disabilities.

#### **O. CHANGE IN OWNERSHIP**

See "Owner Disapproval and Restriction" chapter.



## **Chapter 10**

### **HOUSING QUALITY STANDARDS AND INSPECTIONS**

[24 CFR 982.401]

#### **INTRODUCTION**

THA will update inspections policies and protocols to comply with the National Standards for the Physical Inspection of Real Estate (NSPIRE) upon further implementation guidance from HUD and upon THA's adoption and implementation of NSPIRE.

Owners must maintain all units occupied by families receiving Housing Choice Voucher (HCV) assistance in accordance with housing quality standards. Units assisted under the program must comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) regulations and standards no later than October 1, 2025. Until such time, the PHA may continue using the HQS inspection standards.

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the contract, and at other times as needed, to determine that the unit meets HQS.

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

The PHA will inspect each unit under contract at least biennially. The PHA will also have the Inspection Supervisor or Code Enforcement Officer/Housing Inspector perform quality control inspections on the number of files required for file sampling by SEMAP annually to maintain the PHA's required standards and to assure consistency in the PHA's program. This chapter describes the PHA's procedures for performing HQS and other types of inspections, and PHA standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and PHA requirements. (See additions to HQS).

#### **A. GUIDELINES/TYPES OF INSPECTONS** [24 CFR 982.401(a) 982.405]

The PHA has adopted local requirements of acceptability in addition to those mandated by the HUD Regulations. Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards. The PHA will not promote any additional acceptability criteria which are likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

All utilities must be in service prior to the inspection. Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying. It is suggested that owners have the

initial responsibility to have utilities in service prior to an initial inspection. If the utilities are not in service at the time of inspection, the inspector will notify the tenant or owner (whomever is responsible for the utilities according to the RFTA) to have the utilities turned on and the inspector will schedule a re-inspection or if utility service is not available for testing at the time of the initial inspection, the agency may allow the utilities to be placed in service after the unit has met all other HQS requirements. The agency will re-inspect the unit to confirm that utilities are operational before the HAP contract is executed by the agency.

Owners may be subject to a set trip fee for units that have been scheduled for initial and/or re-inspections but are not inspection-ready upon the inspector's arrival. The fee, for multiple trips, may be billed directly to the owner (or managing company) or adjusted from the owner's monthly or mid-month Housing Assistance Payment remittance.

**NOTE:** Tenants who are responsible for turning on utility services prior to or at the time of initial inspection should be reimbursed all incurred and associated connection fees by the owner should the owner cancel the RFTA or if the unit fails the initial inspection, resulting in the cancellation of the RFTA.

If the tenant is responsible for supplying the stove and/or the refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has passed all the other HQS. The PHA will conduct a follow-up inspection on the move-in date.

There are 5 (five) types of inspections the PHA will perform:

1. Initial/Move-in:

Conducted upon receipt of RFTA.

2. Annual:

Must be conducted within 12 (twelve) months of the last annual inspection.

3. Special/Complaint:

At request of owner, family, or an agency or third-party.

4. Quality Control:

This is a percentage of inspections performed on units previously inspected by both the Housing Inspectors and the Housing Inspector Supervisor. These inspections are performed by HA inspection staff other than the inspector who initially inspected the unit.

5. Biennial Inspections:

Must be conducted within 24 (twenty-four) months of the last annual inspection.

*NOTE (NOTICE PIH 2020-13 (HA), REV-1): The PHA has the flexibility to choose technology to perform inspections. The technology must allow the HQS inspectors to see everything needed and have enough clarity to perform the inspection remotely.*

Onsite inspections may be conducted at the discretion of the agency and its inspection personnel.

## **B. INITIAL HQS INSPECTION [24 CFR 982.401(a) 982.305 (b) (2)]**

### **Timely Initial HQS Inspection**

The PHA will inspect the unit, determine whether the unit satisfies the HQS and notify the family and owner of the determination within 7 (seven) to 10 (ten) business days after the family and the owner have submitted a request for tenancy approval. The same 7 (seven) to 10 (ten) business day clock will be suspended during any period when the unit is not available for inspection.

The PHA will include "date unit available for inspection" on the RFTA form. This date will determine whether the PHA will be required to meet the same 7 (seven) to 10 (ten) business day requirement or whether the PHA will suspend the same 7 (seven) to 10 (ten) business day period because the unit is not available for inspection until after same 7 (seven) to 10 (ten) business day period.

The PHA will inspect the unit, determine whether the unit satisfies the HQS and notify the family and owner of the determination within 15 (fifteen) days unless the Inspections Supervisor or designee determines that it is unable to do so in the stated timeframe, in which case the file will be appropriately documented.

The PHA will make every reasonable effort to conduct initial HQS inspections for the family and owner in a manner that is time efficient and indicative of good customer service.

The Initial Inspection will be conducted to:

- Determine if the unit and property meet the HQS defined in this Plan,
- Document the current condition of the unit as to assist in the future evaluations whether the condition of the unit exceeds normal wear and tear,
- Document the information to be used for determination of rent-reasonableness.

If the unit fails the initial HQS inspection, the owner will be advised to notify the PHA once repairs are completed.

On an initial inspection, the owner will be given up to 20 (**twenty**) days to correct the items noted as fail, at the inspector's discretion, depending on the amount and complexity of work to be done. The owner will be allowed up to 2 (two) re-

inspections for repair work to be completed not to exceed 30 (thirty) days from the day of the initial inspection.

If the time period given by the inspector to correct the repairs has elapsed, or the maximum number of failed re-inspections has occurred, the family must select another unit.

### **C. ANNUAL / BIENNIAL HQS INSPECTIONS**

Annual/ Biennial Remote Video Inspections (RVI) may be conducted by THA on all units that have previously passed 2 (two) consecutive, physical (onsite) annual/ biennial inspections or THA may conduct a physical inspection at the discretion of the agency and/or inspection personnel.

The PHA conducts an inspection in accordance with HQS at least biennially, 30 (thirty) - 90 (**ninety**) days prior to the last annual inspection, so that the inspections are conducted at least annually, as required by SEMAP. Special inspections may be scheduled between anniversary dates.

HQS deficiencies which cause a unit to fail must be corrected. Responsibility to correct all deficiencies must be performed by the landlord and/or the tenant based on items specified in the failure report.

The family must allow the PHA to inspect the unit at reasonable times with reasonable notice. [24 CFR 982.551(d)]

Inspections will be conducted on business days only. Reasonable hours to conduct an inspection are between 8:00 a.m. and 5:00 pm.

The PHA will notify the family in writing or by phone at least 5 (five) days prior to the inspection.

#### **Inspection:**

The family is notified of the date and time of the inspection appointment through Assistance Check and/or by mail or phone. The owner will be notified via Assistance Check from Housing Pro Software of all inspection notifications. If the family does not contact the PHA to reschedule the inspection, or if the family misses 2 (two) inspection appointments, the PHA will consider the family to have violated a family obligation and their assistance will be terminated in accordance with the termination procedures in the plan.

#### **Re-inspection:**

The family and owner are provided a notice of the inspection appointment through Assistance Check and/or by mail. If the family is not at home for the re-inspection appointment, a card will be left at the unit with instructions to call the office to re-schedule.

The family is also notified that it is a family obligation to allow the PHA to inspect the unit. If the family was responsible for a breach of HQS identified in the "Denial or

Termination of Assistance" chapter of this Administrative Plan, they will be advised of their responsibility to correct.

#### Self-Certification Letter:

The PHA will require voucher holders and/or owners to sign a self-certification letter along with a vendor receipt and/or photos of item(s), for proof of repairs in response to deficiencies that did not pass HQS inspection for annual and special inspections. Items will be verified upon the next scheduled visit to the unit. A termination of owner and/or voucher holder may be issued if verification is found to be falsified. A re-inspection will be required for all deficiencies found during initial inspections. The PHA will require a pre-inspection checklist for landlords to review and sign prior to all initial inspections. The pre-inspection checklist contains a list of items that are more likely to fail HQS during the initial inspection. Under the homeownership option, PHA will conduct only pre-contract inspections.

*NOTE: Alternative Inspection option (NOTICE PIH 2020-13 (HA), REV-1):*

*Under this waiver and alternative requirement, the PHA may commence assistance payments at the beginning of the lease term based on the alternative inspection and the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question. At minimum, the PHA must require this owner certification. The PHA may add other requirements or conditions in addition to the owner's certification but is not required to do so. The PHA must conduct the HQS inspection for the unit for which it has commenced assistance payments under this waiver authority as soon as reasonably possible but no later than the 1 (one)- year anniversary date of the owner's certification.*

#### **Time Standards for Repairs**

Duty to inspect: PHA will inspect a unit when a participant family or government official reports a condition that violates HQS. If the condition is life threatening, PHA must inspect the unit within 24 (twenty-four) business hours of when the PHA receives the notification. If the condition is not life-threatening PHA must inspect the unit within 15 (fifteen) days of when the PHA receives the notification. In the event of extraordinary circumstances, such as if a unit is within a presidentially declared disaster area or if a natural or manmade disaster makes inspection of a unit infeasible, HUD may waive the 24 (twenty-four) hour or the 15 (fifteen) day inspection requirement until such time as an inspection can be made. In such circumstances, a PHA must submit a waiver request to its local HUD field office, stating the regulation from which a waiver is requested and including an explanation of why it is needed.

For major repairs, Housing Service Manager or designee may approve an extension beyond 30 (thirty) days.

#### **Rent Increases**

Rent to owner increases may not be approved if the unit is in failed condition.

#### **D. VERIFYING HQS DEFICIENCIES REMOTELY FOR ANNUAL AND INTERIM INSPECTIONS**

If the PHA determines that a unit does not meet HQS requirements during an annual or interim inspection, the PHA will require an owner's/tenant certification, a receipt from a vendor, a photo of the repair or tenant confirmation that the required repairs are complete and then verify that action at the next on-site inspection. The PHA will conduct follow-up on-site inspections if the unit does not pass HQS pursuant to the initial inspection

#### **E. SPECIAL/COMPLAINT INSPECTIONS** [24 CFR 982.405 (c)]

If at any time the family or owner notifies the PHA that the unit does not meet HQS, the PHA will conduct an inspection. The PHA may also conduct a special inspection based on information from third parties such as neighbors or public officials.

The PHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.

If the annual inspection date is within 120 (one hundred twenty) days of a special inspection, and as long as all items are inspected that are included in an annual inspection, the special inspection will be categorized as an annual and all annual procedures will be followed.

#### **F. QUALITY CONTROL INSPECTIONS** [24 CFR 982.405 (b)]

Quality Control inspections will be performed by the Inspection Supervisor or designee on the number of files required by SEMAP. The purpose of quality control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS.

The sampling of files will include recently completed inspections (within the prior 3 (three) months), a cross-section of neighborhoods, and cross-section of inspectors.

#### **G. ANNUAL INSPECTIONS**

An Annual Inspection will be performed between 9 (nine) and 12 (twelve) months following an Initial Inspection. All subsequent inspections will be performed on a Biennial basis.

#### **H. BIENNIAL INSPECTIONS**

The PHA will conduct biennial inspections.

#### **I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS** [24 CFR 982.401(a)]

The PHA adheres to the acceptability criteria in the program regulations and the HUD inspection booklet with the additions described below.

Closets will no longer be required for sleeping rooms.

## **Additions**

### **Walls:**

In areas where plaster or drywall is sagging, severely cracked or otherwise damaged, it must be repaired or replaced.

Any exterior or interior surfaces with peeling or chipping paint must be scraped and painted with two coats of unleaded paint or other suitable material.

### **Windows:**

All windows sashes must be in good condition, solid and intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced. Windows must be weather-stripped as needed to ensure a watertight seal. Window screens must be in good condition. Applies only if screens are present. Any room for sleeping must have a window that's openable if they were designed to be opened and leading to the exterior of unit into a public street, public alley, yard or courtyard for emergency escape and rescue.

### **Doors:**

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold. All interior doors must have no holes, have all trim intact, and be operable without the use of a key. All exterior doors must meet the Texas Security Device Code.

### **Floors:**

All wood floors must be sanded to smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced. All floors must be in finished state (no plywood).

### **Security:**

If window security bars or security screens are present on emergency exit window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

### **Bedrooms:**

Bedrooms in basements or attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability. Minimum bedroom ceiling height is 7'6" (seven feet, six inches) or local code, whichever is greater. Sloping ceilings may not slope to lower than five feet in the 70 (seventy) square foot area.

### **Pools:**

All single-family homes with pools must be clean, sanitary, secured and enclosed

with a safety fence minimum height of 48" (forty-eight inches) and a gate latch must be equipped with self-closing latch mechanism to ensure safety. All pools must comply with local codes.

#### Modifications

Modifications or adaptations to a unit due to a disability must meet all applicable HQS and building codes.

Extension for repair items not required by HQS will be granted for modifications/adaptations to unit if agreed to by the tenant and landlord. PHA will allow execution of the HAP contract if unit meets all requirements and the modifications do not affect the livability of the unit.

#### **J. EMERGENCY REPAIR ITEMS [24 CFR 982.404(a)]**

The following items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 (twenty-four) hours of notice by the inspector:

- Lack of security for the unit,
- Waterlogged ceiling in imminent danger of falling,
- Major plumbing problem leaks or flooding,
- Natural gas leak or fumes,
- Electrical problem which could result in shock or fire,
- No heat when outside temperature is below 50 (fifty) degrees,
- Fahrenheit and temperature inside unit is below 55 (fifty-five) degrees Fahrenheit,
- Obstacle which prevents tenant's entrance or exit,
- Missing or non-working smoke detectors,
- Missing or non-working carbon monoxide detectors

In those cases, where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by the PHA.

If the emergency repair item(s) are not corrected in the time period required by the PHA, and the owner is responsible, the housing assistance payment and the HAP contract will be terminated.

If the emergency repair item(s) are not corrected in the time period required by the PHA, and it is an HQS breach which is a family obligation, the PHA will terminate the



assistance to the family.

### **Smoke /Carbon Monoxide Detectors**

Inoperable smoke and/or carbon monoxide detectors are a serious health threat and will be treated by the PHA as an emergency 24 (twenty-four) hour item.

One or more carbon monoxide detectors are required in every enclosed space or room (internally and/or externally) of units that contains boilers, water heaters, fuel burning forced air furnaces (which is fired by the direct application of energy from the combustion of fuels) and that is located in any portion of a unit or external of unit that contains sleeping rooms.

If the smoke and/or carbon monoxide detectors is not operating properly the PHA will contact the owner by phone and request the owner to repair the smoke and/or carbon monoxide detectors within 24 (twenty-four) business hours. The PHA will re-inspect the unit the following business day.

If the PHA determines that the family has purposely disconnected the smoke and/or carbon monoxide detectors (by removing batteries or other means), the family will be required to repair the smoke and/or carbon monoxide detectors within 24 (twenty-four) business hours and the PHA will re-inspect the unit the following business day.

### **K. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)** [24 CFR 982.405, 982.453]

When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by PHA, the assistance payment to the owner will be terminated effective at the end of the month that the unit failed inspection.

### **L. DETERMINATION OF RESPONSIBILITY** [24 CFR 982.404, 982.54 (d) (14)]

Certain HQS deficiencies are considered the responsibility of the family:

- Tenant paid utilities not in service,
- Failure to provide or maintain family- supplied appliances,
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear

"Normal wear and tear" are defined as items which could not be charged against the tenant's security deposit under state law or court practice.

The owner is responsible for all HQS violations not listed as a family responsibility, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute serious or repeated lease violations the owner may take legal action to evict the family. The PHA may terminate the family's assistance on that basis.

If the family is responsible but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

**M. CONSEQUENCES IF FAMILY IS RESPONSIBLE [24 CFR 982.404(b)]**

If emergency or non-emergency violations of HQS is determined to be the responsibility of the family, the PHA will require the family to make any repair(s) or corrections with 30 (thirty) days. If the repair(s) or correction(s) are not made in this time period, the PHA will terminate assistance to the family, after providing an opportunity for an informal hearing. Extensions in these cases must be approved by Housing Service Manager or designee. The owner's rent will be abated for items which are the owner's responsibility and not repaired.

If the tenant is responsible and corrections are not made, the HAP contract will be terminated.

**N. RENEWAL REQUESTS FOR REASONABLE ACCOMMODATIONS**

THA will conduct inspections on all units where there is an initial or renewal request for a reasonable accommodation for verification purposes.

## Chapter 11

### OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS

[24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]

#### **INTRODUCTION**

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Housing Choice Voucher Program (HCVP). These amendments became effective on October 1, 1999, which is referred to as the "merger date". These amendments complete the merging of the Section 8 Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

All Section 8 participant families have been transitioned to the Housing Choice Voucher Program on or before October 1, 2001. Rent calculations methods for the Housing Choice Voucher Program are described at 24 CFR 982.505. The rent calculation formula is specific and it's not subject to interpretation.

The PHA will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is the PHA's responsibility to ensure that the rents charged by owners are reasonable based upon assisted comparable in the rental market, using the criteria specified in 24 CFR 982.507(b).

This chapter explains the PHA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

#### **A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM**

The rent to owner is limited only by rent reasonableness. The PHA must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable units. The only limitation on rent to owner is the maximum rent standard at initial occupancy. At the time a family initially receives assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, if the gross rent for the unit exceeds applicable payments standard for the family, the family share may not exceed 40 (forty) percent of the family's adjusted income.

During the initial term of the lease, the owner may not raise rent to family. If the owner would like to increase rental amounts, the owner must notify the PHA 60 (sixty) days before the annual recertification.

NOTE: \* Rental increase letters received from owners **will not** be accepted in lieu of the rental increases being requested and documented on the RFTA.

\* Rental increase letters will not be used as documentation of requested rental increases prior to the 60 (sixty) day deadline of the participants' annual recertification in lieu of the request being on the RFTA and the RFTA being

received by the agency before the stated deadline.

\* Owner requests for all rental increases **must** be:

- 1) Documented on the RFTA; **AND**,
- 2) The current rental amount must be marked through and the new, requested rental amount must be written as the proposed rent; **AND**,
- 3) The proposed rent must be **initialed** by **BOTH** the owner and the participant/ tenant; **AND**,
- 4) The RFTA must be submitted **AND** received by the housing agency **no later than 60 (sixty) days from the participants'/ tenant's annual recertification.**

NOTE: \* applicable to all monetary requests for increases and must be in the appropriate area on the RFTA

Incomplete RFTA's and those received after the stated deadline will not be granted the requested rental increase(s).

It is the practice of THA to request of participating owners to limit all necessary rental increases to a maximum of five percent or below.

#### **B. MAKING PAYMENTS TO OWNER [24 CFR 982.451]**

Once the HAP contract is executed, the PHA begins processing payments to the landlord. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. All Housing Assistance Payments and Utility Reimbursement Payments will be disbursed via Direct Deposit to a financial institution submitted by the applicable vendor. The direct deposit has to be an active checking account or pre-paid debit card. The Agency will no longer disburse payments via paper check after the first successful test is completed to all new accounts. A signed direct deposit form, conflict of interest form and a copy of a voided check (or letter from the financial institution/ verification of the active/ open account) and IRS Form W-9 will be required for all new and existing contracts. Direct deposit and vendor applications will be required for all portability's prior to execution of HAP contracts.

NOTE: Manual checks that have not been received, will not be replaced until a written/verbal request has been received from the payee and 30 (thirty) days have lapsed from the date of issuance.

#### **Excess Payments**

The total of rent paid by the tenant plus the PHA housing assistance payment to the owner may not be more than the rent to owner. If there are future payments scheduled for the vendor, an auto adjustment will be made during the next cycle. If there are no further payments scheduled, the owner must immediately return any excess payment to the PHA. Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to the PHA" chapter of the Administrative Plan.

### **Late Payments to Owners**

The PHA will not be obligated to pay any late payment penalty if HUD determines that the late payment is due to factors beyond the PHA's control, such as delay in the receipt of program funds from HUD. The PHA, the administrative fee reserve as its only source for late payment penalty. The PHA will not use any program housing subsidy for the payment of late fee penalties to the owner. Payments are considered paid upon mailing by the PHA.

### **C. RENT REASONABLENESS DETERMINATIONS** [24 CFR 982.507]

The PHA will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs.

The PHA will not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent. The PHA must re-determine the reasonable rent before any increase in the rent to owner, and if there is a five (five) percent decrease in the published FMR in effect 60 (sixty) days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

The PHA must re-determine rent reasonableness if directed by HUD and based on a need identified by the PHA's auditing system. The PHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by the PHA.

The owner will be advised that by accepting each monthly housing assistance payment he/she will be certifying that the rent to owner is not more than rent charged by the owner.

If requested, the owner must give the PHA information on rents charged by the owner for other units in the premises or elsewhere. The PHA will only request information on the owner's units elsewhere if the PHA has cause to demonstrate that the owner tends to charge higher rents to program participants or if needed for rent reasonableness comparable.

The data for other unassisted units will be gathered from realtors, professional associations, inquires of owners, market surveys, and other available sources. The market areas for rent reasonableness are census tract within the PHA's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items will be used for rent reasonableness documentation:

- Size (number of Bedrooms/square footage),
- Location,
- Quality,
- Amenities (bathrooms, dishwasher, air conditioning, etc.),

- Housing Services,
- Age of Unit,
- Unit Type,
- Maintenance,
- Utilities

### **Rent Reasonableness Methodology**

The PHA utilizes a rent reasonableness system that includes and defines the HUD factors listed above.

In determining rent reasonableness, the PHA uses the Gosection8 website to compare units in the area for owners who are interested in participating with the Housing Choice Voucher Program. The PHA uses a 5 (five) mile radius and will compare it to at least 3 (three) units.

The housing program uses a point system in determining rent reasonableness. The point system consists of a check list of amenities inside and outside each unit. The rating from the unit check list is then compared to a rent reasonableness scale with the point ratings and the established unit amounts listed by bedroom size. By use of the comparable methods and the point system, the average rents are identified for units of like size and type within the same market area. Each defined factor of the items listed above on the unit to be assisted will be compared to those factors of comparable unassisted units in determining the rent. The rent will be based on the similarities average and will be adjusted up or down based on similarity of the units using the required HUD factors.

### **D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM** [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and the PHA's discretion, the Voucher Payment Standard amount is set by the PHA between 90 (ninety) percent and 110 (one hundred ten) percent of the HUD published FMR. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90 (ninety) percent to 110 (one hundred ten) percent of the new FMR unless reasonable accommodation is needed for a disabled family an exception payment standard has been approved by HUD.

The PHA will establish a single voucher payment standard amount for each FMR area in the PHA jurisdiction. For each FMR area, the PHA will establish payment standard amounts for each "unit size". The PHA may have a higher payment standard within the PHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90 (ninety) -110 (one hundred ten) percent of FMR range.

The PHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities.

#### **E. ADJUSTMENTS TO PAYMENT STANDARDS** [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rent affordable. The PHA will not raise Payment Standards solely to make "high end" units available to Voucher holders. The PHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

##### **Assisted Families' Rent Burdens**

**The PHA will review its payment standard on an annual basis and will be set within the basic range of 90 (ninety) percent to 110 (one hundred ten) percent.**

##### **Quality of Units Selected**

The PHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

##### **PHA Decision Point**

The PHA will review the average percent of income of families on the program. If more than 25 (twenty-five) percent of families are paying more than 30 (thirty) percent of monthly adjusted income, the PHA will determine whether there is a difference by voucher size, whether families are renting units larger than their voucher size, and whether families are renting units which exceed HUD's HQS, and any additional standards added by the **PHA** in the Administrative Plan.

If families are paying more than 30 (thirty) percent of their income for rent due to selection of larger bedroom size units or luxury units, the PHA may decline to increase the payment standard. If these are not the primary factors for families paying higher rents, the PHA will continue increasing the payment standard.

##### **Rent to Owner Increases**

The PHA may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

##### **Time to Locate Housing**

The PHA may consider the average time period for families to lease up under the Voucher program. If more than 25 (twenty-five) percent of voucher holders are unable to locate suitable housing within the term of the Voucher and the PHA determines that this is due to 50 (fifty) percent of rents in the jurisdiction being unaffordable for families even with the presence of a voucher the Payment Standard may be adjusted.

### **Lowering of the Payment Standard**

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered. In any case, the Payment Standard will not be set below 90 (ninety) percent of the FMR without authorization from HUD.

### **Financial Feasibility**

Before increasing the Payment Standard, the PHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the PHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

### **File Documentation**

The PHA will retain a file for at least 3 (three) years to document the analysis and findings to justify whether or not the Payment Standard was changed.

## **F. EXCEPTION PAYMENT STANDARDS**

If the dwelling unit is located in an exception area, the PHA must use the appropriate payment standard amount established by the PHA for the exception area in accordance with regulation at 24 CFR 982.503(c).

## **G. OWNER PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM [24 CFR 982.308(G)]**

The owner is required to notify the PHA, in writing, at least 60 (sixty) days before any change in the amount of rent to owner is scheduled to go into effect. Any requested change in rent to owner will be subject to rent reasonableness requirements. It is the practice of THA to request of participating owners to keep all rental increases to a maximum of five percent or below. See 24 CFR 982.503.



## **Chapter 12**

### **RECERTIFICATIONS**

[24 CFR 982.516]

#### **INTRODUCTION**

In accordance with HUD requirements, the PHA will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertification and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. This chapter defines the PHA's policy for conducting annual re-certifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

#### **ANNUAL ACTIVITIES** [24 CFR 982.516, 982.405]

All minors turning 18 (eighteen) must sign Form 9886-A and other consent forms upon the request of the agency.

There are 4 (four) activities that the PHA must conduct on annual basis:

1. Recertification of income and family composition,
2. EIV Check: Run a EIV report at the time of the annual to determine and/or discuss any income discrepancies with the client(s),  
NOTE: EIV reports may be run and EIV reviews may performed as necessary based on HUD's expectation of agencies to use the EIV/ Income Verification Tool (IVT).
3. Background Checks: The PHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.
4. After the 1st (first) Annual inspection, which is performed between 9 (nine) and 12 (twelve) months, all subsequent inspections will be performed on a Biennial basis

The PHA produces a monthly listing of units under contract to ensure that timely reviews of housing quality and factors related to total tenant payment/family share can be made.

Reexamination of the family's income and composition must be conducted at least annually.

Interim and/or annual recertification changes in income and/or household composition will not be processed during moves; however, it remains the responsibility of the participant to report such income changes to the agency within 10 (ten) days. Once a participant has leased up, all changes to income and/or household will be processed accordingly.

Rent adjustments: See "Owner Rents, Rent Reasonableness and Payment Standards" chapter.

### **BIENNIAL RECERTIFICATION/ REEXAMINATION**

Biennial inspections. PHA will conduct unit inspections every other year instead of annually. Permitting biennial inspections for HCV units will reduce the administrative and financial burden on PHA and high-performing landlords and enable PHAs to concentrate their inspection resources on the more marginal and higher-risk units.

See "Housing Quality Standards and Inspections" chapter.

### **Moves Between Reexaminations**

When families move to another dwelling unit:

An annual recertification will be scheduled unless a recertification has occurred in the last 60 (sixty) days and the anniversary date will be changed.

Income limits are not used as a test for continued eligibility at recertification.

### **Reexamination Notice to the Family**

The PHA will maintain a reexamination tracking system and the household will be notified through Assistance Check of the date, and time for their interview and receive reexamination documents at least 90 (ninety) days (not to exceed - 120 (one hundred twenty days) in advance of the anniversary date. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format and/or mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

NOTE: Assistance Check is the agency's primary method of communicating with HCV participants and owners. Forms, documents, letters, inquires, supporting documentation, etc. can be transmitted electronically between THA, participants and owners. If there are circumstances that limit a participant or owner's ability to utilize Assistance Check.com, THA will review on a case-by-case basis and may accept an alternative method of transmitting forms, documents, letters, inquires, supporting documentation.

**NOTE:** **THA may conduct in-person interviews.** All Interims, Annuals, Moves, Income and Household Changes may be conducted virtually through teleconference or Webex by Housing Specialists. Materials may also be made available and/or provided online or uploaded through Assistance Check.

In-person interviews may be conducted at the discretion of the agency and

its personnel. Appointments can be requested and/or scheduled for those who require special accommodations in advance.

### **Procedure**

The PHA's procedure for conducting annual recertification will be:

- Schedule the date and time of appointments and notify the family through Assistance Check, postal mail, phone and/or email.

### **Annual Appointment Schedule**

Annual Appointments will be conducted each month. Home visits may be conducted the same week. All Make-up appointments will be arranged and scheduled; however, if 2 (two) of the scheduled appointments are missed the client will be terminated.

### **Completion of Annual Recertification**

The PHA will have all re-certifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 (thirty) days before the scheduled date of the change in family rent.

### **Person with Disabilities**

Persons with disabilities who are unable to comply with the transmittal of information to THA electronically through Assistance Check will be granted an accommodation by conducting the interview virtually and/or with a person designated to act on their behalf. Owners/agents cannot act as designees or if there is not a designee the recertification package will be mailed. Upon verification that the accommodation requested meets the need presented by the disability.

### **Collection of Information** [24 CFR 982.516(f)]

The PHA has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

The PHA representative may interview the family in person and enter the information provided by the family on the recertification form or in the computer; review the information with the family and have them sign the application and any other necessary documents. Assistance Check is the primary source and method for voucher holders to utilize when communicating with THA along with transmitting and receiving documents during annual re-exams.

### **Requirements to Attend**

The following family members will be required to return all requested forms and supporting documentation through Assistance check and attend the recertification interview virtually through teleconference or Webex by Housing Specialists:

- All adult household members

NOTE: In-person interviews may be conducted at the discretion of the agency and its personnel. Appointments can be requested and/or scheduled for those who require special accommodations in advance.

### **Failure to Respond to Notification to Recertify**

The written notification must state which family members are required to attend the interview. If the family does not appear for the re certification interview, and has not rescheduled or made prior arrangements with the PHA, the PHA will reschedule a second appointment. The 2nd (second) written notification will advise the family that failure to attend the second appointment will result in the recommendation of termination of assistance and will offer them an informal hearing.

If the family fails to appear for the 2nd (second) appointment, and has not rescheduled or made prior arrangements, the assistance will be recommended for termination.

Exceptions to these policies may be made by the Housing Service Manager or Supervisor if the family is able to document an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

### **Documents Required to Recertify the Family**

In the notification letter to the family, the PHA will include instructions for the family to bring the following:

- Documentation of all assets (A self-certification of assets can be completed),
- Documentation of all income sources,
- Documentation of any deductions/allowances,
- Request for Tenancy Form

### **Documentation of all Income**

Clients will be provided with a request for additional documentation form if they fail to provide information at the annual appointment. If documents are not received by the first week of the following month, a reminder letter will be uploaded through Assistance Check and/or mailed by the caseworker. If documentation is not received within 30 (thirty) days, a final termination will be uploaded through Assistance Check and/or mailed.

### **Verification of Information**

The PHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be no more than 120 (one hundred twenty) days old.

If the family causes a delay so that processing of the reexamination is not complete by the first of the month, rent change will be effective on the first day of the month following completion of the reexamination processing by the PHA.

## **REPORTING INTERIM CHANGES** [24 CFR 982.516]

All minors turning 18 (eighteen) must sign Form 9886-A and other consent forms upon the request of the agency.

Program participants must report all changes in household composition to the PHA between annual reexaminations. This includes additions due to birth, adoption and court awarded custody must be reported by the family within a 30 (thirty) day period from the date of change. The family must obtain PHA approval prior to all other additions to the household. If any new family member is added, family income must include any income of the new family member. The PHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

### **Interim Reexamination Policy**

Interim and/or annual recertification changes in income and/or household composition will not be processed during moves; however, it remains the responsibility of the participant to report such income changes to the agency within 10 (ten) days. Once a participant has leased up, all changes to income and/or household will be processed accordingly.

NOTE: An interim change in income form is required for all income changes and must be completed and submitted with the proper supporting documentation. Changes to income, decreases, or increases will not be processed without the interim change in income form or supporting documentation.

### **Increases in Income**

The PHA will conduct interim reexaminations when the family reports an increase in their household income. Families are required to report increases in household income from all sources within ten (10) days or when the change occurs.

### **Tenant Rent Increases**

If tenant rent increases, notice is uploaded through Assistance Check and/or mailed to the family at least 14 (fourteen) days prior to the scheduled effective date of the annual recertification.

If less than 14 (fourteen) days are remaining before the scheduled effective date of the annual recertification, the tenant rent increases will be effective on the first of the

month following the 14 (fourteen) day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual re certification.

### **Decrease in Income**

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The PHA must calculate the change if a decrease in income is reported.

### **Tenant Rent Decreases**

If tenant rent decreases, it will be effective the first of the month following the month in which the change was verified.

If the family causes a delay so that processing of the reexamination is not complete by the first of the month, rent change will be effective on the first day of the month following completion of the reexamination processing by the PHA.

### **PHA Errors**

If the PHA makes a calculation error at admission to the program, at an interim or annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly.

### **OTHER INTERIM REPORTING ISSUES**

An interim reexamination may be scheduled for families with 0 (zero) or unstable income every 90 (ninety) days. Any changes reported by participants other than those listed in this section will be processed between regularly scheduled annual re-certifications.

### **INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

[24 CFR 5.615]

The PHA will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

- Fraud in connection with the welfare program, or

- Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, the PHA will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime or other time limit on receiving benefits, or
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or
- A situation where a family member has not complied with other welfare agency requirements.

### **Definition of Covered Family**

Families who receive welfare assistance or other public assistance benefits from a State or other public agency under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

### **Definition of "Imputed Welfare Income"**

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent. The amount of imputed welfare income is determined by the PHA, based on written information supplied to the PHA by the welfare agency, including:

- The amount of the benefit reduction,
- The term of the benefit reduction,
- The reason for the reduction,
- Subsequent changes in the term or amount of the benefit reduction

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to 0 (zero). If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the Housing Services Manager will review the calculation for accuracy. If the imputed welfare income amount is correct, the PHA will provide a written notice to the family that includes:

- A brief explanation of how the amount of imputed welfare income amount was determined.

- A statement that the family may request an informal hearing if they do not agree with the PHA determination.

### **Verification Before Denying a Request to Reduce Rent**

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced due to fraud or noncompliance with welfare agencies economic self-sufficiency or work activities requirements before denying the family's request for rent reduction. The PHA will rely on the welfare agency's written notice to the PHA regarding welfare sanctions.

### **Cooperation Agreements** [24 CFR 5.613]

The PHA must make best efforts to enter into cooperation agreements with welfare agencies under which such agencies agree:

- To target public assistance, benefits and services to families receiving assistance in the public housing program and the Section 8 tenant-based assistance program to achieve self-sufficiency
- To provide written verification to the PHA concerning welfare benefits for families applying for or receiving assistance in these housing assistance programs.

The PHA and the local welfare agency have mutually agreed to exchange information regarding any economic self-sufficiency and/or other appropriate programs or services that would benefit Section 8 tenant-based assistance families.

### **NOTIFICATION OF RESULTS OF RECERTIFICATIONS** [HUD Notice PIH 98-6]

- The HUD form 50058 will be completed and transmitted as required by HUD.
- The Notice of Rent Change is uploaded through Assistance Check and/or mailed to the owner and the tenant. Signatures are required by the PHA. If the family disagrees with the rent adjustments, they may request an informal hearing.

### **TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)** [24 CFR 982.516(c)]

#### **Standard for Timely Reporting of Changes**

The PHA requires the families to report interim changes to the PHA within 10 **(ten)** days or when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within 10 (ten) days of the change. If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.



**NOTE: Reporting changes to the agency requires the participant to submit:**

- 1) a completed change of income form (completed and signed by the employer or employer representative), **AND**
- 2) supporting documentation (paycheck stubs, termination, or lay-off letters, etc.).

Verbal notification/ reporting of changes in income or family composition will **not** result in any updates made to the participant's records/ case. A written, completed form **must** be submitted along with supporting documentation.

**NOTE:** The PHA will require participants to submit the most recent 2 (two) months of non-payments/ receipts of child support income prior to the agency removing the child support income from the participants' record.

#### **Procedures when the Change is Reported in a Timely Manner**

The PHA will notify the family and the owner of any changes in the Housing Assistance Payment to be effective according to the following guidelines:

- Increase in the Tenant Rent is effective on the 1st (first) of the month following at least thirty days' notice.
- Decreases in the Tenant Rent are effective the 1st (first) of the month following that in which the change is reported. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

#### **Procedures when the Change Is Not Reported by the Family in a Timely Manner**

If the family does not report the change within 10 (ten) days, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

- Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement.
- Decrease in Tenant Rent will be effective on the 1st (first) of the month following the month that the change was reported.

#### **Income Discrepancy**

According to PIH 2010-19, Housing Choice Voucher (HCV) participants are required to reimburse the Housing Agency (PHA) if they were charged less rent than required by The Department of Housing and Urban Department's (HUD) rent formula due to the household's underreporting or failure to report income. The voucher holder is required to reimburse the PHA for the difference between the tenant rent that should have been paid

to the owner and the tenant rent that was actually paid.

In situations where there have been or are patterns of non-reporting or underreporting of income, THA will determine how many repayment agreements it has entered with a participating family. More than two instances where a participating family has entered into a repayment agreement with THA (whether the family is currently paying or has paid the debt in full) within five years of the initial repayment may result in immediate termination from the program. Two or more repayments from debts owed to HUD/THA constitute a pattern of non-reporting of household income.

### **Income Discrepancy Process**

If there is an income discrepancy on the EIV report at the time of the annual, we must discuss the income discrepancy with the client. If the family disputes the unreported/underreported income, the following steps must take place:

- Request that the client provide any documentation to dispute the unreported or underreported income and/or income sources.
- The client will have 60 (sixty) days to bring in the documents. (If the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the PHA is required to request from the 3rd (third) party source, any information necessary to resolve the income discrepancy).
- Once the client submits their information, the caseworker will review the information.
- If the client shows proof that the information provided by EIV was incorrect it will be documented in the file.
- If unable to show proof, then the client will need to enter into a repayment agreement as shown below.

If the family confirms the unreported/underreported income, the following steps must take place.

- Client signs EIV acknowledging the income discrepancy.
- The Housing Specialist will determine the voucher holder's underpayment of rent as a result of unreported or underreported income. PHAs are required to go back as far as the PHA has documentation. The amount to be paid back may not exceed 40 (forty) percent of the monthly adjusted income unless the client has already exceeded 40 (forty) percent of their monthly adjusted income--(those who have been on the program and have earned additional income over time). In this case the Housing Agency and the client need to come up with a monthly repayment amount. The PHA will require all fraud repayments to be paid in full within 36 (thirty-six) consecutive months from the first date of agreed payment.

Extensions of repayment terms based on debt(s) owed to HUD/ THA are non-negotiable and must be paid in full within 36 (thirty-six) months. This will supersede any agreement requirements above. If the tenant refuses to enter into a repayment agreement, the PHA must terminate the family's assistance for the last day of the current month.

- The Fraud Worksheet will be completed in Housing Pro by a Housing Specialist.
- The income discrepancy letter will be sent to the client with the amount that is owed.
- The tenant needs to schedule an appointment with the caseworker to sign the repayment agreement. The appointment needs to be scheduled 10 (ten) business days from the date of the letter.
- The terms of the agreement may be renegotiated if there is an increase or decrease in the family's income.
- Appeals will be reviewed and determined by Housing Manager/Appeal Board. Late and/or missed payments constitute default of the repayment agreement and will result in termination of assistance.

#### **Procedures when the Change is Not Processed by the PHA in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the PHA in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by the PHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, the landlord should issue a credit or reimburse the tenant.

If the change resulted in an underpayment to the landlord a retroactive check for the amount will be deposited into the landlords account on the next payment run.

#### **CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES**

[24 CFR 982.516(c)]

(See "Subsidy Standards" chapter.)

#### **CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES** [24 CFR 5.518]

Under the Non-Citizen Rule, "mixed" families are families that include at least one citizen or eligible immigrant or any number of ineligible members.

The Non-Citizens Rule was implemented prior to November 29, 1996, and "mixed" families who were participants as of June 19, 1995, shall continue receiving full assistance if they meet all of the following

criteria:

- The head of household or spouse is a U.S. citizen or has eligible immigrant status; **AND**,
- The family does not include any person (who does not have eligible immigration status) other than the head of household, any spouse of the head of household, any parents of the head of household, any parents of the spouse, or any children of the head of household or spouse.

#### **MISREPRESENTATION OF FAMILY CIRCUMSTANCES**

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the PHA may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum.)

## Chapter 13

### MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

[24 CFR 982.314, 982.353, 982.355(a)]

#### **INTRODUCTION**

HUD regulations permit families to move with continued assistance to another unit within the PHA's jurisdiction or to a unit outside of the PHA's jurisdiction under portability procedures. The regulations also allow the PHA the discretion to develop policies which define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of, the PHA's jurisdiction, and the policies for restriction and limitations on moves.

#### **A. ALLOWABLE MOVES**

- A family may move to a new unit with continued assistance if:
  - The assisted lease for the old unit has terminated because the PHA has terminated the HAP contract for the owner breach, or the lease was terminated by mutual agreement of the owner and the family. THA requires both the participant and the owner to complete the Notice to Move form.
  - The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
  - The family has given proper notice of lease termination to the PHA and the owner (and if the family has a right to terminate the lease on notice to owner).

- NOTE:**
- 1). THA **requires** all participants to complete the Notice to Move form when requesting to move from the current unit (even if the landlord does not sign the form).
  - 2) If a participant/ family **does not** move out by the agreed upon date or by the last day of the month, the participant will be responsible for paying the **full rental amount** to the owner while remaining in occupancy.
  - 3) Participants who take possession/ move into a unit prior to the authorization of the agency will be responsible for pro-rated and/or full month's contracted rent to the owner until the agency approves tenancy and a HAP contract executed with the owner.

- 4) If the agency deems a participant ineligible for a unit and/or the unit does not meet HQS compliance expectations and the participant takes possession/ moves into the unit, the participant must then decide to remain in the unit and forfeit the voucher or move to maintain the voucher and assistance.
- 5) Interim and/or annual recertification changes in income and/or household composition will not be processed during moves; however, it remains the responsibility of the participant to report such income changes to the agency within 10 (ten) days. Once a participant has leased up, all changes to income and/or household will be processed accordingly.

**B. RESTRICTIONS ON MOVES** [24 CFR 982.314(E)(I), 982.552(a)]

Families will not be permitted to move within the PHA's jurisdiction during the initial year of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period. Exceptions may be made for a valid documented reason and the family and owner have signed a mutual agreement releasing the family from the lease.

The following are examples of valid reasons a family may request to move during a 12-month period:

- Fleeing domestic or sexual abuse;
- Fleeing non-participatory criminal activity at the unit;
- Reasonable accommodation for a person with a disability;
- The PHA will not consider more than one such request during the 12 (twelve) month period following the family's most recent move.

**The PHA will deny permission to move if there is insufficient funding for continued assistance.**

*When the PHA may deny permission to move (24 CFR 982.354)*

- 1) The PHA may deny permission to move if the PHA does not have sufficient funding for continued assistance. The PHA must provide written notification to the local HUD Office within 10 (ten) business days of determining it is necessary to deny moves to a higher-cost unit based on insufficient funding.
- 2) At any time, the PHA may deny permission to move in accordance with §982.552 (grounds for denial or termination of assistance).

The PHA will deny permission to move if:

- The family has violated a family obligation,
- The family owes the PHA money,
- The family has moved or been issued a voucher within the last 12 (twelve) months.

**NOTE:** Participants **will not** be issued a new voucher/ allowed to move while owing debts to the current owner unless he/she enters into a Non-Judgment Repayment Agreement with the current owner to settle the debt(s) owed prior to moving. The form must be completed, signed, and dated by both the owner and participant and forwarded to THA.

The Housing Manager may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

### **C. PROCEDURE FOR MOVES** [24 CFR 982.314]

#### **Issuance of Voucher**

Subject to the restrictions on moves, if the family has not been recertified within the last 120 (one hundred twenty) days, the PHA will issue the voucher to move after conducting the recertification.

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits and they provide documentation.

The annual re certification date will be changed to coincide with the new lease-up date.

#### **Notice Requirements**

Briefing sessions emphasize the family's responsibility to give the owner and the PHA proper written notice of any intent to move. The family must give the PHA at least a 30 (thirty) day notice with the move out date as the last day of the month. The client will refer to their lease agreement to determine the number of days to give to the landlord. The Notice to Move must be signed by the Head of Household and the owner by the first of the month.

#### **Time of Contract Change**

A move within the same building or between units owned by the same owner, will be processed like any other move except that there will be no overlapping assistance. In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract.

#### **D. PORTABILITY** [24 CFR 982.353]

Portability applies to families moving out of or into the PHA's jurisdiction within the United States and its territories.

#### **E. OUTGOING PORTABILITY** [24 CFR 982.353, 982.355]

Within the limitations of the regulations and this policy, a participant family has the right to receive housing choice voucher assistance to lease a unit outside the PHA's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a housing voucher program. When a family requests to move outside of the PHA's jurisdiction, the request must specify the area to which the family wants to move.

THA will not overlap HAP between landlords nor pro-rate HAP for participants who choose to port to other areas after THA has issued HAP to an owner for the current month. THA will not issue HAP for any day prior to the participant's move out date.

If special circumstances arise with the participant and receiving PHA, THA will review on a case-by-case basis and may choose to issue pro-rated HAP to the new owner which may overlap HAP for the month when the family moved out of the old unit and the first HAP for the new unit. This is not considered duplicate housing subsidy; however, overlapping HAP payments are not allowed if the owner of the new unit and the previous unit is the same.

#### **Restrictions on Portability**

##### **Applicants**

If neither the head nor spouse had a domicile (legal residence) in the PHA jurisdiction at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher, unless the PHA approves such move.

For a portable family that was not already receiving assistance in the PHA's Housing Choice Voucher program, the PHA must determine whether the family is eligible for admission under the receiving PHA's program.

##### **Participants**

After an applicant has leased-up in the jurisdiction of the initial housing agency, they cannot exercise portability during the 1st (first) year of assisted occupancy, except in the following circumstance.

- The receiving and initial PHA agrees to allow the move,
- Violence Against Women's Act (VAWA)

The PHA will not permit families to exercise portability if:

- If the family is in violation of a family obligation,
- If the family owes money to the PHA,



- If the family has moved out of its assisted unit in violation of the lease.

Receiving PHA's will be required to submit hearing determinations to the PHA within 30 (thirty) days.

#### **F. INCOMING PORTABILITY [24 CFR 982.354, 982.355]**

##### **Absorption**

If the receiving PHA notified the initial PHA that it will absorb the voucher, it cannot reverse its decision at a later date without consent of the initial PHA.

##### **Administration**

The PHA will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher if the initial voucher has not expired at the time of the request and/or receipt of required forms. If administering, the family will be issued a "portable" voucher by the PHA. The term of the voucher will not expire before the expiration date of any initial PHA voucher. The family must submit a request for tenancy approval for an eligible unit to the receiving PHA during the term of the receiving PHA voucher. The receiving PHA may grant extensions in accordance with this Administrative Plan. However, if the family decides not to lease-up in the PHA's jurisdiction, they must contact the initial PHA to request an extension.

When the PHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and the receiving PHA's policies will prevail.

For admission to the program a family must be income eligible in the area where the family leases a unit with assistance under the program.

The PHA will issue a "portability voucher" according to its own subsidy standards. If the family has a change in family composition which would change the voucher size, the PHA will change to the proper size based on its own subsidy standards.

**Initial PHA's must have all family members listed on HUD Form 50058 prior to the family member porting to the receiving PHA or THA may receive approval from the initial PHA in writing approving the addition(s) to the family member's household.**

**The THA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody (See section on Adding Family Members to Your Household).**

#### **Income and Total Tenant Payment of Incoming Portables [982.353(d)]**

The receiving PHA will conduct a recertification interview and verify the information provided. After the PHA conducts a recertification of the family and completes the application, the verification process will be granted.

If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in the PHA's jurisdiction, the PHA will refuse to enter into a contract on behalf of the family at \$0 assistance.

### **Request for Tenancy Approval**

When the family submits a RFTA, it will be processed using the PHA's policies. If the family leases up successfully, the PHA will bill the initial PHA within 60 (sixty) days of the expiration date of the voucher.

- Participants who take possession/ move into a unit prior to the authorization of the agency will be responsible for pro-rated and/or full month's contracted rent to the owner until the agency approves tenancy and a HAP contract executed with the owner.
- If the agency deems a participant ineligible for a unit and/or the unit does not meet HQS compliance expectations and the participant takes possession/ moves into the unit, the participant must then decide to remain in the unit and forfeit the voucher or move to maintain the voucher and assistance.

If the family does not submit a RFTA or does not execute a lease, the initial PHA will be notified within 60 (sixty) days of the expiration date of the voucher by the PHA.

NOTE: THA may elect to return the porting family back to the initial agency (as a means of notification) prior to the expiration of the voucher issued by THA (receiving PHA) to prevent an expiration of voucher granted/ issued by the by porting (initial) agency.

The PHA will notify the initial PHA if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.

If the PHA denies assistance to the family, the PHA will notify the initial PHA and the family will be offered an informal review.

The PHA will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside the PHA's jurisdiction under continued portability.

### **Regular Program Functions**

The PHA will perform all program functions applicable to the Housing Choice Voucher Program, such as:

- Annual Reexaminations of family income and composition,
- Annual inspection of the unit; and
- Interim examinations when requested or deemed necessary by the PHA

### **Annual Reexamination**

An annual recertification will be scheduled unless a recertification has occurred in the last

60 (sixty) days and the anniversary date will be changed. The PHA will maintain a reexamination tracking system and the household will be notified through Assistance Check and/or by mail of the date and time for their interview at least 120 (one hundred twenty) days in advance of the anniversary date.

Interim and/or annual recertification changes in income and/or household composition will not be processed during moves; however, it remains the responsibility of the participant to report such income changes to the agency within 10 (ten) days. Once a participant has leased up, all changes to income and/or household will be processed accordingly.

An interim change in income form must be completed for all non-reported income or income changes, as well as those documented by the participant on the Tenant Information Form when completing and submitting recertification documents during a participant's annual recertification.

### **Terminations**

The PHA will notify the initial PHA in writing of any termination of assistance within 30 (thirty) days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by the PHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family and for monitoring repayment. If the initial PHA notifies the PHA that the family is in arrears or the family has refused to sign a payment agreement, the PHA will terminate assistance to the family.

### **Required Documents**

As receiving PHA, the PHA will require the initial PHA submit the following documents:

- HUD 50058,
- Related Verification Information:
- HUD 52665,

### **Billing Procedures**

As receiving PHA, the PHA will bill the initial PHA for housing assistance payments and administrative fees as required by HUD regulations.

The initial PHA must reimburse the receiving PHA for the lesser of 80 (eighty) percent of the initial PHA's administration fee or 100% of the receiving PHA's administrative fee.

The PHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify the PHA of changes in the administrative fee amount to be billed.

### **G. Violence Against Women Act** [24 CFR 5.2003]

THA collaborates with local law enforcement to determine the needs of the residents and community, working towards a mutual goal of ensuring and improving the safety of residents. THA has undertaken partnerships with local organizations to enable THA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.

Measures taken by THA include:

- Partnership with law enforcement to analyze crime statistics over time for crimes committed “in and around” public housing,
- Partnership with Domestic Violence Solutions to reach out to PHA residents and increase awareness within the community at resident meetings

THA has developed policies and procedures to implement the requirements of VAWA. The victim or threatened victim of an incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence. THA may terminate the assistance/tenancy to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants. THA may honor court orders regarding the rights of access or control of the property and orders issued to protect the victim and to address the distribution or possession of property among household members where the family “breaks up”. There is no limitation on the ability of THA to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence, or stalking, other than the victim may not be subject to a “more demanding standard” than non-victims may. There is no prohibition on THA terminating assistance if it “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant’s (victim’s) assistance is not terminated”. Any protections provided by law which give greater protection to the victim are not superseded by these provisions. THA may require certification by the victim of victim status on such forms as THA and/or HUD shall prescribe or approve.

- THA supports the goals of the VAWA Amendments and will comply with its requirements and will continue to administer its housing programs in ways that support and protect residents (including Section 8 Housing Choice Voucher program participants) and applicants who may be victims of domestic violence, dating violence, sexual assault, or stalking.
- An emergency transfer plan facilitates a move with continued assistance, by awarding health and safety preferences to qualifying participants threatened with imminent harm.
- THA will not take any adverse action against a resident/participant or applicant solely based on her or his being a victim of such criminal activity, including threats of such activity. “Adverse action” in this context includes denial or termination of housing assistance.
- THA will not subject a victim of domestic violence, dating violence, sexual assault or stalking to a more demanding standard for lease compliance than other residents.

## **Chapter 14**

### **CONTRACT TERMINATIONS**

[24 CFR 982.311, 982.314]

#### **INTRODUCTION**

The Housing Assistance Payments (HAP) contract is the contract between the owner and the PHA which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by the PHA and the owner, and the policies and procedures for such terminations.

#### **A. CONTRACT TERMINATION [24 CFR 982.311]**

The term of the HAP contract is the same as the term of the lease. The contract between the owner and the PHA may be terminated by the PHA, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by the PHA to the owner after the month in which the contract is terminated. The owner must reimburse the PHA for any subsidies paid by the PHA for any period after the contract termination date.

If the family continues to occupy the unit after the HCV contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from the PHA for vacancy loss under the provisions of certificate HAP contracts effective before October 2, 1995.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit.

#### **B. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314(c) (2)]**

Family termination of the lease must be in accordance with the terms of the lease.

#### **C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS**

[24CFR982.310, 982.455]

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the term of the lease the owner may only evict for:

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease,
- Violations of Federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises,
- Other good cause. During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do (see 982.310).

#### **Evidence of Criminal Activity**

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity:

- Regardless of arrest or conviction,
- Without satisfying the standard of proof used for a criminal conviction

#### **Termination of Tenancy Decisions**

If the law and regulations permit the owner to take an action but don't require action to be taken, the owner can decide whether to take the action. Relevant circumstances for consideration include:

- The seriousness of the offense,
- The effect on the community,
- The extent of participation by household members,
- The effect on uninvolved household members,
- The demand for assisted housing by families who will adhere to responsibilities,
- The extent to which leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action,
- The effect on the integrity of the program

### **Exclusion of culpable household member**

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit.

### **Consideration of Rehabilitation**

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

- Is no longer participating,
- Has successfully completed a supervised drug or alcohol rehab program,
- Has otherwise been successfully rehabilitated

The owner may require the tenant to submit evidence of any of the three (above).

Actions of termination by the owner must be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notices to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

Housing assistance payments are paid to the owner under terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. The PHA will continue housing assistance payments until the family moves or is evicted from the unit. The PHA must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly check from the PHA, the owner certifies that the tenant is still in the unit, the rent is reasonable, and he/she is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if the PHA has no other grounds for termination of assistance, the PHA may issue a new voucher so that the family can move with continued assistance.

### **Judgments**

The owner must provide the PHA with a copy of the court awarded judgment within 10 (ten) business days of the final judgment. The PHA will send a copy to the owner and voucher holder along with a form for both parties to arrange a repayment agreement. The agreement must be received within 10 (ten) business days from the date of the letter provided by the Agency. If the agreement is not received within 10 (ten) business days, the PHA will be excluded from the process.

Once the payment agreement is signed by both parties a copy must be provided to the PHA. If the owner provides a written notice to the PHA for failure of payment, the client

could be terminated from the program. If the owner and voucher holder change the agreement, a copy must be provided to the PHA.

**D. TERMINATION OF THE CONTRACT BY PHA**

[24 CFR 982.404(a), 982.453, 982.454, 982.552(a) (3)]

The terms of the HAP contract terminates when the lease terminates, when the PHA terminates program assistance for the family, and when the owner has breached the HAP contract. (See "Owner Disapproval and Restriction" chapter)

The PHA may also terminate the contract if:

- The PHA terminates assistance to the family,
- The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition,
- Funding is no longer available under the ACC,
- The contract will terminate automatically if 180 (one hundred eighty) days have passed since the last housing assistance payment to the owner,

In the event that the PHA receives a reduction of funding and/or allocation, the PHA will consider the following:

- PHA will not fill vacancies after terminations,
- PHA will consider alternatives to occupancy standards,
- PHA will consider lowering Payment Standards,
- PHA will terminate participants beginning with most recent admissions where the Head, Spouse, and Co Head are non-elderly/disabled or non-VASH participants.

**Notice of Termination**

When the PHA terminates the HAP contract under the violation of HQS space standards, the PHA will provide the owner and family written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month in which the PHA gives such notice to the owner.



## Chapter 15

### DENIAL OR TERMINATION OF ASSISTANCE

[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

#### **INTRODUCTION**

The PHA may deny or terminate assistance for a family because of the family's action or failure to act. The PHA will provide families with a written description of the family obligations under the program, the grounds under which the PHA can deny or terminate assistance, and the PHA's informal hearing procedures. This chapter describes when the PHA is required to deny or terminate assistance and the PHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

#### **A. GROUND FOR DENIAL/TERMINATION** [24 CFR 982.54, 982.552, 982.553]

If denial or termination is based upon behavior resulting from a disability, the PHA will delay the denial or termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

#### **Form of Denial/Termination**

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the PHA waiting list
- Denying or withdrawing a voucher
- Refusal to enter into a HAP contract or approve a unit
- Refusal to process or provide assistance through portability

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a unit
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance through portability

#### **Mandatory Denial and Termination**

[24 CFR 982.54 (d), 982.552(b), 982.553(a), 982.553(b)]

- The PHA must deny assistance to applicants, and terminate assistance for participants if the family is under contract and 180 days (or 12 months, depending on the HAP contract used) have elapsed since the PHA's last housing assistance payment was made. (See "Contract Terminations" chapter.)
- The PHA must permanently deny assistance to applicants, and terminate the assistance of a persons convicted of manufacturing or producing methamphetamine or any other illegal drugs on the premises of federally assisted housing.

- The PHA must deny admission to the program for applicants, and terminate assistance for program participants if the PHA determines that any household member is currently engaging in illegal use of a drug. See section B of this chapter for the PHA's established standards.
- The PHA must deny admission to the program for applicants, and terminate assistance for program participants if the PHA determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. See Section B of this chapter for the PHA's established standards.
- The PHA must deny admission to an applicant if the PHA determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. See section B of this chapter for the PHA's established standards regarding criminal background investigation and determining whether a member of the household is subject to a lifetime registration requirement under a State sex offender registration program.
- The PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.
- The PHA must deny admission to the program for an applicant or terminate program assistance for a participant if any adult family member fails to sign and submit consent forms for obtaining information in accordance with Part 5, subparts B and F.
- The PHA must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

**Grounds for Denial or Termination of Assistance** [24 CFR 982.522(c)]

- The PHA will deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:
  - If any family member violates any family obligation under the program as listed in 24 CFR 982.551.
  - If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any drug-related criminal activity.
  - If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any violent criminal activity.
  - Any member of the family has been evicted from federally assisted housing in the last five years.
  - If any PHA has ever terminated assistance under the program for any member of the family.
  - If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program assistance will be denied for a period of 5 years from the date of the qualifying act or 5 years from the date of termination.

- The family currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed to a PHA
- The family has not made consistent or timely payments by the 15th of each month and payment has not been received within 30 (thirty) days. The occurrence of missed or late payments twice within a program year will terminate a family's voucher. Total debt must be paid in full within 36 (thirty-six) months (from the effective date of a signed and dated repayment agreement) or the family's voucher will be terminated. Extensions of repayment terms based on debt(s) owed to HUD/ THA are non-negotiable and must be paid in full within 36 (thirty-six) months.
- The family has engaged in or threatened abusive or violent behavior toward PHA personnel. Assistance will be denied for 5 (five) years from the date of the act or date of termination.
- "Abusive or violent behavior towards PHA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.
- "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
  - Actual physical abuse or violence will always be cause for termination.
- If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety, or peaceful enjoyment of other residents. See section B of this chapter.
- If any member of the family commits drug-related criminal activity, or violent criminal activity. (See Section B of this chapter and 982.553 of the regulations)
- Refer to "Eligibility for Admission" chapter, "Other Criteria for Admission" section for further information.

## **B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY**

### **Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of the Agency to fully endorse and implement a policy (see Eligibility for Admission and Recertification sections) designed to:

- Help create and maintain a safe and drug-free community
- Keep our program participants free from threats to their personal and family safety
- Support parental efforts to instill values of personal responsibility and hard work
- Help maintain an environment where children can live safely, learn, and grow up to be productive citizens
- Assist families in their vocational/educational goals in the pursuit of self-sufficiency

### **Administration**

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate in the basis of race, color, nationality, religion, familial status, disability, sex, or other legally protected groups.

### **Screening of Applicants**

In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and CFR Part 5, Subpart J, the PHA will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior.

Such screening will apply to any member of the household who is 18 years of age or older.

### **HUD Definitions**

*Covered person*, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

*Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

*Guest*, for purposes of this chapter and 24 CFR part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

*Household*, for the purposes of 24 CFR Part 982 and this chapter, means the family and PHA-approved live-in aide.

*Other person under the tenant's control*, for the purposes of the definition of covered person and for 24 CFR Parts 5 and 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and

infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

*Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause serious bodily injury or property damage.

In accordance with Violence Against Women Act (VAWA) if there is domestic violence, dating violence, sexual assault or stalking incident which is against the applicant, tenant or an immediate family member, program assistance will not be terminated solely upon that fact. The HUD certification or documents that may be provided in lieu of the certification as specified on the HUD certification will be used to complete the assessment of the PHA action.

### **Standard for Violation**

The PHA will deny participation in the program to applicants and terminate assistance to participants in cases where the PHA determines there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where the PHA determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse.

"Engaged in or engaging in" violent criminal activity means any act within the past 5 (five) years an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, which did or did not result in the arrest and/or conviction of the applicant, participant, or household member.

The activity is being engaged in by any family member.

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

### **Drug Related and Violent Criminal Activity**

Ineligibility for admission if evicted for Drug-Related Activity: Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the Section 8 program for a 5 (five) year period beginning on the date of such eviction.

Applicants will be denied assistance if a family member:

- Has been arrested/convicted/incarcerated for drug-related or violent criminal activity within the last 5 (five) years prior to the date of the certification interview.
- Has been arrested/convicted/incarcerated for using/distributing manufacturing methamphetamine. Assistance will be denied for a period of 10 years from the date of the arrest/conviction/incarceration (whichever is later) or the period of required registration as a sex offender, whichever is greater.

- Is a sex offender, not subject to lifetime registration. Assistance will be denied for a period of 10 (ten) years from the date of the arrest/conviction/incarceration (whichever is later) or the period of required registration as a sex offender, whichever is greater.
- Has engaged in or threatened abusive or violent behavior toward the PHA personnel. Assistance will be denied for a period of 5 (five) years from the date of the threat of abusive behavior.

### **Denial of Assistance for Sex Offenders**

The PHA will permanently deny admission or terminate assistance if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In screening applicants, the PHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.

Sex offenders, not subject to lifetime registration, will be denied assistance for a period of 10 (ten) years from the date of the arrest/charge/conviction (whichever is later) or the period of required registration as a sex offender, whichever is greater.

Assistance will be terminated for participants if a family member:

- Has been arrested/convicted/incarcerated for drug/related or violent criminal activity during participation in any Federally assisted program, and within the last 5 (five) years prior to the date of the notice to terminate assistance. Assistance will be denied for a period of 5 (five) years from the date of termination.
- Has been arrested/convicted/incarcerated for using/distributing/manufacturing methamphetamine. Assistance will be denied for a period of 10 years from the date of the arrest/charge/conviction (whichever is later) or the required period of registration as a sex offender, whichever is greater.
- Has engaged in or threatened abusive or violent behavior toward the PHA personnel. Assistance will be denied for a period of 5 (five) years from the date of termination.

### **Termination of Assistance for Participants**

Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity:

Under the family obligations listed at 24 CFR 982.551, the members of the household must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. HUD regulations at 24 CFR 982.553(b) requires the PHA to establish standards for termination of assistance when this family obligation is violated. The Agency has established the following standards for termination of assistance for the family when a household member has violated the family obligation to refrain from participating in drug-related or violent criminal activity.

Assistance will be terminated for participants who have been:

Arrested, convicted, or evicted from a unit assisted under any federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last 5 (five) years prior to the date of the notice to terminate assistance.

If any member of the household violates the family obligations by engaging in drug-related or violent criminal activity, the PHA will terminate assistance.

#### **Terminate Assistance for Alcohol Abuse by Household Members**

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if the PHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

#### **Notice of Termination of Assistance**

In any case where the PHA decides to terminate assistance to the family, the PHA must give the family written notice which states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The family's right, if they disagree, to request an Informal Hearing to be held before termination of assistance.
- The date by which a request for an informal hearing must be received by the PHA.

If the PHA proposes to terminate assistance for criminal activity as shown by a criminal record, the PHA will provide the subject of the record and the tenant with a copy of the criminal record.

The PHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

#### **Required Evidence**

*Preponderance of evidence* is defined as evidence which is greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole show that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

*Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

The PHA will terminate assistance for criminal activity by a household member, as described

in this chapter, if the PHA determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

The PHA will pursue fact-finding efforts as needed to obtain credible evidence.

Assistance will be terminated if a household member is arrested/convicted/incarcerated for any alcohol-related criminal activity within any 12 (twelve) month period. Assistance will be denied for a period of 5 (five) years from the date of termination.

In determining whether a family should be terminated for engaging in abusive or violent behavior or for threatening abusive or violent behavior towards the PHA personnel, the PHA will obtain, at minimum, a statement from the employee to whom the abuse or threat was directed.

In determining whether a family should be terminated for drug-related or violent criminal activity, the PHA will require, at minimum, a police report.

### **Confidentiality of Criminal Records**

The PHA will ensure that any criminal records other than public records, are maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

Misuse of the above information by any employee will be grounds for termination of employment.

## **C. FAMILY OBLIGATIONS [24 CFR 982.551]**

The family must supply any information that the PHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR 982.551). "Information" includes any requested certification, release, or other documentation.

The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

- The family is responsible for an HQS breach caused by the family as described in 982.404(b),
- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice,
- The family may not commit any serious or repeated violations of the lease,



- The family must notify the owner and, at the same time, notify the PHA before the family moves out of the unit or terminates the lease upon notice to the owner,
- The family must promptly give the PHA a copy of any owner eviction notice,
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence,
- The composition of the assisted family residing in the unit must be pre-approved by the PHA. The family must promptly inform the PHA of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit,
- The family must promptly notify the PHA if any family member no longer resides in the unit,
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request prior-approval or PHA approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family,
- Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family,
- The family must not sublease or sublet the unit,
- The family must not assign the lease or transfer the unit,
- The family must supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA-requested information or certification on the purposes of family absences. The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA of absence from the unit,
- The family must not own or have any interest in the unit,
- The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program,
- The household members may not engage in drug-related criminal activity, violent activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety, or right to peaceful enjoyment of the residents and persons residing in the immediate vicinity of the premises. An assisted family, or members of the family, may not receive Section 8 assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State, or local housing assistance program.

**Housing Agency Discretion** [24 CFR 982.552(0)]

In deciding whether to deny or terminate assistance because of action or failure to act by

members of the family, the PHA has discretion to consider all of the circumstances in each case, including the seriousness of the case. The PHA will use its discretion in reviewing extent of participation or culpability of individual family members and the length of time since the violation occurred. The PHA may also review the family's more recent history and record of compliance, and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

The PHA may impose, as a condition of continued assistance for other family members, a requirement that the family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. The PHA may permit the other members of a family to continue in the program.

### **Enforcing Family Obligations**

#### **Explanations and Terms**

The term "promptly" when used with the family obligations always means "within 10 (ten) business days." Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

#### **HQS Breach**

The inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the inspections Supervisor or designee.

#### **Lease Violations**

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease.
- If the owner notifies family of termination of tenancy assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and the PHA determines that the cause is as serious or repeated violation of the lease based on available evidence.
- If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations, and the family moves from the unit prior to completion of court action, and
- If there are police reports, neighborhood complaints or third-party information, that has been verified by the PHA.
- Nonpayment of rent is considered a serious violation of the lease. Refer to Notification of Eviction
- The family must promptly, 10 (days) give the PHA a copy of any owner eviction notice.

**Lease violations.**

If a household receives 3 (three) or more serious or repeated lease violations during program participation, a termination will be issued.

If a household receives 2 (two) or more evictions during program participation, a termination will be issued.

**Proposed Additions to the Family**

The PHA will deny a family's request to add additional family members who are:

- Persons who have been evicted from the HCV Program or public housing.
- Persons who have previously violated a family obligation listed in 24 CFR 982.51 of the HUD regulations.
- Persons who have been part of a family whose assistance has been terminated under the Certificate or Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
- Persons who do not meet the PHA's definition of family.
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- Persons who engaged in or threatened abusive or violent behavior toward PHA personnel.

Families are required to notify the PHA if any family member leaves the assisted household. When the family notifies the PHA, they must furnish the following information:

- The date the family member moved out.
- The new address, if known, of the family member.
- A statement as to whether the family member is temporarily or permanently absent. Adults (18 and over) must submit a notarized statement.
- Confirmation from the landlord stating that the family member is no longer living in the unit.

**Limitation on Profit-Making Activity in Unit**

If the business activity area results in the inability of the family to use any critical living areas, such as a bedroom utilized for a business, which is not available for sleeping, it will be considered a violation.

If the PHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.

If the PHA determines the business is not legal, it will be considered a program violation.

### **Interest in Unit**

The owner may not reside in the assisted unit regardless of whether he/she is a member of the assisted family unless the family owns the mobile home and rents the pad.

### **Fraud**

In each case, the PHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

## **D. PROCEDURES FOR NON-CITIZENS [24 CFR 5.514, 5.516, 5.518]**

### **Denial or Termination due to Ineligible Immigrant Status**

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. "The PHA must offer the family an opportunity for a hearing. (See "Eligibility for Admission" chapter, section on Citizenship/Eligible Immigration Status.)

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

### **False or Incomplete Information**

When the PHA has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted, and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the PHA will give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status.

The PHA will deny or terminate assistance based on the submission of false information or misrepresentation.

### **Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the PHA either after the INS appeal or in lieu of the INS appeal.

After the PHA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

**E. ZERO (\$0) ASSISTANCE TENANCIES [24 CFR 982.455(a)]**

The family may remain in the unit at \$ 0 assistance for up to 180 (one hundred eighty) days after the last HAP payment. If the family is still in the unit after 180 (one hundred eighty) days, the assistance will be terminated. If, within the 180 (one hundred eighty) day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, the PHA will resume assistance payments for the family.

In order for a family to move to another unit during the 180 (one hundred eighty) days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

**F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION  
[24 CFR 982.551, 982.552(c)]**

If the family has misrepresented any facts that caused the PHA to overpay assistance, the PHA may choose not to terminate and may offer to continue assistance provided that the family executes a Repayment Agreement and makes payments in accordance with the agreement.

**G. MISREPRESENTATION IN COLLUSION WITH OWNER  
[24 CFR 982.551, 982.552(c)]**

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, the PHA will deny or terminate assistance.

In making this determination, the PHA will carefully consider the possibility of implied intimidation of the family by the owner and the family's understanding of the events.

**H. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]**

It is a Family Obligation to supply information, documentation, and certification as needed for the PHA to fulfill its responsibilities. The PHA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow the PHA to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying the PHA, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow the PHA to inspect the unit.

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.

Appointments will be scheduled, and time requirements will be imposed for the following events and circumstances:

- Verification Procedures
- Eligibility for Admissions
- Required Signatures
- Certificate/Voucher Issuance and Briefings
- Housing Quality Standards and Inspections
- Re-certifications
- Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Medical emergency
- Family emergency

**Procedure when Appointments are Missed or Information not Provided**

For most purposes in this Plan, the family will be given 1 **(one) additional** opportunity before being issued a notice of termination or denial for breach of family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing:

- The termination will be rescinded after the family cures the breach.

## Chapter 16

### OWNER DISAPPROVAL AND RESTRICTION

[24 CFR 982.54, 982.453]

#### **INTRODUCTION**

It is the policy of the PHA to recruit owners to participate in the voucher program. The PHA will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the PHA. The regulations define when the PHA must disallow an owner participation in the program, and they provide the PHA discretion to disapprove or otherwise restrict the participation in the program, and they provide the PHA discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

#### **A. DISAPPROVAL OF OWNER [24 CFR 982.306, 982.54(d) (8)]**

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

The PHA will disapprove the owner for the following reasons:

- HUD or other agency directly related has informed the PHA that the owner has been disbarred, suspended, or subject to a limited denial or participation under 24 CFR part 24.
- HUD has informed the PHA that the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.
- HUD has informed the PHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.
- Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister, or brother of any family member. The PHA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability.
- In cases where the owner and tenant bear the same last name, the PHA may, at its discretion, require the family and or owner to certify whether they are related to each other in any way.
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery, or any other corrupt act in connection with any Federal housing program.
- The owner has engaged in drug-related criminal activity or any violent criminal activity.

- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest, or another person under the control of any member of the household that:
  - Threatens the right to peaceful enjoyment of the premises by other residents
  - Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing.
  - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
  - Is involved in drug-related criminal activity or violent criminal activity
- The owner has not paid State or local real estate taxes, fines, or assessments.
- The owner has failed to comply with regulations, the mortgage, or note or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

#### **OWNER RESTRICTIONS AND PENALTIES** [24 CFR 982.453]

If an owner has committed fraud or abuse, is guilty of frequent or serious contract violations, the PHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The PHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner, the PHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

#### **CHANGE IN OWNERSHIP**

A change in ownership does not require execution of a new contract and lease.

The PHA may approve the assignment of the HAP contract at the old owner's request. The PHA may approve the assignment since they are a party to the contract. The PHA may deny approval of assignment of the contract, for any reasons listed in Section A of this chapter.



The PHA will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the employee identification number or social security number of the new owner.

If the new owner does not want an assignment of the contract, the PHA will terminate the HAP contract with the old owner, since they are no longer the owner. The new owner may offer the family a new assisted lease. The family may elect to enter into the new lease or move to another unit.

## **Chapter 17**

### **OWNER OR FAMILY DEBTS TO THE PHA/ FAMILY DEBTS TO OWNER**

[24 CFR 982.552]

#### **INTRODUCTION**

This chapter describes the PHA's policies for the recovery of monies which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the PHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to the PHA, the PHA will make every effort to collect it. The PHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments,
- Civil suits,
- Payment agreements,
- Reductions in HAP to owner,
- Collection bureaus,
- Denial or termination of assistance

#### **PAYMENT AGREEMENTS FOR FAMILIES** [24 CFR 982.552(c) (v-vii)]

A Payment Agreement as used in this Plan is a document entered into between the PHA and a person who owes a debt to the PHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, and special provisions of the agreement, and the remedies available to the PHA upon default of the agreement.

The PHA will prescribe the terms of the payment agreement, including determining whether to enter into a payment agreement with the family based on the circumstances surrounding the debt to the PHA.

There are some circumstances in which the PHA will not enter into a payment agreement. They are:

- If the family already has a Payment Agreement in place,

- If the PHA determines that the family committed program fraud, such as but not limited to:
  - Subletting units,
  - Intentionally filing false claims,
  - Providing incorrect information or data,
  - Providing unsupported documents,
  - Falsifying documents,
  - Not occupying the unit,
  - Allowing others (not included in the household to occupy or maintain the unit)

See section C "**DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION**" [24 CFR 982.163] regarding the definition of fraud.

Also, see Section 20 Program Integrity Addendum

#### **DEBTS OWED FOR CLAIMS** [24 CFR 792.103, 982.552(c) (v-vii)]

If a family owes money to the PHA for claims paid to an owner:

- The PHA will review the circumstances resulting in the overpayment and decide whether the family must pay the full amount,
- The PHA may enter into a Payment Agreement.

#### **Late Payments**

A payment will be considered to be in arrears if:

The payment has not been received by the close of business on the 15th of the month on the day on which the payment is due. If the due date is on a weekend or holiday, the due date will be the close of the next business day.

The occurrence of missed or late payments twice within in a program year will terminate a family's voucher. Total debt must be paid in full within 36 (thirty-six) months from the effective date of the signed and dated repayment agreement or the family's voucher will be terminated.

If the family's payment agreement is arrears, and the family has not contacted or made arrangements with the PHA, the PHA will:

- Require the family to pay the balance in full,
- Pursue civil collection of the balance due,
- Terminate the housing assistance

If the family requests a move to another unit and has a payment agreement in place for the payment of an owner claim, and the payment agreement is not in arrears:

- The family will not be permitted to move.

If the family requests to move to another unit and is in arrears on a payment agreement for the payment of an owner claim:

- The family will be required to pay the balance in full, or be terminated from the program.

**C. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION [24 CFR 982.163]**

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

- Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive, or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements.

**Family Error/ Late Reporting**

Families who owe money to the PHA due to the family's failure to report increases in income, or due to a change in household members, may be terminated from the program.

**Program Fraud**

- Families who owe money to the PHA due to program fraud will be required to pay the amount in full. Assistance will be terminated,
- Fraud cases will be referred to the HUD Office of Inspector General.

**D. GUIDELINES FOR PAYMENT AGREEMENTS [298 CFR 982.552(c) (v-vii)]**

Repayment agreements will be executed between the PHA and the head of household.

The agreement will be in default when a payment is delinquent by 1 (one) month.

- The family's assistance will be terminated unless the PHA receives the balance of the payment agreement in full within 30 (thirty) calendar days of the termination notice.

Monthly payments may be decreased in cases of family hardship and if requested with reasonable

notice from the family, verification of the hardship, and the approval of a Housing Assistance Supervisor.

No move will be approved until the debt is paid in full unless the move is the result of the following causes, and the payment agreement is current:

- Family size exceeds the HQS maximum occupancy standards,
- The HAP contract is terminated due to owner non-compliance or opt-out,
- A natural disaster,
- Violence Against Women Reauthorization Act 2006 (VAWA)

#### **Additional Monies Owed**

If the family already has a payment agreement in place and incurs an additional debt to the PHA:

- The PHA will not enter into more than one payment agreement with the family.
- Additional debts incurred by the family will be due in full.

#### **E. OWNER DEBTS TO THE PHA [24 CFR 982.453(b)]**

If the PHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, the PHA may reclaim the amounts from future housing assistance or claim payments owed to the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, the PHA will:

- Require the owner to pay the amount in full,
- Enter into a payment agreement with the owner for the amount owed,
- Pursue collections through the local court system,
- Restrict the owner from future participation until paid in full

#### **F. WRITING OFF DEBTS**

Debts will be written off if:

The debtor's whereabouts are unknown, and the debt is more than 7 (seven) years old.

- A determination is made that the debtor is judgment proof,
- The debtor is deceased,
- The debtor is confined to an institution indefinitely

## **JUDGMENT CLAIMS**

If client enters into a repayment agreement with the landlord for damages and the client doesn't pay total balance by the required deadline, they will be terminated 30 (thirty) days from the date of the notice. Documentation of the payments will need to be provided by landlord or tenant.

## Chapter 18

### COMPLAINTS AND APPEALS

#### **INTRODUCTION**

The informal hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of the PHA. This chapter describes the policies, procedures, and standards to be used when families disagree with a PHA decision. The procedures and requirements are explained for preference denial meetings, informal reviews, and hearings. It is policy of the PHA to ensure that all families have the benefit of all protections due to them under the law.

**NOTE:** THA may conduct in-person informal appeal hearings. Informal appeal hearings may be conducted virtually through teleconference or Webex. In-person appeal hearings may be conducted at the discretion of the agency and its personnel.

#### **A. COMPLAINTS TO THE PHA**

The PHA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The PHA requires that all complaints other than HQS violations be put in writing. Emergency HQS complaints may be reported by telephone.

#### **Categories of Complaints**

- Complaints from families: If a family disagrees with an action or inaction of the PHA or owner.
- Complaints from families will be referred to a Supervisor or designee. If a complaint is not resolved, it will be referred to the Housing Manager.
- Complaints from owners: If an owner disagrees with an action or inaction of the PHA or a family.
- Complaints from owners will be referred to a Supervisor or designee. If a complaint is not resolved, it will be referred to the Housing Manager.
- Complaints from staff: If a staff person reports an owner or family either violating or not complying with program rules, the complaint will be referred to a Supervisor or Housing Manager.
- Complaints from the general public: Complaints or referrals from persons in the community in regard to the PHA, a family, or an owner.
- Complaints from the general public will be referred to a supervisor or designee. If a complaint is not resolved, it will be referred to the Housing Manager.

## **B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS**

[24 CFR 982.54(d) (12), 982.554]

Reviews are provided for applicants who are denied assistance before the effective date of the HA contract. The exception is that when an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is entitled to an informal hearing.

When the PHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

The reason(s) they are ineligible,

- The procedure for requesting a review if the applicant does not agree with the decision, and
- The time limit for requesting a review.

When denying admission for criminal activity as shown by a criminal record, the PHA will provide the subject of the record and the applicant with a copy of the criminal record upon which the decision to deny was based.

The PHA must provide applicants with the opportunity for an informal review of decisions denying:

- Listing on the PHA's waiting list,
- Issuance of a voucher,
- Participation in the program,
- Assistance under portability procedures

Informal reviews are not required for established policies, procedures, and PHA determinations such as:

- Discretionary administrative determinations by the PHA,
- General policy issues or class grievances,
- A determination of the family unit size under the PHA subsidy standards,
- Refusal to extend or suspend a voucher,
- A PHA determination not to grant approval of the tenancy,
- Determination that unit is not in compliance with HQS,
- Determination that unit is not in accordance with HQS due to family size or composition

### **Procedure for Review**

A request for an informal review must be received in writing by the close of the business day, no later than 10 (ten) days from the date of the PHA's notification of denial of assistance. The informal review will be scheduled within 30 (thirty) days from the date the request is received.



The informal review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person.

The review may be conducted by:

- An official at the Supervisor level or above.

**C. INFORMAL HEARING PROCEDURES [24 CFR 982.555(a-f), 982.54(d) (13)]**

When the PHA makes a decision regarding eligibility and/or the amount of assistance, applicants and participants must be notified in writing. The PHA will give the family prompt notice of such determinations, which will include:

- The proposed action or decision of the PHA,
- The date the proposed action or decision will take place,
- The family's right to an explanation of the basis for the PHA's decision,
- The procedures for requesting a hearing if the family disputes the action or decision,
- The time limit for requesting the hearing,
- To whom the hearing requested should be addressed

When terminating assistance for criminal activity as shown by a criminal record, the PHA will provide the subject of the record and the tenant/ participant with a copy of the criminal record upon which the decision to terminate was based.

- The PHA must provide participants with the opportunity for an informal hearing for decisions related to any of the following PHA determinations:
  - Determination of the family's annual or adjusted income and the computation of the housing assistance payment
  - Appropriate utility allowance used from schedule
  - Family unit size determination under PHA subsidy standards

Determination to terminate-assistance for any reason.

- The applicant will be given the option of presenting oral or written objections to the decision. Both the PHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.
- The review will be conducted by mail and/or telephone if acceptable to both parties.

A notice of the review findings will be provided in writing to the applicant within 15 **(fifteen)** days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

The PHA must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies, procedures, and PHA determinations such as:

- Discretionary administrative determinations by the PHA,
- General policy issues or class grievances,
- Establishment of the PHA schedule of utility allowances for families in the program,
- A PHA determination not to approve an extension or suspension of a voucher term,
- A PHA determination not to approve a unit or lease,
- A PHA determination that an assisted unit is not in compliance with HQS (PHA must provide hearing for family breach of HQS because that is a family obligation determination),
- A PHA determination that the unit is not in accordance with HQS because of the family size,
- A PHA determination to exercise or not exercise any rights or remedy against the owner under a HAP contract.

### **Notification of Hearing**

It is the PHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, the PHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When the PHA receives a request for an informal hearing, a hearing shall be scheduled within 30 (thirty) days. The notification of hearing will contain:

- The date and time of the hearing,
- The contact number/ log in credentials or information to join/ attend the hearing,

The family's right to provide evidence, witnesses, legal or other representation is at the family's expense.

The right to view any documents or evidence in the possession of the PHA upon which the PHA based the proposed action and, at the family's expense, to obtain a copy of

such documents prior to the hearing. Requests for such documents or evidence must be received no later than 2 (two) days before the hearing date.

A notice to the family that the PHA will request a copy of any documents or evidence the family will use at the hearing. Requests for such documents or evidence must be received no later than 2 (two) days before the hearing date.

### The PHA's Hearing Procedures

After a hearing date is agreed to, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

If the family does not appear at the scheduled time but made arrangements in advance, the PHA will automatically reschedule the hearing.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, termination of assistance will be upheld unless the family can show good cause for the failure to appear.

Families have the right to:

- Present written or oral objections to the PHA's determination,
- Examine the documents in the file, which are the basis for the PHA's action, and all documents submitted to the Hearing Officer,
- Copy any relevant documents at their expense,
- Present any information or witnesses pertinent to the issue of the hearing,
- Request that PHA staff be available or present at the hearing to answer questions pertinent to the case; and  
Be represented by legal counsel, advocate, or other designated representative at their expense.

If the family requests copies of documents relevant to the hearing, the PHA will make the copies for the family and assess a charge of .25 (twenty-five) cents per copy. In no case will the family be allowed to remove the file from the PHA's office.

In addition to other rights contained in this Chapter, the PHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing,
- Be notified if the family intends to be represented by legal counsel, advocate, or another party,
- Examine and copy any documents to be used by the family prior to the hearing,
- Have its attorney present, and
- Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted by the Hearing Officer appointed by the PHA who is neither the person who made or approved the decision, nor a subordinate of that person. The PHA appoints hearing officers who are PHA management.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented, which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the Hearing Officer, the action of the PHA shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction, or decision of the PHA is legal and in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to the PHA and the family within 15 (fifteen) days and shall include:

- A clear summary of the decision and reasons for the decision,
- If the decision involves money owed, the amount owed.
- The date the decision goes into effect.
- The PHA is not bound by hearing decisions:
  - Which concern matters in which the PHA is not required to provide an opportunity for a hearing,
  - Which conflict with or contradict HUD regulations or requirements,
  - Which conflict with or contradict Federal, State, or local laws, or
  - Which exceed the authority of the person conducting the hearing.

The PHA shall send a letter to the participant if it determines the PHA is not bound by the Hearing Officer's determination within 15 (fifteen) days. The letter shall include the PHA's reasons for the decision.

All requests for a hearing, supporting documentation and a copy of the final decision will be retained in the family's file.

**D. HEARING AND APPEAL PROVISIONS FOR 'RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS' [24 CFR Part 5, Subpart E]**

Assistance to the family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while the PHA hearing is pending but assistance to an applicant may be delayed pending the PHA hearing.

### **INS Determination of Ineligibility**

If a family member claims to be an eligible immigrant in the INS SAVE system and manual search(es) do not verify the claim, the PHA notifies the applicant or participant within ten 10 (ten) days of their right to appeal to the INS within 30 (thirty) days or to request an informal hearing with the PHA either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give the PHA a copy of the appeal and proof of mailing or the PHA may proceed to deny or terminate. The time period to request an appeal may be extended by the PHA for good cause.

The request for a PHA hearing must be made within 14 (fourteen) days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 14 (fourteen) days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members, the PHA will:

- Deny the applicant family,
- Defer termination if the family is a participant and qualifies for deferral,
- Terminate the participant if the family does not qualify for deferral

If there are eligible members in the family, the PHA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.

- Families denied or terminated for fraud in connection with the non-citizen rule are entitled to a review or hearing in the same way as terminations for any other type of fraud

**E      MITIGATING CIRCUMSTANCES FOR APPLICANTS/ PARTICIPANTS WITH DISABILITIES [24 CFR 982.204, 982.552(c)]**

When applicants are denied placement on the waiting list, or the PHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

For congregate housing there will be a separate lease and HAP contract for each assisted family.

Unless there is a live-in aide, the payment standard for the family that resides in congregate housing unit is the 0 (zero) bedroom payment standard on the PHA payment standard schedule.

However, if there are 2 (two) or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one-bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

**Housing Quality Standards**

The PHA will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

**Chapter 19**  
**SPECIAL HOUSING TYPES**

[24 CFR 982.601]

**INTRODUCTION**

The PHA will permit the use of any special housing types in its program only if the applicant/participant can demonstrate that it is needed as a reasonable accommodation for a person with a disability. Acceptable demonstration will include documentation from one or more knowledgeable professionals who are familiar with the applicant/participant and or the type of special housing requested as accommodation.

The PHA will not set aside any program funding for special housing types.

**Verification of Need for Reasonable Accommodation**

Acceptable documentation as verification of the need for reasonable accommodation would be a letter to the PHA describing how the special housing type requested provides the accommodation of which the person is in need. The request and documentation will be reviewed by the Housing Manager and a written response stating approval or disapproval will be sent to the applicant/participant within 10 (ten) business days of receipt of the request.

**A. SINGLE ROOM OCCUPANCY [24 CFR 982.602]**

The PHA will use a separate lease and housing assistance payment contract for each assisted person residing in an SRO. [24 CFR 982.603]

**SRO Rent and Housing Assistance Payment [24 CFR 982.604]**

**Pre-merger Regular Certificate Program**

The payment standard for SRO housing is 75 (seventy-five) percent of the 0 (zero) bedrooms FMR.

**Voucher Program**

The PHA SRO payment standard is 75 percent of the 0 (zero) bedroom payment standard schedule. For a person residing in an exception area the payment standard is 75 (seventy-five) percent of the HUD-approved 0 (zero) bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

**Utility allowance**

The utility allowance for an assisted person residing in SRO housing is 75 (seventy-five) percent of the 0 (zero) bedroom utility allowance.

## **Housing Quality Standards**

The PHA will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR 982.605.

### **B. CONGREGATE HOUSING [24 CFR 982.606]**

An elderly person or a person with disabilities may reside in a congregate housing unit.

The PHA may approve a family member or live-in aide to reside with the elderly person or person with disabilities.

The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to a usable by person with disabilities.

#### **Congregate Housing Lease and HAP Contract [24 CFR 982.607]**

For congregate housing, there is a separate lease and HAP contract for each assisted family.

### **C. GROUP HOMES [24 CFR 982.610, 982.612]**

A group home must be licensed, certified, or otherwise approved in writing by the State, or the State's licensing department.

An elderly person or a person with disabilities may reside in a State-approved group home. If approved by the PHA, a live-in aide may reside with a person with disabilities.

The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for a live-in aide, all residents of a group home assisted or unassisted must be elderly persons or persons with disabilities.

The PHA will not approve assistance for a person to live in a group home if file documentation indicates that the person needs continual medical or nursing care.

No more than twelve persons may reside in group home. This limit covers all persons who reside in the unit, including assisted or unassisted residents and any live-in aide.

#### **Group Home Lease and HAP Contract [24 CFR 982.611]**

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rated portion" means the ration by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in Aide.



### **Group Home Rent and HAP Contract** [24 CFR 982.613]

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

The reasonable rent for a group home is determined in accordance with 982.507. In determining reasonable rent for the group home; the PHA will consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private facilities.

### **Maximum Subsidy**

Unless there is a live-in aide, the family unit size is 0 (zero) or 1 (one) bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment for the family unit size; or the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the group home size.

### **Utility Allowance**

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

### **Housing Quality Standards**

The PHA will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

## **D. SHARED HOUSING** [24 CFR 982.615]

### **Occupancy**

An assisted family may reside in shared housing. In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment.

The PHA may approve a live-in aide to reside with a family in order to care for a person with a disability. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Other persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit.

A resident owner may enter into a HAP contract with the PHA. However, housing assistance may not be paid on behalf of an owner. The PHA will not approve assistance for a person or family that is related by blood or marriage to a resident owner.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

### **Rent and HAP Contract**

For shared housing, the term "pro-rate portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five-bedroom unit, the ratio would be 3/5 (three to five).

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with 982.507 and the guidelines set in the "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

### **Maximum Subsidy**

For a family that resides in a shared housing unit the payment standard is the lower of the payment standard amount on the PHA payment standard schedule for the family unit size or the pro-rata portion of the payment standard amount on the PHA payment standard for the shared housing unit size.

If the PHA approves a live-in aide, the live-in aide will be counted in determining the family unit size.

### **Utility Allowance**

The utility allowance for each assisted living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

### **Housing Quality Standards**

The PHA will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

## **E      COOPERATIVE HOUSING [24 CFR 982.619]**

The PHA will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. The PHA will not approve assistance for a family in cooperative housing until the PHA has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with 982.507 and the "Owner Rents, Rent Reasonableness, and Payment Standards" chapter. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperative's debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down-payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any utility

allowance.

For a cooperative, rent adjustments are applied to the carrying charge as determined in "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Section 8 limitations on rent to owner. The housing assistance payment will be determined in accordance with the guidelines in "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

The PHA may approve a live-in aide to reside with the family to care for a person with disabilities. The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide will be counted when determining the family unit size.

### **Housing Quality Standards**

The PHA will ensure that all cooperative housing units approved for the program are in compliance with all of the Housing Quality Standards outlined in the "Housing Quality Standards and Inspections" chapter, and regulated by 24 CFR 982.401.

## **F      MANUFACTURED HOMES** [24 CFR 982.620]

The PHA will permit a family to lease a manufactured home and space with assistance under the program. The PHA **will not** provide assistance for a family that owns the manufactured home and leases only the space.

The PHA may approve a live-in aide to reside with a family to care for a person with disabilities. The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide must be counted when determining the family unit size.

### **Housing Quality Standards** [24 CFR 982.621]

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections" chapter and regulated by 24 CFR 982.401. In addition, the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

### **Manufactured Home Space Rental** [24 CFR 982.622]

Rent to owner for a manufactured home space will include payment for maintenance services that the owner must provide to the tenant under the lease for the space.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

### **Reasonable Rent**

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by the PHA.

The PHA will not approve a lease for a manufactured home space until the PHA has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, the PHA will re-determine that the rent is reasonable.

The PHA will determine whether the rent to owner for a manufactured home space is reasonable in comparison to rents for other comparable manufactured home spaces. The PHA will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from the PHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the PHA, the owner must provide the PHA information on rents for other manufactured home space.

### **Housing Assistance Payments for Manufactured Home Space** [24 CFR 982.623]

#### **HAP for Voucher Tenancy**

There is a separate FMR for a family renting a manufactured home space. The payment standard is used to calculate the monthly housing assistance payment for a family. The FMR for rental of a manufactured home space is generally 40 (forty) percent of the published FMR for a 2 (two) bedroom unit.

#### **Subsidy Calculation for the Voucher Program**

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

The payment standard minus the total tenant payment; or

The rent paid for rental of the real property on which the manufactured home owned by the family is located (the space rent) minus the total tenant payment;

The space rent is the sum of the following as determined by the PHA;

Rent to owner for the manufactured home space;

Owner maintenance and management charges for the space;

The utility allowance for tenant paid utilities.

### **Utility Allowance Schedule for Manufactured Home Space Rental** [24 CFR 982.624]

The PHA will establish utility allowances for manufactured home space rental. For the first 12 (twelve) months of the initial lease term only, the allowances will include a reasonable amount for utility hook-up charges payable by the family if the family actually incurs the expenses because of a move.

Allowances for utility hook-up charges do not apply to a family that leases a manufactured home space in place.

- Utility allowances for manufactured home space will not be applied to cover the costs of digging a well or installation of a septic system.

**G. HOMEOWNERSHIP [24 CFR 982.625]**

Refer to "Section 8 Homeownership Program" Policies Manual

- Participants who are currently enrolled in Homeownership must coordinate all mortgage payments and/or changes with the FSS coordinator prior to the change(s).

**H. Project-Based Vouchers**

VASH Project-Based Vouchers.

If the Agency is awarded VASH Project-Based Vouchers (PBV), the following criteria will be used for selection. PHA will issue a request for PBV proposals that does not limit proposals to a single site or impose restrictions that explicitly or practical prelude owner submission of proposals for PBV housing on different sites.

Summary of Factors and Points	Points
<b>Projects Readiness</b> <b>Projects will be evaluated based on the readiness for occupancy or construction start date as listed below:</b>  <b>Existing housing that will be ready for occupancy on or before TBA. (30points)</b> <b>Newly constructed or rehabilitated units that will execute an agreement to enter into housing assistance payments and start construction on or before TBA. (30 points)</b>	<b>30</b>
<b>Enhanced Use Leased Program (EUL)</b> <b>Project will be evaluated based on utilization of the EUL program</b>  <b>Project is being developed in coordination with the EUL Program (20 Points). The project is not associated with the EUL Program (0 points)</b>	<b>20</b>
<b>Unit Size</b> <b>Projects will be evaluated based on the request Project-Based Voucher unit breakdown as follows:</b>  <b>The Owner/Developer requests a Project Based Voucher unit breakdown of at least 60% one-bedroom unit (Example: owner/developer requests to project base 50 units and specifies</b>	<b>10</b>

that at least 30 of this units will be one-bedroom units) (10 points).	
<b>Financial Feasibility of the Project</b> <b>Project must demonstrate that it is financially feasible for the 15-year Housing Assistance Payments Contract Period.</b>  <b>Project will be scored between 0-10 points. Projects receiving the highest scores are those that provide solid day-to-day operating feasibility documentation under generally accepted principles of affordable housing financing assumptions and modeling, and provide a detailed plan identifying all sources of funding.</b>	<b>10</b>
<b>Deconcentration and Proximity/Accessibility to Transportation and Services/Opportunities</b> <b>Projects selected for PBV must be located in an area where the poverty rate is less than 20% or in areas where in the past five years there has been an overall decline in the poverty rate. The properties also must be located in an area where there are, within reasonable traveling distance, meaningful opportunities for education and economic advancement. Educational opportunity includes adult education, vocational school, state, or community college. Economic advancement opportunities include retail and other businesses offering gentry-level job opportunities. Projects will be scored between 0-10 points, with highest scores awarded to projects in low poverty areas and in close proximity, or easily accessible to public transportation connected to VA or County Clinics, educational/economic opportunities. etc.</b>	<b>15</b>
<b>Experiences of Owner/Developer</b> <b>Experience Owning/Managing 100 units of housing, including at least 20 units of homeless housing, for at least 2 years. Professional management company may provide this experience if necessary. Projects will be scored between 0-15 points, with highest scores awarded to Owners/Developers with recent and sustained experience in the management/development of supportive housing for the homeless and/or veteran population.</b>	<b>15</b>
<b>Total Points Possible</b>	<b>100</b>

**I. VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) PROGRAM**

### 19-III.A. PROGRAM OVERVIEW

***Since 2008, HCV program funding has provided rental assistance under a supportive housing program for homeless veterans. The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a designated service provider (DSP) as approved by the VA Secretary. Eligible families are homeless veterans and their families that agree to participate in VA case management and are referred to the VAMC's partner PHA for HCV assistance. The VAMC or DSP's responsibilities include:***

- Screening homeless veterans to determine whether they meet VASH program participation criteria;
- Referring homeless veterans to the PHA;
  - The term *homeless veteran* means a veteran who is homeless (as that term is defined in subsection (a) or (b) of Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)). See 38 U.S.C. 2002.
- Providing appropriate treatment and supportive services to potential VASH participants, if needed, prior to PHA issuance of a voucher;
- Providing housing search assistance to VASH participants;
- Identifying the social service and medical needs of VASH participants, and providing or ensuring the provision of regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
- Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

***VASH vouchers are awarded noncompetitively based on geographic need and PHA administrative performance. Eligible PHAs must be located within the jurisdiction of a VAMC and in an area of high need based on data compiled by HUD and the VA. When Congress funds a new allocation of VASH vouchers, HUD invites eligible PHAs to apply for a specified number of vouchers.***

***Generally, the HUD-VASH program is administered in accordance with regular HCV program requirements. However, HUD is authorized to waive or specify alternative requirements to allow PHAs to effectively deliver and administer VASH assistance. Alternative requirements are established in the HUD-VASH Operating Requirements, which were originally published in the Federal Register on May 6, 2008, and updated September 27, 2021, and then again in 2024. Unless expressly waived by HUD, all regulatory requirements and HUD directives regarding the HCV program requirements are applicable to VASH vouchers, including the use of all HUD-required contracts and other forms, and all civil rights and fair housing requirements. In addition, the PHA may request additional statutory or regulatory waivers that it determines are necessary for the effective delivery and administration of the program.***



## **Chapter 20**

### **PROGRAM INTEGRITY ADDENDUM**

[24 CFR 792.101 to 792.204, 982.54]

#### **INTRODUCTION**

The PHA is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained.

The PHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines the PHA's policies for the prevention, detection, and investigation of program abuse and fraud.

#### **A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD**

Under no circumstances will the PHA undertake an inquiry or an audit of a participating family arbitrarily. The PHA's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. The PHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the PHA has a responsibility to HUD, the community, and eligible families in need of housing assistance to monitor participants and owners for compliance and, when indicators of possible abuse come to the PHA's attention, to investigate such claims.

The PHA will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

1. **Referrals, Complaints, or Tips.** The PHA will follow up on referrals received by electronic and/or postal mail, by telephone, or in person from other agencies, companies or persons alleging that a family is in noncompliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.
2. **Internal File Review.** A follow-up will be made if PHA staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review) information or facts that complete with previous file data, the PHA's knowledge of the family, or statements made by the family.
3. **Verification of Documentation.** A follow-up will be made if the PHA receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from credit bureaus or other agencies).

## **B. STEPS THE PHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD**

The PHA management and staff will utilize various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

- **Things You Should Know (HUD-1140-01G).** This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules and to clarify the PHA's expectations for cooperation and compliance.
- **Program Orientation Session.** Mandatory orientation sessions will be conducted by the PHA staff for all prospective program participants, either prior to or upon issuance of a voucher. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.
- **Resident Counseling.** The PHA will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.
- **Review and Explanation of Forms.** Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.
- **Use of Instructive Signs and Warnings.** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.
- **Participant Certification.** All family representatives will be required to sign a participant certification form.

## **C. STEPS THE PHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

The PHA staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews. Prior to initial certification and at the completion of all subsequent recertifications 10 (ten) percent of files will be reviewed. At a minimum, such reviews shall examine:

- Assurance that verification of all income and deductions are verified,
- Changes in reported Social Security numbers and dates of birth,
- Authenticity of file documents,
- Ratio between reported income and expenditures,
- Review of signatures for constancy with previously signed file documents,
- All forms are correctly dated and signed

**Observation:** The PHA management and occupancy staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized

persons residing in the household and unreported income.

**Public Record Bulletins:** These bulletins may be reviewed by management and staff.

**Credit Bureau Inquiries:** Credit bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

- When an allegation is received by the PHA wherein unreported income sources are disclosed,
- When a participant's expenditures exceed his/her reported income and plausible explanation is given

#### **D. THE PHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

The PHA staff will encourage all participating families to report suspected abuse to the office. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up. The PHA will not follow up on allegations that are vague or otherwise nonspecific. They will only review allegations that contain one or more independently verifiable facts.

##### **File Review:**

An internal file review will be conducted to determine whether the subject of the allegation is a client of the PHA and, if so, whether or not the information reported has been previously disclosed by the family.

The PHA will then determine whether it is the most appropriate authority to do a follow-up (as compared to police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

##### **Conclusion of Preliminary Review:**

If at the conclusion of the preliminary file review there are facts contained in the allegation that conflict with file data and that are independently verifiable, the **Supervisor/Manager** will initiate an investigation to determine if the allegation is true or false.

#### **E. OVERPAYMENTS TO OWNERS**

**If a landlord has been overpaid as a result of fraud, misrepresentations, or violation of the HAP contract, the PHA may terminate the contract and arrange for restitution to the PHA and/or family as appropriate.**

#### **F. HOW THE PHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

If the PHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the Manager to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, the PHA will secure the written authorization from the

program participant for the release of information.

**Credit Bureau Inquiries:** In cases involving previously unreported income sources, a credit bureau inquiry may be made to determine whether the financial activity of family conflicts with the family's reported income.

**Verification of Credit:** In cases where the financial activity conflicts with file data, a verification of credit form may be mailed to the creditor to determine the source of unreported income.

**Employers and Ex-Employers:** Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.

**Neighbors/Witnesses:** Neighbors and/or witnesses who are believed to have direct or indirect knowledge of facts pertaining to the PHA's review may be interviewed.

**Other Agencies:** Investigators, caseworkers or representatives of other benefit agencies may be contacted.

**Public Records:** The PHA will review any relevant public records kept in a jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

**Interviews with Head of Household or Family Members:** The PHA will discuss the allegation (or details thereof) with the head of household or family members by scheduling an appointment at the appropriate PHA office. A high standard of courtesy and professionalism will be maintained by the PHA staff person who conducts such interviews. Under no circumstance will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interview.

#### **G. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY THE PHA**

Documents and other evidence obtained by the PHA during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant's file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among PHA staff who are involved in the process or have information that may assist in the investigation.

#### **CONCLUSION OF THE PHA's INVESTIGATIVE REVIEW**

At the conclusion of the investigative review, the reviewer will report the findings to the executive director or designee. It will then be determined whether the facts are inconclusive and, if so, whether a violation has or has not occurred.

#### **H. EVALUATION OF THE FINDINGS**

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

- What type of violation has occurred (procedural noncompliance or fraud),
- Whether the violation was intentional or unintentional,
- What amount of the money (if any) is owed by the family,

- Whether the family is eligible for continued occupancy

## **I. ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED**

Once a program violation has been documented, the PHA will propose the most appropriate remedy based upon the type and severity of the violation.

- 1 Procedural Noncompliance.** This category applies when the family "fails to" observe a procedure or requirement of the PHA but does not misrepresent a material fact and there are no retroactive assistance payments owed by the family.

Examples of noncompliance violations are:

- Failure to appear at a prescheduled appointment
- Failure to return verification in the time period specified by the PHA

**(a) Warning Notice to the Family.** In such cases a notice containing the following will be sent to the family:

- **A description of the noncompliance and the procedure, policy, or obligation that was violated**
- **The consequences of repeated (similar) violations**

- 2 Procedural Noncompliance — Overpaid Assistance.** When the family owes money to the PHA for failure to report changes in income assets, the PHA will issue a notice of overpayment of assistance. This notice will contain the following:

- A description of the violation and the date(s)
- The amount owed to the PHA
- The number of days within which a response must be received
- Acknowledgment of the family's right to disagree and to request an informal hearing along with instructions for requesting such a hearing.

**(a) Participant Fails to Comply with PHA's Notice.** If the Participant fails to comply with the PHA's notice and a family obligation has been violated, the PHA will initiate termination of assistance.

**(b) Participant complies with PHA's Notice.** When a family complies with the PHA's notice, the staff person responsible will meet with him/her to explain and discuss the family obligation or program rule that was violated. The staff person will complete a participant counseling report, give one copy to the family, and retain a copy in the family's file.

- 3. Intentional Misrepresentations.** When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by the PHA, the PHA will evaluate whether or not:

- The participant had knowledge that his/her actions were wrong
- The participant willfully violated the family obligations or the law

**Knowledge that the action or inaction was wrong.** This will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, the briefing packet, and other personal declarations are adequate to establish knowledge of wrongdoing.

**Willful Intent.** Any of the following circumstances will be considered adequate to demonstrate willful intent:

- (a) An admission by the participant of the misrepresentation
- (b) Repetition of the misrepresentation
- (c) Use of false name or Social Security number
- (d) Admissions of the illegal action or omission by the participant to others
- (e) Omission of material facts known to the participant (e.g., employment of the participant or other household member)
- (f) Falsification, forgery or altering of documents
- (g) Uttering and certifying to statements at an interim (re)determination that are at a later time independently verified to be false.

**4     Dispositions of Cases Involving Misrepresentations.** In all cases of misrepresentations involving efforts to recover monies owed, the PHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

**(a)     Criminal Prosecution.**

- If the PHA has established criminal intent and the case meets the criteria for prosecution, the PHA may:
  - Refer the case to HUD's RIGI and terminate rental assistance.

**(b)     Administrative Remedies.**

- The PHA will:
  - Terminate assistance and execute an administrative repayment agreement in accordance with the PHA's repayment policy

Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with the PHA's repayment policy.

## **Chapter 21**

### **ADDENDUM VIOLENCE AGAINST WOMEN ACT**

#### **(VAWA)**

##### **I. PURPOSE AND APPLICABILITY**

The purpose of this policy (herein called “Policy”) is to implement the applicable revisions of the Violence Against Women and Department of Justice Reauthorization Act of 2005 (Pub. L. 109-162) and more generally to set forth THA’s policies and procedures regarding domestic violence, dating violence, sexual assault, and stalking, as hereinafter defined.

This Policy shall be applicable to the administration by THA of all federally subsidized public housing, Section 8 rental assistance and Special Programs under the United States Housing Act of 1937 (42 U.S.C. § 1437 et seq.). Notwithstanding its title, this policy is gender-neutral, and its protections are available to males who are victims of domestic violence, dating violence, sexual assault or stalking as well as female victims of such violence.

##### **II. GOALS AND OBJECTIVES**

This Policy has the following principal goals and objectives:

- A. Maintaining compliance with all applicable legal requirements imposed by VAWA;
- B. Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault, or stalking who are assisted by THA;
- C. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault, or stalking;
- D. Creating and maintaining collaborative arrangements between THA, law enforcement authorities, victim service providers, and others to promote the safety and well-being of victims of actual and threatened domestic violence, dating violence, sexual assault, or stalking, who are assisted by THA; and
- E. Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault, or stalking, affecting individuals assisted by THA.

##### **III. OTHER THA POLICIES AND PROCEDURES**

This Policy shall be referenced in and attached to THA’s Five-Year Public Housing Agency Plan and shall be incorporated in and made a part of THA’s Housing Choice Voucher Program Administrative Plan. THA’s annual housing agency plan shall also contain information concerning THA’s activities, services, or programs relating to domestic violence, dating violence, sexual assault, and stalking.

To the extent any provision of the policy shall vary or contradict any previously adopted policy or procedure of THA, the provisions of this Policy shall prevail.

#### IV. DEFINITIONS

As used in this Policy:

A. Domestic Violence – The term ‘domestic violence’ includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

B. Dating Violence – means violence committed by a person-

(1) who is or has been in a social relationship of a romantic or intimate nature with the victim; and

(2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

(a) The length of the relationship.

(b) The type of relationship.

(c) The frequency of interaction between the persons involved in the relationship.

C. Sexual Assault – means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the individual lacks capacity to consent.

D. Stalking – means –

(1) (a) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and

(b) to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and

(2) in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to –

(a) that person;

(b) a person affiliated with that person; or



(c) the spouse or intimate partner of that person;

E. Affiliated individual – means, with respect to a person –

(1) a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or

(2) any other person living in the household of that person

F. Perpetrator – means person who commits acts of domestic violence, dating violence, sexual assault, or stalking against a victim.

#### V. ADMISSIONS AND SCREENING

A. Non-Denial of Assistance. THA will not deny admission into the Housing Choice Voucher Program to any person because that person is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, provided that such person is otherwise qualified for admission.

B. Mitigation of Disqualifying Information. When so requested in writing by an applicant for assistance whose history includes incidents in which the applicant was a victim of domestic violence, THA, may but shall not be obligated to, take such information into account in mitigation of potentially disqualifying information, such as poor credit history or previous damage to a dwelling. If requested by an applicant to take such mitigating information into account, THA shall be entitled to conduct such inquiries as are reasonably necessary to verify the claimed history of domestic violence and its probable relevance to the potentially disqualifying information. THA will not disregard or mitigate potentially disqualifying information if the applicant household includes a perpetrator of a previous incident or incidents of domestic violence.

#### IV. TERMINATION OF TENANCY OR ASSISTANCE

A. VAWA Protections. Public housing residents, persons assisted under the Housing Choice Voucher rental assistance program, and persons assisted in Special Programs have the following specific protections, which will be observed by THA:

(1) An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be considered to be a “serious or repeated” violation of the lease by the victim or threatened victim of that violence and will not be good cause for terminating the tenancy or occupancy rights of or assistance to the victim of that violence.

(2) In addition to the foregoing, tenancy of assistance will not be terminated by THA as a result of criminal activity, if that criminal activity is directly related to domestic violence, dating violence, sexual assault, or stalking engaged in by a member of the assisted household, a guest or another person under the tenant’s control, and the tenant or an immediate family member is the victim or threatened victim of this criminal activity. However, the protection against termination of tenancy or assistance described in this paragraph is subject to the following limitations:

(a) Nothing contained in the paragraph shall limit any otherwise available authority of THA, a Housing Choice Voucher Assistance, or Special Programs owner or manager to terminate tenancy, evict, or to terminate assistance, as the case may be, for any violation of a lease or program requirement not premised on the act or acts of domestic violence, dating violence, sexual assault, or stalking in question against the tenant or a member of the tenant's household. However, in taking any such action, neither THA, a Housing Choice Voucher, nor Special Programs manager or owner may apply a more demanding standard to the victim of domestic violence, dating violence, sexual assault or stalking than that applied to other tenants.

(b) Nothing contained in this paragraph shall be construed to limit the authority of THA, a Housing Choice Voucher, or Special Programs owner or manager to evict or terminate from assistance any tenant or lawful applicant if the owner, manager, or THA, as the case may be, can demonstrate an actual and imminent threat to other tenants or to those employed at or providing service to the property, if the tenant is not evicted or terminated from the assistance.

B. Removal of the Perpetrator. Further, notwithstanding anything in paragraph VI.A.2. or Federal, State, or local law to the contrary, THA or a Housing Choice Voucher or Special Programs owner or manager, as the case may be, may bifurcate a lease, or remove a household member from a lease, without regard to whether a household member is a signatory to a lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in acts of physical violence against family members or others. Such action against the perpetrator of such physical violence may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also the tenant or a lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be affected in accordance with the procedures prescribed by law applicable to terminations of tenancy and evictions by THA. Leases used for all public housing operated by THA and, at the option of Housing Choice Voucher or Special Programs owners or managers, leases for dwelling units occupied by families assisted with rental assistance administered by THA, shall contain provisions setting forth the substance of this paragraph.

## VII. VERIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE OR STALKING

A. Requirement for Verification. The law allows, but does not require, THA or a Housing Choice Voucher or Shelter + Care owner or manager to verify that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking claimed by a tenant or other lawful occupant is bona fide and meets the requirements of the applicable definitions set forth in the policy. Subject only to waiver as provided in paragraph VII.C., THA shall require verification in all cases where an individual claims protection against an action involving such individual proposed to be taken by THA or Housing Choice Voucher or Special Programs owners or managers receiving rental assistance administered by THA may elect to require verification, or not to require it as permitted under applicable law.

Verification of a claimed incident of incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may be accomplished in one of the following three ways:

(1) HUD-approved form – by providing to THA or to the requesting Housing Choice Voucher or Special Programs owner or manager a written certification, on a form approved by the U.S. Department of Housing and Urban Development (HUD), that the individual is a victim of domestic violence, dating violence, sexual assault or stalking that the incident or incidents in questions are bona fide incidents of actual or threatened abuse meeting the requirements of the applicable definitions(s) set forth in this policy. The incident or incidents in questions must be described in reasonable detail as required in the HUD-approved form, and the completed certification must include the name of the perpetrator only if it is safe to do so or is known to the victim.

(2) Other documentation – by providing to THA or to the requesting Housing Choice Voucher or Special Programs owner or manager documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional, from whom the victim has sought assistance in addressing the domestic violence, dating violence, sexual assault or stalking, or the effects of the abuse, described in such documentation. The professional providing the documentation must sign and attest under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse meeting the requirements of the applicable definition(s) set forth in this policy. The victim of the incident or incidents of domestic violence, dating violence, sexual assault or stalking described in the documentation must also sign and attest to the documentation under penalty of perjury.

(3) Police or court record – by providing to THA or to the requesting Housing Choice Voucher Program owner or manager a Federal, State, tribal, territorial, or local police or court record describing the incident or incidents in question.

B. Time allowed to provide verification / failure to provide. An individual who claims protection against adverse action based on an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking, and who is requested by THA or a Housing Choice Voucher or Special Programs owner or manager to provide verification, must provide such verification within 14 business days (i.e., 14 calendar days, excluding Saturdays, Sundays, and federally-recognized holidays) after receipt of the request for verification. Failure to provide verification, in proper form within such time will result in loss of protection under VAWA and this policy against a proposed adverse action.

C. Waiver of verification requirement. THA may, with respect to any specific case, waive the above-stated requirements for verification and provide the benefits of this policy based on the victim's statement or other corroborating evidence. Such waiver may be granted in the sole discretion of the Tyler City Council, owner, or manager. Any such waiver must be in writing. Waiver in a particular instance or instances shall not operate as precedent for, or create any right to, waiver in any other case or cases, regardless of similarity in circumstances.

## VIII. CONFIDENTIALITY

A. Right of confidentiality. All information (including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking) provided to THA in connection with a verification required under section VII of this policy or provided in lieu of such verification

where a waiver of verification is granted, shall be retained by the receiving party in confidence and shall neither be entered in any shared database nor provided to any related entity, except where disclosure is:

- (1) requested or consented to by the individual in writing, or
- (2) required for use in a public housing eviction proceeding or in connection with termination of Housing Choice Voucher or Special Programs assistance, as permitted in VAWA, or
- (3) otherwise required by applicable law.

B. Notification of rights. All tenants of public housing and tenants participating in the rental assistance program administered by THA shall be notified in writing concerning their rights to confidentiality and the limits on such rights to confidentiality.

## IX. TRANSFER TO NEW RESIDENCE

A. Application for transfer. In situations that involve significant risk of violent harm to an individual as a result of previous incidents or threats of domestic violence, dating violence, sexual assault, or stalking, THA will, if an approved unit size is available at a location that may reduce the risk of harm, approve transfer by Housing Choice Voucher Program tenant to a different unit in order to reduce the level of risk to the individual. A tenant who requests transfer must attest in such application that the requested transfer is necessary to protect the health or safety of the tenant or another member of the household who is or was the victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believes that the tenant or other household member will be imminently threatened by harm from further violence if the individual remains in the present dwelling unit.

B. Action on applications. THA will act upon such an application promptly.

C. No right to transfer. THA will make every effort to accommodate requests for transfer when suitable alternative vacant units are not available, and the circumstances warrant such action. However, except with respect to portability of Housing Choice Voucher assistance as provided in paragraph IX.E. below the decision to grant or refuse to grant a transfer shall lie within the sole discretion of THA, and this policy does not create any right on the part of any applicant to be granted a transfer.

D. Family rent obligations. If a family moves before the expiration of the lease term in order to protect the health or safety of a household member, the family will remain liable for the rent during the remainder of the lease term unless released by THA.

E. Portability. Notwithstanding the foregoing, a HCV-assisted tenant will not be denied portability to a unit located in another jurisdiction (notwithstanding the term of the tenant's existing lease has not expired, or the family has not occupied the unit for 12 months) so long as the tenant has complied with all other requirements of the Housing Choice Voucher program and has moved from the unit in order to protect the health or safety of an individual member of the household who is or

has been the victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believes that the tenant or other household member will be imminently threatened by harm from further violence if the individual remains in the present dwelling unit.

#### X. COURT ORDERS / FAMILY BREAK-UP

A. Court orders. It is THA's policy to honor orders entered by courts of competent jurisdiction affecting individuals assisted by THA and their property. This includes cooperating with law enforcement authorities to enforce civil protection orders issued for the protection of victims and addressing the distribution of personal property among household members in cases where a family breaks up.

B. Family break-up. Other THA policies regarding family break-up are contained in THA's HCV Administrative Plan.

#### XI. RELATIONSHIPS WITH SERVICE PROVIDERS

It is the policy of THA to cooperate with organizations and entities, both private and governmental, which provide shelter and/or services to victims of domestic violence. If THA staff become aware that in individual assisted by THA is a victim of domestic violence, dating violence, sexual assault or stalking, THA will refer the victim to such providers of shelter or services as appropriate. Notwithstanding the foregoing, this Policy does not create any legal obligation requiring THA either to maintain a relationship with any particular provider of shelter or services to victims of domestic violence or to make a referral in any particular case. THA's annual public housing agency plan shall describe providers of shelter or services to victims of domestic violence with which THA has referral or other cooperative relationships.

#### XII. NOTIFICATION

THA shall provide written notification to applicants, tenants and Housing Choice Voucher Program owners concerning the rights and obligations created under VAWA relating to confidentiality, denial of assistance, and termination of tenancy or assistance.

#### XIII. RELATIONSHIP WITH OTHER APPLICABLE LAWS

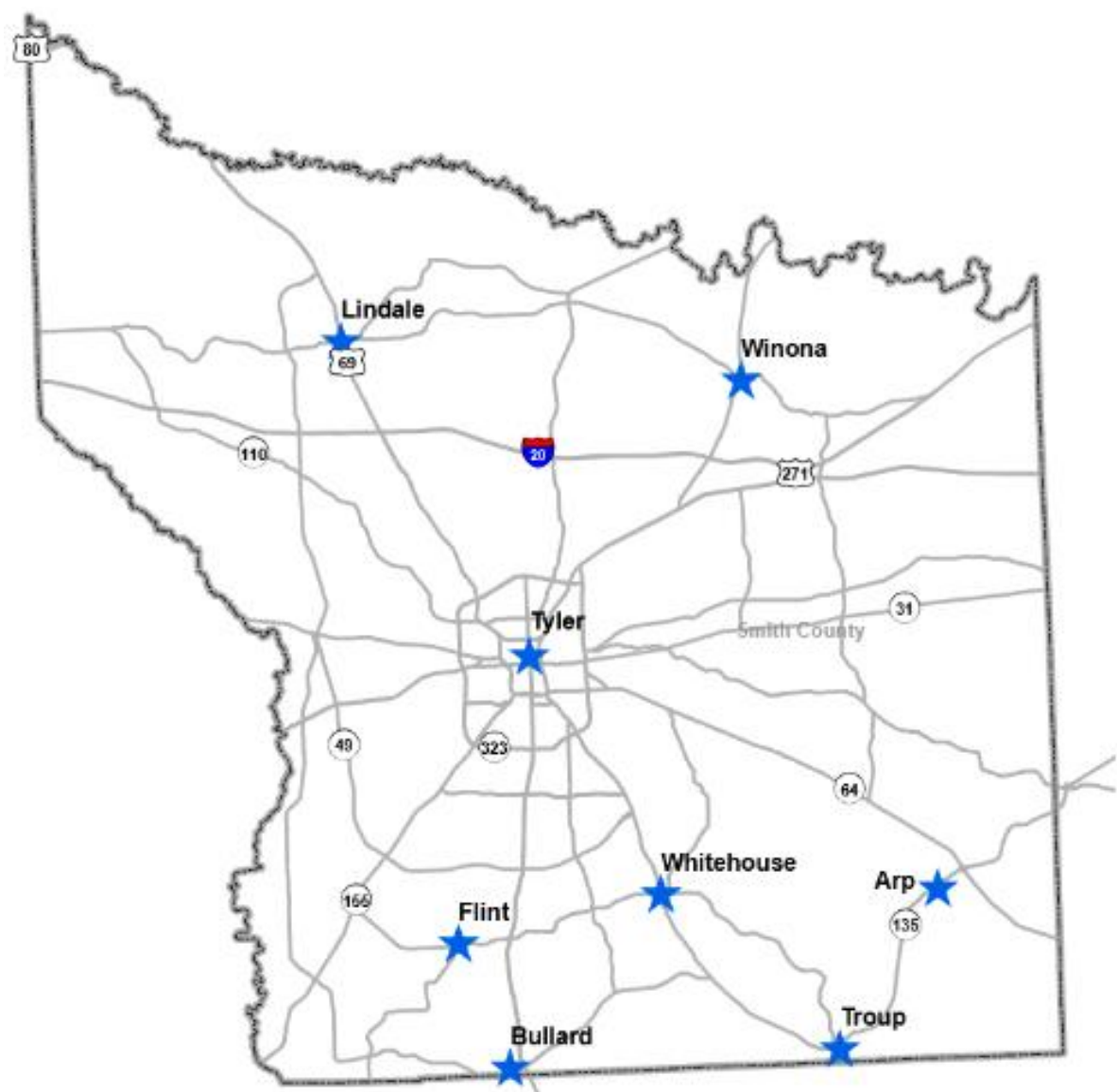
Neither THA nor this Policy implementing it shall preempt or supersede any provision of Federal, State, or local law that provides greater protection than that provided under VAWA for victims of domestic violence, dating violence, sexual assault, or stalking.

#### XIV. AMENDMENT

This policy may be amended from time to time by THA as approved by Tyler's City Council.

### **APPENDIX**

A. The City of Tyler Housing Choice Voucher Program Locations



## **B. The HOTMA 102/104 Appendix to the Administrative Plan**

HUD published a final rule on February 14, 2023, revising regulations related to income, assets, adjusted income, verification, and reexams (among others) to implement Sections 102 and 104 of HOTMA. While the new regulations were effective January 1, 2024, HUD has delayed the full compliance date for HOTMA 102/104. Initially, *Compliance* with Sections 102 and 104 of HOTMA means not only applying HOTMA 102/104 regulations to affected programs but also reporting in HUD's new Housing Information Portal (HIP) system. Currently, PHAs remain unable to fully comply with HOTMA 102/104 because compliance depends on transitioning from HUD's IMS/PIC system (which is unable to accept HOTMA-compliant Form HUD-50058) to HUD's new HIP system (which will be the only system that accepts HOTMA-compliant Form HUD-50058). PHAs cannot transition to HOTMA until HIP is in place, HOTMA-compliant, and accessible.

On December 18, 2024, HUD published Notice PIH 2024-38, which identifies provisions in HOTMA 102/104 that PHAs must comply with no later than July 1, 2025. The notice states that all transactions with an effective date on or after July 1, 2025, must be processed using requirements in the notice. The July 1, 2025, compliance deadline does not apply to other HOTMA 102/104 provisions not listed in the notice. Other provisions are still dependent on HIP implementation and may not be implemented yet.

The PHA must:

- Have stopped enrolling families into the EID as of 12/31/23;
- Transition to the new Form HUD-9886-A no later than 2/1/25;
- Apply HOTMA 102/104 income exclusions listed in [24 CFR 5.609\(b\)](#) (including new requirements for student financial assistance) for all income examinations effective on or after 7/1/25;
- Apply provisions related to de minimis errors; and
- Use these new HOTMA 102/104 definitions listed in the regulations for all transactions effective on or after 7/1/25.

These definitions include:

- Earned income
- Unearned income
- Family
- Day laborer
- Independent contractor
- Dependent
- Foster child and foster adults
- Health and medical care expenses
- Minor

Further, PHAs **may**, but are not required to:

- Stop using the EIV Income Report during interim reexams.

- Use Safe Harbor income determinations from means-tested federal assistance programs to verify a family's income and assets.

Finally, in FAQs dated 2/22/24, HUD also stated PHAs **may**, but are not required to:

- Accept third-party verification dated within 120 days of the date received by the PHA (rather than 60 days of the reexam/PHA request date);
- Accept a statement dated within the appropriate benefit year for fixed income sources like Social Security; and
- Accept a self-certification of SSNs along with a third-party document as a last resort if an individual is not able to provide documentation of SSN.

More details about each of the above provisions can be found in Notice [PIH 2023-27](#).

Other than what's listed above, all other provisions of HOTMA 102/104 are on hold still. This means **PHAs may not implement certain provisions of HOTMA yet.**

These include:

- All asset provisions, including the asset limitation;
- All adjusted income provisions, with the exception of the definition of health and medical care expenses;
- Inflationary adjustments (although PHA may use the HUD-determined passbook rate);
- The new verification hierarchy, which allows for EIV + self-certification;
- Annuals using the previous 12-month period income;
- Interim reexam requirements; and
- Non-interim reexam transactions.

PHAs may not implement the above provisions because HUD has determined they depend on HIP implementation. PHAs should await further guidance from HUD on when these will be applicable.



**Admin Eligibility**

AMILY CONSENT TO RELEASE OF INFORMATION is amended to comply with section J.2 of Notice PIH 2023-27, Revocation of Consent

RESTRICTION ON ASSISTANCE BASED ON ASSETS is added to comply with section A.1 of Notice PIH 2023-27, Asset Limitation

HOTMA 102/104 policies related to the definition of family, foster children, and foster adults are applicable no later than July 1, 2025.

## GLOSSARY

### A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
ACC	Annual Contributions Contract
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement a statute.
CPI	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
EIV	Enterprise Income Verification
ELI	Extremely low income
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FHEO	Fair Housing and Equal Opportunity (HUD Office of)
FICA	Federal Insurance Contributions Act - Social Security taxes
FmHA	Farmers Home Administration
FMR	Fair Market Rent

FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GFC	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TIP).
GR	Gross Rent
HA	Housing authority or housing agency
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act
HCV	Housing Choice Voucher
HIP	Housing Information Portal
HOTMA	Housing Opportunity through Modernization Act of 2016
HQS	Housing Quality Standards
HUD	The Department of Housing and Urban Development or its designee
HUDCLIPS	HUD Client Information and Policy System
HURRA	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, rent calculations

IG	Inspector General
IGR	Independent Group Residence
INS	Immigration and Naturalization Services
IPA	Independent Public Accountant
IRA	Individual Retirement Account
IVT	Income Validation Tool
JTPA	Job Training Partnership Act
LBP	Lead-based paint
LEP	Limited English proficiency
MTW	Moving to Work
NOFA	Notice of funding availability
NSPIRE	National Standards for the Physical Inspection of Real Estate
OGC	HUD's Office of General Counsel
OIG	HUD's Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan to Achieve Self-Support
PBV	Project-based voucher
PHA	Public Housing Agency

PIH	(HUD Office of) Public and Indian Housing
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
QC	Quality Control
RAD	Rental Assistance Demonstration Program
REAC	(HUD) Real Estate Assessment Center
RFP	Request for Proposals
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
RRP	Rental Rehabilitation Program
RTA (RFTA)	Request for Tenancy Approval
RVI	Remote Video Inspection
SEMAP	Section 8 Management Assessment Program
SRO	Single Room Occupancy
SSA	Social Security Administration
SSI	Supplemental security income
SSMA (MSA)	Standard Statistical Metropolitan Area. Has been replaced by MSA, Metropolitan Statistical Area established by the U.S. Census Bureau
SWICA	State wage information collection agency
TANF	Temporary assistance for needy families

TTP	Total Tenant Payment
TPV	Tenant protection vouchers
TR	Tenant Rent
UA	Utility Allowance
UFAS	Uniform Federal Accessibility Standards
UIV	Upfront income verification
URP (UR)	Utility Reimbursement Payment
VAWA	Violence Against Women Act
VCA	Voluntary Compliance Agreement
VMS	Voucher Management System

## **B. GLOSSARY OF TERMS USED IN SUBSIDIZED HOUSING**

***Abatement.*** Stopping HAP payments to an owner with no potential for retroactive payment.

**ABSORPTION.** In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

**ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE").** Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

***Accessible.*** The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

**ADA.** Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

**ADJUSTED INCOME.** Annual income, less allowable, HUD deductions.

**ADMINISTRATIVE FEE.** Fee paid by HUD to the PHA for administration of the program.

**ADMINISTRATIVE FEE RESERVE (Formerly "Operating reserve").** Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

***Administrative plan.*** The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

***Admission.*** The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

***Affiliated individual.*** With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

***Amortization payment.*** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

***Annual.*** Happening once a year.

**ANNUAL BUDGET AUTHORITY.** The maximum annual payment by HUD to a PHA for a funding increment.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

*Annual income (Prior to PHA implementation of HOTMA 102/104: Annual).* The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

*Annual income (Upon PHA implementation of HOTMA 102/104).* All amounts not specifically excluded in 24 CFR 5.609(b), received from all sources by each member of the family who is 18 years of age or older or is the head of household, spouse or cohead, plus unearned income by or on behalf of each dependent who is under 18 years of age.

**ANNUAL INCOME AFTER ALLOWANCES.** The Annual Income (described above) less the HUD-approved allowances.

**APPLICANT.** (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

*Area exception rent.* An amount that exceeds the published FMR. See 24 CFR 982.504(b).

**"AS-PAID" STATES.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**ASSETS.** (See Net Family Assets.)

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and 221 (d) (3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

*Authorized voucher units.* The number of units for which a PHA is authorized to make assistance payments to owners under its annual contributions contract.

*Auxiliary aids.* Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.



**Biennial.** Happening every two years.

**Bifurcate.** With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

**BUDGET AUTHORITY.** An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

**Building.** A structure with a roof and walls that contains one or more dwelling units.

**CERTIFICATE.** A Certificate issued by the PHA under the Section 8 pre-merger certificate program, declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation. Will no longer be issued after October 1, 1999.

**CERTIFICATE PROGRAM.** Pre-merger rental certificate program.

**Child.** A member of the family other than the family head or spouse who is under 18 years of age.

**Childcare expenses.** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further their education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen.** A citizen or national of the United States.

**CO-HEAD.** An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

**COMMON SPACE.** In shared housing: Space available for use by the assisted family and other occupants of the unit.

**Computer match.** The automated comparison of databases containing records about individuals.

**CONGREGATE HOUSING.** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. There must be a central kitchen and dining facility on the premises. It must be used to provide a food service that is provided for the residents, and that is not provided by the residents, and for the primary use of residents of the congregate units.

**Confirmatory review.** An on-site review performed by HUD to verify the management performance of a PHA.

**Consent form.** Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

**CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT.** (Consolidated ACC). See 24 CFR 982.151.

**CONTIGUOUS MSA.** In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

**CONTINUOUSLY ASSISTED.** An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**Contract authority.** The maximum annual payment by HUD to a PHA for a funding increment.

**COOPERATIVE.** (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: See 24 CFR 982.619.

**COVERED FAMILIES.** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

***Dating violence.*** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship
- 

***Day laborer.*** An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

***De minimis error.*** An error that results in a difference in the determination of a family's adjusted income of \$30 or less per month.

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

***Dependent child.*** In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

**DISABILITY ASSISTANCE EXPENSE.** Reasonable expenses that, when combined with health and medical care expenses, exceed 10 percent of annual income and are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source..

**DISABLED FAMILY.** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**DISABLED PERSON.** See Person with Disabilities.

**Disallowance.** Exclusion from annual income.

**Domestic violence.** Felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

**DOMICILE.** The legal residence of the household head or spouse as determined in accordance with State and local law.

**DRUG-RELATED CRIMINAL ACTIVITY.** The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802)).

**DRUG TRAFFICKING.** The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))

**Earned income.** Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

***Economic abuse.*** Behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:

- Restrict a person's access to money, assets, credit, or financial information
- Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage
- Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty

**ECONOMIC SELF-SUFFICIENCY PROGRAM.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603 (c).

**ELDERLY FAMILY.** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**ELDERLY HOUSEHOLD.** A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and wellbeing.

**ELDERLY PERSON.** A person who is at least 62 years old.

**ELIGIBILITY INCOME.** May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.

**ELIGIBLE FAMILY** A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR. See also *family*.

***Employer identification number (EIN).*** The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

**EXCEPTIONAL MEDICAL OR OTHER EXPENSES.** Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income; it is no longer used.

**EXCEPTION RENT.** In the pre-merger certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. See FMR/Exception rent.

**EXCESS MEDICAL EXPENSES.** Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income which are not reimbursable from any other source.

**EXTREMELY LOW-INCOME FAMILY.** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30% of medical income for an area if HUD finds such variations are necessary due to unusually high or low family incomes.

***Evidence of citizenship or eligible status.*** The documents which must be submitted as evidence of citizenship or eligible immigration status. See 24 CFR 5.508(b).

***Extremely low-income family.*** A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. See 24 CFR 5.603.

**FAIR HOUSING ACT.** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988

**FAIR MARKET RENT (FMR).** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. In the HCV program, the FMR may be established at the ZIP code level (see definition of *Small Area Fair Market Rents*), metropolitan area level, or nonmetropolitan county level.

**FAMILY.** Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy. Family includes a single person, who may be:

- An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
- An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social

Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or

Family also includes a group of persons residing together, and such group includes, but is not limited to:

- A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
- An elderly family;
- A near-elderly family;
- A disabled family;
- A displaced family; and
- The remaining member of a tenant family.
- 

**FAMILY OF VETERAN OR SERVICE PERSON.** A family is a "family of veteran or service person" when:

The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless he/she was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support he/she is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that he/she was a family member at the time of hospitalization and there remain in the family at least two related persons.

**FAMILY RENT TO OWNER.** In the voucher program, the portion of the rent to owner paid by the family.

**FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM).** The program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the coordination of supportive services to these families (24 CFR 984.103).

**FAMILY SHARE.** The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

**FAMILY UNIT SIZE.** The appropriate number of bedrooms for a family, as determined by the PHA under the PHA's subsidy standards.

**FMR/EXCEPTION RENT.** The fair market rent published by HUD headquarters. In the pre-merger certificate program, the initial contract rent for a dwelling unit plus any utility allowance could not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size). In the voucher program the PHA adopts a payment standard schedule that is within 90% to 110% of the FMR for each bedroom size.

***Federal agency.*** A department of the executive branch of the federal government.

***Foster adult.*** A member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

***Foster child.*** A member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

**FOSTER CHILD CARE PAYMENT.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**FULL-TIME STUDENT.** A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). See 24 CFR 5.603.

**FUNDING INCREMENT.** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

***Gender identity.*** Actual or perceived gender-related characteristics.

**GROSS FAMILY CONTRIBUTION.** Changed to Total Tenant Payment.

**GROSS RENT.** The sum of the rent to owner plus any utility allowance.

**GROUP HOME.** A dwelling unit that is licensed by a State certified or otherwise approved in writing by the state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). This limit includes assisted and unassisted residents who reside in the unit. The sanitary facilities must be sufficient in number so that they need not be shared by more than four residents of the group home. The unit must contain a kitchen and a dining area with



adequate space to store, prepare, and serve foods in a sanitary manner.

**Handicap.** Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

**HAP CONTRACT.** The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

**HEAD OF HOUSEHOLD.** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Health and medical care expenses.** Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

**Household.** A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

**HOUSING AGENCY.** See *public housing agency*.

**HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.** Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

**HOUSING ASSISTANCE PAYMENT.** The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

**HOUSING ASSISTANCE PAYMENTS CONTRACT.** (HAP contract). A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

**HOUSING ASSISTANCE PLAN.** (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the

block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

**HOUSING QUALITY STANDARDS (HQS).** The minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program, including any variations approved by HUD for the PHA under 24 CFR 5.705(a)(3).

**HUD.** The U.S. Department of Housing and Urban Development.

**HUD REQUIREMENTS.** HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

***Human trafficking.*** A crime involving the exploitation of a person for labor, services, or commercial sex. The Trafficking Victims Protection Act of 2000 and its subsequent reauthorizations recognize and define two primary forms of human trafficking:

- Sex trafficking is the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age. See 22 U.S.C. § 7102(11)(A).
- Forced labor is the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. See 22 U.S.C. § 7102(11)(B).

**IMPUTED ASSET.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000.

**IMPUTED WELFARE INCOME.** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

**INCOME.** Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

**INCOME FOR ELIGIBILITY.** Annual Income.

***Independent contractor.*** An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

***Independent entity.*** The unit of general local government; however, if the PHA itself is the unit of general local government or an agency of such government, then only the next level of general local government (or an agency of such government) or higher may serve as the independent entity; or a HUD-approved entity that is autonomous and recognized under state law as a separate legal entity from the PHA. The entity must not be connected financially (except regarding compensation for services performed for PHA-owned units) or in any other manner that could result in the PHA improperly influencing the entity.

***Individual with handicaps.*** See *person with disabilities*.

***Inflationary index (Upon PHA implementation of HOTMA 102/104).*** An index based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) used to make annual adjustments to the deduction for elderly disabled families, the cap for imputing returns on assets, the restriction on net family assets, the amount of net assets the PHA may determine based on self-certification by the family, and the dependent deduction.

**INDIAN.** Any person recognized as an Indian or Alaska native by an Indian tribe, the federal government, or any State.

**INDIAN HOUSING AUTHORITY (IHA).** A housing agency established either by exercise of the power of self- government of an Indian Tribe, independent of State law, or by operation of State law providing specifically for housing authorities for Indians.

**INITIAL PHA.** In portability, the term refers to both:

- A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
- A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

**INITIAL PAYMENT STANDARD.** The payment standard at the beginning of the HAP contract term.

**INITIAL RENT TO OWNER.** The rent to owner at the beginning of the HAP contract term.

***Inside.*** Under NSPIRE, the inside of HUD housing (or “inside areas”) refers to the common areas and building systems that can be generally found within the building interior and are not inside a unit. Examples of “inside” common areas may include, basements, interior or attached garages, enclosed carports, restrooms, closets, utility rooms, mechanical rooms, community rooms, day care rooms, halls, corridors, stairs, shared kitchens, laundry rooms, offices, enclosed porches, enclosed patios, enclosed balconies, and trash collection areas. Examples of building systems include those components that provide domestic water such as pipes, electricity, elevators, emergency power, fire protection, HVAC, and sanitary services.

***Institution of higher education.*** An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

**INTEREST REDUCTION SUBSIDIES.** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

**JURISDICTION.** The area in which the PHA has authority under State and local law to administer the program.

**LANDLORD.** This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

**LARGE VERY LOW-INCOME FAMILY.** Prior to the 1982 regulations, this meant a very low-income family which included six or more minors. This term is no longer used.

**LEASE.** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling

unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

***Life-Threatening LEASE ADDENDUM.*** For pre-merger Certificate, pre-merger OFTO, and pre-merger Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.

***Life-Threatening deficiency.*** Under NSPIRE, the life-threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death or severe illness or injury to a resident.

**LIVE-IN AIDE.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

**LOCAL PREFERENCE.** A preference used by the PHA to select among applicant families.

***Low deficiency.*** Under NSPIRE, deficiencies critical to habitability but not presenting a substantive health or safety risk to resident.

**LOW-INCOME FAMILY.** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80% for areas with unusually high- or low-income families.

**MANUFACTURED HOME.** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HOS. A special housing type. See 24 CFR 982.620 and 982.621.

**MANUFACTURED HOME SPACE.** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

**MARKET RENT.** The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families' ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Section 8 Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those total medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of 3% of Annual Income.

**MERGER DATE.** October 1, 1999.

**MINOR.** A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

**MIXED FAMILY.** A family with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3)

***Moderate deficiency.*** Under NSPIRE, this includes deficiencies that, if evident in the home or on the property, present a moderate risk of an adverse medical event requiring a healthcare visit; cause temporary harm; or if left untreated, cause or worsen a chronic condition that may have long-lasting adverse health effects; or that the physical security or safety of a resident or their property could be compromised.

**MONTHLY ADJUSTED INCOME.** 1/12 of the Annual Income after Allowances or Adjusted Income.

**MONTHLY INCOME.** 1/12 of the Annual Income.

***Mutual housing.*** Included in the definition of *cooperative*.

**NATIONAL.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

***National Standards for the Physical Inspection of Real Estate.*** HUD's housing inspection approach. NSPIRE is a single inspection standard for all units under the Public Housing, HCV, Multifamily, and Community Planning and Development (CPD) programs

**NEAR-ELDERLY FAMILY.** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more live-in aides.

**NEGATIVE RENT.** Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

**NET FAMILY ASSETS (*Prior to PHA implementation of HOTMA 102/104*).** (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real

property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**NET FAMILY ASSETS (*Upon PHA implementation of HOTMA 102/104*).** The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment. In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets..

**NON-CITIZEN.** A person who is neither a citizen nor a national of the United States.

***Notice of funding availability (NOFA).*** For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

**OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards]** Standards established by a PHA to determine the appropriate number of bedrooms for families of

different sizes and compositions.

**Office of General Counsel (OGC).** The General Counsel of HUD.

**Outside.** Under NSPIRE, outside of HUD housing (or “outside areas”) refers to the building site, building exterior components, and any building systems located outside of the building or unit. Examples of “outside” components may include fencing, retaining walls, grounds, lighting, mailboxes, project signs, parking lots, detached garage or carport, driveways, play areas and equipment, refuse disposal, roads, storm drainage, non-dwelling buildings, and walkways. Components found on the exterior of the building are also considered outside areas, and examples may include doors, attached porches, attached patios, balconies, car ports, fire escapes, foundations, lighting, roofs, walls, and windows.

**Overcrowded.** A unit that does not have at least one bedroom or living/sleeping room for each two persons.

**OVER-FMR TENANCY (OFTO).** In the pre-merger Certificate program: A tenancy for which the initial gross rent exceeds the FMR/exception rent limit,

**OWNER.** Any persons or entity having the legal right to lease or sublease a unit to a participant.

**PARTICIPANT (*participant family*).** A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

**PAYMENT STANDARD.** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

**PERSON WITH DISABILITIES.** *For the purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.



***PHA-owned unit.*** A dwelling unit in a project that is: (A) Owned by the PHA (including having a controlling interest in the entity that owns the project); (B) Owned by an entity wholly controlled by the PHA; or (C) Owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner. A controlling interest is: (A) Holding more than 50 percent of the stock of any corporation; (B) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a nonprofit corporation); (C) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; (D) Holding more than 50 percent of all managing member interests in an LLC; (E) Holding more than 50 percent of all general partner interests in a partnership; or (F) Equivalent levels of control in other ownership structures.

**PHA PLAN.** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

***PHA's quality control sample.*** An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

**PORTABILITY.** Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

**PREMISES.** The building or complex in which the dwelling unit is located, including common areas and grounds.

**PRIVATE SPACE.** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

***Project owner.*** The person or entity that owns the housing project containing the assisted dwelling unit.

**PROCESSING ENTITY.** Entity responsible for making eligibility determinations and for income reexaminations. In the Section 8 Program, the "processing entity" is the "responsible entity."

**PROGRAM.** The Section 8 tenant-based assistance program under 24 CFR Part 982.

**PROGRAM RECEIPTS.** HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

**PUBLIC ASSISTANCE.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**PUBLIC HOUSING AGENCY (PHA).** Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is

authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

***Qualified census tract.*** With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD

***Real property. Upon PHA implementation of HOTMA 102/104,*** real property has the same meaning as that provided under the law of the state in which the property is located

***Reasonable accommodation.*** A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

**REASONABLE RENT.** A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

**RECEIVING PHA.** In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

**RECERTIFICATION.** Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim recertifications.

**REGULAR TENANCY.** In the pre-merger certificate program: A tenancy other than an over-FMR tenancy.

**RELATIVE by BLOOD.** A person who is related by birth, rather than by marriage, including those of half-blood. A blood relative includes a parent, brother, sister, aunt, uncle, nephew, niece, first cousin, or any of the aforementioned prefixed by "grand", "great-grand", or "great-great-grand."

**REMAINING MEMBER OF TENANT FAMILY.** The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

**RENT TO OWNER.** The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

***Request for Tenancy Approval (RTA).*** A form (Form HUD-52517) submitted by or on behalf of a family to a PHA once the family has identified a unit that it wishes to rent using tenant-based voucher assistance.

**RESIDENCY PREFERENCE.** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

**RESIDENCY PREFERENCE AREA.** The specified area where families must reside to qualify for a residency preference.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or wellbeing. A Resident Assistant shall not be related by blood, marriage, or operation of law to individuals receiving Section 8 assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

**RESPONSIBLE ENTITY.** For the public housing and Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

***Seasonal worker.*** An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

**SECRETARY.** The Secretary of Housing and Urban Development.

**SECTION 8.** Section 8 of the United States Housing Act of 1937 (42 U.S.C. 14370).

***Section 8 covered programs.*** All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

***Section 8 Management Assessment Program (SEMAP).*** A system used by HUD to measure PHA performance in key Section 8 program areas. See 24 CFR Part 985.

***Section 214.*** Section 214 of the Housing and Community Development Act of 1980, as amended.

***Section 214 covered programs.*** The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

**SECURITY DEPOSIT.** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Prior to move-in the owner may collect a security deposit from the tenant; however, the PHA may prohibit the owner from collecting a security deposit in excess of private market

practice, or in excess of amounts charged by the owner to unassisted tenants.

When the family moves out of the unit, the owner - subject to state and local law - may use the security deposit (including interest) as reimbursement and may be applied to unpaid rent, damage, or any other amounts that the tenant owes under the lease.

The owner must give the family a list of all items charged and the amount. The owner must refund the full amount of the unused balance to the tenant.

**SERVICE PERSON.** A person in the active military or naval service (including the active reserve) of the United States.

***Set-up charges.*** In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home

***Severe deficiency.*** Under NSPIRE, the severe category includes deficiencies that, if evident in the home or on the property, present a high risk of permanent disability, or serious injury or illness, to a resident; or the physical security or safety of a resident or their property would be seriously compromised.

***Sexual assault.*** Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

***Sexual orientation.*** Homosexuality, heterosexuality or bisexuality.

**SHARED HOUSING.** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type.

**SINGLE PERSON.** A person living alone or intending to live alone.

***Single room occupancy housing (SRO).*** A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

***Small Area Fair Market Rents (SAFMRs).*** FMRs established for ZIP code areas.

***Small rural public housing agency (PHA).*** Section 38 defines the term “small public housing agency” as a public housing agency “for which the sum of the number of public housing dwelling units administered by the agency and the number of vouchers under section 8(o) administered by the agency is 550 or fewer” and “that predominantly operates in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of

Federal Regulations.” After consideration of the public comments discussed above, HUD is interpreting “predominantly operates in a rural area” to mean a small PHA that:

- (1) Has a primary administrative building with a physical address in a rural area as described in 12 CFR 1026.35(b)(2)(iv)(A); or
- (2) more than 50 percent of its combined public housing units and voucher units under section 8(o) are in rural areas as described in 12 CFR 1026.35(b)(2)(iv)(A). HUD also clarifies that voucher units under section 8(o) include those in the tenant-based Housing Choice Voucher (HCV) program and the Project-Based Voucher (PBV) program.

***Social security number (SSN).*** The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person’s earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

**SPECIAL ADMISSION.** Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

**SPECIAL HOUSING TYPES.** See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**SPECIFIED WELFARE BENEFIT REDUCTION.** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**SPOUSE.** The husband or wife of the head of the household, registered domestic partner.

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to

Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

**SUBSIDY STANDARDS.** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**SUBSTANDARD UNIT.** Substandard housing is defined by HUD for determination of a unit that does not meet the decent safe and sanitary rule use as a federal preference.

**SUSPENSION/TOLLING.** Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension.

***Tax credit rent.*** With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

***Technological abuse.*** An act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

- Internet enabled devices
- Online spaces and platforms
- Computers
- Mobile devices
- Cameras and imaging programs
- Apps
- Location tracking devices
- Communication technologies
- Any other emergency technologies

**TENANCY ADDENDUM.** For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

**TENANT.** The person or persons (other than a live-in-aide) who executes the lease as lessee of the dwelling unit.

***Tenant-paid utilities.*** Utilities and services that are not included in the rent to owner and are the responsibility of the assisted family, regardless of whether the payment goes to the utility company or the owner. The utilities and services are those necessary in the locality to provide housing that complies with HQS. The utilities and services may also include those required by HUD through a *Federal Register* notice after providing opportunity for public comment.

**TENANT RENT.** The amount payable monthly by the family as rent to the unit owner (Section 8 owner or PHA in public housing). For a tenancy in the pre-merger certificate program, tenant rent equals the total tenant payment minus any utility allowance.

***Term of lease.*** The amount of time a tenant agrees in writing to live in a dwelling unit.

**TOTAL TENANT PAYMENT (TTP).** The total amount the HUD rent formula requires the tenant to pay toward gross rent and utility allowance.

**Unearned income.** Any annual income, as calculated under 24 CFR 5.609, that is not earned income.

**UNIT.** Residential space for the private use of a family.

Under NSPIRE, a unit (or “dwelling unit”) of HUD housing refers to the interior components of an individual unit. Examples of components included in the interior of a unit may include the balcony, bathroom, call-for-aid (if applicable), carbon monoxide devices, ceiling, doors, electrical systems, enclosed patio, floors, HVAC (where individual units are provided), kitchen, lighting, outlets, smoke detectors, stairs, switches, walls, water heater, and windows.

**UNUSUAL EXPENSES.** Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

**UTILITIES.** Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone or cable service is not included as a utility.

**UTILITY ALLOWANCE.** If the cost of utilities (except telephone and cable) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

**Utility hook-up charge.** In a manufactured home space rental: Costs payable by a family

for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

**UTILITY REIMBURSEMENT.** In the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner.

**UTILITY REIMBURSEMENT PAYMENT.** In the pre-merger certificate program, the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VACANCY LOSS PAYMENTS.** (For pre-merger certificate contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if he/she notifies the PHA as soon as he/she learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

**VERY LARGE LOWER-INCOME FAMILY.** Prior to the change in the 1982 regulations this was described as a lower-income family which included eight or more minors. This term is no longer used.

**VERY LOW-INCOME FAMILY. A** Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the pre-merger certificate and voucher programs.

**VETERAN.** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released there from under conditions other than dishonorable.

**Violence Against Women Act (VAWA).** Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking.

**VIOLENT CRIMINAL ACTIVITY.** Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**VOUCHER (rental voucher, housing choice voucher).** A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

**VOUCHER HOLDER.** A family holding a voucher with an unexpired term (search time).



**VOUCHER PROGRAM.** The Housing Choice Voucher program.

**WAITING LIST.** A list of families organized according to HUD regulations and PHA policy who are waiting for subsidy to become available.

**WAITING LIST ADMISSION.** An admission from the PHA waiting list.

**WELFARE ASSISTANCE.** Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, childcare or other services for working families. For the FSS program (24 CFR 984.103), *welfare assistance* includes only cash maintenance payments designed to meet a family's ongoing basic needs. Does not include nonrecurring short term benefits designed to address individual crisis situations, work subsidies, supportive services such as childcare and transportation provided to families who are employed, refundable earned income tax credits, contributions to and distributions from Individual Development Accounts under TANF, services such as counseling, case management, peer support, childcare information and referral, financial empowerment, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support, amounts solely directed to meeting housing expenses, amounts for health care, Supplemental Nutrition Assistance Program (SNAP) and emergency rental and utilities assistance, SSI, SSDI, or social security, and child-only or non-needy TANF grants made to or on behalf of a dependent child solely on the basis of the child's need and not the need of the child's current non-parental caretaker.

**WELFARE RENT.** This concept is used ONLY for pre-merger Certificate tenants who receive welfare assistance on an "AS-PAID" basis. It is not used for the Housing Voucher Program.

- If The Agency does NOT apply a ratable reduction, this is the maximum a public assistance agency COULD give a family for shelter and utilities, NOT the amount the family is receiving at the time the certification or recertification is being processed.
- If The Agency applies a ratable reduction, welfare rent is a percentage of the maximum The Agency could allow.

**WELFARE-TO-WORK (WTW) FAMILIES.** Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).

**Withholding** - Stopping HAP payments to an owner while holding them for potential retroactive disbursement.

## **C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE**

**CHILD.** A member of the family other than the family head or spouse who is under 18 years of age.

**CITIZEN.** A citizen or national of the United States.

**EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS.** The documents which must be submitted to evidence citizenship or eligible immigration status.

**HEAD OF HOUSEHOLD.** The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

**HUD.** Department of Housing and Urban Development.

**INS.** The U.S. Immigration and Naturalization Service.

**MIXED FAMILY.** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

**NATIONAL.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**NONCITIZEN.** A person who is neither a citizen nor national of the United States.

**PHA.** A housing authority who operates Public Housing.

**RESPONSIBLE ENTITY.** The person or entity responsible for administering the restrictions on providing assistance to non-citizens with ineligible immigration status (the PHA).

**SECTION 214.** Section 214 restricts HUD from making financial assistance available for non-citizens unless they meet one of the categories of eligible immigration status specified in Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

**SPOUSE.** Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner

in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs.