

## SECTION 8 ADMINISTRATIVE PLAN

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This Administrative Plan defines the Housing Authority's policies for the operation for the Section 8 Housing Choice Voucher (HCV) Program, incorporating Federal, State and local law. If there is any conflict between this policy and laws or regulations, the laws and regulations will prevail.

### 1.0 EQUAL OPPORTUNITY

#### 1.1 FAIR HOUSING (*24 CFR 103.1 – 103.515*)

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws; the Americans with Disabilities Act; and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, sexual orientation, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Housing Authority housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, the Housing Authority will provide Federal/State/local information to applicants for and participants in the Section 8 Housing Choice Voucher Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the Housing Authority office. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo.

The Housing Authority will assist any family that believes they have suffered illegal discrimination by providing them copies of the housing discrimination form. The Housing Authority will also assist them in completing the form, if requested, and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

The Housing Authority may refer the family to Community Housing Resources (CHR). CHR provides fair housing referrals and provides help with housing discrimination complaints. The Housing Authority may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

All written information and advertisements will contain the appropriate Equal Opportunity language and logo.

#### 1.2 *EQUAL EMPLOYMENT OPPORTUNITY (24 CFR 574.603)*

The Housing Authority practices affirmative action in hiring, promotions and conditions of employment. All Housing Authority job postings will prominently display the affirmative action/equal employment opportunity logo and/or slogan.

### **1.3 REASONABLE ACCOMMODATION (24 CFR 9.101-9.170)**

The Housing Authority will provide persons with disabilities a reasonable accommodation to take full advantage of the Housing Authority housing programs and related services. Such accommodations will not confer special treatment or advantage for the person with a disability; but will make the program accessible in a way that would otherwise not be possible due to the disability. This policy (24 CFR 9.101-9.170) clarifies how people may request accommodations and the guidelines the Housing Authority will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the Housing Authority will ensure that all applicants/residents are aware of the opportunity to request reasonable accommodations.

### **1.4 COMMUNICATION**

The Housing Authority Central office is accessible, and accessible materials will be provided for sight and hearing-impaired persons. Any notification requesting action by the participant will include information about requesting a reasonable accommodation. A Telecommunication Device for the Deaf (TDD) is available for the deaf. The TDD telephone number is 301-739-2543.

The Housing Authority will make special arrangements to take the application of persons who are unable to come to the Housing Authority Central office due to a disability. At the initial point of contact with each applicant, the Housing Authority will inform applicants of alternative forms of communication that can be used other than plain language paperwork. Applicants may name a friend, relative, or advocate to receive, interpret, and explain housing materials and be present at all meetings.

### **1.5 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION**

- A. Is the requestor a person with disabilities? For this purpose, the definition of disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:

A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition).

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the Housing Authority will obtain verification that the person is a person with a disability.

- B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the Housing Authority will obtain documentation that the requested accommodation is needed due to the disability. The Housing Authority will not inquire as to the nature of the disability.

- C. Is the requested accommodation reasonable? To be determined reasonable, the accommodation must meet two criteria:
1. Would the accommodation constitute a fundamental alteration? The Housing Authority's business is housing. If the request would alter the fundamental business that the Housing Authority conducts, that would not be reasonable. For instance, the Housing Authority would deny a request to have the Housing Authority do grocery shopping for the person with disabilities.
  2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the Housing Authority may request a meeting with the individual to investigate and consider equally effective alternatives.

Generally, the individual knows best what they need; however, the Housing Authority retains the right to be shown how the requested accommodation enables the individual to access or use the Housing Authority's programs or services.

If more than one accommodation is equally effective in providing access to the Housing Authority's programs and services, the Housing Authority retains the right to select the most efficient or economic choice.

The cost necessary to carry out approved requests will be borne by the Housing Authority if there is no one else willing to pay for the modifications. If another party pays for the modification, the Housing Authority will seek the same entity pay for any restoration costs.

If the participant requests, as a reasonable accommodation, that he or she be permitted to make physical modifications to their dwelling unit, at their own expense, the request should be made to the property owner/manager. The Housing Authority does not have responsibility for the owner's unit and does not have responsibility to make the unit accessible.

Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

## **1.6 SERVICES FOR NON-ENGLISH-SPEAKING APPLICANTS AND PARTICIPANTS (72 CFR 2732)**

### **A. OVERVIEW**

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the Housing Authority. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination based on national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The Housing Authority will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this plan, LEP persons are applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the Housing Authority will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the program (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the Housing Authority and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the Housing Authority.

#### B. ORAL INTERPRETATION

In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the Housing Authority will generally offer, or ensure that the family is offered through other sources, competent services free of charge to the LEP person.

##### Hagerstown Housing Authority Policy

The Housing Authority will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible, the Housing Authority will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other Housing Authorities, and will standardize documents. Where feasible and possible, the Housing Authority will encourage the use of qualified community volunteers. Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the Housing Authority. The interpreter may be a family member or friend.

#### C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

##### Hagerstown Housing Authority Policy

To comply with written-translation obligations, the Housing Authority will take the following steps:

1. The Housing Authority will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or

likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

2. If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the Housing Authority does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

### ***1.7 FAMILY OUTREACH/DECONCENTRATION***

The Housing Authority will publicize the availability and nature of the Section 8 Program for extremely low-income, very low and low-income families in a newspaper of general circulation, minority media, and by other suitable means, when determined necessary by Management.

To reach persons, who cannot or do not read newspapers, the Housing Authority will distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel, when determined necessary by Management. The Housing Authority will also try to utilize public service announcements.

The Housing Authority will communicate the status of program availability to other service providers in the community and advise them of housing eligibility factors and guidelines so that they can make proper referral of their clients to the program.

To encourage certificate and voucher holders to lease outside areas of poverty or minority concentration and to encourage landlord participation in these areas, the Housing Authority will:

- At the enrollment interview: Provide participants with local area maps showing such areas within the Housing Authority's jurisdiction and neighboring jurisdictions
- Provide information on portability and a list of portability contacts at neighboring Housing Authorities
- Provide landlord referrals and services available in such areas

### ***1.8 EXPANDING HOUSING OPPORTUNITIES/OWNER OUTREACH/DECONCENTRATION***

The Housing Authority encourages owners of decent, safe and sanitary housing units to lease to Section 8 families. The Housing Authority will provide access to a listing of available units.

The staff of the Housing Authority initiates personal contact with private property owners and managers by conducting formal and informal discussions. The Housing Authority conducts periodic meetings with prospective and participating owners to educate and improve owner relations and to seek participation by new owners. Newsletters, landlord information packets and workshops are offered to acquaint owners and managers with the opportunities available under the program and to recruit new owners outside of areas of poverty and minority concentration.

## **1.9 RIGHT TO PRIVACY**

All adult members of both applicant and participant households are required to sign HUD Form 9886, *Authorization for Release of Information and Privacy Act Notice*. The *Authorization for Release of Information and Privacy Act Notice* states how family information will be released and includes the *Federal Privacy Act Statement*.

In accordance with HUD requirements, the Housing Authority will furnish prospective owners with the family's current address as shown in the Housing Authority's records and, if known to the HA, the name and address of the landlord at the family's current and prior address.

A statement of the Housing Authority's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family.

Under no circumstances will Housing Authority staff discuss family information contained in files with any entity unless there is a signed authorization by the applicant or Tenant family to do so and only for a business reason. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

The Authority practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files are stored in locking file cabinets and will only be accessible by authorized staff. Electronic files are securely stored in accordance with

## **1.10 SOCIAL SECURITY NUMBER PRIVACY POLICY**

Pursuant to Federal, State, and Local law, it is the policy of The Hagerstown Housing Authority to protect the confidentiality of social security numbers. No person shall knowingly acquire, disclose, transfer, or unlawfully use the social security number of any employee, client or other individual unless in accordance with applicable state and federal law and the procedures and rules established by this policy.

Administrative Procedures/Rules:

### **A. Social Security Number Defined**

As used in this policy, the term "social security number" includes both the entire nine-digit number and more than 4 sequential digits of the number.

### **B. Public Display**

Social security numbers shall not be placed on identification cards or badges, membership cards, permits, licenses, time cards, employee rosters, bulletin boards, or any other materials or documents that are publicly displayed. Documents, materials, or computer screens that display social security numbers or other sensitive information shall always be kept out of public view.

C. Access to Social Security Numbers

Only persons authorized by the responsible department or other administrative unit head shall have access to information or documents that contain social security numbers.

D. Mailed or Transmitted Documents

Documents containing social security numbers shall only be mailed or transmitted in the following circumstances:

1. State or federal law, rule, regulation, or court order or rule authorizes, permits, or requires that a social security number appear in the document.
2. The document is sent as part of an application or enrollment process initiated by the individual whose social security number is contained in the document.
3. The document is sent to establish, confirm the status of, service, amend, or terminate an account, contract, policy, or employee or health insurance benefit or to confirm the accuracy of a social security number of an individual who has an account, contract, policy, or employee or health insurance benefit.
4. The document or information is a copy of a public record filed or recorded with the county clerk or register of deeds office and is mailed by that office to a person entitled to receive that record.
5. The document or information is a copy of a vital record recorded as provided by law and is mailed to a person entitled to receive that record.
6. The document or information is mailed by or at the request of an individual whose social security number appears in the document or information or his or her parent or legal guardian.
7. Documents containing social security numbers that are mailed or otherwise sent to an individual shall not reveal the number through the envelope window, nor shall the number be otherwise visible from outside the envelope or package.
8. Social security numbers shall not be sent over the internet or a computer system or network (e.g. through e-mail) unless the connection is secure, or the transmission is encrypted.
9. No individual shall be required to use or transmit his or her social security number over the internet or a computer system, or to gain access to an internet website, computer system, or network (e.g. through e-mail) unless the connection is secure, the transmission is encrypted, or a password or other unique personal identification number or other authentication device is also required to gain access to the internet website or computer system or network.

E. Storage and Disposal

All documents or files that contain social security numbers shall be stored in a physically secure manner. Social security numbers shall not be stored on computers or other electronic devices that are not secured against unauthorized access. Documents or other materials containing social security numbers shall not be thrown away in the trash; they shall be discarded or destroyed only in a manner that protects their confidentiality, such as shredding.

F. Information Collected

Social security numbers should only be collected where required by federal and state law or as otherwise permitted under the Social Security Number Privacy Act. If a unique identifier is needed, a substitute for the social security number shall be used.

G. Accountability

Any person who fails to comply with this policy shall be subject to discipline up to and including discharge.

### ***1.10 ENTERPRISE INCOME VERIFICATION SYSTEM SECURITY PROCEDURES***

The Enterprise Income Verification System (EIV) is a system intended to provide a single source of income-related data to the Housing Authority and HUD for use in verifying the income reported by Tenants participating in the various assisted housing programs. The EIV system assists the program administrators in the upfront verification of Tenant income by comparing the Tenant income data obtained from various sources including:

- A. Tenant-supplied income data is captured on Form HUD-50058 – Family Report and maintained in the Public Housing Information Center (PIC) database;
- B. Department of Health and Human Services’ National Director of New Hires Data (NDNH);
- C. Social Security and Supplemental Security Income (SS/SSI) from the Social Security Administration (SSA).

Enterprise Income Verification (EIV) Tenant data should only be used to verify a Tenant’s eligibility for participation in a HUD rental assistance program(s) (Public Housing, Housing Choice Voucher and Project Based Voucher) and to determine the level of assistance the Tenant is entitled to receive.

#### **PRIVACY ACT CONSIDERATIONS**

The data provided via the EIV system must be protected to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data.

Requested EIV data is only used for verification of Tenant income to determine:

- 1. A Tenant’s eligibility for participation in a rental assistance program; and
- 2. The level of assistance that they are entitled to receive.

It is not disclosed in any way that would violate the privacy of the individuals represented in the system. The Tenant is notified of the following:

- 1. By signing the HUD-9886, the Housing Authority has authorization to obtain income information via the EIV system; the
- 2. Purpose for collecting the information and the use(s) of the data collected; and
- 3. The consequences to the individual for failing to provide the requested information.



In the event that an improper disclosure occurs, the following contacts will be made:

1. The EIV security administrator or designee will provide the Housing Authority Director with the appropriate documentation of the occurrence
2. The Housing Authority Director will contact the HUD Field Office of the Housing Authority Director and provide the documentation of the occurrence.

On request, the Tenant is provided with access to records pertaining to them and an opportunity to correct or challenge the contents of the records.

## **SECURITY REQUIREMENTS**

The Housing Authority will appoint an EIV Security Administrator who will be responsible for ensuring compliance with the security policies and procedures outlined in this document. The duties of the EIV Security Administrator or other designated staff include:

- Maintaining and enforcing the security procedures;
- Keeping records and monitoring security issues;
- Communicating security information and requirements to appropriate staff, including coordinating and conducting security awareness training sessions;
- Conducting a quarterly review of all User IDs issued to determine if the users still have a valid need to access the EIV data and taking the necessary steps to ensure that access rights are revoked or modified as appropriate; and
- Reporting any evidence of unauthorized access or known security breaches to the PHA Executive Director and the HUD Field Office's Public Housing Director.

All Housing Authority employees who access the EIV system or have access to EIV data will have a current signed Rules of Behavior and User Agreement on file. Users will maintain the security of their user Accounts by not disclosing their passwords to other staff members and not sharing user accounts with other employees or contractors.

EIV data shall be handled in such a manner that it does not become misplaced or available to unauthorized personnel. Files that contain EIV data will be clearly labeled "Confidential – For Official Use Only".

Security Awareness Training for Housing Authority Staff will be conducted at least annually or more frequently as changes dictate. All attendees at the training will be required to sign an attendance log. Users will be advised to follow established procedures to maintain the privacy of the information and will be reminded to notify management in the event of the breach of security.

Upon discovery of a potential security violation including the disclosure of private data, unauthorized access to data and/or sharing of user identification, the individual observing the breach will immediately notify the EIV Security Administrator who will in turn notify the HUD Field Office.

All Housing Authority employees have access to a copy of the most recent Enterprise Income Verification (EIV) System User Manual.

To protect the confidentiality of the individual and to ensure security of the EIV data users will lock the computer or log-out of the system when leaving work areas unattended. When Housing Authority employees access the EIV data and the client is in the room, files will not be left on desks or within reach of the client except the client's file. Public Housing and Housing Choice Voucher Tenant files will be stored under lock and key in designated filing cabinets or locked office files. Electronic files securely stored in accordance with

## **USE OF DATA**

Housing Authority will provide EIV data to the individual (only) to whom the record pertains. EIV data of minors may be provided to the minor's parent or legal guardian.

All program participants must sign a PHA/Tenant Certification Page indicating whether they agree or dispute the data contained in the EIV report. If the Tenant disputes the EIV data, Housing Authority will request written third-party verification.

If a Tenant disputes the employment and/or income information, the Tenant must contact the employer to resolve the discrepancy. If the information is incorrect, the employer must correct the information and resubmit it to the state, IRS and Health & Human Services (HHS). If the Tenant disputes the SS/SSI information, the Tenant must contact the Social Security Administration (SSA). If the SS/SSI information is incorrect, SSA must correct the information and update its database.

No adverse action may be taken against any program participant based solely on EIV data.

## **INCOME DISCREPANCY RESOLUTION**

**General:** The Housing Authority complies with all requirements of the EIV System. At times, the EIV system indicates that discrepancies exist between what is reported to the Housing Authority and what is reported to employers. As a result, the Housing Authority will take the following steps to resolve discrepancies within each department.

1. Monthly reports will be acquired of existing discrepancies on the first business day of each month.
2. Discrepancies will be provided to the appropriate Housing Specialist or Property Manager, who oversees the individual in question within their caseload.
3. The client file is reviewed to determine whether the discrepancy has been documented or validated. If a discrepancy remains, the client will be contacted for a personal interview to collect information pertinent to the discrepancy.
4. All Income will be verified via third party verifications, documenting the actual and current sources and amounts of income. This process should be completed within 60 days of the download of the report via EIV.
5. The discrepancy resolutions will be monitored monthly and maintained in a separate file with a copy placed in the Tenant file.
6. Fraudulent cases will be resolved via repayment, termination or referral to the Office of Inspector General.

**Specific:** The Housing Authority is required to obtain written third-party verification of disputed EIV data. Below is a summary of steps the Housing Authority will take to resolve income discrepancies:

1. Discuss the discrepancy with the Tenant.
2. Request current documents from the Tenant. i.e., Original, current and consecutive pay stubs, original SSA benefit verification letter, etc.
3. Request written third party verification of any income source that the Tenant disputes.
4. Confirm effective dates of unreported income source.

5. In cases where the Housing Authority confirms that the Tenant failed to report income source(s), the Housing Authority will determine retroactive rent/subsidy overpayment due the Housing Authority.

**The Housing Authority may not take adverse action against the Tenant based solely on EIV data.**

#### **RETENTION AND STORAGE**

EIV printouts may be stored in the client file for the duration of their tenancy. Those Tenant files will remain in a secured area when not in use. EIV documentation may be purged three years from the end of participation.

#### **QUARTERLY AND ANNUAL REQUIREMENTS**

Certification of each user of the EIV system must be completed quarterly. Annual Security Awareness Training is provided to all Housing Authority staff by the EIV Security Administrator. Sign in logs are maintained and certificates of completion are issued

### ***1.11 REQUIRED POSTINGS***

The Housing Authority will post in each of its offices in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, the following information:

- A. The Section 8 Administrative Plan
- B. Notice of the status of the waiting list (opened or closed)
- C. Address of all Housing Authority offices, telephone numbers, TDD numbers, and hours of operation
- D. Income Limits for Admission
- E. Informal Review and Informal Hearing Procedures
- F. Fair Housing Information
- G. Equal Opportunity in Employment Poster
- H. Utility Allowance Schedules
- I. Any current Housing Authority Notices
- J. Any proposed revisions to the Section 8 Administrative Plan

## **2.0 HOUSING AUTHORITY/OWNER RESPONSIBILITY/ OBLIGATION OF THE FAMILY**

This Section outlines the responsibilities and obligations of the Housing Authority, the Section 8 Owners/Landlords, and the participating families.

### **2.1 HOUSING AUTHORITY RESPONSIBILITIES**

- A. The Housing Authority will comply with the consolidated ACC, HUD regulations and other requirements, and the Housing Authority Section 8 Administrative Plan.
- B. In administering the program, the Housing Authority must:
  - 1. Publish and disseminate information about the availability and nature of housing assistance under the program;
  - 2. Explain the program to owners and families;
  - 3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
  - 4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
  - 5. Affirmatively further fair housing goals and comply with equal opportunity requirements;
  - 6. Make efforts to help disabled persons find satisfactory housing;
  - 7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, and provide housing information to families selected;
  - 8. Determine who can live in the assisted unit at admission and during the family's participation in the program;
  - 9. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
  - 10. Review the family's request for approval of the tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;
  - 11. Inspect the unit before the assisted occupancy begins and at least **biennially** during the assisted tenancy;
  - 12. Determine the amount of the housing assistance payment for a family;
  - 13. Determine the maximum rent to the owner and whether the rent is reasonable;

14. Make timely housing assistance payments to an owner in accordance with the HAP contract;
15. Examine family income, size and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
16. Establish and adjust Housing Authority utility allowance;
17. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by the Housing Authority, if the owner defaults (e.g., HQS violation);
18. Determine whether to terminate assistance to a participant family for violation of family obligations;
19. Conduct informal reviews of certain Housing Authority decisions concerning applicants for participation in the program;
20. Conduct informal hearings on certain Housing Authority decisions concerning participant families;
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
22. Administer an FSS program.

## **2.2 OWNER RESPONSIBILITY**

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
  1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit.
  2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance.
  3. Complying with equal opportunity requirements.
  4. Preparing and furnishing to the Housing Authority information required under the HAP contract.
  5. Collecting from the family:
    - a. Any security deposit required under the lease.

- b. The family contribution (the part of rent to owner not covered by the housing assistance payment).
  - c. Any charges for unit damage by the family.
- 6. Enforcing family obligations under the lease.
- 7. Paying for utilities and services (unless paid by the family under the lease.)
- C. For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities (see 24 CFR 100.203.)

### **2.3 OBLIGATIONS OF THE PARTICIPANT**

This Section states the obligations of a participant family under the program.

- A. Supplying required information.
  - 1. The family must supply any information that the Housing Authority or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
  - 2. The family must supply any information requested by the Housing Authority or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
  - 3. The family must provide a valid Social Security card issued by the Social Security Administration for all household members including any who may be claiming eligible immigration status. All adult household members must sign and submit consent forms for obtaining information.
  - 4. Any information supplied by the family must be true and complete.
- B. The family is responsible for any HQS breach caused by the family or its guests.
- C. The family must allow the Housing Authority to inspect the unit at reasonable times and after at least two (2) days notice unless deemed an emergency.
- D. The family may not commit any serious or repeated violation of the lease.
- E. The family must notify the Housing Authority and the owner before the family moves out of the unit or terminates the lease by a notice to the owner.
- F. The family must promptly give the Housing Authority a copy of any owner eviction notice it receives.
- G. Use and Occupancy of the Unit

1. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.
2. The Housing Authority must approve the composition of the assisted family residing in the unit. The family must inform the Housing Authority, within fourteen (14) days of the birth, adoption or court-awarded custody of a child. The family must request approval from the Housing Authority to add any other family member as an occupant of the unit. No other person (i.e., no one but members of the assisted family) may reside in the unit (except for a foster child/foster adult or live-in aide as provided in paragraph (4) of this Section).
3. The family must notify the Housing Authority, within fourteen (14) days, if any family member no longer resides in the unit.
4. If the Housing Authority has given approval, a foster child/foster adult or a live-in aide may reside in the unit. The Housing Authority has the discretion to adopt reasonable policies concerning residence by a foster child/foster adult or a live-in aide and defining when the Housing Authority consent may be given or denied.
5. Members of the household may engage in legal profit- making activities in the unit, with permission of the landlord, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses.
6. The family must not sublease or let the unit.
7. The family must not assign the lease or transfer the unit.

#### H. Live-in Aides policy

With the consent of the Landlord, a live-in aide may reside in the unit after passing initial eligibility screening. Live-in-aides must abide by all provisions of the Lease. A live-in aide means a person who resides on a full-time basis with an elderly, near elderly, or disabled person and who: a) is determined to be essential to the care and well-being of the person; b) is not obligated for the support of the person; and c) would not be living in the unit except to provide the necessary supportive services.

#### I. Absence from the Unit (24 CFR 982.312)

The family must supply any information or certification requested by the Housing Authority to verify that the family is living in the unit, or relating to family absence from the unit, including any Housing Authority - requested information or certification on the purposes of family absences. The family must promptly notify the Housing Authority of its absence from the unit.

Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to thirty (30) consecutive days. The family must request permission from the Housing Authority for absences exceeding thirty (30) days. The

Housing Authority will decide within five (10) days of the request. An authorized absence may not exceed sixty (60) days. The Housing Authority has the discretion to extend an absence beyond sixty (60) days but no longer than a maximum of one hundred eighty (180) days for verified health/medical exceptions. The family may not be absent from the unit for a period of more than 180 consecutive calendar days in any circumstance, or for any reason. Housing assistance payments terminate if the family is absent for longer than the maximum period permitted. The term of the HAP Contract and assisted lease also terminate. Any family absent for more than thirty (30) days without authorization may be terminated from the program.

- J. The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).
- K. The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the programs.
- L. The members of the family may not engage in drug-related criminal activity or other violent criminal activity.
- M. An assisted family, or members of the family, may not receive Section 8 family-based 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.
- N. Must comply with HA interim policy and certification requirements by reporting any of the following changes within fourteen (14) calendar days of change:
  - a. Any change in household composition.
  - b. Change in **source** of income, such as change of employer, or change from benefits to wages, wages to benefits, or change in benefit type.
  - c. Any increase in gross household income.
  - d. Receipt of a deferred payment in a lump sum, such as unemployment, back child support, or social security.



### **3.0 ELIGIBILITY FOR ADMISSION (24 CFR 960.200-960.205)**

#### **3.1 INTRODUCTION**

There are five eligibility requirements for admission to Section 8 -- qualifies as a family, has an income within the income limits, meets citizenship/eligible immigrant criteria, provides documentation of Social Security Numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the Housing Authority screening criteria to be admitted to the Section 8 Program.

#### **3.2 ELIGIBILITY CRITERIA**

A. Family status.

1. **A family with or without children.** Such a family is defined as a group of people related by blood, marriage, adoption or affinity that live together at the time of issuance of a voucher.
  - a. Children temporarily absent from the home due to placement in foster care are considered family members.
  - b. Unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size but are not considered family members for determining income limit.
2. **An elderly family (24 CFR Sec. 5.403),** which is:
  - a. A family whose head, spouse, or sole member is a person who is at least sixty-two (62) years of age;
  - b. Two or more persons who are at least sixty-two (62) years of age living together; or
  - c. One or more persons who are at least sixty-two (62) years of age living with one or more live-in aides
3. **A near-elderly family,** which is:
  - a. A family whose head, spouse, or sole member is a person who is at least fifty (50) years of age but below the age of sixty-two (62);
  - b. Two or more persons who are at least fifty (50) years of age but below the age of sixty-two (62) living together; or
  - c. One or more persons who are at least fifty (50) years of age but below the age of sixty-two (62) living with one or more live-in aides.
4. **A disabled family (Sec. 5.403),** which is:

- a. A family whose head, spouse, or sole member is a person with disabilities;
- b. Two or more persons with disabilities living together; or
- c. One or more persons with disabilities living with one or more live-in aides.

A **person with disabilities**, (Sec. 5.403) means a person who:

- a. Has a disability, as defined in 42 U.S.C. 423;
- b. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  - i) is expected to be of long-continued and indefinite duration;
  - ii) substantially impedes his or her ability to live independently, and
  - iii) is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
- c. Has a developmental disability as defined in 42 U.S.C. 6001
  - i) does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
  - ii) for purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and
  - iii) means “individual with handicaps”, as defined in Sec. 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

- 5. A **displaced family** is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
- 6. A **remaining member of a tenant family**.
- 7. A **single person** who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. Note: single persons attending an institution of higher education who are under twenty-four (24) years of age, not a veteran, unmarried, have no dependent children and is not otherwise individually eligible and their parents are not individually or jointly eligible for assistance are ineligible to receive Section 8 benefits.
- 8. In order to be considered part of the subsidized household the child (ren) must reside in that household more than one hundred eighty-three (183) days of the year, which do not have to run consecutively.

Primary residency of the child will be verified through use of court custody records, school records, local or government subsidies, etc.

## B. Income eligibility

1. To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the Section 8 program shall be a low-income family that is:
  - a. A very low-income family;
  - b. A low-income family continuously assisted under the 1937 Housing Act;
  - c. A low-income family that meets additional eligibility criteria specified by the Housing Authority;
  - d. A low-income family that is a non-purchasing family in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
  - e. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.
  - f. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.
3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within the housing authority's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
4. Families who are moving into the Housing Authority's jurisdiction under portability and have the status of applicant rather than of participant at their initial housing authority must meet the income limit for the area where they are initially assisted under the program.
5. Families who are moving into the Housing Authority's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the Housing Authority program.
6. Income limit restrictions do not apply to families transferring units within the Housing Authority Section 8 Program.

C. Citizenship/Eligible Immigrant status

To be eligible each member of the family must be a citizen, national, or a non-citizen who

has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Family eligibility for assistance.

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 11.5(F) for calculating rents under the non-citizen rule).

D. Social Security Number Documentation

To be eligible, all family members must provide a Social Security number with a valid social security card. Children under the age of six that have not been assigned a Social Security Number, the family shall have ninety (90) calendar days after starting to receive the assistance to provide a complete and accurate Social Security Number.

E. Signing Consent Forms

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
  - a. A provision authorizing HUD and the Housing Authority to obtain any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
  - b. A provision authorizing HUD or the Housing Authority to verify with previous or current employer's income information pertinent to the family's eligibility for or level of assistance;
  - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and
  - d. A statement that the authorization to release the information requested by the consent form expires fifteen (15) months after the date the consent form is signed.
  - e. HUD Form 9886 or HUD equivalent authorizing the Housing Authority to verify income via Enterprise Income Verification (EIV)

F. Suitability for tenancy. The Housing Authority determines eligibility for participation and will also conduct criminal background checks on all adult household members, including

live-in aides. The Housing Authority will deny assistance to a family because of drug-related criminal activity, violent criminal activity or have a history or pattern of criminal activity by family members. This check will be made through state or local law enforcement or court records.

The Housing Authority will check with available sex offender registration programs and will deny any individual who is registered as a sex offender.

Applicants who have been terminated from the HHA Housing Choice Voucher Program for a violation of the Family Obligations will be denied assistance for a period of one (1) year from the date the HAP Contract termination date.

A check with other Housing Authorities or the Enterprise Income Verification (EIV) to determine if applicant owes a debt, has been evicted, or has committed fraud in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from.

Additional screenings and rental suitability are the responsibility of the owner.

## **4.0 MANAGING THE WAIT LIST**

### **4.1 *OPENING AND CLOSING THE WAIT LIST***

Opening of the wait list will be announced via public notice that applications for Housing Choice Voucher will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, and by any available media whose audience is primarily minority. The public notice will state any limitations to who may apply.

The notice will state that applicants already on wait lists for other housing programs must apply separately for this program, and that such applicants will not lose their place on other wait lists when they apply for Housing Choice Voucher. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

Closing of the wait list will be announced via public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation, and by any available media whose audience is primarily minority.

The Housing Authority may suspend the acceptance of applications if there are enough applicants to fill anticipated openings for the next twelve (12) months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws. Suspension of application taking is announced in the same way as opening the wait list.

### **4.2 *TAKING APPLICATIONS***

Families wishing to apply for the Housing Choice Voucher Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at 35 West Baltimore Street, Hagerstown, Maryland or online at the Housing Authority website [www.hagerstownha.com](http://www.hagerstownha.com). Applications will be mailed to interested families upon request. The completed application will be date stamped and time recorded upon its return to the Housing Authority.

Applications are taken to compile a waiting list. Due to the demand for Housing Choice Voucher assistance in the Housing Authority jurisdiction, the Housing Authority may take applications on an open enrollment basis, depending on the length of the waiting list.

Applications from single persons, other than elderly, disabled, pregnant, or persons who have been displaced by government action, are accepted. Since an adequate pool of elderly, disabled and displaced singles exists to fill available program slots. The Housing Authority assigns a local preference for elderly, disabled and displaced single applicants.

The Housing Authority will verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit.

Persons with disabilities who require a reasonable accommodation in completing an application may call the Housing Authority to make special arrangements to complete their application. A Telecommunication Device for the Deaf (TDD) is available for the deaf. The TDD telephone number is 301-739-2543.

The application process will involve two phases. The first phase is the initial application for housing assistance. The application requires the family to provide basic information including name, address, phone number, family composition, racial or ethnic designation, income, and information establishing any preferences to which they may be entitled. This first phase results in the family's placement on the wait list.

Upon receipt of the family's application, the Housing Authority will make a preliminary determination of eligibility. The Housing Authority will notify the family in writing of the date and time of placement on the wait list and the approximate amount of time before housing assistance may be offered. If the Housing Authority determines the family to be ineligible, the notice will state the reasons therefore and offer the family the opportunity of an informal review of this determination.

An applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. The Housing Authority will annotate the applicant's file and will update their place on the wait list.

The second phase is the final determination of eligibility. The determination takes place when the family nears the top of the waiting list. The Housing Authority will ensure that verification of all preferences, eligibility, suitability selection factors are current to determine the family's final eligibility for admission into the Housing Choice Voucher Program.

#### **4.3 ORGANIZATION OF THE WAITING LIST**

The wait list will be maintained in accordance with the following guidelines:

- A. The application will be a permanent file;
- B. All applications will be maintained in order of preference and then in order of date and time of application;

Note: The wait list cannot be maintained by bedroom size under current HUD regulations.

#### **4.4 FAMILIES NEARING THE TOP OF THE WAITING LIST**

When a family appears to be within three (3) months of being offered assistance, the family will be contacted, and the verification process will begin. The first business day and the 15<sup>th</sup> day of each month (or as necessary to remain leased-up) is the cut-off for selecting applicants to be processed. It is at this point that the family's wait list preference will be verified, and criminal background checks conducted.

Notices are mailed requesting the applicant to call for a telephone interview. Following the telephone interview, within one to three weeks depending on need, a group and/or personal interview is conducted, and the Voucher is issued. If the family no longer qualifies to be near the top of the list, the family's name will be returned to the appropriate spot on the waiting list. **If**

the family refuses a request to attend an enrollment interview, but wishes to remain on the wait list, their date of application changes to the date they request to remain on the list.

#### **4.5 MISSED APPOINTMENTS**

If the family fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview. All applicants who fail to keep two scheduled appointments will be sent a notice of denial with the opportunity for an informal review.

#### **4.6 UPDATE OF THE WAIT LIST**

The Housing Authority will update and purge its waiting list monthly, depending on availability of staff time, to ensure that the pool of applicants reasonably represents interested families. Purging also enables the Housing Authority to update the information regarding address, family composition, income category and preferences.

Notice will be mailed to applicants informing applicants that in order to remain on the list, they must return the Update Form in person or by a specific date. The notice also informs the applicant that they have the right to an informal review within ten (10) days following the specific date that their name was removed from the list, should they fail to notify the Housing Authority of their intention to remain on the wait list.

#### **4.7 REMOVAL OF APPLICANTS FROM THE WAITING LIST**

The Housing Authority will not remove an applicant's name from the waiting list unless:

- A. The applicant requests that the name be removed;
- B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program or misses scheduled appointments;
- C. The applicant does not meet either the eligibility or screening criteria for the program; or
- D. The applicant reaches the top of the waiting list and declines two (2) offers of assistance.

#### **4.8 GROUNDS FOR DENIAL**

The Housing Authority is not required or obligated to assist applicants who:

- A. Do not meet any one or more of the eligibility criteria;
- B. Do not supply information or documentation required by the application process;
- C. Fail to respond to a written request for information or a request to declare their continued interest in the program;
- D. Fail to complete any aspect of the application or lease-up process;



- E. Have a history or a pattern of criminal activity, is registered as a sex offender in this or any other state or drug related criminal activity by any family member, without regard to whether the crime is technically classed a felony.

**Illegal Use or Possession (24CFR 982.553)**

If the Housing Authority seeks to deny or terminate assistance because of illegal use or possession for personal use, of a controlled substance, such use or possession must have occurred within one year before the date that the Housing Authority provides notice to the family of the Housing Authority determination to deny or terminate assistance. The Housing Authority may not deny or terminate assistance for such use or possession by a family member, if the family member can demonstrate that he or she: 1) has an addiction to a controlled substance, has a record of such an impairment; and 2) is recovering or has recovered from such addiction and does not currently use or possess controlled substances. The Housing Authority may require a family member who has engaged in the illegal use of drugs to submit evidence of participation in or successful completion of a treatment program as a condition of participation.

**Manufacture/Sale/Distribution of Controlled substance**

If the housing authority seeks to deny or terminate assistance due to the manufacture, sale or distribution or the possession with the intent to manufacture, sell or distribute a controlled dangerous substance, such activity must have occurred within five years before the date the HA provides notice to the family of the HA's determination to deny or terminate assistance. More than one instance constitutes a pattern of activity and the applicant will be declared ineligible regardless of time frame.

- F. Currently owes rent or other amounts to any housing authority in connection with the public housing or Housing Choice Voucher Programs.
- G. Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- H. Have a family member who was evicted from federally assisted housing because of drug-related criminal activity.
- I. Have been evicted from Public Housing during the previous 12-month period commencing on the vacate date or are currently on a notice of Lease Termination for violation of the Public Housing Dwelling Lease.
- J. Have a family member who is illegally using a controlled substance or has a pattern of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. The Housing Authority may waive this requirement if:

1. The person demonstrates to the Housing Authority's satisfaction that the person is no longer engaging in drug-related activity or abuse of alcohol;
  2. The person has successfully completed a supervised drug or alcohol rehabilitation program;
  3. The person has otherwise been rehabilitated successfully; or
  4. The person is participating in a supervised drug or alcohol rehabilitation program.
- K. Have engaged in or threatened abusive or violent behavior towards any Housing staff; this includes, but is not limited to: threats, harassment, or coercion of any type, toward the Authority or any other entity or individual.
- L. Have a family member who has been convicted of manufacturing or producing methamphetamine (speed) is denied for life.
- M. Have a family member who is subject to sex offender registration in any federal, state or local program.

The above criteria apply to the Head, Co-Head, or any household member.

#### **4.9 NOTIFICATION OF NEGATIVE ACTIONS**

Any applicant whose name is being removed from the waiting list will be notified by the Housing Authority, in writing, that they have ten (10) days, from the date of the written correspondence, to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the time frame specified. The Housing Authority's system of removing applicants' names from the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the Housing Authority will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the Housing Authority will verify that there is in fact a disability and that the accommodation they are requesting is necessary based on the disability. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

#### **4.10 INFORMAL REVIEW**

If the Housing Authority determines that an applicant does not meet the criteria for receiving Housing Choice Voucher assistance, the Housing Authority will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision, and state that the applicant may request an informal review of the decision within ten (10) days of the denial. The Housing Authority will describe how to obtain the informal review. The informal review process is described in Section 17.2 of this Plan.

## **5.0 SELECTING FAMILIES FROM THE WAIT LIST**

### **5.1 WAIT LIST ADMISSIONS AND SPECIAL ADMISSIONS**

The Housing Authority may admit an applicant for participation in the program either as a special admission or as a wait list admission.

If HUD awards funding or the Housing Authority decides to set aside slots that are targeted for families with specific characteristics or families living in specific units, the Housing Authority will use the assistance for those families. It is the policy of the Housing Authority to reallocate any funding for a special purpose to the same population.

#### **5.1.1 Homeless Slots**

Thirty (30) Housing Choice Voucher slots shall be set-aside for homeless applicants. Verification of homeless status shall be made by third-party verification form completed by local homeless shelter or facility. Homeless applicants shall be placed on the Housing Choice Voucher Wait List. If homeless families do not exist at the time of availability, the slot will be offered to the next applicant on the Housing Choice Voucher Wait List.

#### **5.1.2 Persons Diagnosed with Terminal Illness**

Twenty (20) Section 8 slots shall be set-aside for persons diagnosed with a terminal illness. Persons shall be identified, and condition verified through the applicant's private physician or medical professional.

#### **5.1.3 Ready By 21**

In cooperation with the Washington Co. Department of Social Services (DSS) and in accordance with the signed Memorandum of Understanding, five (5) Housing Choice Voucher (HCV) slots shall be set-aside for qualifying applicants referred to the Housing Authority by the DSS Foster Care Program. Applicants will be served in the order of referral and will not be ranked by the HHA preference point system. Approval for the Ready By 21 vouchers will be subject to all current eligibility standards including but not limited to criminal record checks, income limits, and all other HUD and HHA eligibility criteria. If enough applicants do not exist to fill the five (5) available slots, the remaining vouchers will be offered to applicants on the HCV waiting list. If DSS identifies and refers an eligible Ready By 21 family, the next available voucher will be reserved for those qualified applicants until the total of five (5) slots are filled. All contracts executed on behalf of any Ready By 21 applicant will be for a minimum of 12-months and a maximum of 2 years. The contract will terminate, with proper notice, no later than the second anniversary of the initial contract date. Housing Choice Voucher assistance will terminate if the voucher holder, at any time, becomes non-compliant and is ineligible for the Ready By 21 Initiative or is violation of the HCV Program regulations.

#### **5.1.4 Veterans Affairs Supportive Housing (VASH)**

VASH vouchers are designed to assist homeless veterans with disabilities and/or severe psychiatric and/or substance abuse disorders with locating stable affordable housing. HHA accepts referrals of eligible veterans from the Department of Veterans Affairs (VA). As turnover vouchers become available, HHA will accept referrals from the VA.

### **5.1.5 Waiting List and Occupancy of PBV Housing**

#### **PROJECT BASED VOUCHERS**

This section of the Administrative Plan describes HHA's policies related to implementation of the Project Based Voucher (PBV) program pursuant HUD regulation at 24 CFR Part 983.

##### **A. Applicability of Tenant-Based Voucher Program Policies to Project Based Voucher Program**

Except as otherwise noted in this section, or unless specifically prohibited by PBV Program regulations, HHA's policies for the tenant-based voucher program described in the HCV Administrative Plan will also apply to the PBV program administered by HHA.

##### **B. Eligible Unit Types**

PBV assistance may be attached to existing housing, newly constructed or rehabilitated housing. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of HHA selection, the units substantially comply with HQS.

##### **C. Limits on Number of PBV Units in a Project**

Pursuant to HUD regulations, HHA will not provide PBV assistance for units in a project if the total number of dwelling units in the building that will receive PBV assistance during the term of the PBV HAP contract is more than 50% of the number of dwelling units (assisted or unassisted) in the building except where:

- The units are in a single-family building (with four or fewer units);
- The units qualify as "excepted units" as defined below.

##### **D. Exceptions to PBV 50% Unit Cap**

Multifamily buildings that have units specifically designated for elderly or disabled families; or families receiving supportive services, are not subject to the 50%-unit cap.

##### **E. Subsidy Layering**

HHA will only provide PBV assistance in accordance with HUD's subsidy layering requirements under 24 CFR 4.13 in accordance with PIH Notice 2013-11. HHA will submit the necessary documentation to HUD or an independent entity approved by HUD, for a subsidy layering review. HHA will not enter into an Agreement to enter into a

Housing Assistance Payment Contract (AHAP) or a HAP Contract until HUD (or an independent entity approved by HUD) has conducted the subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

#### **F. Site and Neighborhood Standards**

HHA will select units or sites for PBV assistance only where HHA has determined that housing on the site:

1. is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities consistent with regulations and HHA's Administrative Plan; will facilitate and further comply with the applicable provisions of Title VI of the Civil Rights Act and other relevant provisions as cited at 24 CFR 983.57;
2. meets the site selection requirements described in 24 CFR 8.4(b)(5); and
3. meets the HQS site standards at 24 CFR 982.401(l). HHA will limit approval of sites for PBV assistance to census tracts that have poverty concentrations over 20% or less, except where HHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20%.

#### **G. Existing Housing**

HHA will not provide PBV assistance for existing housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons; and
- Be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

## **H. New Construction / Rehabilitated Housing**

In order to be selected for PBV assistance, a site for newly constructed housing or rehabilitated housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless HHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

## **I. Environmental Review**

HHA activities under the PBV program will be conducted in conformance with HUD environmental regulations at 24 CFR § 50, 24 CFR § 58, and 24 CFR 983.58. The responsible entity is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969.

## **J. HQS Inspections**

### **1. Pre-Lease-Up Inspections**

HHA will inspect each contract unit and public space areas before execution of the HAP contract. HHA will not enter into a HAP contract until all the units and public space areas fully complies with HQS.

## **2. Biennial Inspections**

HHA will inspect units at least biennially consisting of at least 20% of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Units that fail HQS will be inspected annually until the unit passes inspection. Turnover inspections are not counted toward meeting this annual inspection requirement. If more than 20% of the annual sample of inspected contract units in a building fails the initial inspection, HHA will reinspect 100% of the contract units in the building. HHA will make a concerted effort to inspect more than 20% of the units at least annually.

### **K. Housing Assistance Payment (HAP) Contract**

HHA will enter into a HAP contract for each PBV project for a maximum initial term of 15 to 20 years. HHA may extend the term of the contract for an additional term subject to the availability of appropriations.

Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

The HAP contract must provide that the contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by HHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, HHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under HAP contract.

### **L. Changes to HAP Contract to Substitute, Add or Subtract PBV Units**

At HHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, HHA must inspect the proposed unit/public space areas. At HHA's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per building, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This

type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required. If any PBV units have been vacant for 120 days, HHA may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The amendment to the HAP contract will be effective the first day of the month following the date of HHA's notice.

#### **M. Vacancy Payments**

Project-based voucher contracts have vacancy loss provisions.

##### **1. Payment for Move-Out Month:**

If an assisted family moves out of the unit, the owner may keep the housing assistance payment payable for the calendar month when the family moves out. However, the owner may not keep the payment if HHA determines the vacancy is the owner's fault.

##### **2. Vacancy Payment:**

At its discretion, HHA will make vacancy payments of the monthly rent not to exceed two full months following the move-out month. Any vacancy payment may cover only the period the unit remains vacant.

In order to claim vacancy loss, the unit must be available for lease and the owner must:

- Notify HHA within 48 hours, excluding weekends and holidays, upon learning of the vacancy, or prospective vacancy; and
- Pursue activities to fill the vacancy, including:
  - o Seeking eligible applicants by listing the unit with HHA;
  - o Notifying HHA of the availability of the unit;
  - o And Not rejecting potentially eligible applicants except for good cause.

If a unit becomes vacant because of the death of the participant, HHA will permit the owner to keep the housing assistance payment for the month in which the participant died.

#### **N. Waiting List and Occupancy of PBV Housing**

HHA may utilize separate site-based waiting lists for admission to projects selected to receive project-based voucher (PBV) assistance.

Once a project is selected for PBV assistance, all applicants listed on HHA's waiting list for tenant-based assistance will be offered the opportunity to apply for placement on the



HHA site based PBV waiting list. Placement on a site-based PBV waiting list has no effect on the applicant's standing on the tenant-based waiting list. HHA will also accept referrals from the owner to populate site-based waiting lists in the event there are no eligible applicants from HHA's tenant-based waiting list. All applicants who wish to be placed on site-based PBV waiting lists must meet income and eligibility criteria for the project.

Subject to HHA's approval, owners may request to establish preferences for supportive housing different than those listed in HHA's priority code list. All requests for preferences outside HHA must meet federal and local Fair Housing standards.

Applicants on HHA's tenant-based waiting list will be placed on the PBV site-based waiting list according to their original certification date and time of application, to the tenant-based waiting list.

A preference may be given to applicants with a demonstrated need for particular projects offering specialized services.

The owner must promptly fill vacancies utilizing the HHA PBV site-based waiting list. The owner must lease vacant units in a development to eligible families on HHA's PBV site-based waiting list for that development. A preference may be given to applicants with a demonstrated need for particular projects offering specialized services. For Existing and Rehab units, the current resident has absolute preference on the PBV site-based waiting list as long as they meet PBV eligibility criteria. Selection from the PBV site-based waiting list will be based on date and time of application submission, particular eligibility requirements (for example, senior only), and available unit size.

In determining family unit size, HHA may grant an exception to its established subsidy standards if determined that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances.

#### **O. Leasing of Project-Based unit**

HHA will make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible project-based voucher families during the HAP contract term. Per HUD regulations, payments will not begin on behalf of a PBV participant until after the following events:

- Participant has attended a briefing
- Unit and public space areas Pass HQS Inspection
- Participant submitted all necessary documents to confirm income and program eligibility

- Owner has submitted a lease with the rent breakdown and effective date determined by HHA.

#### **P. Contract Rent to Owner**

The contract rent to owner must not exceed the lowest of the following amounts:

- An amount determined by HHA, not to exceed 110% of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent determined by HHA, and

#### **Q. Rent Reasonableness**

HHA will redetermine rent reasonableness:

- Whenever there is a 5% or greater decrease in the published FMR in effect 60 days before the contract anniversary for the unit sizes specified in the HAP contract as compared with the FMR in effect one year before the contract anniversary.
- Whenever HHA approves a change in the allocation of responsibility for utilities between the owner and the participant.

The reasonable rent of a unit receiving PBV assistance will be determined by comparison to rent for other comparable unassisted units. At any time, HHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

#### **R. Contract Rent Increases**

Requests for a rent increase for PBV assisted units must be made in writing by the owner at least 60 days in advance of the HAP anniversary date. The contract rent to owner must not exceed 110% of FMR. In accordance with HUD guidance, HHA has elected to adopt the policy that the maximum rent permitted for the unit shall not be less than the initial contract rent for the under a PBV HAP

## **5.2 PREFERENCES**

Local preferences are established by the Housing Authority to select applicants from the Wait List. Points are assigned to each preference, totaled, and those applicants with the highest points are selected for participation in the Section 8 programs. If points are equal, applicants are selected by date and time of application. Points are as follows:

**25 POINTS: REASONABLE ACCOMMODATION:** Residents who reside in a Public Housing dwelling or Housing Choice Voucher participants may request to transfer as a reasonable accommodation to a different Authority program.

**20 POINTS:** *RESIDENCY PREFERENCE:* Applicants who reside in the Hagerstown Primary Metropolitan Statistical Area (PMSA) or applicants who work, or have been hired to work, in the PMSA.

**15 POINTS:** Any pre-existing tenants at McCleary Hill, who at the end of their one-year tenancy, desire to move using a Housing Choice Voucher.

**10 POINTS:** *DISPLACED BY GOVERNMENT ACTION:* A Displaced family means a family in which each member, or whose sole member, is a person displaced by government action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**5 POINTS:** *ELDERLY/DISABLED HEAD OR COHEAD OR SINGLE DISPLACED:* Any head or co-head who is elderly, age 62 or older, or a person with disabilities as defined in HUD regulations and Housing Authority definitions; and/or any single person displaced by disaster or government action as defined in HUD regulations and Housing Authority definitions.

### **5.3     *SELECTION FROM THE WAIT LIST***

The date and time of application will be utilized to determine the sequence within the above-prescribed preferences.

Notwithstanding the above, families who are elderly, disabled, or displaced will be offered housing before other single persons.

To meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income, the Housing Authority retains the right to skip higher income families on the waiting list to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Authority will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list, we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

## **6.0 ENROLLMENT AND LEASE UP**

### **6.1 BRIEFING**

When the Housing Authority selects a family from the wait list, the family will be scheduled to attend a briefing explaining how the program works. In order to receive a voucher, the family is required to attend the briefing. If they cannot attend the originally scheduled briefing, an appointment will be rescheduled. If the family fails to attend two briefings without good cause, they will be denied admission.

If an applicant with a disability requires auxiliary aids to gain full benefit from the briefing, the Housing Authority will furnish such aids where doing so would not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden. In determining the most suitable auxiliary aid, the Housing Authority will give primary consideration to the requests of the applicant. Families unable to attend a briefing due to a disability may request a reasonable accommodation such as having the briefing presented at an alternate location.

Applicants are required to bring current verifications (not more than sixty (60) days old) to support the information provided on their housing application. Information provided by the applicant will be verified by the Housing Authority using third party verification, where applicable, including information on family composition, income, assets, allowances, deductions, preferences, full-time student status, and any other factors relating to eligibility. When third party verification is not available, the Housing Authority may accept a written statement from the applicant; however, third-party verification will be obtained as soon as available.

In addition to HUD required certification information, applicants and participants must supply the following:

- 1) A copy of the most recent year's Federal income tax return with W-2's attached. Applicants/participants who did not file may certify they did not file by signing the *Certification of Non-Filing of Income Tax*.
- 2) Birth Certificate or other appropriate identification.
- 3) Information necessary to obtain school attendance verification for minors.

Participants are required to sign the *Statement of Family Obligations and Grounds for Termination* and *One Strike Policy*. These requirements apply at the initial certification and at each subsequent recertification.

The briefing will cover at least the following subjects:

- A. A description of how the program works;
- B. Family and owner responsibilities;

- C. Where the family may rent a unit, including inside and outside the Housing Authority's jurisdiction;
- D. Types of eligible housing;
- E. An explanation of Housing Choice Voucher portability;
- F. An explanation of the advantages of living in an area that does not have a high concentration of poor families; and
- G. An explanation that the family-share of rent may not exceed 40% of the family's monthly-adjusted income.
- H. An explanation of Grievance procedures

## **6.2 PACKET**

During the briefing, the Housing Authority will give the family a packet covering at least the following subjects:

- A. The term of the voucher and the Housing Authority's policy on extensions and suspensions of the term;
- B. How the Housing Authority determines the housing assistance payment and total tenant payment for the family;
- C. Information on the payment standard, exception payment standard rent areas (if applicable), and the utility allowance schedule;
- D. How the Housing Authority determines the maximum rent for an assisted unit;
- E. Where the family may lease a unit;
- F. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease;
- G. The request for approval of the tenancy form and an explanation of how to request Housing Authority approval of a unit;
- H. The Housing Authority provides prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses;
- I. The HUD brochure on how to select a unit ("A Good Place to Live");
- J. The HUD-required lead-based paint brochure;
- K. Information on Federal, State, and local equal opportunity laws; the brochure "Fair Housing: It's Your Right;" and a copy of the housing discrimination complaint form;

- L. A list of landlords or other parties known to the Housing Authority who may be willing to lease a unit to the family or help the family find a unit;
- M. A current list of accessible units known to the Housing Authority that may be available;
- N. The family's obligations under the program;
- O. The grounds upon which the Housing Authority may terminate assistance because of the family's action or inaction;
- P. Housing Authority grievance procedures, including when the Housing Authority is required to provide the opportunity for an informal hearing, and information on how to request a hearing;
- Q. The Housing Authority owner information packet. This packet can be given by the applicant to a prospective owner to help explain the program; and
- R. The packet includes an explanation of how portability works.

### **6.3 ASSIGNMENT OF BEDROOM SIZES (SUBSIDY STANDARDS)**

The Housing Authority will issue a voucher for a particular bedroom size – the bedroom size is a factor in determining the family's level of assistance. The following guidelines will determine each family's unit size without overcrowding or over-housing:

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8

These standards assume that each bedroom will accommodate no more than two (2) persons.

In determining bedroom size, the Housing Authority will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, children who are temporarily away at school or temporarily in foster-care.

Bedroom size will also be determined using the following guidelines:

- A. Children of the same sex will share a bedroom.
- B. Adults and children will not be required to share a bedroom.
- C. Foster children will be included in determining the unit size.
- D. Single-person families shall be allocated one bedroom.
- E. Pregnant women with no other children are allocated a two (2) bedroom.
- F. Persons of different generations and persons of the opposite sex, other than spouses and consenting adults in a spousal relationship, will be allocated a separate bedroom.
- G. Live-in aides will get a separate bedroom. No additional bedrooms are provided for the attendant's family.

The Housing Authority will grant exceptions to normal occupancy standards when a family requests a larger size than the guidelines allow and documents a medical reason why the larger size is necessary.

The family unit size will be determined by the Housing Authority in accordance with the above guidelines and will determine the maximum rent subsidy for the family; however, the family may select a unit that may be larger or smaller than the family unit size. If the family selects a smaller unit, the payment standard for the smaller unit size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family size will determine the maximum subsidy.

#### **6.4 JOINT CUSTODY OF CHILDREN**

To be considered part of the subsidized household the child(ren) must reside in that household more than one hundred eighty-three (183) days of the year, which do not have to run consecutively.

Primary residency of the child will be verified through use of court custody records, school records, local or government subsidies, etc.

#### **6.5 ISSUANCE OF VOUCHER; REQUEST FOR APPROVAL OF TENANCY**

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, the Housing Authority will issue the voucher. At this point the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the family and the owner will complete and sign a proposed lease, the HUD- required tenancy addendum and the request for approval of the tenancy form. The family will submit the proposed lease and the request form to the Housing Authority during the term of the voucher. The Housing Authority will review the request, the lease, and the HUD- required tenancy addendum and make an initial determination of approval of tenancy. The Housing Authority may assist the family in negotiating changes that may be required for the tenancy to be approvable. Once it appears the tenancy may

be approvable, the Housing Authority will schedule an appointment to inspect the unit within 15 days after the receipt of inspection request from the family and owner. The 15-day period is suspended during any period the unit is unavailable for inspection. The Housing Authority will promptly notify the owner and the family whether the unit and tenancy are approvable.

During the initial stage of qualifying the unit, the Housing Authority will provide the prospective owner with information regarding the program. Information will include Housing Authority and owner responsibilities for screening and other essential program elements. The Housing Authority will provide the owner with the family's current and prior address as shown in the Housing Authority records along with the name and address (if known) of the landlords for those addresses. Additional screening is the responsibility of the owner.

#### **6.5.1 Separate Agreements**

Owners and families may execute separate agreements for services, appliances (other than for range and refrigerator) and other items not normally provided under the lease if the agreement is in writing and a copy is provided to the Housing Authority.

Any appliance, service or other items which are routinely provided to nonsubsidized families (such as air conditioning, dishwasher or garage) or if permanently installed in the unit may not 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. Housing Authority is not liable for items covered by separate agreements under special claims, and nonpayment of these agreements cannot be cause for eviction.

A separate agreement for additional rent is a Section 8 program violation as outlined in the Housing Assistance Payment (HAP) contract and constitutes a fraudulent act that may be criminally prosecuted.

### **6.6 TERM OF THE VOUCHER**

The initial term of the voucher will be one hundred twenty (120) days and will be stated on the Housing Choice Voucher.

If the Housing Authority determines that additional search time would be a reasonable accommodation, the Housing Authority may grant an extension.

When a Request for Lease is received, the Housing Authority will not suspend the term of a family's voucher.

### **6.7 APPROVAL TO LEASE A UNIT**

The Housing Authority will approve the leasing of a unit if all the following conditions are met:

- A. The unit is eligible;
- B. The unit is inspected by the Housing Authority and passes HQS;



- C. The owner-provided lease includes the tenancy addendum;
- D. The rent to owner is reasonable;
- E. The family's share of rent does not exceed 40% of their monthly adjusted income;
- F. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the Housing Authority; and
- G. The family continues to meet all eligibility and screening criteria.

If tenancy approval is denied, the Housing Authority will advise the owner and the family in writing and advise them also of any actions they could take that would enable the Housing Authority to approve the tenancy.

The lease term may begin only after all the following conditions are met:

- A. The unit passes the Housing Authority HQS inspection;
- B. The family's share of rent does not exceed 40% of their monthly adjusted income;
- C. The landlord and family sign the lease to include the HUD required addendum; and
- D. The Housing Authority approves the leasing of the unit.

The Housing Authority will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease and the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the signed contract by the landlord, the Housing Authority will execute the contract. The Housing Authority will not pay any housing assistance to the owner until the contract is executed.

In no case will the contract be executed later than sixty (60) days after the beginning of the lease term.

Any contract executed after the sixty (60)-day period will be void and the Housing Authority will not pay housing assistance to the owner.

## **6.8 HOUSING AUTHORITY DISAPPROVAL OF OWNER**

The Housing Authority may deny participation by an owner at the direction of HUD. The Housing Authority will also deny the owner's participation for any of the following reasons:

- A. The owner has violated any obligations under a Section 8 Housing Assistance Payments Contract;
- B. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- C. The owner has engaged in drug-related criminal activity or any violent criminal activity;

- D. The owner has a history or practice of non-compliance with HQS for units leased under Section 8 or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program;
- E. The owner has a history or practice of renting units that fail to meet State or local codes; or
- F. The owner has not paid State or local real estate taxes, fines, or assessments.
- G. The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the:
  - 1. premises by families, Housing Authority employees or owner employees; or
  - 2. residences by neighbors;
- H. If the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family unless the Housing Authority determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.
- I. Other conflicts of interest under Federal, State, or local law.

## **6.9 OWNER RESTRICTIONS AND PENALTIES (24CFR 982.453)**

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, the Housing Authority will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The Housing Authority may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner, the Housing Authority 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 and will notify the owner in writing of such factors.

### **Overpayments**

If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the contract, the Housing Authority may terminate the contract and arrange for restitution to the Housing Authority as appropriate.

The Housing Authority will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited to repay the Housing Authority as applicable.

## **6.10 INELIGIBLE/ELIGIBLE HOUSING**

The following types of housing cannot be assisted under the Section 8 Tenant-Based Program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 Program;
- C. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- D. College or other school dormitories;
- E. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- F. A unit occupied by its owner. This restriction does not apply to cooperatives or to assistance on behalf of a manufactured home owner leasing a manufactured home space; and
- G. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The Housing Authority will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing

The Housing Authority will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Manufactured housing
- D. Manufactured home space rentals
- E. House boats

## **6.11 SECURITY DEPOSIT**

The owner may collect a security deposit from the family in an amount not more than amounts charged in private market practice and not in excess of amounts charged by the owner to unassisted families in accordance with Maryland State law.

When the family moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the family, damages to the unit or for other amounts the family owes under the lease.

The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund promptly the full amount of the unused balance to the family.

If the security deposit is not enough to cover amounts the family owes under the lease, the owner may seek to collect the balance from the family.

## **7.0 MOVES WITH CONTINUED ASSISTANCE**

Participating families can move to another unit after the initial 12 months has expired, if the landlord and the participant have mutually agreed to terminate the lease, or if the Housing Authority has terminated the HAP contract. The Housing Authority will issue the family a new voucher if the family does not owe the Housing Authority or any other Housing Authority money, has not violated a Family Obligation, has not moved or been issued a voucher within the last twelve (12) months, and if the Housing Authority has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the twelve (12)-month requirement will be waived.

The Director of Housing may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

### **7.1 *WHEN A FAMILY MAY MOVE***

For families already participating in the Housing Choice Voucher Program, the Housing Authority will allow the family to move to a new unit if:

- A. The assisted lease for the old unit has terminated;
- B. The owner has given the family a notice to vacate, or other process allowing the owner to evict the family (unless assistance to the family will be terminated); or
- C. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to the owner) and rent and utilities are paid up-to-date.

### **7.2 *PROCEDURES REGARDING FAMILY MOVES***

Families considering transferring to a new unit will be scheduled to attend a mover's briefing. All families who are moving, including any families moving into or out of the Housing Authority's jurisdiction, will be required to attend a mover's briefing prior to the Housing Authority entering a new HAP contract on their behalf.

The annual recertification date will be changed to coincide with the new lease-up date.

This briefing is intended to provide the following:

- A. A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- B. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- C. Payment standards, exception payment standard rent areas, and the utility allowance schedule;

- D. An explanation that the family-share of rent may not exceed 40% of the family's monthly-adjusted income;
- E. Portability requirements and opportunities;
- F. An explanation and copies of the forms required to initiate and complete the move; and
- G. All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed sixty (60) days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the Housing Authority's approval the family will not be eligible for continued assistance.

The family is required to give the Housing Authority a copy of the notice to terminate the lease at the same time it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the Housing Authority will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

Failure to follow the above procedures may subject the family to termination from the program.

### **7.3 OVERLAPPING ASSISTANCE**

A move within the same building or project, or between buildings 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 family ceased to occupy, unless proper notice was given to end a lease mid-month. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap only for the month in which the family moves.

### **7.4 TRANSFERS BETWEEN SECTION 8 AND PUBLIC HOUSING**

Families requesting a Reasonable Accommodation for a disability shall make the request in writing to be transferred between programs. The request shall be made to the Director of Housing. A letter from the primary physician stating the need to transfer to accommodate a disability shall also be attached.

Upon approval of the request, and acceptance into the other program, a local preference shall be assigned as described under Local Preferences.

For Housing Choice Voucher participants, a thirty-day notice from the first day of a month shall be given to the Housing Choice Voucher landlord, with a copy to the Housing Authority. If the family is under the first year of the Housing Choice Voucher lease, a letter of mutual termination signed by both the family and the landlord shall also be attached.

The Housing Choice Voucher participant acknowledges that they may only receive a two-week notice of the availability of the public housing unit. The family is responsible for giving a proper thirty-day notice or mutual termination to the Housing Authority and the Landlord. The family will be responsible for paying their portion of rent for the final month in the Section 8 unit.

## **7.5     *TRANSFERS***

When a change in family composition requires the issuance of a different size voucher and funds are not available, the family will be placed on a Transfer List. Families will be selected from the Transfer List before families are selected from the applicant waiting list. This assures that families who are already on the program are in the appropriately sized units. Priority is given to the most under-housed family residing in the under-housed situation the longest.

## **8.0 PORTABILITY**

### **8.1 *GENERAL POLICIES OF THE HOUSING AUTHORITY***

A family whose head or spouse has a legal residence in the jurisdiction of the Housing Authority at the time the family first submits its application for participation in the program to the Housing Authority may lease a unit anywhere in the jurisdiction of the Housing Authority or outside the Housing Authority jurisdiction as long as there is another entity operating a tenant-based voucher program covering the location of the proposed unit.

If the head or spouse of the assisted family does not have a legal residence in the jurisdiction of the Housing Authority at the time of its application, the family will not have any right to lease a unit outside of the Housing Authority jurisdiction for a twelve (12)-month period beginning when the family is first admitted to the program. During this period, the family may only lease a unit located in the jurisdiction of the Housing Authority.

Families participating in the Housing Choice Voucher Program will not be allowed to move more than once in any twelve (12)-month period and under no circumstances will the Housing Authority allow a participant to improperly break a lease. Families will not be permitted to exercise portability during the initial twelve (12)-month period after admission to the program if the family is in violation of a family obligation; or the family owes money to the Housing Authority. Under extraordinary circumstances the Housing Authority may consider allowing more than one move in a twelve (12)-month period.

Families may only move to a jurisdiction where a Housing Choice Voucher Program is being administered.

If a family has moved out of their assisted unit in violation of the lease, the Housing Authority will not issue a voucher, and will terminate assistance in compliance with Sections 16.0 and 18.0.

The Housing Authority may deny permission to move if there is insufficient funding for continued assistance. The Housing Authority will pay up to 100% of the Payment Standards that have been established by the Housing Authority at the time the client is requesting the move. The client requesting to go portable will be informed of the Payment Standard the Housing Authority will support. The Housing Authority will contact and confirm that the receiving PHA is aware of the payment standard the Housing Authority will support. If the receiving PHA is willing to absorb the family, there will be no grounds to deny the move.

### **8.2 *INCOME ELIGIBILITY***

- A. A family must be income-eligible in the area where the family first leases a unit with assistance in the Housing Choice Voucher Program.



- B. If a portable family is already a participant in the initial Housing Authority's Housing Choice Voucher Program, income eligibility is not redetermined.

### **8.3 *PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTHORITY***

- A. When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the Receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.
- B. A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one Housing Authority, the Initial Housing Authority may choose which Housing Authority shall become the Receiving Housing Authority.

### **8.4 *PORTABILITY PROCEDURES***

- A. When the Housing Authority is the Initial Housing Authority:
  - 1. The Housing Authority will brief the family on the process that must take place to exercise portability. The family will be required to attend an applicant or mover briefing.
  - 2. The Housing Authority will determine whether the family is income-eligible in the area where the family wants to lease a unit (if applicable).
  - 3. The Housing Authority will advise the family how to contact and request assistance from the Receiving Housing Authority.
  - 4. The Housing Authority will, within ten (10) days, notify the Receiving Housing Authority to expect the family.
  - 5. The Housing Authority will immediately mail to the Receiving Housing Authority the most recent HUD Form 50058 (Family Report) for the family, and related verification information.
- B. When the Housing Authority is the Receiving Housing Authority:
  - 1. When the portable family requests assistance, the Housing Authority will inform the Initial Housing Authority whether it will bill for assistance on behalf of the portable family or absorb the family into its own program.

When the Housing Authority receives a portable family, the family will be absorbed if funds are available and a voucher will be issued.

2. The Housing Authority will issue a voucher to the family, however the Housing Authority reserves the right to deny assistance to a port in applicant in line with Housing Authority screening policies. The term of the voucher will automatically be extended an additional 30 days to the initial Housing Authority's voucher term. The Housing Authority will determine whether to extend the voucher term. The family must submit a request for tenancy approval to the Housing Authority during the term of the voucher.
3. The Housing Authority will determine the family unit size for the portable family. The family unit size is determined in accordance with the Housing Authority's subsidy standards.
4. The Housing Authority will notify the Initial Housing Authority if the family has leased an eligible unit under the program, or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.
5. If the Housing Authority opts to conduct a new reexamination, the Housing Authority will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
6. To provide tenant-based assistance for portable families, the Housing Authority will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Authority or the Housing Authority may decide to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

C. Absorption by the Housing Authority

1. If funding is available under the consolidated Annual Contributions Contract (ACC) for the Housing Authority's Voucher Program when the portable family is received, the Housing Authority will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for the Housing Authority's Tenant-Based Program.

D. Portability Billing

1. To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for housing assistance payments and administrative fees. The billing procedure will be as follows:

- a. As the Initial Housing Authority, the Housing Authority will promptly reimburse the Receiving Housing Authority for the full amount of the housing assistance payments made by the Receiving Housing Authority for the portable family. The amount of the housing assistance payment for a portable family in the Receiving Housing Authority's program is determined in the same manner as for other families in the Receiving Housing Authority's program.
- b. The Initial Housing Authority will promptly reimburse the Receiving Housing Authority for 80% of the Initial Housing Authority's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the Receiving Housing Authority.

E. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is no longer required to provide assistance for the family.

## **9.0 DETERMINATION OF FAMILY INCOME**

### **9.1 *INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME***

To determine annual income, the Housing Authority counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the Housing Authority subtracts out all allowable deductions (allowances) as the next step in determining the Total Tenant Payment.

### **9.2 *INCOME***

A. Annual income means all amounts, monetary or not, that:

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 twelve (12)-month period following admission or annual reexamination effective date; and
3. Are not specifically excluded from annual income.

B. Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not 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 is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not 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 an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets

invested by the family. Where the family has net family assets more than \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

4. The full number of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
6. Welfare assistance.
  - a. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
    - i. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
    - ii. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.
  - b. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud. The Housing Authority will obtain written verification from the local welfare agency.

- c. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted.
- 7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
- 8. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)

### **9.3 EXCLUSIONS FROM INCOME**

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of eighteen (18) years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. 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;
- D. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution;
- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
  - 1. Amounts received under training programs funded by HUD;
  - 2. 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);

3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period;
5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs. 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 employment training program;
6. Temporary, nonrecurring, or sporadic income (including gifts);
7. 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;
8. Earnings more than \$480 for each full-time student eighteen (18) years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
11. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
12. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
13. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- a. The value of the allotment of food stamps
- b. Payments to volunteers under the Domestic Volunteer Services Act of 1973
- c. Payments received under the Alaska Native Claims Settlement Act
- d. Income from sub marginal land of the U.S. that is held in trust for certain Indian tribes
- e. Payments made under HHS's Low-Income Energy Assistance Program
- f. Payments received under the Job Training Partnership Act
- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians
- h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims
- i. Amount of scholarships awarded under Title IV including Work-Study
- j. Payments received under the Older Americans Act of 1965
- k. Payments from Agent Orange Settlement
- l. Payments received under the Maine Indian Claims Act
- m. The value of childcare under the Child Care and Development Block Grant Act of 1990
- n. Earned income tax credit refund payments
- o. Payments for living expenses under the AmeriCorps Program

#### **9.4 DEDUCTIONS FROM ANNUAL INCOME**

The following deductions will be made from annual income:

- A. \$480 for each dependent



- B. \$400 for any elderly family or disabled family
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses more than 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.
- D. For any elderly or disabled family:
  - 1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
  - 2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
  - 3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- C. Childcare expenses.

#### ***9.5 RECEIPT OF A LETTER OR NOTICE FROM HUD CONCERNING INCOME***

- A. If a Housing Choice Voucher participant receives a letter or notice from HUD concerning the amount or verification of family income, the letter shall be brought to the Housing Authority for income verification within thirty (30) days of receipt by the participant.
- B. The Housing Processor shall reconcile any difference between the amount reported by the participant and the amount listed in the HUD communication. This shall be done as promptly as possible.
  - 1. After the reconciliation is complete, the HHA shall adjust the participant's rental contribution beginning at the start of the next month unless the reconciliation is completed during the final five (5) days of the month and then the new rent shall take effect on the first day of the second month following the end of the current month. The HHA will repayment and/or collection in accordance with the Repayment Agreement Policies.



## **10.0 VERIFICATION**

The Housing Authority will verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status of family members eighteen (18) years of age and older, Social Security Numbers, citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

### **10.1 ACCEPTABLE METHODS OF VERIFICATION**

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the Immigration and Customs Enforcement (ICE) SAVE approval code, and forms signed by the family.

Other information will be verified in accordance with HUD verification standards. This type of verification includes Enterprise Income Verification (EIV) System and written documentation. This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the Housing Authority or automatically by another government agency, i.e. the Social Security Administration. Verification forms and reports received will be contained in the applicant/family file. Oral third-party documentation will include the same information as if the documentation had been written, i.e. name date of contact, amount received, etc.

When EIV or third-party verification cannot be obtained, the Housing Authority will accept documentation received from the applicant/participant. Photocopies of the documents provided by the family will be maintained in the file.

When EIV, third party verification or applicant/participant-provided verifications cannot be obtained, the Housing Authority will accept a statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

### **10.2 TYPES OF VERIFICATION**

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third-party verification, the Housing

Authority will send a request form to the source along with a release form signed by the applicant/participant via first class mail.

Verification Requirements for Individual Items		
Item to Be Verified	Verification	Hand-carried verification
<b>General Eligibility Items</b>		
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	ICE SAVE confirmation #	ICE card
Disability	Written verification from a medical professional, documentation of Social Security disability or SSI payment(s) or letter from Veterans Administration (VA) of receipt of 100% VA disability benefits	Proof of SSI, Social Security or Veteran disability payment.
Student status	Letter from school	For high school/College students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other professional knowledgeable of condition	N/A
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment
Medical expenses	Letters from providers, Prescription record from pharmacy, medical professional's letter stating assistance, or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls

Verification Requirements for Individual Items		
Item to Be Verified	Verification	Hand-carried verification
<b>Value of and Income from Assets</b>		
Savings, checking accounts	Letter from institution	Passbook, most current statements
CDs, bonds, etc	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal property	Assessment, bluebook, etc	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth
<b>Income</b>		
Earned income	EIV, 3rd party verification	Six pay stubs
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services	Record of deposits, divorce decree
	Letter or electronic reports from the source	

Verification Requirements for Individual Items		
Item to Be Verified	Verification	Hand-carried verification
Periodic payments (i.e., welfare, pensions, workers' comp.)		Award letter, letter announcing change in amount of future payments
Periodic payments (i.e., social security, unemployment)	EIV, Letter or electronic reports from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating <ul style="list-style-type: none"> <li>- Whether enrolled</li> <li>- Whether training is HUD-funded</li> <li>- Whether State or local program</li> <li>- Whether it is employment training</li> <li>- Whether payments are for out-of-pocket expenses incurred to participate in a program</li> </ul>	N/A

### **10.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS**

The citizenship/eligible noncitizen status of each family member regardless of age must be determined.

Prior to being admitted, or at the first reexamination, all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as birth certificate, military ID or military DD 214 Form.)

Prior to being admitted or at the first reexamination, all eligible non-citizens who are sixty-two (62) years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The Housing Authority will make a copy of the individual's ICE documentation and place the copy in the file. The Housing Authority also will verify their status through the ICE SAVE system. If the ICE SAVE system cannot confirm eligibility, the Housing Authority will mail information to the ICE, so a manual check can be made of ICE records.

Family members who do not claim to be citizens, nationals or eligible noncitizens, or

whose status cannot be confirmed, must be listed on a statement of non-eligible members and the list must be signed by the head of the household.

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to the HCV Program.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the delay is caused by the family.

If the Housing Authority determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their HCV unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to HCV for a period of twenty-four (24) months from the date of termination. (24CFR 5.514 (c)(iii))

#### ***10.4 VERIFICATION OF SOCIAL SECURITY NUMBERS***

Prior to admission, each family member must provide his or her Social Security card or other approved Social Security Administration (SSA) issued documentation. New family members must provide this verification prior to being added to the lease.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the Housing Authority may accept letters from Social Security that establish and state the number.

If an individual states that they do not have a Social Security Number they will be required to sign a statement to this effect. The Housing Authority will not require any individual who does not have a Social Security Number to obtain a Social Security Number.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided.

If a member of a tenant family indicates they have a Social Security Number, but cannot readily verify it, they shall be asked to certify to this fact and shall up to sixty (60) days to provide the verification. If the individual is at least sixty-two (62) years of age, they will be given one hundred twenty (120) days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated.

If a new family member became a member of the household within six months prior to the date of admission and is under the age of six and has not been assigned a Social Security Number, the family shall have ninety (90) calendar days after starting to receive the assistance to provide a complete and accurate Social Security Number. The Housing Authority shall grant one ninety (90) day extension for newly-added family members under the age of six if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and was outside the control of the person. If the Social Security Number is not provided within the required period, the family will receive a Notice of Lease Termination

#### ***10.5 TIMING OF VERIFICATION***

Verification must be dated within ninety (90) days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Authority will verify and update only those elements reported to have changed.

#### ***10.6 FREQUENCY OF OBTAINING VERIFICATION***

For each family member, citizenship/eligible noncitizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their status will be verified.

For each family member verification of Social Security Number will be obtained only once. This verification will be accomplished prior to admission.

Deleted Verification of Assets under \$5000 self-certify



## **11.0 RENT AND HOUSING ASSISTANCE PAYMENT**

### **11.1 GENERAL**

The Housing Authority will issue only vouchers to applicants, movers, and families entering the jurisdiction through portability.

### **11.2 RENT REASONABLENESS**

The Housing Authority will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If sixty (60) days before the contract anniversary date there is a 5% decrease in the published Fair Market Rent (FMR) as compared to the previous FMR; and
- C. If the Housing Authority or HUD directs that reasonableness be re-determined.

### **11.3 COMPARABILITY**

In making a rent reasonableness determination, the Housing Authority will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. The Housing Authority will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units. The Housing Authority will maintain current survey information on rental units in the jurisdiction.

Owners are invited to submit information to the survey at any time. The owner must certify the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

#### **11.3.1 Methodology of Rent Reasonableness Determination**

An annual survey is conducted to collect statistics on unsubsidized units in the Housing Authority's jurisdiction. The location, size, type, quality, age and amenities of the unit is compiled in determining comparability. This information is organized by unit type and bedroom size in a manual notebook. The HCV unit is compared to a unit type of similarity found in this book.

## **11.4 MAXIMUM SUBSIDY**

The Fair Market Rent (FMR) published by HUD or the exception payment standard rent (requested by the Housing Authority and approved by HUD) determines the maximum subsidy for a family.

For the Voucher Program, the maximum payment standard will be set at 110% of the Fair Market Rents (FMRs) currently in effect, or any exception payment standard approved by HUD (if applicable).

For a voucher tenancy in an insured or noninsured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

For manufactured home space rental, the maximum subsidy under any form of assistance is the Fair Market Rent for the space as outlined in 24 CFR 982.888.

### **11.4.1 Setting the Payment Standard**

HUD requires that the payment standard be set by the Housing Authority at between 90 and 110% of the FMR. The Housing Authority will review its determination of the payment standard annually after publication of the FMRs. The Housing Authority may consider vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income families are paying for rent under the Voucher Program. If it is determined that success rates will suffer or that families are having to rent low quality units or pay over 40% of income for rent, the payment standard may be raised to the level judged necessary to alleviate these hardships.

The Housing Authority may establish a higher payment standard (although still within 110% of the published fair market rent) as a reasonable accommodation for a family that includes people with disabilities. HUD can approve a payment standard up to 120% of the FMR as a reasonable accommodation. Requests must be made in writing to the Housing Authority and must include a list of the amenities required related to the reasonable accommodation.

Payment standards will not be raised solely to allow the renting of luxury quality units.

If success levels are projected to be extremely high and rents are projected to be at or below 30% of income, the Housing Authority will reduce the payment standard. Payment standards for each bedroom size are evaluated separately so that the payment standard for one-bedroom size may increase or decrease while another remains unchanged. The

Housing Authority may consider adjusting payment standards at times other than the annual review when circumstances warrant.

#### **11.4.2 Selecting the Correct Payment Standard for a Family**

- A. For the voucher tenancy, the payment standard for a family is the lower of:
  - 1. The payment standard for the approved voucher size; or
  - 2. The payment standard for the unit size rented by the family.
- B. If the unit rented by a family is located in an exception rent area, the Housing Authority will use the appropriate payment standard for the exception rent area.
- C. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
  - 1. The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
  - 2. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- D. At the next annual reexamination following a change in family size or composition during the HAP contract term and for any reexamination thereafter, paragraph C above does not apply.
- E. If there is a change in family unit size resulting from a change in family size or composition, the new family unit size will be considered when determining the payment standard at the next annual reexamination.

#### **11.4.3 Area Exception Rents**

In order to help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, the Housing Authority may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The Housing Authority may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until the Housing Authority requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

#### ***11.4.4 Payment Standard as Reasonable Accommodation***

The Housing Authority may approve a payment standard up to 120% of the current published FMR as a reasonable accommodation for a family that includes a person with disabilities. The rent for such unit must comply with all rent reasonable regulations and comply with HCV regulations. HHA approval for such requests will continue until March 31, 2014 unless extended or made permanent by HUD regulation.

### ***11.5 ASSISTANCE AND RENT FORMULAS***

#### **A. Total Tenant Payment**

The total tenant payment is equal to the highest of:

1. 10% of gross monthly income
2. 30% of adjusted gross monthly income
3. Minimum rent
4. The welfare rent

Plus, any rent above the payment standard.

#### **B. Minimum Rent.**

The Housing Authority has set the minimum rent as \$50. However, if the family requests a hardship exemption, the Housing Authority will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until the Housing Authority can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A hardship exists in the following circumstances:
  - a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;

- b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
  - c. When the income of the family has decreased because of changed circumstances, including loss of employment;
  - d. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
  - e. When a death has occurred in the family.
- 2. No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the Housing Authority for the time of suspension.
  - 3. Temporary hardship. If the Housing Authority determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of ninety (90) days from the date of the family's request. At the end of the ninety (90)-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a reasonable repayment agreement for any minimum rent back payment paid by the Housing Authority on the family's behalf during the period of suspension.
  - 4. Long-term hardship. If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
  - 5. Appeals. The family may use the informal hearing procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.

C. Housing Choice Vouchers

- 1. The payment standard is set by the Housing Authority between 90% and 110% of the FMR or higher or lower with HUD approval.
- 2. The participant pays the greater of the Total Tenant Payment or the minimum rent, plus the amount by which the gross rent exceeds the payment standard.
- 3. No participant when initially receiving tenant-based assistance on a unit shall pay more than 40% of their monthly-adjusted income.

D. Preservation Vouchers

1. Payment Standard

- a. The payment standard is the lower of:
  - i. The payment standard amount for the appropriate family unit size; or
  - ii. The payment standard amount for the size of the dwelling unit rented by the family.
- b. If the dwelling unit is in an exception area, the Housing Authority will use the appropriate payment standard for the exception area.
- c. During the HAP contract term, the payment standard for the family is the higher of:
  - i. The initial payment standard (at the beginning of the HAP contract term), as determined in accordance with paragraph (1)(a) or (1)(b) of this section, minus any amount by which the initial rent to the owner exceeds the current rent to the owner; or
  - ii. The payment standard as determined in accordance with paragraph (1)(a) or (1)(b) of this section, as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- d. At the next regular reexamination following a change in family composition that causes a change in family unit size during the HAP contract term, and for any examination thereafter during the term:
  - i. Paragraph (c)(i) of this section does not apply; and
  - ii. The new family unit size must be used to determine the payment standard.

2. The Housing Authority will pay a monthly housing assistance payment on behalf of the family that equals the lesser of:

- a. The payment standard minus the total tenant payment; or

- b. The gross rent minus the total family payment.

E. Manufactured Home Space Rental: HCV

1. The payment standard for a participant renting a manufactured home space is the published FMR for rental of a manufactured home space.
2. The space rent is the sum of the following as determined by the Housing Authority:
  - a. Rent to the owner for the manufactured home space;
  - b. Owner maintenance and management charges for the space; and
  - c. Utility allowance for family paid utilities.
3. The participant pays the rent to owner less the HAP.
4. HAP equals the lesser of:
  - a. The payment standard minus the total tenant payment; or
  - b. The rent paid for rental of the real property on which the manufactured home owned by the family is located.

F. Rent for Families under the Noncitizen Rule

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;
2. The family was granted continuation of assistance before November 29, 1996;
3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the

orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period for assistance under the provision is 18 months. The Housing Authority will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, the Housing Authority will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

1. Find the prorated housing assistance payment (HAP) by dividing the HAP by the total number of family members, and then multiplying the result by the number of eligible family members.
2. Obtain the prorated family share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
3. The prorated family rent equals the prorated family share minus the full utility allowance.

#### ***11.6 RENT INCREASES (24 CFR 982.308, 309)***

1. The owner may not raise the rent during the initial term of the lease.
2. The owner must notify the Housing Authority in writing at least sixty (60) days prior to the effective date of the change.
3. Rent increases are subject to rent reasonableness requirements.
4. Rent increases do not require a new lease or Housing Authority approval of tenancy.

#### ***11.7 UTILITY ALLOWANCE***

The Housing Authority maintains a utility allowance schedule for all family-paid utilities (except telephone and cable), for cost of family-supplied refrigerators and ranges, and for other family-paid housing services (e.g., trash collection).

The Housing Authority reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate



since the last time the utility allowance schedule was revised. Consumption data provided by HUD is multiplied times local rates to determine if a material difference exists. The Housing Authority maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. A copy of revised utility rates is submitted to HUD.

The Housing Authority uses the appropriate utility allowance for the size of family or the dwelling unit leased by the family whichever is lesser

At each reexamination, the Housing Authority applies the utility allowance from the most current utility allowance schedule.

The Housing Authority will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

The utility allowance will be subtracted from the family's share to determine the amount of the Family Rent. The Family Rent is the amount the family owes each month to the owner.

#### ***11.8 HOUSING ASSISTANCE PAYMENT (HAP)***

The Housing Authority pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge the Housing Authority a late payment, agreed to in the Contract. The Housing Assistance Payment (HAP) by the Housing Authority is deemed received upon issuance by the Housing Authority.

Effective April 1, 2011, all Housing Assistance Payments will be made by Electronic Funds Transfer (EFT) directly into the bank account designated by the owner.

Any changes to owner's bank account information must be provided in writing to the Housing Authority fourteen (14) days prior to the first of the month for which payment will be due.

#### ***11.9 CHANGE OF OWNERSHIP***

When the ownership of a property is transferred to another entity, the Housing Authority requires written notification from the owner who executed the existing HAP contract.

In addition, the Housing Authority requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed of Trust, Settlement Statement, or other legal document showing the transfer of title; and
- B. Tax Identification Number or Social Security Number.

New owners will be required to execute IRS form W-9. The Housing Authority may withhold the rent payment until the taxpayer identification number and bank account information for EFT processing is received.

## **12.0 INSPECTION POLICIES & STANDARDS (24 CFR 982.401)**

The Housing Authority will inspect all units to ensure that they meet Housing Quality Standards (HQS). For purposes of this section HQS includes the most current versions of HUD's Housing Quality Standards, the International Property Maintenance Code (IPMC), the City of Hagerstown's current Property Maintenance Code (PMC), and any HUD approved exceptions as outlined in the Housing Authority Section 8 Administrative Plan. Furthermore, the Authority shall require all units comply with the most recent International Property Maintenance Code (IPMC), the City of Hagerstown's current Property Maintenance Code (PMC), and the Housing Authority Section 8 Administrative Plan. In the event of a conflict the stricter standard shall apply. No unit will be initially placed on the Section 8 Existing Program unless the inspection standards are met. Units will be inspected at least annually, and at other times as needed, to determine if the units meet HQS/PMC.

The Housing Authority must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The family and owner will be notified of the inspection appointment by first class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make arrangements to enable the Housing Authority to enter the unit and have access to heating, electrical and plumbing facilities in order to complete the inspection.

If the family misses the scheduled inspection and fails to reschedule the inspection, the Housing Authority will only schedule one more inspection. If the family misses two inspections the Housing Authority will consider the family to have violated a Family Obligation and their assistance will be terminated.

### **12.1 TYPES OF INSPECTIONS**

There are six (6) types of inspections the Housing Authority will perform:

- A. Initial Inspection - An inspection that must take place to ensure that the unit passes HQS/PMC before assistance can begin.
- B. Annual Inspection - An inspection to determine that the unit continues to meet HQS. Annual inspections are performed on units with:
  - 1. Children under the age of 6
  - 2. Units that have received an HQS termination notice within the past year
- C. Biennial Inspection – An inspection to determine that the unit continues to meet HQS. Biennial inspection are performed on units with:
  - 1. Any unit that does not qualify for an annual inspection as described in 12.1(B).

- D.. Complaint Inspection - An inspection caused by the Authority receiving a complaint on the unit by anyone. The HA will inspect only the items reported, however if obvious failing conditions are detected as a result of a complaint inspection, the responsible party (ies) will be required to make the necessary repairs.
- E.. Special Inspection - An inspection caused by a third party, i.e. HUD, needing to view the unit.
- F. Emergency - An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- G Quality Control Inspection - Supervisory inspections in accordance with SEMAP based on the total number of units that were under lease during the Housing Authority's previous fiscal year.

#### ***12.1.1 Re-inspection / Verification of Repairs***

Any unit cited to be in violation of the HQS inspection must complete the necessary repairs and be confirmed by the inspector. Confirmation may be in the form of a physical re-inspection, self-certification, photograph or vendor/contractor certificate as determined appropriate by the Housing Authority inspector.

#### ***12.2 OWNER AND FAMILY RESPONSIBILITY (24 CFR 982.404)***

- A. Owner Responsibility for HQS
  - 1. The owner must maintain the unit in accordance with HQS.
  - 2. If the owner fails to maintain the dwelling unit in accordance with HQS, the Housing Authority will take prompt and vigorous action to enforce the owner obligations. The Housing Authority's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract. **24 CFR 982.453(a)(1) and 982.453(b).**
  - 3. The Housing Authority will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the Housing Authority and the Housing Authority verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other

defects the owner must correct the defect within no more than 30 calendar days (or any Housing Authority approved extension).

4. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the Housing Authority may terminate assistance to a family because of the HQS breach caused by the family.

**B. Family Responsibility for HQS**

1. The family is responsible for a breach of the HQS that is caused by any of the following:
  - a. The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the family;
  - b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the family; or
  - c. Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
2. If an HQS breach caused by the family is life- threatening, the family must correct the defect within no more than twenty-four (24) hours. For other family-caused defects, the family must correct the defect within no more than thirty (30) calendar days (or any Housing Authority - approved extension).
3. If the family has caused a breach of the HQS, the Housing Authority will take prompt and vigorous action to enforce the family obligations. The Housing Authority may terminate assistance for the family in accordance with 24 CFR 982.552.

**12.3 HOUSING QUALITY STANDARDS (HQS)(24 CFR 982.401)**

This Section states performance and acceptability criteria for these key aspects of the following housing quality standards:

**A. Sanitary Facilities**

1. Performance Requirements

The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

2. Acceptability Criteria

- a. The bathroom must be in a separate private room and have a flush toilet in proper operating condition.
- b. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- c. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
- d. Bathrooms, including ½ baths, must have an openable window or working exhaust system vented to the outside, attic or crawl space.
- e. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

B. Food Preparation and Refuse Disposal

1. Performance Requirements

- a. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- b. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

2. Acceptability Criteria

- a. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a family-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the family agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized families in the building or premises.

- b. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.
- c. The dwelling unit must have space for the storage, preparation, and serving of food.
- d. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

C. Space and security

1. Performance Requirement

The dwelling unit must provide adequate space and security for the family.

2. Acceptability Criteria

- a. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
- b. The dwelling unit must have at least one bedroom or living/ sleeping room for each two persons. Children of opposite sex may not be required to occupy the same bedroom or living/sleeping room.
- c. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
- a. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

D. Thermal Environment

1. Performance Requirement

The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

## 2. Acceptability Criteria

- a. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, to assure a healthy living environment appropriate to the climate.
- b. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

## E. Illumination and Electricity

### 1. Performance Requirement

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources, so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

### 2. Acceptability Criteria

- a. There must be at least one window in the living room and in each sleeping room.
- b. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
- c. Every habitable space, except the bathroom, must have at least two separate and remote electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

## F. Structure and Materials

### 1. Performance Requirement

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.



2. Acceptability Criteria

- a. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- b. The roof must be structurally sound and weather tight.
- c. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- d. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- e. Elevators must be working and safe.

G. Interior Air Quality

1. Performance Requirement

The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

2. Acceptability Criteria

- a. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- b. There must be adequate air circulation in the dwelling unit.
- c. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- d. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

1. Performance Requirements

The water supply must be free from contamination.

## 2. Acceptability Criteria

The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

### I. Lead-based Paint

#### 1. Definitions

- a. Chewable surface: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.
- b. Component: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, and stair treads in a common stairwell, or an exterior wall.
- c. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.
- d. Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- e. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared ( $\text{mg}/\text{cm}^2$ ), or 0.5 % by weight or 5000 parts per million (PPM).

#### 2. Performance Requirements

- a. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR

35.24(b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.

- b. The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- c. If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.
- d. The Housing Authority may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph (1)(f) of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.
- e. Treatment of defective paint surfaces required under this Section must be completed within thirty (30) calendar days of Housing Authority notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the thirty (30)-day period, treatment as required by paragraph k of this Section may be delayed for a reasonable time.
- f. The requirements in this paragraph apply to:
  - i. All painted interior surfaces within the unit (including ceilings but excluding furniture);
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).

- g. In addition to the requirements of paragraph c of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
- h. Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.
- i. The requirements in paragraph g of this Section apply to all protruding painted surfaces up to five (5) feet from the floor or ground that are readily accessible to children under six years of age:
  - i. Within the unit;
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- j. In lieu of the procedures set forth in paragraph g of this Section, the housing authority may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph k of this Section.
- k. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
  - i. A defective paint surface shall be treated if the total area of defective paint on a component is:

- (1) More than ten (10) square feet on an exterior wall;
  - (2) More than two (2) square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
  - (3) More than 10% of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.
- ii. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydro blasting or high-pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust.
  - iii. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydro blasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.
  - iv. During exterior treatment soil and playground equipment must be protected from contamination.
  - v. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.
  - vi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.

- l. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
- m. Prior to execution of the HAP contract, the owner must inform the Housing Authority and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
- n. The Housing Authority must attempt to obtain quarterly from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the Housing Authority must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, the Housing Authority must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a certificate or voucher to move.
- o. The Housing Authority must keep a copy of each inspection report for at least three (3) years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the Housing Authority must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this Section, such chewable surfaces do not have to be tested or treated at any subsequent time.
- p. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).
- Q. A copy of the Maryland Department of the Environment (Form MDE 330) must be provided before the unit will pass HQS inspection.

J. Access

1. Performance Requirements

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

Exit requirements must meet local or State requirements and be considered adequate by the appropriate local officials.

K. Site and Neighborhood

1. Performance Requirements

The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

2. Acceptability Criteria

The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

L. Sanitary Condition

1. Performance Requirements

The dwelling unit and its equipment must be in sanitary condition.

2. Acceptability Criteria

The dwelling unit and its equipment must be free of vermin and rodent infestation.

M. Smoke Detectors

1. Performance Requirements

- a. Except as provided in paragraph b below of this Section, each dwelling unit must have at least one (1) battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in

accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).

- b. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

#### ***12.4 EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA***

The Housing Authority will utilize the acceptability criteria as outlined above with applicable State and local codes. Additionally, the Housing Authority has received HUD approval to require the following additional criteria effective December 16, 1993:

- A. Electrical Requirements:
  - 1. There must be at least one (1) outlet in the bathroom, and it must be ground fault circuit interrupter (GFCI) protected.
  - 2. Every habitable space, except the bathroom, shall contain at least two separate and remote receptacle outlets.
  - 3. Outlets within six (6) feet of a water source must be GFCI-protected.
  - 4. Floor receptacles must have weatherproof covers.
  - 5. Exposed electrical connections/splices must be in approved junction boxes.
- B. At least one (1) window per room used for ventilation purposes shall be provided with a screen.
- C. Windows shall be easily open able and capable of being held in position by window hardware.



- D. In units where the family must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- E. An overflow pipe must be present on the hot water heaters and boilers. Pipe must be same size diameter as valve outlet and directed downward 6" to 10" from the floor.
- F. Bathtub faucets must be above the flood level of the rim of the tub.
- G. Each building must have a number displayed front and back, at least four (4) inches high, and readable from the public street, road and alley.
- H. Double-keyed deadbolts are not permitted.

## ***12.5 TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS***

### **A. Correcting Initial HQS Fail Items**

The Housing Authority will schedule an inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible within 15 business days upon receipt of a Request for Tenancy Approval (RFTA). The owner and family will be notified in writing of the results of the inspection. If the unit fails HQS, the owner and the participant will be advised to notify the Housing Authority to **schedule** a re-inspection when the repairs have been properly completed. If the unit fails to meet the HQS standards within 30 (thirty) days or any approved extension as outlined under item 12.5. (C) of this section, the Request for Tenancy Approval will be withdrawn by the Housing Authority.

No unit will be placed on the program until the unit meets the HQS requirements.

### **B. HQS Fail Items for Units under Contract**

The owner or family will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or family will be given twenty-four (24) hours to correct the violations. For less serious failures, the owner or family will be given up to thirty (30) days to correct the failed item(s).

If the owner fails to correct the HQS failed items after proper notification has been given, the Housing Authority will abate payment and/or terminate the contract in accordance with Sections 12.7 and 18.0(B)(3). If the annual re-inspection fails, the

owner may request additional inspections (prior to the date of termination) at the pre-paid fee of \$50 per inspection payable to the Housing Authority to cover expenses.

If the family fails to correct the HQS failed items that are family-caused after proper notification has been given, the Housing Authority will terminate assistance for the family in accordance with Sections 12.2(B) and 18.0(B)(3).

C. Extensions

At the discretion of the Housing Authority, extensions beyond 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within the extension period granted, the Housing Authority will abate the rent and/or cancel the HAP contract for owner noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

## ***12.6 EMERGENCY FAIL ITEMS***

The following items are to be considered examples of emergency items that need to be abated within twenty-four (24) hours:

- A. No hot water; no water
- B. No electricity
- C. Inability to maintain adequate heat
- D. Major plumbing leak
- E. Natural gas leak
- F. Electrical problem that could result in shock or fire
- G. Other conditions which pose an immediate threat to health or safety

The Housing Authority may give a short extension whenever the responsible party cannot be notified, or it is impossible to affect the repair within the twenty-four (24)-hour period.

## ***12.7 ABATEMENT***

A Notice of Abatement will be sent to the owner, and the abatement will be effective for the following month.

The Housing Authority will inspect abated units within three (3) business days of the owner's notification that the work has been completed. If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the family is not responsible for the Housing Authority's portion of rent that is abated.

The Housing Authority may grant an extension in lieu of abatement in the following cases:

- The owner has a good history of HQS compliance;
- The failed items are minor in nature;
- There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services;
- The owner makes a good faith effort to make the repairs;
- The repairs are expensive (such as exterior painting or roof repair) and the owner needs to obtain the funds;
- The repairs must be delayed due to climate conditions.

## ***12.8 TERMINATION OF CONTRACT***

If the owner is responsible for repairs and fails to correct all the deficiencies within the required time frame, the owner will be sent a HAP Contract Termination Notice.

If repairs are completed before the effective termination date, the termination may be rescinded by the Housing Authority if the family chooses to remain in the unit. Only one (1) Housing Quality Standards inspection will be conducted after the termination notice is issued.

## **13.0 OWNER CLAIMS FOR DAMAGES, UNPAID RENT, AND VACANCY LOSS**

This Section only applies to HAP contracts in effect before October 2, 1995. Certificates have a provision for damages, unpaid rent, and vacancy loss. Vouchers have a provision for damages and unpaid rent. No vacancy loss is paid on vouchers.

No damage claims will be processed unless the Housing Authority has performed a move-out inspection. These inspections are performed to assess the condition of the unit, not to evaluate the HQS. A damage claim will not be approved *unless* the move-out inspection is requested and completed prior to any work being completed.

Either the family or the owner can request the move-out inspection. Ultimately, it is the owner's responsibility to request the move-out inspection if he/she believes there may be a claim. Owners are advised to survey the unit prior to requesting the Housing Authority to conduct move-out inspection, and to call the Housing Inspector to review the list of damages and, if necessary, to schedule a move-out inspection. An owner must notify the Housing Authority of the move-out and request an inspection within five (5) business days of learning of the move-out in order to submit a claim.

In the termination letters to both the owner and family, the Housing Authority advises that both be present for the move-out inspection. The Housing Authority requests that they coordinate the date and time. If the owner informs the Housing Authority that the family has not been advised of the move-out date, the Housing Authority will attempt to contact the family by telephone. However, the Housing Authority will not postpone the inspection for failure to contact the family. The owner or representative must be present during the move-out inspection.

If the contract was terminated due to owner breach, or the owner was in violation of the contract at the time that it was terminated, there will be no entitlement to claims and therefore no inspection.

Damage claims are limited in the following manner:

- A. In the Certificate Program, owners can claim up to two (2) months contract rent minus greater of the security deposit collected or the security deposit that should have been collected under the lease. If the family moves in violation of the lease, and the unit remain vacant, an owner may file for eighty (80) percent of one additional month's rent.
- B. In the Voucher Program, owners are allowed to claim up to one (1) month contract rent minus greater of the security deposit collected or the security deposit that should have been collected under the lease. There will be no payment for vacancy losses under the Voucher Program.

- C. No damage claims will be paid under either program for contracts effective on or after October 2, 1995.

### ***13.1 OWNER CLAIMS FOR PRE-OCTOBER 2, 1995, UNITS***

In accordance with the HAP contract, owners can make special claims for damages, unpaid rent, and vacancy loss (vacancy loss cannot be claimed for vouchers) after the family has vacated or a proper eviction proceeding has been conducted.

Maryland law requires owners to present by first class mail directed to the last known address of the family, within 30 days after the termination of tenancy, the reason for forfeiting any or all a family's security deposit. This notice must contain a written list of damages, together with a statement of actual cost incurred. Owners must submit a copy of this billing with the claim. The only exception to this requirement is if the family has been evicted (through court process) or has abandoned the property.

Actual bills and receipts for repairs, materials, and labor must support claims for damages. Estimates are acceptable from licensed contractors. Bills from individuals providing labor must include their name, social security number, address and phone number. Reasonableness of costs will be based on Housing Authority Maintenance Department cost schedules. The owner may charge for owner-labor not to exceed \$10.00 an hour.

No claim will be paid for normal wear and tear, previous existing conditions, or routine turnover preparation (cleaning and cyclical interior painting).

Damages caused during tenancy that were repaired and billed, but remain unpaid at move-out, may be considered "other items due under the lease" and included in the claim. Other eligible items to be included on the damage claim must have been a family responsibility under the lease or State law, such as payment of utilities.

Owners can claim unpaid rent owed by the family up to the date of HAP termination. Documentation acceptable as proof of non-payment of family rent is: (1) a copy of statement of amount of unpaid rent for final month of occupancy or copy of landlord rent ledger showing unpaid rent; and/or (2) a copy of the rent suit filed through the court system.

In the Certificate Program, owners can claim for a vacancy loss as outlined in the HAP contract. To claim a vacancy loss, the owner must notify the Housing Authority immediately upon learning of the vacancy or suspected vacancy.

The owner must make a good faith effort to rent the unit as quickly as possible to another renter, including, but not limited to:

- (a) contacting applicants on the owner's waiting list, if any;
- (b) seeking eligible applicants by listing the unit with the Housing Authority;

- (c) advertising the availability of the unit;
- (d) not rejecting potentially eligible applicants except for good cause.

If a unit becomes vacant because of death, the Housing Authority will permit the owner to keep the HAP for the month in which the tenant died.

If the family moves *after* the date given on their notice of intent to vacate, the landlord may claim vacancy loss by providing acceptable documentation that there was a bona fide prospective family to whom the unit could have been rented.

All claims and supporting documentation under this Section must be submitted to the Housing Authority within forty-five (45) days of the move-out inspection. Any reimbursement shall be applied first towards any unpaid rent.

No reimbursement may be claimed for unpaid rent for the period after the family vacates. No claims will be paid for a unit that is vacant as the result of the landlord voluntarily moving a family to another unit owned by the same owner. Costs of filing eviction to remove the family or any other legal fees may not be reimbursed.

### **13.2 PROCESSING OWNER CLAIMS**

The Housing Authority will make payments to owners for approved claims. It should be noted that the family is ultimately responsible for any damages, unpaid rent, and vacancy loss paid to the owner and will be held responsible to repay the Housing Authority to remain eligible for the Section 8 Program.

Owner claims for damages, unpaid rent, and vacancy loss are reviewed for accuracy and completeness. Claims are then compared to the move-in and move-out inspections to determine if an actual claim is warranted. The Housing Authority determines the amount payable to the owner and the family is informed that a claim is pending (notice sent to last known address).

The family is notified that they have ten (10) days to discuss the claim with the Housing Inspector. The Inspector will take into consideration any evidence presented by the family to dispute the claim and will discuss such evidence with the owner. The Inspector will then make the final approval of the claim and notify the family and owner.

If the Housing Authority does not hear from the family within the prescribed time frame, the owner will be paid for the claim on the next check run and the family will be notified that an owner claim has been paid.

If a claim has been paid to an owner, the participant is responsible for repaying the amount to the Housing Authority. This shall be done by either paying the full amount due within 30 calendar days upon the Housing Authority requesting it or through a Repayment Agreement that is approved by the Housing Authority.

If the participant is not current on any Repayment Agreements or has unpaid claims on more than one unit, the participant shall be terminated from the program. The participant retains the right to request an informal hearing.

## **14.0 DEBTS OWED TO HOUSING AUTHORITY**

### **14.1 DEBTS OWED BY APPLICANTS**

Verification is made to determine if an applicant owes a debt to any federally subsidized housing program. If the Housing Authority becomes aware of a debt owed through another source, verification will be sent to that Housing Agency.

Upon discovery applicants owing debts shall be notified in writing of the amount owed and will be given thirty (30) days to enter into a repayment agreement with that agency. If the applicant fails to enter into and provide a copy of the repayment agreement within thirty (30) days, the housing application is withdrawn from the waiting list.

If, at the time the applicant's name reaches the top of the waiting list, the debt is not paid in full, or additional debt is discovered, the applicant is given thirty (30) days to pay the debt in full. Failure to do so will result in the applicant's name being removed from the waiting list.

### **14.2 REPAYMENT AGREEMENT POLICY**

#### **14.2.1 RETROACTIVE RENTS**

The Director of Housing Operations or designee must approve Repayment Agreements, regardless of the amount, for retroactive rents of any Section 8 participant who misrepresents the facts upon which assistance is based or who fails to report an increase in income at the annual reexamination.

- 1) Notice of the retroactive adjustment will be mailed to the participant advising the family that the retroactive rent charge must be paid in full within thirty (30) days.
- 2) In the first case of non-reporting of an increase in income or of a misrepresentation of income, a repayment plan may be considered if the failure to report or misrepresentation was for a reason beyond the resident's control, such as a disability, illness or other extenuating circumstances. The fact that the resident cannot pay the retroactive rent charge within thirty (30) days is not considered an extenuating circumstance. The extenuating circumstance must relate to the reason for the non-reporting or the misrepresentation. If a repayment agreement is not approved, the Director of Housing or designee may consider an extension of time to pay. An extension of time may be approved in thirty (30) day increments. Not more than two (2) thirty (30) day extensions may be approved.



- 3) If there is a second case of non-reporting of an increase in income or of a misrepresentation of income, no repayment plan will be permitted. The retroactive rent must be paid in full within thirty (30) calendar days. Only the Director of Housing may consider an extension of time to pay. This extension of time, if approved, may be for no more than one (1) additional thirty (30) days
- 4) If there is a third case of non-reporting of an increase in income or of a misrepresentation of income, a Notice to Terminate assistance will be issued and the HAP Contract terminated.

The minimum monthly payment is \$25.00 for all repayment agreements.

#### ***14.2.2 DUE DATES/DEFAULT***

All repayments will be due as stated on the Repayment Agreement. If a payment is not received on the due date, a late letter will be sent by the 20<sup>th</sup> day of the month. If payment is not received based on late notice, a Default Notice will be issued. If payment in full is not made based on Default Notice, a Termination Notice will be issued.

#### ***14.2.3 MOVING***

If the family requests a move to another unit and has a repayment agreement in place, no move will be approved until the debt is paid in full unless the move is the result of the following causes, and the Repayment Agreement is current:

1. Family size exceeds the HQS maximum occupancy standards;
2. The HAP contract is terminated due to owner non-compliance or opt- out; or
3. A natural disaster.

#### ***14.2.4 REDUCTION IN PAYMENTS***

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Director of Housing or Designee.

#### ***14.2.5 DEBTS OWED FROM PREVIOUS PUBLIC HOUSING TENANTS***

To protect participating landlords, Section 8 applicants from Public Housing who incur debts (from HHA Public Housing) must repay debts in full or may enter into a repayment agreement. The debt must be paid in full prior to the first recertification after the initial HAP contract is signed. Any violation of this section will result in termination from the Section 8 Program.

### ***14.3 DEBTS OWED FOR OWNER CLAIMS [24 CFR 792.103, 982.552 (B)(6-8)]***

If a family owes money to the Housing Authority for claims paid to an owner:

- The Housing Authority requires that the family repay the amount in full within 30 calendar days of notification from Housing Authority that the debt is owed.
- In cases where the unit is damaged due to the families' inability to care for unit due to disability, if elderly, hospitalization or illness, the Housing Authority may allow the family to enter into a repayment agreement. However, a family may only be permitted to enter into a repayment agreement one time.

### ***14.4 DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION [24 CFR 982.163]***

Housing Authority follows HUD's definition of program fraud and abuse which 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.

#### ***14.4.1 PROGRAM FRAUD***

Families who owe money to the Housing Authority due to program fraud will be required to repay the amount in full within 30 calendar days, and assistance may be terminated.

#### ***14.5 FAMILY ERROR/LATE REPORTING***

If the family fails to report the increase in income within the required 14-day period, the family will be required to repay for overpaid assistance back to the time that the change should have been reported.

If the Housing Authority determines that the family's failure to report an increase was not intentional due to family illness, disability, or some other unforeseen cause, the Housing Authority may permit the family to enter into a repayment agreement.

#### ***14.6 OWNER DEBTS TO THE HOUSING AUTHORITY***

If the Housing Authority determines that the owner has retained Housing Assistance Payments the owner is not entitled to, the Housing Authority may reclaim the amounts from future Housing Assistance Payments owed the owner for any units under contract. If future Housing Assistance Payments are insufficient to reclaim the amounts owed, the Housing Authority will:

1. Require the owner to pay the amount in full within 30 calendar days;
2. Pursue collections through the local court system; and
3. Restrict the owner from future participation.

## **15.0 RECERTIFICATION**

### ***15.1 ANNUAL REEXAMINATION***

The Housing Authority will conduct a reexamination of family income and circumstances 90 to 120 days prior to the Lease/HAP anniversary date. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

The Housing Authority will send a notification letter to the family scheduling the annual reexamination. The letter includes forms for the family to complete in preparation for the interview. The letter includes instructions permitting the family to reschedule the interview if necessary. The letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and a general authorization form for use in verifying eligibility information

Upon receipt of verification, the Housing Authority will determine the family's annual income and will calculate the family's share of rent.

#### ***15.1.1 ADDITIONAL CERTIFICATION INFORMATION***

In addition to HUD- required certification information, participants must at the initial and at each subsequent recertification:

- Supply a copy of the prior year's Federal Income Tax Return with W-2's attached or provides documentation from the Internal Revenue Service (IRS) that no return for the prior year was filed.
- Supply information necessary to obtain school attendance verification for minors.
- Sign the *Housing Authority Policy for Obligations of Family and Grounds for Termination of Section 8 Participation as well as all* required forms related to the recertification.
- Provide a receipt showing rent is paid up-to-date. Family will be provided a fourteen (14) day extension to provide receipt if unable to provide at recertification appointment. Failure to comply will result in termination of family's participation effective the last day of the current recertification period.

Wage and benefit checks will be conducted through HUD's EIV system on all participant families prior to the recertification interview.

### ***15.1.2 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS***

The new family share of rent will generally be effective upon the anniversary date with prior written notice to all parties.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives notice. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

### ***15.1.3 MISSED APPOINTMENTS***

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the Housing Authority acting to terminate the family's assistance.

### ***15.1.4 ANNUAL REEXAMINATIONS FOR ELDERLY/DISABLED FAMILIES ON FIXED INCOME***

Elderly or disabled families on fixed incomes will be recertified using a streamlined process. Incomes will be adjusted by calculating family incomes by applying any published cost of living adjustments to the previously verified income amount.

For purposes of this section, fixed income includes:

1. Social Security payments including SSI
2. Federal, state, local and private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar type of periodic receipts that are of substantially the same amounts from year to year.

This streamlined reexamination process will continue for recertification effective before until March 31, 2014 unless extended or made permanent by HUD regulation.

## ***15.2 INTERIM REEXAMINATIONS***

During an interim reexamination only the information affected by the changes being reported will be reviewed and verified.

### **Increases in Income**

The family must report any increase in income in writing within fourteen (14) calendar days from the effective date of the increase. For increases of \$25.00 or more per week in gross income, an interim adjustment in rent will be effective the 1<sup>st</sup> day of the third month following the effective date of the increase in income. Where a new family member with income is added to an existing household, the rent will increase, following a 30-day notice, on the 1<sup>st</sup> day of the month. The income of live-in aides will not be counted for purposes of calculating rent.

### **Decreases in Income**

The family may report a decrease in income. If reporting a decrease, the family must report the decrease in writing by the last day of the month and provide supporting documentation for an interim adjustment to be effective on the 1<sup>st</sup> of the following month.

### **Policy for Addition of an Adult 18 years or older**

In order to add a household member, (including live-in aides), the family must make a request in writing to add the new member. The individual must complete a Housing Application stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security number if they have one, proof of identity, and verify their citizenship/eligible immigrant status. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, their name will be added to the lease with written landlord approval.

### **Policy for Addition to Household Due to Birth, Adoption, or Through the Foster Care Program**

The family must report any additions to the household as a result of adoption, child custody or birth within fourteen (14) calendar days. A birth certificate, social security card and proof child resides in the household must be provided in order to be added.

### **Policy for Move-Out of Family Member**

The family must report if any family member no longer resides in the household within fourteen (14) calendar days. Staff will request written verification of the new address of the person(s) moving out of the household.

#### **A. Family break-up**

In circumstances of a family break-up, the Housing Authority will decide which family member will retain the voucher, taking into consideration the following factors:

1. The interest of minor children or of ill, elderly, or disabled family members. The assistance remains with the adult member who retains custody and resides with the minor children. If the children of the household are divided between the adults, the assistance will be provided to both, if funding is available.
2. Whether the assistance should remain with the family members remaining in the unit.
3. Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household. Abuse to be verified by CASA, medical professional, or government agency, or some other appropriate source at the discretion of the Housing Authority.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement of judicial decree, the Housing Authority will be bound by the court's determination of which family members continue to receive assistance in the program.

Because of the number of possible different circumstances in which a determination will have to be made, the Housing Authority will make determinations on a case by case basis.

The Housing Authority will issue a determination in writing to the family. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 17.3.

#### **Changes in Family Expenses**

The family may report any increase in medical, handicap, or childcare expense. The Housing Authority will make an interim adjustment, if requested by the family, due to an expense that results in a decrease of the Total Tenant Payment. The resulting decrease in rent will be made the 1<sup>st</sup> of the month following the month in which the expense was reported.

#### **Zero Income Families/Individuals**

The reexamination staff will conduct a wage and benefit verification using all available resources on all zero-income clients at least semi-annually.

#### **Special Requirements for Temporary Cash Assistance (TCA) Recipients**

Rents for recipients of TCA (welfare) benefits may not be reduced for families who are sanctioned by the Department of Social Services for not meeting the certification requirements. Such requirements include fraud, failure to participate in an economic self-sufficiency program, or failure to comply with a work activity requirement. Families are eligible for reduced rent if the reduction is the result of the expiration of a lifetime time limit on receiving benefits or the family has complied with welfare requirements but cannot

obtain employment. The Housing Authority will obtain written verification from the local welfare agency.

#### **Procedure for Reporting Changes**

The family must complete the *Interim Change Form* to report any change as described in the Interim Change Policy. The family must report all changes in writing within fourteen (14) days of the effective date of such change. The *Interim Change Form* is available at the front counter or may be mailed to the resident upon request or on website.

### **15.2.1 TREATMENT OF INCOME RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

Families rent contribution may not be reduced for failure to comply with welfare program requirements. Such requirements include fraud, failure to comply with a work activity requirement. Families are eligible for reduced rent if the reduction is the result of the expiration of a lifetime time limit on receiving benefits or the family has complied with welfare requirements but cannot obtain employment. The Housing Authority will obtain written verification from the local welfare agency.

### **15.2.2 EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS**

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the third month following the effective date of the increase in income. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

Where a new family member with income is added to an existing household, the rent will increase effective on the first day of the month following a thirty (30) day notice. The income of Live-in Aides will not be counted for purposes of calculating rent.

### ***15.2.3 POLICY FOR FAILURE TO COMPLY WITH INTERIM POLICY***



If the family misrepresents the facts upon which rent is based or fails to report an increase in income within the required 14-day period, any increase in rent will be computed retroactively. At the discretion of the Housing Authority, based on the seriousness of the misrepresentation, the family may be subject to termination of assistance. Any retroactive rent due will be payable within thirty (30) days. If the Housing Authority determines that the family's failure to report an increase was not intentional due to family illness, disability, or some other unforeseen cause, the Housing Authority, with approval of the Director of Housing or designee, may permit the family to enter into a Repayment Agreement. If a Repayment Agreement is not approved, the Director of Housing or designee may consider an extension of time to pay. Not more than two (2) 30-day extensions may be approved.

#### ***15.2.4 DISALLOWANCE OF EARNED INCOME (24 CFR 5.617 & 960.255)***

During the first (1<sup>st</sup>) twelve (12) months after commencement of employment of a disabled adult family member, the Housing Authority disallows the incremental increase in the disabled family member's income as a result of employment. In the second (2<sup>nd</sup>) twelve (12) month period, the disallowed amount is fifty percent (50%) of the incremental increase. The amount of the incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment to the amount of such income after beginning the employment. It is this amount that is subject to being disregarded.

The disabled family member may receive the disallowance only as follows:

- A. Disallowance is limited to one (1) Twenty-Four (24) month period from the beginning of the first (1<sup>st</sup>) month after commencement of qualifying employment of an individual family member
- B. During this Twenty-Four (24) month period, for a maximum of the first (1<sup>st</sup>) twelve (12) months, the incremental increase is disregarded, and for a maximum of the second (2<sup>nd</sup>) twelve (12) months, fifty percent (50%) percent of the incremental increase is disregarded.
- C.

Definitions: The following definitions apply for purposes of this section (24 CFR Sec. 5.617 & 960.255)

- A. Disallowance – (Exclusion from annual income)  
Previously unemployed includes a disabled person who has earned, in the twelve (12) months before employment, no more than would be received for ten (10) hours of work per week for fifty (50) weeks at the established minimum wage.
- B. Qualified family - A disabled family member in HCV Program:
  - 1. Whose annual income increases as a result of employment of a family

member who was unemployed for one (1) or more years previous to employment

2. Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program.
3. Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six (6) months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of title IV of the Social Security Act. These programs are not limited to monthly income maintenance, but also include such benefits and services as one-time payments, wage subsidies and transportation assistance – provided that the total amount over a six (6) month period is at least Five Hundred Dollars (\$500.00).

## **16.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE HOUSING AUTHORITY**

The Housing Authority may at any time terminate program assistance for a participant, because of any of the following actions or inactions of the household:

- A. If the family violates any family obligations under the program.
- B. If a family member fails to sign and submit consent forms.
- C. If a family fails to comply with Housing Authority interim policy and recertification requirements.
- D. If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the Housing Authority determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to reside in their HCV unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of twenty-four (24) months from the date of termination.
- E. If any member of the family commits drug-related criminal activity, or violent criminal activity.
- F. If any member of the family has been convicted of manufacturing or producing methamphetamine (speed) (denied for life);
- G. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.
- H. If the family currently owes rent or other debts to the Housing Authority or to another Housing Authority in connection with Section 8 or public housing assistance under the 1937 Act.
- I. If the family has not reimbursed any Housing Authority for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other debts owed by the family under the lease.
- J. If the family breaches an agreement with the Housing Authority to pay debts due to any Housing Authority. If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel.

- L. If any household member is subject to sex offender registration in any federal, state or local program.
- M. If a household member's illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the Housing Authority to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. This is in accordance with the Housing Authority's *One Strike Policy*.
- N. If the family commits a serious or repeated lease violation. The following are considered serious or repeated violations of the lease and are cause for termination of Housing Assistance:
  - 1) Court-ordered eviction for non-payment of rent.
  - 2) Utilities shut off for non-payment and not restored within Housing Authority required time limit.
  - 3) Police reports or other third - party verification acceptable to the Housing Authority regarding excessive noise, disrupting neighbors, and destruction of property.
  - 4) Any other serious and repeated lease violation as deemed by the Housing Authority and as verified by third-party verification.
  - 5) Failure to comply with the requirement that the family not move during the initial year of assisted occupancy.
  - 6) Failure to provide proper written Notice of Intent to Vacate to the Landlord and the Housing Authority.
  - 7) Failure to use the dwelling unit solely as the principle place of residence by the family; not assign, sublease, transfer, own, or hold any interest in the dwelling.
- O. If the family fails to maintain Housing Quality Standards (HQS). The unit must be maintained in a decent, safe, and sanitary manner in accordance with the lease and with HUD HQS. Violations of HQS include but are not limited to:
  - 1) Failure to provide and maintain appliances that are the family's responsibility.
  - 2) Damages to the unit caused by any household member or guest beyond ordinary wear and tear.
  - 3) Not correcting any life-threatening defect within twenty-four (24) hours, and any other defects within thirty (30) days of Housing Authority notification.
  - 4) Not reporting any life-threatening defect within twenty-four (24) hours, and any other defects within thirty (30) days.

Families who are terminated from the HCV Program for a violation of the Family Obligations will be denied assistance for a period of one (1) year from the date the HAP Contract termination date.

### ***16.1 ABSENCE FROM UNIT***

HCV program participants must notify the Housing Authority in writing of any absence from the rental unit by all family members for thirty (30) consecutive days or more with the following exception:

An authorized absence may not exceed ninety (90) days. The Housing Authority has the discretion to extend an absence beyond ninety (90) days but no longer than a maximum of 180 days for verified health/medical reasons. Any family absent for more than thirty (30) days without authorization will be terminated from the program.

For an extended hospital or nursing home stay participant may be absent from the unit up to 180 days. Housing Authority notice of termination will be sent after ninety (90) days unless an extension has been granted by the Housing Authority. Housing Authority will obtain third party verification of reason for absence and anticipated time to be away.

## **17.0 COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS**

### **17.1 COMPLAINTS**

The Housing Authority will investigate complaints by participant families, owners, and the public. Anonymous complaints are investigated whenever possible.

### **17.2 INFORMAL REVIEW FOR THE APPLICANT**

#### **A. Informal Review for the Applicant**

The Housing Authority will give an applicant prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the Housing Authority decision. The notice will state that the applicant may request an informal review within 10 days of the denial and will describe how to obtain the informal review.

#### **B. When an Informal Review is not required**

The Housing Authority will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under the Housing Authority subsidy standards.
2. A Housing Authority determination not to approve an extension or suspension of a voucher term.
3. A Housing Authority determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. A Housing Authority determination that a unit selected by the applicant is not in compliance with HQS.
5. A Housing Authority determination that the unit is not in accordance with HQS because of family size or composition.
6. General policy issues or class grievances.
7. Discretionary administrative determinations by the Housing Authority.

#### **C. Informal Review Process**

The Housing Authority will give an applicant an opportunity for an informal review of the Housing Authority decision denying assistance to the applicant. The procedure is as follows:

1. A request for an Informal Review must be received orally or in writing by the close of the business day, no later than ten (10) days from the date of the Housing Authority's notification of denial of assistance. The review will be scheduled within ten (10) days from the date the request is received.
2. The review will be conducted by any person or persons designated by the Housing Authority other than the person who made or approved the decision under review or a subordinate of this person.
3. The applicant will be given an opportunity to present written or oral objections to the Housing Authority decision.
4. The Housing Authority will notify the applicant of the Housing Authority decision after the informal review within 10 days. The notification will include a brief statement of the reasons for the final decision.

D. Considering Circumstances

In deciding whether to deny assistance because of action or inaction by members of the family, the Housing Authority may consider all the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial of assistance on other family members who were not involved in the action or failure.

The Housing Authority may impose, as a condition of assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The Housing Authority may permit the other members of a participant family to receive assistance.

If the Housing Authority seeks to deny assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Authority provides notice to the family of the Housing Authority determination to deny assistance. In determining whether to deny assistance for these reasons the Housing Authority will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

E. Mitigating Circumstances for Applicants with Disabilities

When applicants are denied placement on the waiting list, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

[An example of a mitigating circumstance is: a minor criminal record for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.]

F. Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The applicant family may request that the Housing Authority provide for an informal review after the family has notification of the ICE decision on appeal, or in lieu of request of appeal to the ICE. The applicant family must make this request within (thirty) 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within (thirty) 30 days of receipt of the ICE appeal decision.

For applicant families, the hearing Process above will be utilized with the exception that the applicant family will have up to (thirty) 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or of the ICE appeal decision to request the review.

### **17.3 INFORMAL HEARINGS OF GRIEVANCE**

Any grievance shall be personally presented, either in writing or orally, to the Housing Authority's Central Office at 35 West Baltimore Street, Hagerstown, Maryland, so that an informal hearing can be scheduled. The goal of the informal hearing is to attempt to resolve the grievance without a formal grievance hearing. The procedures governing the Grievance Hearings (Paragraph VI) do not apply to the informal conferences.



- A. The Informal Hearing– the complainant will present the grievance. The complainant and the Executive Director (or Designee conducting the conference) will discuss the matter and attempt to resolve the grievance to the satisfaction of both parties.
- B. Summary of Informal Hearing – The Housing Authority will prepare a summary of the discussions held in the informal conference. The summary will state the names of the participants, the dates of the informal conference, the nature of the proposed disposition or resolution of the complaint and the specific reasons for the decision and shall specify the procedures for the complainant to obtain a Grievance Hearing if the complainant is not satisfied by the proposed disposition or resolution of the grievance. One (1) copy of the summary shall be given to the complainant/Tenant and one (1) copy retained in the Housing Authority's Tenant file.

#### **17.4 INFORMAL HEARINGS FOR PARTICIPANTS**

- A. When Housing Authority must grant a hearing
  - 1. The Housing Authority will give a participant family an opportunity for an informal hearing to consider whether the following Housing Authority decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and Housing Authority policies:
    - a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment (HAP).
    - b. A determination of the appropriate utility allowance (if any) for family-paid utilities from the Housing Authority utility allowance schedule.
    - c. A determination of the family unit size under the Housing Authority subsidy standards.
    - d. A determination that a HCV Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the Housing Authority subsidy standards, or the Housing Authority determination to deny the family's request for an exception from the standards.
    - e. A determination to terminate assistance for a participant family because of the family's action or failure to act.
    - e. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the Housing Authority policy and HUD rules.

g. A determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account.

2. In cases described in paragraphs 17.4(A)(1)(d), (e), and (f), of this Section, the Housing Authority will give the opportunity for an informal hearing before the Housing Authority terminates housing assistance payments for the family under an outstanding HAP contract.

B. When Housing Authority will not grant a hearing

The Housing Authority will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

1. Discretionary administrative determinations by the Housing Authority.
2. General policy issues or class grievances.
3. Establishment of the Housing Authority schedule of utility allowances for families in the program.
4. A Housing Authority determination not to approve an extension or suspension of a voucher term.
5. A Housing Authority determination not to approve a unit or lease.
6. A Housing Authority determination that an assisted unit is not in compliance with HQS. (However, the Housing Authority will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
7. A Housing Authority determination that the unit is not in accordance with HQS because of the family size.
8. A determination by the Housing Authority to exercise or not exercise any right or remedy against the owner under a HAP contract.

C. Notice to the Family

1. In the cases described in paragraphs 17.4, of this Section, the Housing Authority will notify the family that the family may ask for an explanation of the basis of the Housing Authority's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

2. In the cases described in paragraphs 17.4(A)(1)(d), (e), (f), and (g), of this Section, the Housing Authority will give the family prompt written notice that the family may request an informal conference within (ten) 10 days of the notification. The notice will:
  - a. Contain a brief statement of the reasons for the decision; and
  - a. State if the family does not agree with the decision, the family may request an informal hearing on the decision within (ten) 10 days of the notification.

D. Procedures for Obtaining Informal Conference

The complainant may request an informal conference with the Director of Housing or designee, orally or in writing, no later than ten (10) days from the date of notice.

E. Procedure for Obtaining Hearing

If complainant is not satisfied with the results of the informal conference they may then request a hearing, orally or in writing, no later than ten (10) days from the date of the meeting to: Informal Hearing Officer, 35 West Baltimore Street, Hagerstown, MD 21740.

The Hearing Officer shall promptly notify the complainant in writing of the date, place, and time of the hearing so that the hearing takes place within ten (10) days after request for hearing is made. If request is for invalid reason, complainant will be so notified.

If a complainant does not request a hearing in accordance with these procedures, then termination becomes final as of the date stated in the Notice of Termination of Participation. If complainant fails to appear for the hearing without prior notification to the Authority, all rights are waived to another hearing. Any request for rescheduling the hearing shall be considered on a case-by-case basis by the Hearing Officer.

F. Hearing Procedures

The Housing Authority and participants will adhere to the following procedures:

1. Discovery (24CFR 982.555)
  - a. The family will be given the opportunity before the hearing to examine any Housing Authority documents that are directly relevant to the hearing. The family will be allowed to copy any such document at the family's expense. If the Housing Authority does not

make the document(s) available for examination on request of the family, the Housing Authority may not rely on the document at the hearing.

- b. The Housing Authority will be given the opportunity to examine, at the Housing Authority's offices before the hearing, any family documents that are directly relevant to the hearing. The Housing Authority will be allowed to copy any such document at the Housing Authority's expense. If the family does not make the document(s) available for examination on request of the Housing Authority, the family may not rely on the document at the hearing.

Note: The term **document** includes records and regulations.

2. Representation of the Family

At its own expense, a lawyer or other representative may represent the family.

3. Hearing Officer

- a. The hearing will be conducted by any person or persons designated by the Housing Authority, other than a person who made or approved the decision under review or a subordinate of this person.
- b. The person who conducts the hearing will regulate the conduct of the hearing in accordance with the Housing Authority hearing procedures.

4. Evidence

The Housing Authority and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

5. Issuance of Decision

The Hearing Officer who conducts the hearing must issue a written decision within ten (10) days from the date of the hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.

6. Effect of the Decision

The Housing Authority is not bound by a hearing decision:

- a. Concerning a matter for which the Housing Authority is not required to provide an opportunity for a hearing under this Section, or that otherwise exceeds the authority of the person conducting the hearing under the Housing Authority hearing procedures.
- b. Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.
- c. If the Housing Authority determines that it is not bound by a hearing decision, the Housing Authority will promptly notify the family of the determination, and of the reasons for the determination.

G. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction by members of the family, the Housing Authority may consider all the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The Housing Authority may permit the other members of a participant family to continue receiving assistance.

If the Housing Authority seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Authority provides notice to the family of the Housing Authority determination to terminate assistance. In determining whether to terminate assistance for these reasons the Housing Authority will consider evidence of whether the household member:

- 1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
- 2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or

3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

#### H. Mitigating Circumstances for Participants with Disabilities

When the Housing Authority is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance.

[Examples of mitigating circumstances are: a) A person with a cognitive disorder may not have understood the requirement to report increases in income, b) Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.]

#### I. Hearing Procedures for Denial of Assistance based on Ineligible Immigration Status

The participant family may request that the Housing Authority provide for a hearing after the family has notification of the ICE decision on appeal, or in lieu of request of appeal to the ICE. This request must be made by the participant family within (thirty) 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within (thirty) 30 days of receipt of the ICE appeal decision.

For the participant families, the Hearing Process above will be utilized with the exception that the participant family will have up to (thirty) 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or of the ICE appeal decision.

### **17.5 SECTION 504 GRIEVANCE PROCEDURE**

The following Grievance procedure is established to meet the requirements of Section 504 of the Rehabilitation Act of 1973. It should be used by any individual who wishes to file a complaint alleging discrimination based on handicap in participation in any of the programs and services of The Housing Authority of the City of Hagerstown.

1. The grievance should be in written form and contain as much information as possible about the alleged discrimination (name, address, phone number, location and description of problem, etc.) Other arrangements for submission of a grievance such as a personal interview or tape recording will be made available for the visually impaired or those with motor impairments. It should be submitted by the grievant or designee within thirty (30) calendar days of the alleged violation to: Section 504 Compliance Officer, The Housing Authority of the City of Hagerstown, 35 W. Baltimore St., Hagerstown, MD 21740. Phone number: (301) 733-6911. Office Hours: 8:00 a.m. to 4:30 p.m.

2. Within fifteen (15) working days of receipt of the complaint, the Section 504 Compliance Officer will respond in writing (or a method understood by the complainant) to the complainant or designee. The response will offer a resolution or explain the position of the Housing Authority of the City of Hagerstown, with respect to the complaint.

If the response by the Section 504 Compliance Officer does not satisfactorily resolve the issue, the complainant or designee may request a hearing to be held within (fifteen) 15 working days of receipt of the response before the Section 8 Hearing Officer, The Housing Authority of the City of Hagerstown, 35 W. Baltimore St., Hagerstown, MD 21740. Phone Number: (301) 733-6911. Office Hours: 8:00 a.m. to 4:30 p.m. for resolution.

3. Within thirty (30) days of the hearing, the complainant and/or his designee will receive the final resolution in writing (or a method understood by the complainant) as proposed by the Housing Authority of the City of Hagerstown.
4. All complaints and responses will be kept for a period of (3) three years.
5. The right of a person to a prompt and equitable resolution of the complaint filed hereunder shall not be impaired by the person's pursuit of other remedies such as the filing of a Section 504 complaint with the responsible Federal department or agency. Utilization of this grievance procedure is not a prerequisite to the pursuit of other remedies.

These rules shall be construed to protect the substantive rights of interested persons, to meet appropriate due process standards, and to assure that The Housing Authority of the City of Hagerstown complies with Section 504 and implementing regulations.

## **18.0 TERMINATION OF THE LEASE AND CONTRACT**

The term of the lease and the term of the HAP contract are the same. They begin on the same date and they end on the same date. The lease may be terminated by the owner, by the family, or by the mutual agreement of both. The owner may only terminate the contract by terminating the lease. The HAP contract may be terminated by the Housing Authority. Under some circumstances the contract automatically terminates.

### **A. Termination of the lease**

#### **1. By the family**

The family may terminate the lease without cause upon proper notice to the owner and to the Housing Authority after the first year of the lease. The length of the notice that is required is stated in the lease (generally 30 days).

#### **2. By the owner.**

##### **a. The owner may terminate the lease during its term on the following grounds:**

- i. Serious or repeated violations of the terms or conditions of the lease;**
- ii. Violation of Federal, State, or local law that impose obligations on the family in connection with the occupancy or use of the unit and its premises;**
- iii. Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate vicinity of the premises;**
- iv. Any drug-related criminal activity on or near the premises;**
- v. Other good cause. Other good cause may include, but is not limited to:**
  - (1) Failure by the family to accept the offer of a new lease;**



- (2) Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
    - (3) The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
    - (4) A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.
  - b. During the first year the owner may not terminate tenancy for other good cause unless the reason is because of something the household did or failed to do.
  - c. The owner may only evict the family by instituting court action. The owner must give the Housing Authority a copy of any owner eviction notice to the family at the same time that the owner gives the notice to the family.
  - d. The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.
3. Termination of the Lease by mutual agreement
- The family and the owner may at any time mutually agree to terminate the lease.

**B. Termination of the Contract**

- 1. Automatic termination of the Contract
  - a. If the Housing Authority terminates assistance to the family, the contract terminates automatically.
  - b. If the family moves out of the unit, the contract terminates automatically.
  - c. The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
  - d. The contract terminates automatically on the last day of the month during which the sole HCV participant dies.

2. Termination of the contract by the owner

The owner may only terminate tenancy in accordance with lease and State and local law.

3. Termination of the HAP contract by the Housing Authority

The Housing Authority may terminate the HAP contract because:

- a. The Housing Authority has terminated assistance to the family.
- b. The unit does not meet HQS space standards because of an increase in family size or change in family composition.
- c. The unit is larger than appropriate for the family size or composition under the HCV Program.
- d. The family breaks up and the Housing Authority determines that the family members who move from the unit will continue to receive the assistance.
- e. The Housing Authority determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program.
- f. The owner has breached the contract in any of the following ways:
  - i. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
  - ii. If the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Housing Act.
  - iii. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
  - iv. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan

program, with the mortgage or mortgage note, or with the regulatory agreement;

- v. If the owner has engaged in drug trafficking.

4. Final HAP payment to owner

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and the family continues to occupy the unit, the Housing Authority will continue to make payments until the owner obtains a judgment or the family moves out.

## **19.0 CHARGES AGAINST THE SECTION 8 ADMINISTRATIVE FEE RESERVE**

Occasionally, it is necessary for the Housing Authority to spend funds from its Section 8 Administrative Fee Reserve to meet unforeseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The Housing Authority Board of Commissioners authorizes the Executive Director to expend without prior Board approval in accordance with the Housing Authority Procurement Policy.

The Director of Housing is responsible to monitor the Operating Reserve to ascertain that ongoing administrative fees are sufficient to cover expenses. Expenditures shall be in accordance with the Authority's Procurement Policy.

## **20.0 HOUSING AUTHORITY - OWNED HOUSING**

Units owned by the Housing Authority and not receiving subsidy under any other program are housing units eligible for Housing Choice Voucher holders. In order to comply with federal regulation, the Housing Authority will do the following:

- A. The Housing Authority will make available through the briefing process both orally and in writing the availability of Housing Authority - owned units (notification will also include other properties owned/managed by the private sector available to Housing Choice Voucher holders).
- B. The Housing Authority will obtain the services of an independent entity to perform the following Housing Authority functions:
  - 1. Determine rent reasonableness for the unit. The independent entity will communicate the rent reasonableness determination to the family and the Housing Authority.
  - 2. To assist the family in negotiating the rent.
  - 3. To inspect the unit for compliance with HQS.
- C. The Housing Authority will gain HUD approval for the independent agency/agencies utilized to perform the above functions.
- D. The Housing Authority will compensate the independent agency/agencies from our ongoing administrative fee income.
- E. The Housing Authority, or the independent agency/agencies will not charge the family any fee or charge for the services provided by the independent agency.

## **21.0 QUALITY CONTROL OF HCV PROGRAM**

In order to maintain the appropriate quality standards for the HCV program, the Housing Authority will annually review files and records to determine if the work documented in the files or records conforms to program requirements. This shall be accomplished by a supervisor or another qualified person other than the one originally responsible for the work or someone subordinate to that person. The number of files and/or records checked shall be at least equal to the number specified in the Section 8 Management Assessment Program (SEMAP) for our size housing authority.

## **22.0 VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY (Pub. L 109-162)**

### **22.1 PURPOSE AND APPLICABILITY**

THE PURPOSE OF THIS POLICY (HEREIN CALLED “POLICY”) IS TO IMPLEMENT THE APPLICABLE PROVISIONS OF THE VIOLENCE AGAINST WOMEN AND DEPARTMENT OF JUSTICE REAUTHORIZATION ACT OF 2005 (PUB. L. 109-162) AND MORE GENERALLY TO SET FORTH THE HOUSING AUTHORITY’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 the Housing Authority of the HCV Program under the United States Housing Act of 1937. Notwithstanding its title, this policy is gender-neutral, and its protections are available to all otherwise eligible individuals and families without regard to actual or perceived sexual orientation, gender identity or marital status who are victims of domestic violence, dating violence, sexual assault or stalking as well as female victims of such violence.

### **22.2 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 the Housing Authority;
- C. Providing and maintaining housing opportunities for victims of domestic violence dating violence, sexual assault or stalking;
- D. Creating and maintaining collaborative arrangements between the Housing Authority, 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 and stalking, who are assisted by the Housing Authority; 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 the Housing Authority.

### **22.3 OTHER HOUSING AUTHORITY POLICIES AND PROCEDURES**

This Policy shall be referenced in and attached to the Housing Authority’s Five-Year Public Housing Agency Plan. The Housing Authority’s annual public housing agency plan shall also contain information concerning the Housing Authority’s activities, services or programs relating to domestic violence, dating violence, sexual assault and stalking. To the extent any provision of this policy shall vary or contradict any previously adopted policy or procedure of the Housing Authority, the provisions of this Policy shall prevail.

## 22.4 DEFINITIONS

As used in this Policy:

- A. *Affiliated Individual* (1) A spouse, parent, brother, sister or child of that individual or a person to whom that individual stands in the place of a parent to a child (for example, the affiliated individual is a child in the care, custody or control of that individual); or (2) any individual, tenant or lawful occupant living in the household of that individual. Under VAWA 2013, the term “affiliated individual” replaces the term “immediate family member.”
- B. *Domestic Violence* – The term ‘domestic violence’ includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim (as defined in 18 U.S.C 2266) , 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 or intimate partner, 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.”
- C. *Bifurcate*- to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD covered program and State or local law such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending on the eligibility for continued occupancy of the remaining tenants and lawful occupants.
- D. *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.
- E. *Intimate Partner* (18 U.S.C. 2266) Is a spouse or former spouse of the abuser, a person who shares a child in common with the abuser, and a person who cohabits or has cohabited as a spouse with the abuser; or a person who is or has been in a social relationship of a romantic or intimate in nature with the abuser, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship; and any other person similarly situated to a spouse who is protected by the domestic or family violence



laws of the State or tribal jurisdiction in which the injury occurred or where the victim resides.

C. *STALKING – MEANS –*

Engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- (1) Fear for the person's individual safety or the safety of others; or
- (2) Suffer substantial emotional stress

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 member of the immediate family of that person; or
  - c) the spouse or intimate partner of that person;

D. Sexual Assault-means any nonconsensual sexual act proscribed by Federal, Tribal, or State Law including when the victim lacks the capacity to consent.

E. *Perpetrator* – means person who commits an act of domestic violence, dating violence or stalking against a victim.

F. Actual and Imminent Threat-refers to a physical danger that is real,, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether and individual would pose and actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that potential harm will occur, and the length of time before the potential harm would occur.

## **22.5 ADMISSIONS AND SCREENING**

*Non-Denial of Assistance.* The Housing Authority will not deny admission to the HCV Program to any person because that person is or has been a victim of domestic violence, sexual assault, dating violence, or stalking, including any adverse factors that are a direct result of domestic violence, dating violence, sexual assault or stalking provided that such person is otherwise qualified for such admission.

## **TERMINATION OF TENANCY OR ASSISTANCE**

- A. *VAWA Protections.* Under VAWA, program participants have the following specific protections, which will be observed by the Housing Authority:
1. An incident or incidents of actual or threatened domestic violence, sexual assault, dating violence, 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 assistance to the victim of that violence.
  2. In addition to the foregoing, assistance will not be terminated by the Housing Authority 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 program participant or affiliated individual is the victim or threatened victim of this criminal activity. However, the protection against or assistance described in this paragraph is subject to the following limitations:
    - a) Nothing contained in this paragraph shall limit any otherwise available authority of the Housing Authority 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, the Housing Authority may apply a more demanding standard to the victim of domestic violence dating violence or stalking than that applied to other Tenants.
    - b) Nothing contained in this paragraph shall be construed to limit the Housing Authority from evicting or terminating the assistance of any Tenant or lawful applicant if the owner or the Housing Authority, as the case may be, can demonstrate an actual or 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 assistance.
- B. *Removal of Perpetrator.* Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, the Housing Authority, owner or manager may bifurcate a lease, or otherwise 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 criminal 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 federal, state, and local law for the termination of leases or assistance under the Housing Choice Voucher Program.

## **22.7 VERIFICATION OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, DATING VIOLENCE OR STALKING**

- A. *Requirement for Verification.* The Housing Authority shall require verification in all cases where an individual claims protection against an action involving such individual proposed to be taken by the Housing Authority.

Verification of a claimed incident or incidents of actual or threatened domestic violence, dating violence or stalking may be accomplished in one of the following three ways:

1. *HUD-approved form – (HUD form 50066)* by providing to the Housing Authority 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 or stalking that the incident or incidents in question are bona fide incidents of actual or threatened abuse meeting the requirements of the applicable definition(s) set forth in this policy. The incident or incidents in question must be described in reasonable detail as required in the HUD-approved form, and the completed certification must include the name of the perpetrator.
  2. *Other documentation* - by providing to the Housing Authority 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 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 the Housing Authority 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 or stalking, and who is requested by the Housing Authority, to provide verification, must provide such verification within fourteen (14) business days 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.* The Deputy Director or Designee 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 Deputy Director or Designee. 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.

## 22.8 CONFIDENTIALITY

- A. *Right of confidentiality.* All information (including the fact that an individual is a victim of domestic violence, dating violence or stalking) provided to the Housing Authority 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 HCV Housing Assistance termination, as permitted in VAWA, or
  3. otherwise required by applicable law.
- B. *Notification of rights.* All participants of the HCV program administered by the Housing Authority shall be notified in writing concerning their right to confidentiality and the limits on such rights to confidentiality.

## **22.9 RE-ISSUANCE OF VOUCHER**

*See 15.2(A)(3) Family Break-UP*

## **22.10 COURT ORDERS/FAMILY BREAK-UP**

*Court orders.* It is the Housing Authority's policy to honor orders entered by courts of competent jurisdiction affecting individuals assisted by the Housing Authority.

## **22.11 EMERGENCY TRANSFER REQUESTS**

A person seeking an emergency transfer for protection under VAWA must verify that he or she is a victim of domestic violence, dating violence, sexual assault, or stalking. One way to satisfy this requirement is to fill out and submit to the Housing Authority, HUD Form-5382 which is located on our website. If the victim requests a move outside the PHA's jurisdiction, the portability regulations apply.

## **22.12 RELATIONSHIPS WITH SERVICE PROVIDERS**

It is the policy of the Housing Authority to cooperate with organizations and entities, both private and governmental, which provide shelter and/or services to victims of domestic violence. If the Housing Authority staff becomes aware that an individual assisted by the Housing Authority is a victim of domestic violence, sexual assault, dating violence or stalking, the Housing Authority will refer the victim to such providers of shelter or services as appropriate. This Policy does not create any legal obligation requiring the Housing Authority 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.

## **22.13 NOTIFICATION (24 CFR 5.20059 (a))**

In accordance with VAWA 2013, The Housing Authority will provide written notification to Housing Choice Voucher applicants and , and Section 8 participants concerning the rights and obligations created under VAWA relating to confidentiality, denial of assistance and, termination of tenancy or assistance at the following times:

- A. At the time an applicant is denied assistance or admission
- B. At the time the individual is provided assistance or admission under the covered housing program: and
- C. At the time that any notification termination of rental assistance is issued.

The notification will also include the VAWA Certification Form described in Section 22.7 (A)1 above to be used as verification to the Housing Authority for any resident or applicant claiming protection under the Act.

#### **22.14 RELATIONSHIP WITH OTHER APPLICABLE LAWS**

Neither VAWA 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 or stalking.

#### **22.15 AMENDMENT**

This policy may be amended from time to time by the Housing Authority as approved by the Housing Authority Board of Commissioners.

## **Hagerstown Housing Authority**

### **Housing Choice Voucher Homeownership Program**

The Hagerstown Housing Authority Housing Choice Voucher (HCV) Homeownership Program is designed to expand homeownership opportunities for voucher participants. This program will assist HCV participants to transition from rental assistance to homeownership using their voucher assistance.

The HCV Homeownership Program is now available to all voucher holders who meet the minimum qualifications set forth in this plan and who could independently secure a mortgage loan. The HCV Program will serve up to five (5) participants, limited to the parameters set forth in the HHA Housing Agency Plan.

#### **HOUSING CHOICE VOUCHER RULES APPLY**

HHA will administer the HCV Homeownership program in accordance with all the policies and procedures contained in the HCV Administrative Plan and 24 CFR Part 982.

#### **ELIGIBILITY REQUIREMENTS FOR FAMILIES**

Participation in the HCV Homeownership Program is voluntary. Each participant must meet the general requirements for admission to the HCV rental program as set forth in the HHA Section 8 Administrative Plan. The family must also meet all eligibility requirements of the HCV Homeownership Program.

##### **General Requirements**

- Only current participants in the HCV rental program who have received assistance for at least one full year may apply for the homeownership program.
- An applicant must be in good standing with their landlord and HHA with regard to their family obligations and contracts.
- Public Housing residents who are current FSS participants will be given priority over other wait lists.
- Must have either successfully graduated from HHA's Family Self-Sufficiency (FSS) Program or be currently enrolled in HHA's FSS Program, with at least one year of participation in the program. The family must satisfy the prerequisite of being in "good standing" prior to receiving a Certificate of Eligibility for the homeownership program. For the purposes of the homeownership program, "good standing" is defined as meeting all the conditions prior to and during the homeownership shopping period, as outlined below.
- A landlord reference(s) indicating that during the prior year the family has an uninterrupted record of paying monthly rent in full and on time, and satisfactorily meets all other lease obligations, as documented on the Homeownership *Landlord*

*Reference* form. All verifications will be completed via third-party written or oral communication with the applicant's landlord.

Within the past year, the family has met all the HUD and HHA family obligations under the HCV program.

Within the past year and throughout the homeownership shopping period, the family may not owe HHA or any other housing authority any outstanding debt nor enter into a repayment agreement. A participant may become eligible to apply for the homeownership program on the first anniversary date of full payment of any debt, subject to meeting the other conditions of good standing.

- An applicant must be a "first-time homeowner."

To qualify as a "first-time homeowner," the assisted family may not include any person with a "present ownership interest" in a residence during the three years before the commencement of homeownership assistance for the family. Cooperative membership shares acquired prior to the commencement of homeownership assistance are exempt from this rule. A single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse, is considered a "first-time homeowner."

Other conditions also apply to "first-time homeowner" definition:

No family member may have a present ownership interest in a second residence while receiving homeownership assistance.

If HHA determines that a disabled family requires homeownership assistance as a reasonable accommodation, the first-time homeowner requirement does not apply.

HHA will not commence homeownership assistance for a family if any family member has previously received assistance under the homeownership option and has defaulted on a mortgage securing debt incurred to purchase the home.

An applicant must demonstrate a minimum down payment of at least three percent (3%) or more. One percent (1%) of the purchase price of the property must come from the family's personal resources.

An applicant must meet the minimum income standards defined below:

- For a family whose head or co-head of household, spouse or sole member is an individual that experiences permanent disability, the standard is equal to the monthly Federal Supplemental Social Security Income (SSI) benefit for an individual (1-person) living alone (or paying his or her HHA re of food and housing costs) multiplied by twelve.
- For non-disabled or elderly families, the minimum income standard is the state minimum wage multiplied by 2,000 hours (\$10.10 x 2000 = \$20,200.) This standard as a HHA option is greater than the HUD minimum income requirement.

For purposes of program eligibility, welfare assistance may only be counted as income in cases where the applicant meets the definition of an elderly or disabled family.

If a family has a minimum income equal to or greater than the Federal minimum wage multiplied by 2,000 hours (\$14,500 as of June 6, 2018) but less than the state minimum wage multiplied by 2,000 hours, the family will meet the minimum income requirement if the family can demonstrate it has located a PHA approvable unit and has secured PHA approvable financing for that unit and meets all other program requirements.

An applicant shall be considered to have satisfied the lender requirement if the family can demonstrate that it has been pre-qualified or pre-approved for financing with an acceptable loan product. The pre-qualified or pre-approved financing amount must be sufficient to purchase housing that meets HUD Housing Quality Standards (HQS).

- An applicant must attend and satisfactorily complete an HHA approved housing counseling program, and any other counseling prescribed by HHA.

### **Employment Obligations**

Except for a disabled family or an elderly family, assistance under the homeownership program is limited to families who demonstrate a stable work history. The employment requirement is used to determine eligibility and is a requirement throughout the period of homeownership assistance.

Regular seasonal employees and self-employed workers, who have a demonstrated work history averaging thirty (30) hours per week on an annualized basis and an annualized income at or above the minimum income, will be considered continuously employed for purposes of HCV Homeownership program eligibility and subsequent employment requirements.

- The applicant head of household, spouse, or adult that will be on the mortgage document is required to document full-time (no less than 30 hours per week), continuous employment for a period of no less than 12 months prior to application.
- The head of household, spouse or co-head must document earned income of no less than the state minimum wage times 1560 hours ( $\$10.10 \times 1650 = \$16,665$ ) during the preceding 12 months.
- The applicant head of household, spouse or adult on the mortgage document must remain continuously employed (no less than 30 hours per week) while participating in the program.

For eligibility purposes, continuous employment is defined as: **“No gap in employment lasting more than four weeks total during the past year.”** Continuous employment for seasonal employees and self-employed workers is defined as two consecutive years of regular seasonal employment where HHA ‘annualizes’ family income when determining family rent.



- Part-time employment by both parties, totaling over 30 hours per week, does not constitute full-time employment by either party.

HHA has the discretion to interpret small gaps in employment. Permissible gaps can only occur if loss of employment resulted from measures beyond the employee's control (layoff, medical emergency); and did not result in an employment gap of more than four consecutive weeks.

Documentation of the initial employment requirement for the HCV Homeownership program will be completed using the *Employment Verification* form. All verifications will be completed via EIV, third-party written or oral communication with the applicant's employer. Annual documentation of the full-time employment requirement will be completed using the *Homeownership Voucher Work Certification* at annual reexamination.

Lenders may have separate requirements and further require participants to demonstrate a history of full-time, continuous employment of no less than 24 months at 40 hours per week.

The employment requirement is not applicable to elderly families or those whose head of household, spouse, or co-head are verified disabled in accordance with the occupancy definition of disabled.

## **APPLICATION PROCESS**

Applicants may contact the Resident Services Department to receive information about HCV Homeownership Program and a *Homeownership Application*.

### **Application Form**

An applicant must complete and submit the *Homeownership Application* to the Resident Services Department for review. The application includes information on income, assets, obligations, and family composition.

### **Application Attachments**

1. Documentation of attendance at an HHA approved Pre-Purchase Housing Seminar. Hagerstown Homestore and Community Action Council are partner agencies and will be available to provide one-to-one counseling services specifically targeted for home buyers. A certificate of attendance must be attached to the pre-qualification application.
2. A current bank statement verifying \$1,000 in savings designated toward the one percent (1%) of personal funds down payment requirement. Applicants must document a three percent (3%) down payment with the mortgage lender prior to closing.
3. An HHA *Employment Verification* form.
4. A signed *Homeownership Landlord Verification form*.

5. If applicable, a verification of disability, if not on file.
6. The applicant must document household composition for all individuals who will reside in the household.

## **APPLICATION REVIEW**

Upon receipt of a HCV *Homeownership Application*, the HCV Program Committee determines whether an applicant meets the eligibility criteria for the program. The application review will include:

1. Evaluation of family composition and HCV rental status.
2. Review of income, savings, and disability documentation.
3. Verification that the applicant is in compliance with all lease provisions using the HHA *Landlord Reference* form.
4. Evaluation of employment history.

All documentation is subject to independent verification by HHA program staff. The Program Administrator and committee will review the file for discrepancies or omissions. If, at any time throughout the process, the Housing Authority sees a discrepancy in reported income, assets, or family share, he/she shall report it to the Housing Program Specialist (HPS). The HPS shall perform an interim reexamination, resolve whether further action is necessary, and report the outcome to the Program Administrator.

- If, in the course of a loan application, a loan originator, or other third party, document income not previously reported to HHA, HHA will conduct an interim reexamination of income. Should the reexamination result in a debt or proposed repayment agreement, HHA shall retain sole discretion to withdraw the *Certificate of Eligibility* subject to the outcome of any grievance procedure related to the income discrepancy. The participant family must remain on the HCV program for an additional year, in good standing, before HHA may re-issue a *Certificate of Eligibility*.

## **DETERMINING “MORTGAGE READY” APPLICANTS**

Applications for homeownership are date-stamped. Complete applications – those with all necessary attachments in place – are placed on a waiting list in order of date and time received.

A *Certificate of Eligibility* is awarded on a first-come, first-served, basis after a participant is determined eligible and “mortgage ready.” HHA will issue approximately five *Certificates* as set forth in the HHA Agency Plan.

The *Certificate* contains an estimate of the amount of HAP available to the family. This estimate is useful to the applicant and lender when determining the housing and debt ratios.

## **Incomplete Applications**

Incomplete applications will not be reviewed and will be returned to applicants for completion. A checklist of application deficiencies will be attached to the incomplete application. Participants must correct all deficiencies noted on the checklist and resubmit the checklist, complete application, and attachments, for additional consideration. Applications that are returned for incompleteness will be re-stamped and dated when they are returned complete.

## **Homeownership Counseling**

HHA will provide homeownership counseling prior to an application. HHA may also find it necessary for the participant to attend homeownership counseling after a *Certificate of Eligibility* is issued and/or post-purchase counseling. An HCV applicant must attend and satisfactorily complete the HHA *approved* counseling program. The counseling program covers the topics listed below. Applicants who HHA determines are not yet “mortgage ready” may be required to obtain additional information on any of the following issues:

1. Is homeownership right for you?
2. Special needs of disabled home buyers/fair housing issues;
3. Budgeting and money management;
4. Credit counseling;
5. How to negotiate the purchase price of a home;
6. How to obtain homeownership financing and loan pre- approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
7. How to find a home, including information about homeownership opportunities, schools, and transportation services in the area;
8. Information about the Real Estate Procedures Act, State and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions;
9. Home maintenance;
10. Taxes, proration of taxes if assisted by the program;
11. Inspection criteria, HQS requirements, special requirements in the contract for sale;
12. Voucher, eligibility, and continuous eligibility requirements;

13. Post purchase counseling.

## **CERTIFICATE OF ELIGIBILITY**

With the expansion of the program to working families, HHA shall use a priority mechanism to ensure a fair and equitable selection of new applicants. Upon securing a sufficient number of applicants to ensure full utilization of the program, HHA shall resort to its traditional use of priority and then date and time of application.

- The priority is established with Board of Commissioners' approval and is limited to the initial admissions process. A sufficient window of opportunity shall exist to ensure equal representation of eligible applicants within the priority pool.
- Priority will be given in the following order:
  - Families that have graduated from the FSS program and meet the HCV HO eligibility requirements
  - Families that are enrolled in the FSS program and have verified that they meet the eligibility requirements, and are acceptable for lender/loan requirements by a qualified lender with qualified loan products
  - Other families that are participating to achieve eligibility

If the Housing Authority determines that a family meets minimum eligibility criteria, he/she may issue a *Certificate of Eligibility* to enable the applicant to shop for a home purchase. The Housing Authority will deliver the *Certificate of Eligibility* and a copy of the *Homeownership Application* to the participant. These documents will assist the applicant in determining the maximum sales price and loan amount in the pre-qualification process in conjunction with their lender.

Whenever an opening occurs in the program, HHA will select the next available applicant for an intake interview. The Program Administrator will interview the applicant to ensure that all the information contained in their *Homeownership Application* is current and that the applicant is eligible for homeownership.

The issuance of a *Certificate of Eligibility* does not guarantee that a participant will have the ability to secure a homeownership loan. Other considerations such as the housing market, an applicant's credit history, total indebtedness, and current income will be factors that will determine a participant's ability to secure a home mortgage. **All participants will qualify independently through a mortgage lender of their choice.**

## **Changes in Family Size or Composition**

All changes in family composition must be reported prior to the change to the Housing Program Specialist and the HCV Homeownership Program Administrator. The *Certificate of Eligibility* will reflect the applicable subsidy standard HHA assigns to the family based upon

the family's size and composition. The final *Housing Assistance Payment Certificate* will be issued based upon the subsidy standard applicable on the date of closing.

### **Changes in the Payment Standards**

The payment standard applicable on the date of closing establishes the baseline payment standard for the unit. If the payment standard changes after an offer to purchase has been made, but prior to closing, the payment standard applicable on the date of closing applies. HHA will reissue a revised *Certificate of Eligibility* effective on the effective date of the new Payment Standard.

Occasionally, a buyer and seller may execute an Earnest Money Agreement prior to a decrease in payment standard, with the closing taking place after the effective date of a decreased payment standard. For families whose head of household, spouse or co-tenant experiences permanent disability, HHA may request HUD approval to use the payment standard in effect on the date the Earnest Money Agreement was fully executed if the new, decreased, payment standard would jeopardize the sales agreement. This may only occur as a reasonable accommodation to a disabled household.

### **ELIGIBLE UNITS**

Eligible homes must be located within the respective geographic boundaries that govern the HHA's HCV rental program.

A family approved for homeownership assistance may purchase the following type of homes:

- A new or existing home;
- A single-family home;
- A condominium;
- A home in a planned use development, a cooperative, a loft or live/work unit;
- A manufactured home, if situated on a privately-owned lot or on a leased pad in a mobile home park.

If the family does not own fee title to the real property on which the home is located, the family must have the right to occupy the site for a period of at least forty (40) years and the home must have a permanent foundation.

A unit can be under construction at the time a family enters into the contract of sale. A unit is considered to be "under construction" if the footers have been poured. The PHA will not commence Housing Assistance Payments until the unit has satisfactorily passed an HQS and Independent inspections and meet all other program requirements.

For HHA-owned units all the following conditions must be satisfied:

- HHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and an HHA-owned unit is freely selected by the family without HHA pressure or steering;
- The unit is an eligible housing unit;
- HHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any HHA provided financing. All these actions must be completed in accordance with program requirements. HHA will obtain the services of a neighboring PHA or other independent HCV administering agency to perform these services, so long as the independent agency is operating a HCV Program.

For units not yet under construction. Families may enter into contracts of sale for units not yet under construction at the time the family enters into the contract for sale. However, the PHA shall not commence homeownership assistance for the family for that unit, unless and until:

(1) Either:

- (i) The responsible entity completed the environmental review procedures required by 24 CFR part 58, and HUD approved the environmental certification and request for release of funds prior to commencement of construction; or
- (ii) HUD performed an environmental review under 24 CFR part 50 and notified the PHA in writing of environmental approval of the site prior to commencement of construction;

(2) Construction of the unit has been completed; and

(3) The unit has passed the required Housing Quality Standards (HQS) inspection and independent inspection.

## **FAMILY SEARCH AND OFFER TO PURCHASE**

At the time the *Certificate of Eligibility* is issued, the family is placed in “home shopping status.” The family has 180 days to locate and make an offer on a home and secure a prequalification letter from their lender. The Program Administrator may recommend three additional 30-day extensions not to exceed a total of 270 home shopping days. Additional 30-day extensions are available on a case-by-case basis, subject to approval by the Executive Director or designee.

During a participant’s search for a home, their housing choice voucher rental assistance shall continue. The participant family remains subject to all applicable rules and regulations.

- Applicants must submit housing choice progress reports every 30 days to document progress toward homeownership.

Six progress reports will be included with the *Certificate*. If a participant family is unable to locate and purchase a home within the timeframe approved by HHA, the family may continue to receive rental assistance through their Housing Choice Voucher.

- The family may not re-apply for the Homeownership Program until they have completed an additional full year of participation in the rental program following the expiration date of the *Certificate of Eligibility*.

HHA may require additional homeownership counseling prior to issuance of a second *Certificate of Eligibility*. The participant must meet all other eligibility criteria of the program at the time of resubmission.

- A unit is considered “located” if a 90% letter from the lender has been issued to the participant and the buyer and seller have executed an ‘earnest money’ purchase agreement that includes the *HHA Addendum to the Residential Purchase Agreement*.

## CONTRACT OF SALE

Eligible homes must be located within the boundaries of the Hagerstown Housing Authority’s HCV Program. The seller cannot be an individual, company, or corporation who has been debarred, suspended, or is subject to a limited denial of participation by HUD or HHA. HHA may deny approval of a seller for any reason provided for disapproval of an owner under the voucher rental program regulations.

Before commencement of homeownership assistance, the homeownership applicant must enter into a contract of sale, or earnest money agreement, with the home seller.

HHA will provide the buyer with an *Addendum to the Residential Purchase Agreement*. Both the buyer and seller must execute the earnest money agreement and *Addendum*.

The *Addendum to the Residential Purchase Agreement* shall contain the following provisions:

1. Specify price and other terms of sale by the seller to the purchaser.
2. Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.
3. Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser and HHA.
4. Provide that the purchaser is not obligated to pay for any necessary repairs.

5. Specify that an HQS inspector be granted access to the property to perform an HQS inspection prior to closing. Homeownership assistance is contingent on satisfactory inspections by both inspectors and subject to approval by HHA.
6. Specify that the seller has not been debarred, suspended, or subject to a limited denial of participation in a HUD program under 24 CFR.
7. Specify that before Buyer is obligated under any contract to purchase Property, Seller shall permit Buyer a 10-day period (unless the parties mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. Buyer may waive the opportunity to conduct the risk assessment or inspection by so indicating in writing.

The *Addendum to the Residential Purchase Agreement* shall contain the following provisions if the unit is not yet constructed:

1. The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site has received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628.
2. The construction will not commence until the environmental review has been completed and the seller has received written notice from the PHA that environmental approval has been obtained. Conduct of the environmental review may not necessarily result in environmental approval, and environmental approval may be conditioned on the contracting parties' agreement to modifications to the unit design or to mitigation actions.
3. Commencement of construction in violation of either of the above two provisions voids the purchase contract and renders homeownership assistance under 24 CFR part 982 unavailable for purchase of the unit.

## **HOME INSPECTIONS**

Two home inspections are required prior to purchase: (1) An independent home inspection, and (2) an HQS inspection.

### **Independent Home Inspection**

HUD regulations require a home inspection by an approved independent, professional home inspector. The family is required to select and pay for a home inspector to identify any physical defects and determine the condition of the major building systems and components. The buyer and HHA must receive a written report of this examination describing the observable major defects, required repairs and/or accessibility modification requirements.

The inspector shall also be acceptable to the local lending institutions. In all cases the inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating



systems. The unit must pass a termite or wood destroying organism report and any other requirements as determined by the State.

HHA may not require the family to use an independent inspector selected by HHA. The independent inspector may not be an HHA employee or contractor, or other person under control of HHA. However, HHA has established standards for qualification of inspectors selected by families under the homeownership program.

HHA and the family will discuss the results of the inspection and determine if any pre-purchase repairs are necessary. HHA may disapprove the unit for purchase based on the results of the independent inspection.

### **Housing Quality Standards (HQS) Inspection**

A Housing Quality Standards (HQS) inspection is required whenever the home is 100% ready for occupancy. The condition of the home must satisfy HQS standards before a sale may occur. HHA will conduct a Housing Quality Standards (HQS) inspection first, and if satisfactory, then require the independent inspection.

No further HQS inspections are required. However, HHA reserves the right to conduct interim HQS inspections before continuing to provide yearly homeownership assistance. HHA may exercise this option if it has reason to believe the home would no longer meet HQS standards or has reason to believe that unauthorized individuals are living in the household.

A PHA inspection is required if the PHA has granted as a reasonable accommodation an additional bedroom size for medical equipment or for a live-in aide. The inspection is to verify that the additional bedroom is being used for its intended purpose. If the extra bedroom is not being used for the intended purpose, the PHA must reduce the subsidy standard and corresponding payment standard at the family's next annual recertification.

Non-compliance with HQS standards may jeopardize a family's housing assistance payment. If the home does not pass the initial HQS inspection, then the Program Administrator will discuss with the purchasing family whether it would be more feasible to locate another home to purchase, or to have the needed repairs completed prior to the sale.

### **FINANCING AND AFFORDABILITY OF PURCHASE**

It is the responsibility of the family to secure financing for the home purchase. The issuance of the *Certificate of Eligibility* does not guarantee that a family has the ability to secure financing for a home purchase. The Program Administrator and/or partner agencies will provide guidance to potential home buyers to ensure they avail themselves of various down payment assistance programs, optimum loan packages, mortgage interest rates, and ways to avoid predatory lending practices.

The PHA demonstrates its capacity to administer the HCV Homeownership program by requiring the financing to purchase a home either be provided, insured, or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.

### **Down Payment Requirement**

The purchasing family is required to invest at least three percent (3%) of the purchase price of the home. This investment can take the form of a down payment, closing costs, or a combination of the two. Of this sum, at least one percent (1%) of the purchase price must come from the family's personal resources.

If the family is an FSS participant, the FSS escrow may be used to meet 50% of the down payment and closing costs contribution requirements established by HHA.

The buyer may acquire financing through any HHA approved lender. If the home is purchased using FHA mortgage insurance, it is subject to FHA mortgage insurance requirements.

Qualified participants may use the value of rental assistance as a form of "income" to help them qualify for a mortgage. Their assistance may be applied directly against their mortgage payment, therefore enabling a borrower to qualify for a home purchase.

There is no prohibition against using local/state grants or other subsidized financing in conjunction with the Housing Choice Voucher Homeownership Program. The program can be combined with a variety of mortgage loan products and other HUD programs to assist a potential home buyer in achieving the most favorable interest rate and terms of purchase.

### **Lending Partners**

HHA may not influence a family's choice of lending options by limiting the use of homeownership assistance to particular units, neighborhoods, developers, lenders or require a family to use a set financing approach. However, HUD encourages local public housing authorities to develop partnerships with lenders to better serve the needs of families. HHA will counsel the family to avoid predatory lenders or lending practices. HHA will honor any financing package that arises from any lender approved by the HHA Mortgage Department.

### **Payment to Family or Lender**

HHA will provide the lender with notice of the amount of the housing assistance prior to close of escrow and will pay HHA's contribution towards the family's homeowner expense directly to the family unless otherwise required by the lender. The family will be responsible to submit the entire mortgage payment to the lender unless the lender requires direct payment of HHA's contribution.

## **Underwriting Options**

The following underwriting options are suggested under this program. The lender will decide upon the option based upon income and borrower qualifications determined on a case-by-case basis by the lender, and dependent upon the specific loan products utilized.

### Option One: Deduct HAP from Principal, Interest, Taxes & Insurance (PITI)

The borrower's HAP is applied directly to the PITI, and the housing debt to income ratio is calculated on the "net housing obligation" of the borrower.

### Option Two: Add HAP to Borrower's Income

Calculate total income as a combination of the tax-exempt HAP (grossed up by 25%) and the borrower's income from employment using underwriting ratios specific to the loan product being used.

### Option Three: Two Mortgage Approach

Borrower qualifies for the first mortgage (PITI) using only earned income. The HAP is used to pay the full P&I for a second mortgage.

## **Loan Restrictions**

Mortgages with balloon payments, interest only, or variable interest rates are not allowed under HHA's program. The buyer may not enter into a seller financing or lease-purchase agreement under this program.

HHA reserves the right to review lender qualifications and the loan terms before authorizing homeownership assistance. HHA may disapprove proposed financing of the debt if HHA determines that the debt is unaffordable. In making this determination, HHA will take into account family expenses such as child care, un-reimbursed medical expenses, homeownership expenses, and other family expenses, in addition to the participant's income.

Independent of the lender's requirements, HHA has established a criterion that the family cannot have a family share in excess of 45% of the monthly adjusted income at the time of the initial closing.

HHA must approve any proposed refinancing of the property. A loan committee will be convened to review all requests for refinancing.

- Refinancing the property, without prior written approval from HHA, may result in termination of the HCV Homeownership assistance.

In making its determination, HHA will consider the reason(s) for the request to refinance, as well as the current assets and liabilities of the family, and how the refinancing will impact the total tenant payment. Homeownership assistance may continue if refinancing is approved but will be limited to the remaining term based on the initial mortgage loan.

## **CONTINUED ASSISTANCE: FAMILY OBLIGATIONS**

After a home is located, but before homeownership assistance can begin, the family and HHA must execute a HUD prescribed “Statement of Homeowner Obligations.” In the statement the family agrees to comply with all obligations under the homeownership option. The initial “Statement of Homeowner Obligations, HUD-52649” will be reviewed and executed at the HCV homeownership orientation.

The family must also execute the *HHA Statement of Family Obligations* which details the additional HHA HCV Homeownership Program obligations.

### **Continuous Reporting Requirements**

HHA will reexamine the family’s income and composition on an annual basis.

After purchase of the home, the family must continue to adhere to the “HUD Statement of Homeowner Obligations” and the *HHA Statement of Family Obligations* in order to continue to receive the monthly housing assistance payment. The *HHA Statement of Family Obligations* will be reviewed by the family and signed at each annual reexamination.

A new *Certificate of Housing Assistance Payment* must be issued prior to any change in the housing assistance payment. Non-elderly and non-disabled families are required to annually document continued compliance with the full-time work requirement of the program by annual completion of the *Homeownership Work Certification*.

- A family must disclose all changes in income within ten (10) business days of the change and at the annual reexamination. Failure to disclose or accurately report changes will jeopardize a family’s continued participation in this program. A family may not add an adult household member without prior HHA approval. HHA will deny admission to any individual who would otherwise not qualify for admission to the program due to criminal history, drug related history, or registry on a sex-offender list.

Participant must agree to attend post-purchase counseling sessions in conjunction with acceptance into this program to continue to receive assistance. HHA may require families who become delinquent on their mortgage payments to participate in additional homeownership and/or credit counseling classes.

HHA may deny or terminate assistance for violation of participant obligations as described in the “HUD Statement of Homeowner Obligations”, the *HHA Statement of Family Obligations*, or other program obligations.

### **Continuous Employment Obligations**

- The applicant head of household or spouse must remain continuously employed (no less than 30 hours per week) while participating in the program.

- Part-time employment by both parties, totaling over 30 hours per week, does not constitute full-time employment by either party.

For continued eligibility purposes, continuous employment is defined two ways. Continuous employment by the head, spouse or co-head defined as full time employment (average of 30 hours per week) with no gap in employment lasting more than four weeks total (30 hours x 48 weeks = 1,440 hours). Or, earned income received by the head, spouse or co-head during the past year greater than the state minimum wage times 1560 hours (\$10.10 x 1560 = \$15,756).

The employment requirement is not applicable to elderly families or those whose head or co-head of household, spouse or sole member experience permanent disability.

### **Mitigating Circumstances**

If a working family is subsequently determined by HHA to now qualify as a “disabled family,” as defined by HUD, the full-time employment requirement is no longer applicable to that family.

HHA will consider mitigating circumstances where certain lapses in employment prohibit the family from meeting its continuous employment obligation. These include receipt of Unemployment Insurance Benefits due to layoff; absences defined under the Family Medical Leave Act; receipt of Workman’s Compensation benefits.

HHA will allow week-for-week substitutions whenever of any of these benefits are received.

The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (30 hours per week) within 30 days will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

A participant who is employed but is on leave from work due to maternity leave, FMLA or is receiving Workman’s Compensation, is exempt from the full-time employment requirement during the period of approved leave from work. A participant must return to full-time employment within 30 days after exhaustion of applicable benefits. Willful failure to return to full-time employment (30 hours per week), after 30 days, will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

Consideration of other mitigating circumstances is at the discretion of a local Area Coordinator recommendation to the HCV Program Administrator. The Program Administrator will convene a three-person committee to review any additional mitigating circumstances that prevent a participant’s return to full-time employment within the time frames allotted. Determinations of the review committee are made on a case-by-case basis. Their decisions are subject to final approval by the Director, HHA Public Housing Division.

## **Guests and Changes in Family Composition**

All changes in family composition must be reported to the Housing Program Specialist. All new family members must be approved as eligible residents before moving into the residence.

Family guests are permitted for a period not to exceed 30 days in any calendar year. HHA may consider persons who exceed the 30-day occupancy limit, or who use the residence as a personal mailing address, unauthorized family members. The family may be in violation of their family obligations and HHA may take appropriate action up to and including termination of assistance.

## **Other Continued Family Obligations**

In addition to completing the HUD Statement of Homeowner Obligations and HHA's Statement of Family Obligations Addendum prior to the issuance of the homeownership voucher, agreeing to comply with all family obligations under the Homeownership Program, including but not limited to:

- The family must comply with the terms of any mortgage securing debt incurred to purchase the home or any refinancing of such debt.
- At any time, the family is receiving homeownership assistance, the family may not sell or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home.

A home equity loan or any refinancing may not be acquired without the prior written consent of HHA.

The family must provide required information regarding income and family composition in order to correctly calculate the total tenant payment (TTP) and homeownership assistance, consistent with the HCV requirements and any other information requested by HHA concerning financing, the transfer of any interest in the home, or the family's homeownership expenses.

- While receiving homeownership assistance, the family must notify HHA if the family defaults on a mortgage securing any debt incurred to purchase the home.
- While receiving homeownership assistance, the family must notify HHA before the family moves out of the home.
- The family must, at annual reexamination, document that the family is current on mortgage, insurance, escrow accounts, repair reserve account, and utility payments.

- The family is prohibited from moving more than one time in a one (1) year period. The family may be required to participate in pre- and post-purchase homeownership counseling prior to re-housing.
- While receiving homeownership assistance, no family member may have any ownership interest in any other residential property.
- The participant must sign a release allowing HHA, counselors, realtors, and participating lenders to exchange information on the borrower.
- Agree to maintain the condition of the home to comply with minimum HUD Housing Quality Standards (HQS).
- Acknowledge that the termination of assistance shall be in accordance with program requirements and the Administrative Plan.
- Acknowledge that the family is obligated for the whole mortgage payment in the event of termination of assistance.
- Disclose any and all changes of family composition and family income immediately to HHA.
- Agree that the family must immediately notify HHA of any late payment, delinquency notices, or default notices and must agree to participate in default counseling with a designated agency to become current.
- Agree to attend any identified financial, homeowner or post purchase counseling during time of assistance.
- Agree to the continued employment requirement as stated in HHA's Administrative Plan.

HHA requires the family to maintain a minimum reserve for maintenance and major repairs. The minimum reserve shall be equal to the monthly reserve amounts times the number of months assisted as a homeowner less any HHA approved withdraws.

Agrees that should they itemize deductions for IRS taxing purposes, they shall deduct in accordance with the IRS opinion that provides for a prorate deduction of the interest on a homeownership mortgage and homeownership taxes.

## **MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE**

For non-elderly and non-disabled households, homeownership assistance is available for a maximum 15-year term for mortgages with a 20-year or longer term and a maximum 10-year term in all other cases. The term is calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan.

Families that qualify as a disabled family at the commencement of homeownership assistance, or at any time during the provision of homeownership assistance, are not subject to the 15-year term limitation. Homeownership assistance is available for a disabled family as long as the family remains eligible for the program.

If, during homeownership assistance, the family ceases to qualify as a disabled or elderly family, the family will continue to be eligible for the homeownership assistance, subject to eligibility requirements of the Housing Choice Voucher program. The term of assistance will change to a maximum of 15-years for mortgages with a 20 year or longer term and a maximum ten-year term in all other cases. This term will be calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan. If the family ceases to qualify as a disabled or elderly family and the 15- or 10-year term has expired, then the family will receive 6 months of monthly HAP payments and then the homeownership assistance will terminate.

In the case of an elderly family, the maximum term is for as long as they are eligible, provided the family qualifies as an elderly family at the start of homeownership assistance and continues to qualify as an elderly family.

Upon the death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue, pending settlement of the decedent's estate. The home must be solely occupied by remaining family members in accordance with 24 CFR 982.551(h).

For a nonelderly/nondisabled family, the total homeownership assistance received by a family, whether on different homes or through different public housing agencies, cannot exceed the eligible term of assistance based on the of the initial mortgage loan.

## **HOUSING ASSISTANCE PAYMENT (HAP)**

While the family is residing in a homeownership unit, the HAP is equal to the lower of: (1) the payment standard minus the total tenant payment, or (2) the monthly homeownership expenses minus the total tenant payment.

The family is responsible for all monthly homeownership expenses not reimbursed by the housing assistance payment. Homeownership expenses include:

- principal and interest on the initial mortgage debt and any refinancing of such debt;



- any mortgage insurance premium incurred to finance the purchase of the home;
- real estate taxes and public assessments on the home;
- home insurance;
- cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association;
- the land lease for land where the home is located;
- the HHA allowance for maintenance expenses;
- the HHA allowance for costs of major repairs and replacements;
- the HHA utility allowance for the home; and
- principal and interest on debt incurred to finance major repairs, replacements or improvements on the home.

For an individual with disabilities, such debt may include those costs incurred by the family to make the home accessible.

## **PAYMENT STANDARD/SUBSIDY STANDARD**

For initial homeownership assistance, the payment standard for the family is the lower of: (1) the payment standard for the family unit size, or (2) the payment standard for the size of the home purchased (number of bedrooms in the house). At the annual recertification or an interim recertification, HHA will apply a payment standard that is the greater of: (1) the dollar amount of the payment standard used at the commencement of homeownership assistance, or (2) the HHA payment standard for family unit size, used at its most recent annual anniversary. [24 CFR 982.635]

The HHA subsidy standards determine the bedroom-size that HHA assigns to the family based upon its size and composition. The subsidy standards are approved by the HHA Board of Commissioners; they generally remain the same from year to year and are available on the HHA web page at [www.hagerstownha.com](http://www.hagerstownha.com). The initial subsidy standard applied to a homeownership family is the same standard used for the rental program. The standards applicable on the HHA website at closing are the subsidy and payment standards applicable for the initial homeownership period. The *Certificate of Housing Assistance Payment* will be issued based on the current subsidy and payment standards in effect on the date of closing.

The respective payment and subsidy standard applicable on the date of closing establishes the baseline payment and subsidy standards for the unit. The payment standard for subsequent years is the greater of the payment standard at the commencement of homeownership assistance or the payment standard at the most recent annual re-examination. Unlike the voucher rental program, the initial payment standard shall be the base for future housing payments. The payment standard shall not drop below the initial payment standard dollar amount due to changes by HUD or due to changes in family composition.

## **PORTABILITY**

HHA will permit portability of HCV homeownership assistance to another jurisdiction subject to HHA policies governing portability. The receiving jurisdiction must operate a HCV Homeownership Program for which the applicant qualifies and it must be willing to administer new homeownership families. In order to remain eligible for the program, the participant must sell the current home purchased under the HCV Homeownership Program and incur no mortgage default.

HHA will also accept families from another HCV Homeownership Program subject to HHA admission requirements for the homeownership program. It will administer the voucher if approved for homeownership.

## **MOVE WITH CONTINUED TENANT-BASED ASSISTANCE**

A family receiving homeownership assistance may move to a new unit with continued assistance. A family member must not own any title or other interest in the prior home and may not move more than once per year. HHA will review all requests to move with continued tenant-based assistance and may deny permission to move based on lack of sufficient funding to provide continued assistance or based upon the violations listed in *TERMINATION OF HOMEOWNERSHIP ASSISTANCE* of this document.

## **TERMINATION OF HOMEOWNERSHIP ASSISTANCE**

A family's homeownership assistance may be terminated if a family fails to comply with its obligations under the HCV Homeownership Program or if the family defaults on the mortgage.

### **Failure to Comply with Homeowner Obligations**

The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide HHA with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; notification of the family's household composition and income and homeownership expenses on an annual basis; and any notice of mortgage default received by the family. Except as otherwise specified in this plan, the family may not convey or transfer the home to any entity or person.

Homeownership assistance may be denied or terminated in accordance with any of the provisions listed at 24CFR 982.638 and/or HHA requirements.

### **Occupancy of Home**

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, HHA will not continue homeownership assistance commencing with the month after the family moves out. Neither the family nor the lender is

obligated to reimburse HHA for homeownership assistance paid for the month the family moves out.

### **Changes in Income Eligibility**

HHA may adjust a family's homeownership assistance based upon changes in family income. The effective change shall occur 30 days after the month in which a reexamination of income occurred.

Participation in the HCV Homeownership Program shall continue until such time as the assistance payment amounts to zero for a period of 180 consecutive days. At that time the family will no longer be eligible and the HAP will be terminated. However, should the family go to zero HAP, for 180 consecutive days, the HHA reserves the right to extend the period past 180 days, should there be documented extenuating circumstances for an extension to the time period. Such documented extenuating circumstances include but is not limited to:

- Death in the family,
- Loss of employment or income due to no fault of the family,
- Documentation of a medical or financial hardship beyond the control of the family for a member of the assisted household.

After receipt of verification, the HHA shall reinstate the family into the program subject to available funding and other program requirements.

### **Refusal to Meet Continuous Work Requirement**

HHA may terminate a working family's homeownership assistance based on a willful refusal to adhere to, or properly document, the full-time employment requirement.

### **Family Requests a Return to Rental Assistance**

If a family requests to return to rental assistance, HHA may provide the family with a rental voucher, provided there is no mortgage loan default and the family has met all obligations under the HCV Program. The family must sell the home before HHA provides rental assistance.

## **MORTGAGE DEFAULT**

If a family defaults on a mortgage, HHA may permit the family to move with continued assistance. The family must demonstrate that it has conveyed title of the home to the lender, or its designee, and moved from the home within the period established and approved by the lender and HHA [CFR 24 982.638(d)]. Any decision to approve or deny rental assistance is based on HCV rental program policies and procedures addressed in the HHA Administrative Plan.

A family is ineligible for future homeownership assistance.

## **INFORMAL HEARINGS**

[24 CFR 982.555]

An informal hearing will be provided for participants who are being terminated from the Program because of the family's action or failure to act as provided in 24 CFR 982.552. The rules and procedures set forth in the Administrative Plan, entitled "Informal Hearings," will apply.

## **Recapture**

[24 CFR 982.625]

HHA will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain a benefit. The HCV Homeownership recapture provision does not apply to any other program funds that may be used in the transaction.