NWRHA ADMINISTRATIVE PLAN

Housing Choice Vouchers

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HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

P: PREFACE

P.1 ABOUT NWRHA

Northwest Regional Housing
Authority
9250 County Rd 3
Tolley, ND 58787
Phone: (701) 263-5240
Web: www.nwrhousing.com

TDD/TTY Communications: Dial or text 711

HUD Code: ND070
Areas covering: Bottineau, Burke, Divide, Renville counties

P.2 APPLICATION AVAILABILITY

It is the policy of NWRHA to make applications by mail, secure upload, or in person. Applicants are allowed one application per day.

P.3 BOARD OF COMMISSIONERS CONTACT

If a program participant, landlord, or community member would like to file a complaint or request with the board the appropriate contact is: nwrha@srt.com or via mail: Board of Commissioners
NWRHA
9250 County Rd 3,
Tolley, ND 58787

P.4 HUD - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

NWRHA administers programs under federal, state, and local government departments. HUD is the U.S. Department of Housing and Urban Development. HUD is a federal agency responsible for national policy and programs that address America's housing needs. HUD is funded by Congre

P.5 MISSION STATEMENT

Northwest Regional Housing Authority's mission is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination.

P.6 ADMINISTRATIVE PLAN TERMS

The Administrative Plan is often referred to as "Admin Plan." This document is the guiding policy and procedural manual for the Housing Choice Voucher program.

Housing Choice Voucher or HCV is the broad program of rental assistance formerly known as Section 8 assistance. Programs under HCV with separate rules are identified in the document.

1.0 EQUAL OPPORTUNITY

The following Equal Opportunity and Fair Housing policies provide guidance and direction for the Housing Authority, landlords, service providers, and others.

1.1 FAIR HOUSING

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 ground of race, color, sex, religion, national or ethnic origin, familial status, age, 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 HCV Housing 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 those 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.

1.2 REASONABLE ACCOMMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the Housing Authority housing programs and related services. When such accommodations are granted, they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodation and the guidelines the Housing Authority will follow in determining whether it is reasonable to provide the requested accommodation. Because disabilities are not always apparent, the Housing Authority will ensure that all applicants/participants are aware of the opportunity to request reasonable accommodation.

1.3 COMMUNICATION

Anyone requesting an application will also receive a Request for Reasonable Accommodation Form.

Notifications of reexamination, inspection, appointment, or eviction will include information about requesting reasonable accommodation. Any notification requesting action by the participant will include information about requesting reasonable accommodation.

All decisions granting or denying requests will be in writing.

1.4 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION

- Is the requestor a person with disabilities? For this purpose, the definition of disabilities is different from 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 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.
- 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.
- Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:
    - 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 a person with disabilities.
    - 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 to have the same entity pay for any restoration costs.
- If the participant requests, as 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 accommodation that would enable a participant to violate family obligations will not be approved.

1.5 SERVICES FOR NON-ENGLISH-SPEAKING APPLICANTS AND PARTICIPANTS

1.5.0 LIMITED ENGLISH PROFICIENCY PLAN – LEP

The Housing Authority has adopted this plan to provide meaningful access to its programs and activities by persons with Limited English Proficiency (LEP). In accordance with the Department of Housing and Urban Development (HUD), the Housing Authority may make reasonable efforts to provide or arrange free language assistance for its LEP clients. This includes applicants, recipients and/or persons eligible for housing programs.

1.5.01 FOUR FACTOR ANALYSIS

The first prong of the analysis is to determine the number and proportion of LEP persons served or encountered in the eligible service area

The second prong in the four-factor analysis is to determine the frequency with which LEP persons come into contact with the program. The second prong is divided into two elements: the level of frequency that LEP persons participate in the program and the frequency of contact that the recipient has with all participants in the program.

The third prong in the four-factor analysis is to determine the nature and importance of the program, activity, or service provided by the program. NWRHA provides HCVs to qualified applicants. HCVs allow the program participant to potentially access affordable housing in Dickey, Eddy, Foster, Logan, Sargent, Stutsman and Wells counties through a private landlord that accepts such vouchers. As such, NWRHA provides an essential program to its program participants.

The fourth prong in the four-factor analysis is to determine the resources available to the recipient.

The HUD FHEO declines to speculate further as to the number of LEP persons who would actually submit a completed application, be accepted into the HCV program, and would accept the offered oral translation services throughout their tenancy.

1.5.02 SAFE HARBOR

The four-prong assessment only provides guidance toward the duty of the recipient to provide meaningful access. The next step is to determine if meaningful access is actually provided. In determining whether meaningful access is actually provided, it is important to review the "safe harbors" in the LEP Guidance. These "safe harbors" apply only to the translation of written documents. There is no "safe harbor" for oral interpretation services. The purpose of the "safe harbors" is to provide some degree of certainty to recipients with respect to whether they are complying with Title VI's obligation to provide meaningful access to LEP persons. The LEP Guidance stresses, however, that compliance with Title VI cannot be assumed if the "safe harbors" are met nor can noncompliance be assumed if they are not met.

In pertinent part, the "safe harbor" states that if 5% or less of the eligible population or current beneficiaries are LEP and LEP persons also number less than 1000 persons, no written translation is required, including a translated written notice of the right to receive free oral interpretation of documents.

1.5.03 LANGUAGE TOOLS

The housing authority implemented new spaces on the application to ask if accommodations are required, and if so, what language. The housing authority has signage reminding participants and others that the housing authority offers language services for free. In addition, the housing authority added an accommodation reminder notice to remind clients if they want accommodation to remind the office prior to the appointment.

The housing authority can also use the Google Translator webpage to translate documents if needed for special notices, letters, or conversations if needed.

PDF files posted online must be useable for screen readers for the blind and low vision. Therefore, PDF files should not be scanned items, but rather saved or exported from Microsoft Word. Using Microsoft Word ensures that all text fields and other items are readable by software products.

1.5.04 OUR HOUSING AUTHORITY PROVIDES A TRANSLATION SERVICE

Northwest Regional Housing Authority may provide translation services for Limited English participants. NWRHA will post at each office the following information.

ENGLISH -

I do not speak or read English and require an interpreter. This service is free to the client but may require scheduling an additional meeting. However, you can use a friend, relative, or another person to translate if you choose.

SPANISH

Yo no hablo ni leo Inglés y necesito un intérprete. Esta servicio es gratis para el cliente, sino podrá requerir programar una reunión adicional. Sin embargo, puede utilizar un amigo, familiar u otra persona para traducir si lo desea.

1.6 LANGUAGE ASSISTANCE PLAN

1.6.01 PLAN STATEMENT

The Housing Authority recognizes the importance of effective and accurate communication between its personnel and the community that it serves. This Language Assistance Plan sets forth the actions the housing authority will take to ensure that persons with Limited English Proficiency (LEP) have meaningful access to housing services, programs and activities. In accordance with federal guidelines, the housing authority may make reasonable efforts to provide or arrange for free language assistance for its LEP person.

1.6.02 MEANINGFUL ACCESS: FOUR FACTOR ANALYSIS

Meaningful access is free language assistance in accordance with federal guidelines. The housing authority will assess and update the LEP four-factor analysis every two years reviewing housing data and every five years using Census information, including but not limited to:

- The number or proportion of LEP persons eligible to be served or likely to be encountered by housing authority.
- The frequency with which LEP persons using a particular language come into contact with the housing authority.
- The nature and importance of the housing authority program, activity or service to the person's life.
- The housing authority's resources and cost of providing meaningful access. Reasonable steps may cease to be reasonable where the costs imposed substantially exceed the benefits.

1.6.03 LANGUAGE ASSISTANCE

A person who does not speak English as their primary language and who has a limited ability to read, write, speak or understand English may be a Limited English Proficient (LEP) person and may be entitled to language assistance with respect to the housing authority's programs and activities.

Language assistance includes interpretation, which means oral or spoken transfer or a message from one language into another language and/or translation, which means the written transfer of a message from one language into another language. The housing authority will determine when interpretation and/or translation are needed and are reasonable.

The housing authority staff will take reasonable steps to provide the opportunity for meaningful access to LEP persons who have difficulty communication in English. If a person asks for language assistance and the staff determines that the person is a LEP person and that language assistance is necessary to provide meaningful access, the housing authority will make reasonable efforts to provide free language assistance. If reasonably possible, the housing authority will provide language assistance in the LEP person's preferred language.

The housing has the discretion to determine whether language assistance is needed, and if so, the type of language assistance necessary to provide meaningful access.

The housing authority will periodically assess needs for language assistance based on requests for interpreters and/or translation, as well as the literacy skills of the applicants/beneficiaries/clients. The housing authority will assess the needs and re-evaluate the four-factor analysis based upon a higher level of language assistance requests than currently noted.

1.6.04 TRANSLATION OF DOCUMENTS

If the housing authority determines that translation is necessary and appropriate, the housing authority may arrange to translate select mailings and documents of vital importance into that language (See list of vital documents). The housing authority may undertake translating documents when an eligible LEP group constitutes five percent or 1,000 person of an eligible person group.

The housing authority may consider technology aids such as Internet-based translation services, which may provide helpful, although perhaps not authoritative, translations of written materials.

1.6.05 FORMAL INTERPRETERS

When necessary to provide meaningful access for LEP persons, the housing authority may provide qualified interpreters. At important stages that require on-on-one contact, written translation and verbal interpretation services will be provided consistent with the four-factor analysis used earlier.

The housing authority may require a formal interpreter to certify to the following:
The interpreter understood the matter communicated and rendered a competent interpretation.
The interpreter will not disclose non-public data without written authorization from the person.

Formal interpreters shall be used at the following:

- Formal hearings for denial of services, benefits.
- Information review/information hearings for services, benefits.

1.6.06 INFORMAL INTERPRETERS

Informal interpreters may include the household members, friends, legal guardians, service representatives or advocates of the LEP person. Staff will determine whether it is appropriate to rely on informal interpreters, depending upon the circumstances and subject matter of the communication. However, in many circumstances, informal interpreters, especially children, are not competent to provide quality and accurate interpretations. There may be issues of confidentiality, competency, or conflict of interest.

A LEP person may use an informal interpreter of his or her own choosing and at their expense, either in place of or as a supplement to the free language assistance offered by the housing authority. If possible, the housing authority should accommodate an LEP person's request to use an informal interpreter in place of a formal interpreter.

If a LEP person prefers an informal interpreter, after the housing authority has offered free interpreter services, the informal interpreter may interpret. In these cases, the person and interpreter should sign a waiver of free interpreter services.

If a LEP person wants to use his or her own informal interpreter, the housing authority reserves the right to also have a formal interpreter present.

1.6.07 OUTSIDE RESOURCES

Outside resources may include community volunteers, local residents, or program participants. Outside resources may be used for interpreting services at public or informal meetings or events if a timely request has been made. Such resources might be High Plains Fair Housing, Legal Aid of North Dakota, and Fair Housing Implementation Council.

1.6.08 GUIDANCE FOR COMMUNICATIONS WITH LEP PERSONS

The housing authority will take appropriate steps to assure that all LEP persons can obtain information concerning the existence and location of the housing authority programs, services, activities and facilities.

1.6.09 INITIAL POINT OF CONTACT

At the initial point of contact, all potential applicants will be informed of the housing authority's policy of providing interpreters, at no cost to the person. Depending on the circumstances, notification may be given verbally by staff, posted, and/or printed on forms and brochures.

The housing authority will strive to identify the language spoken by LEP persons as soon as possible at or after initial contact.

Notice posted of available free language assistance.

The housing authority will post notice to LEP persons of available free language assistance in common areas, offices, and anywhere applications are taken. This notice will be translated into the most common languages encountered as noted in the four-factor analysis and North Dakota Court System:

1) Somali
2) Spanish
3) Bosnian
4) French
5) Arabic

In addition, the housing authority will seek out contracts to cover sign language interpretation when requested.

1.6.10 TELEPHONE COMMUNICATIONS

If possible, staff should first determine the caller's language.

If an English-speaking family member or third party initiates the call on behalf of the LEP person, staff must advise the LEP person of the housing authority's policy to provide free

language assistance. The housing authority may not require the LEP person to use an informal interpreter. If a LEP person prefers an informal interpreter, after the housing authority has offered free interpreter services, the informal interpreter may interpret. A LEP person's request to use his/her own interpreter must be noted.

If an interpreter is necessary, get the name and phone number of the caller and arrange for a conference call with the formal interpreter service. The interpreter service may need to schedule a person with the language, and it may not be available during the call. The interpreter service may also call the person on behalf of the housing authority if needed.

The housing assistance application does have a check box for requesting language services, and a space to identify the language. In addition, the application has language stating that these services are provided by the housing authority at no cost.

1.6.11 IN-PERSON COMMUNICATIONS

In the instances where a LEP person walks in, staff should first determine the LEP person's language.

If an English-speaking family member or third party offers to provide informal interpretation services on behalf of the LEP person, then the staff member must advise the LEP person of the policy to provide free interpretation services.

The housing authority may not require the LEP person to use an informal interpreter. If a LEP person prefers an informal interpreter, after the housing authority has offered free interpreter services, the informal interpreter may interpret. A LEP person's request to use his/her own interpreter must be noted in the person's file.

If an interpreter is necessary, call a language service provider to arrange for an interpreter and set a new appointment.

If an interpreter is available or a meeting scheduled, the staff will use the speaker phone so all parties can hear the same information.

Staff must document the LEP person's use of the housing authority's service, listing the LEP person's name, language spoken by the LEP person, and the service provided.

1.6.12 WRITTEN COMMUNICATION - TRANSLATION

The housing authority serves LEP groups that are small in numbers and do not exceed the five percent (5%) or 1,000-person threshold of Safe Harbor. If the LEP groups exceed that threshold, the housing authority may utilize the interpretative service and online tools to translate vital documents into the languages identified by the U.S. Census and/or the housing authority data.

1.6.13 LAP PLAN DISTRIBUTION AND TRAINING

The LAP Plan will be:

- Distributed to all staff.
- Available at each housing authority location.
- Posted on the housing authority website.
- Explain in orientation and training sessions for staff.

1.6.14 TRANSLATOR OR REASONABLE ACCOMMODATION COMPLAINTS AND GRIEVANCES

Complaints should be sent to the Chairperson of the Board of Commissioners. The Chairperson will follow the grievance policy and investigate the complaint to determine if a violation of this policy has occurred. Such an investigation may require a third party, such as a fair housing organization or another housing authority. Following such an investigation, the board of commissioners will make a determination regarding the complaint and if necessary, take corrective action.

Only perspective applicants, applicants, and participants may file a grievance. A grievance is any dispute which applicants or participants may feel the housing authority failed to provide the requested free language assistance. A person, or his or her representative, may present a grievance in writing to the housing authority within fourteen (14) days of determining they did not receive the requested services. The grievance must state: (a) the reasons for the grievance; (b) the action requested; (c) date service was denied; and (d) the name, address and telephone number of the LEP person. The grievance will be processed in accordance with the housing authority's grievance procedures.

Complaints and/or grievance must be sent to:
Chairperson
NWRHA
9250 County Rd 3
Tolley, ND 58787

Or emailed to nwrha@srt.com with subject line: Attention Chairperson

1.6.15 REVISIONS

The housing authority may revise in its sole discretion, to effectuate the intent, purpose or interpretation to ensure continued compliance with applicable law, without notice to residents/persons, applicants, or other parties.

1.6.16 DISCLAIMER

The policy guidelines described herein do not form a contract between the housing authority and any other parties. The guidelines are intended solely to ensure compliance with federal law.

These policy guidelines will be used for assessing the needs of the LEP community and evaluating requests for language assistance by the housing authority's applicants and participants. They are not intended to be an exhaustive compilation of rules or policies governing assessment by the housing authority for free language assistance. If any conflicts exist or arise between these guidelines and guidance issued by the federal, state, or existing or future statues, regulations or other legal requirements, the housing authority will follow legal requirements.

1.6.17 VITAL DOCUMENTS

The housing authority identified the following as vital documents and may be translated if the LEP population of a specific LED language surpasses the five percent (5%) or 1,000 LEP person threshold.

- Application
- Initial letters of eligibility
- Certification paperwork
- Request for tenancy outline
- Initial "Welcome" letters
- Annual appointment letters
- Annual rent change letters

1.7 FAMILY/OWNER OUTREACH

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

The Housing Authority will use their website https://www.nwrhousing.com for most announcements unless required by HUD or the State of North Dakota.

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.

The Housing Authority will hold briefings for owners who participate in or who are seeking information about the HCV Program. The briefings will be conducted in association with the property owners' association. Owners and managers participating in the HCV Program will participate in making this presentation. The briefing is intended to:

- Explain how the program works;
- Explain how the program benefits owners;
- Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways the Housing Authority helps owners do better screening; and

- Provide an opportunity for owners to ask questions, obtain written materials, and meet Housing Authority staff.

The Housing Authority will particularly encourage owners of suitable units located outside of low-income or minority concentration to attend. Targeted mailing lists will be developed and announcements mailed.

1.8 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*.

Any request for applicant or participant information will not be released unless there is a signed release of information request from the applicant or participant.

1.9 REQUIRED POSTINGS

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

- The HCV Administrative Plan
- Notice of the status of the waiting list (opened or closed)
- Income Limits for Admission
- Informal Review and Informal Hearing Procedures
- Fair Housing Poster
- Equal Opportunity in Employment Poster

2.0 PROGRAM OBLIGATIONS AND RESPONSIBILITIES

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

2.1 HOUSING AUTHORITY RESPONSIBILITIES

The Housing Authority will comply with the consolidated ACC, the application, HUD regulations and other requirements, and the Housing Authority HCV Administrative Plan. In administering the program, the Housing Authority must:

- Publish and disseminate information about the availability and nature of housing assistance under the program;
- Explain the program to owners and families;
- Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
- Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
- Affirmatively further fair housing goals and comply with equal opportunity requirements;
- Make efforts to help disabled persons find satisfactory housing;
- 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:
- Determine who can live in the assisted unit at admission and during the family's participation in the program;
- Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
- Review the family's request for approval of the tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;
- Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy;
- Determine the amount of the housing assistance payment for a family;
- Determine the maximum rent to the owner and whether the rent is reasonable;
- Make timely housing assistance payments to an owner in accordance with the HAP contract;
- 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;
- Establish and adjust Housing Authority utility allowance;
- 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);
- Determine whether to terminate assistance to a participant family for violation of family obligations;

- Conduct informal reviews of certain Housing Authority decisions concerning applicants for participation in the program;
- Conduct informal hearings on certain Housing Authority decisions concerning participant families;
- Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
- Administer an FSS program (if applicable).

2.2 OWNER RESPONSIBILTIES

- The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- The owner is responsible for:
    - 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.
    - Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance
    - Complying with equal opportunity requirements
    - Preparing and furnishing to the Housing Authority information required under the HAP contract.
    - Collecting from the family:
        - Any security deposit required under the lease.
        - The tenant contribution (the part of rent to owner not covered by the housing assistance payment
        - Any charges for unit damage by the family
    - Enforcing tenant obligations under the lease
    - Paying for utilities and services (unless paid by the family under the lease)
- 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.

- Supplying required information
    - 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.
    - 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.

    - The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information.
    - Any information supplied by the family must be true and complete.
- HQS breach caused by the Family; the family is responsible for any HQS breach caused by the family or its guests.
- Allowing Housing Authority Inspection, the family must allow the Housing Authority to inspect the unit at reasonable times and after at least three (3) days' notice.
- Violation of Lease; The family may not commit any serious or repeated violation of the lease.
- Family Notice of Move or Lease Termination; 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.
- Owner Eviction Notice; the family must promptly give the Housing Authority a copy of any owner eviction notice it receives.
- Use and Occupancy of the Unit:
    - The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.
    - The Housing Authority must approve the composition of the assisted family residing in the unit. The family must promptly inform the Housing Authority 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).
    - The family must promptly notify the Housing Authority if any family member no longer resides in the unit.
    - 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.
    - Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit 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.
    - The family must not sublease or let the unit.
    - The family must not assign the lease or transfer the unit.
- Absence from the Unit
    - 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

cooperate with the Housing Authority for this purpose. 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 60 days. The family must request permission from the Housing Authority for absences exceeding 30 days. The Housing Authority will make a determination within five business days of the request. An authorized absence may not exceed 60 days. Any family absent for more than 60 days without authorization will be terminated from the program.
    - Authorized absences may include, but are not limited to:
        - Prolonged hospitalization
        - Absences beyond the control of the family (i.e., death in the family, other family member illness)
        - Other absences that are deemed necessary by the Housing Authority
- Interest in the Unit
    - The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).
- Fraud and Other Program Violation
    - The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the programs.
- Crime by Household members
    - The members of the family may not engage in drug-related criminal activity or other violent criminal activity.
- Alcohol Abuse by Household members
    - The members of the household must not abuse alcohol in a way that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- Other Housing Assistance
    - An assisted family, or members of the family, may not receive HCV tenant-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.

2.4 UTILITY ASSISTANCE PAYMENTS

Utility assistance payments (UAP) are made to qualifying clients receiving housing assistance. NWRHA will issue UAP directly to utility providers to assist clients in staying current with critical utilities. UAP given directly to clients is considered income by SNAP, Medicaid, and other economic assistance programs.

2.5 HAP PAYMENT SCHEDULE POLICY

In order to make payments easier to track, Northwest Regional Housing Authority (NWRHA) will make housing assistance payments (HAP) by the 5th of each month. This is for all re-occurring housing assistance payments and new housing assistance. Utility allowance payments (UAP) will also follow the same payment policy.

All HAP payments are made by check per NWRHA policies. Landlords must provide proper documentation for payments.

If NWRHA missed a HAP payment due to our error, NWRHA will issue the payment(s) as soon as possible.

2.6 HAP PAYMENT STATEMENTS

In an effort to reduce costs, Northwest Regional Housing Authority (NWRHA) will issue housing assistance payment (HAP) statements under the following conditions.

Via mail:
The landlord did not provide NWRHA with an email and has four (4) or more clients receiving assistance.

Via email:
The landlord provided NWRHA with a valid email. There is no minimum client requirement.

Via phone:
The landlord does not qualify for a mailed statement, and did not provide NWRHA with an email. Landlords can call NWRHA at 701-263-5240 for confirmation.

Landlords and tenants will continue receiving information when there is change in our assistance via mail. That form serves as our official notification of payment amount until a new form is issued. All payments are made via direct deposit; the landlord banks will have a record of when a payment is made to their account.

	1 or 2 clients on housing	**4 or more clients on housing**
Mail	No	Yes
Email	Yes	Yes
Phone	Yes	No

2.7 LANDLORD COLLECTION POLICY

Landlord notices incorrect payment:
If landlord notices an incorrect payment, they should inform NWRHA of the payment and refund the money to NWRHA within 30 days.

If NWRHA notices an incorrect payment for a terminated tenant:

- NWRHA will notify the landlord via mail and email if possible. Landlords should refund the amount via check to NWRHA within 30 days.

After 30 days:

- NWRHA will send a second notice to the landlord, detailing that NWRHA may seek legal action in small claims court to retrieve the amount and/or possibly terminate housing assistance contracts.

After 60 days;

- NWRHA will visit with the State's Attorney in Renville County for legal advice. NWRHA may file small claims or pursue the ability to bill the amount to the landlord's bank.

After 90 days;

- If there is no settlement by 90 days, NWRHA will collect via direct deposit/billing. NWRHA will notify the landlord and bank of the proceedings. If collecting the amount requires 90 days, NWRHA will notify HUD and NWRHA clients that the housing authority will no longer support clients leasing from the landlord. NWRHA will assist clients in moving to another location with an approved landlord.

If NWRHA notices an incorrect payment for a continuing tenant:

- NWRHA will notify the landlord via mail and email if possible. Landlords should refund the amount via check to NWRHA within 30 days.

After 30 days:

- NWRHA will withhold the following month's rent and notify the landlord.
- Or; NWRHA will send a second notice to the landlord, detailing that NWRHA may seek legal action in small claims court to retrieve the amount and/or possibly terminate housing assistance contracts.

2.8 DISAPPROVAL OF OWNERS

NWRHA will disapprove owners as required in 24 CFR 982.306(a) and (b) and (d) and may disapprove owner for any reason listed in 24 CFR 982.306(c). For all disapproved owners, the owner shall continue to be disapproved for at least five (5) years. For purposes of this section "owner" includes: a principal or other interested party, a manager and any person or entity authorized to do business for owner.

3.0 ELIGIBILITY FOR ADMISSION

The following overview explains the household eligibility requirements for program admission.

3.1 INTRODUCTION

There are five eligibility requirements for admission to HCV -- 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 in order to be admitted to the HCV Program.

3.2 ELIGIBILTIY CRITERIA

- Family status
    - A **family with or without children**, such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
        - Children temporarily absent from the home due to placement in foster care are considered household members.
        - Unborn children and children in the process of being adopted are considered household members for purposes of determining bedroom size but are not considered household members for determining income limit.
    - An **elderly family**, which is:
        - A family whose head, spouse, or sole member is a person who is at least 62 years of age;
        - Two or more persons who are at least 62 years of age living together; or
        - One or more persons who are at least 62 years of age living with one or more live-in aides.
    - A **near-elderly family**, which is:
        - A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62;
        - Two or more persons who are at least 50 years of age but below the age of 62 living together; or
        - One or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
    - A **disabled family**, which is:
        - A family whose head, spouse, or sole member is a person with disabilities;
        - Two or more persons with disabilities living together; or
        - One or more persons with disabilities living with one or more live-in aides.
    - 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.
    - A **remaining member of a tenant family**
    - A **single person** who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family

- Income eligibility
    - To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the HCV program shall be a low-income family that is:
        - A very low-income family;
        - A low-income family continuously assisted under the 1937 Housing Act;
        - A low-income family that meets additional eligibility criteria specified by the Housing Authority;
        - A low-income family that is a non-purchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
        - A low-income family or moderate-income family that is displaced because of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.
        - 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.
    - Income limits apply only to admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.
    - 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.
    - 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 were initially assisted under the program.
    - 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.
    - Income limit restrictions do not apply to families transferring units within the Housing Authority HCV Program.

- Citizenship/Eligible Immigrant status

- To be eligible each member of the family must be a citizen, national, or a noncitizen 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
  - 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.
  - Despite the ineligibility of one or more household members, a mixed family may be eligible for one of three types of assistance. (See Section 11.5 for calculating rents under the noncitizen rule).
  - A family without any eligible members and receiving assistance on June 19, 1995, may be eligible for temporary deferral of termination of assistance.

- Social Security Number Documentation
  - To be eligible, all household members must provide a Social Security Number or certify that they do not have one.

- Signing Consent Forms
  - 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.
  - The consent form must contain, at a minimum, the following:
    - A provision authorizing HUD and the Housing Authority to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
    - 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;
    - 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
    - A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

- Suitability for tenancy
  - The Housing Authority determines eligibility and will 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 or violent criminal activity by household members. This check

will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area, the Housing Authority may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC).

- The Housing Authority will check with the state sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.
- Additional screening is the responsibility of the owner. Upon the request of a prospective owner, the Housing Authority will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with material standard lease terms or any history of drug trafficking.

3.3 INCOME TARGETING

In accordance with current law, NWRHA will assure that at least 75% of all new admissions each calendar year have an income which does not exceed 30 % of area median income (extremely low-income). The remaining 25% of new admissions each calendar year may be offered to families whose income does not exceed 50% of area median income (very low-income).

3.4 MARKETING AND OUTREACH

To ensure the groups least likely to apply for assistance will be reached, NWRHA networks with the service providers in the area. The NWRHA works with providers of special housing needs to ensure, to the extent possible, a handicapped, disabled or special needs person/family is able to obtain housing.

If, at any time, NWRHA does not have an adequate pool of applicants, an ad or notice will be placed in the local paper containing the following information: (1) the Equal Housing Opportunity logotype and statement and (2) an invitation to all low-income persons or families to apply for housing assistance.

The NWRHA outreaches to owners by providing them with information regarding participation in the Housing Choice Voucher Rental Assistance Program through notices, distribution of informational brochures on the program and a landlord information packet that is given to all clients at the time of their initial briefing. Landlord informational meetings are held when there are significant program changes which affect the leases between tenant and landlord, and the Housing Assistance Contract between the owner and the housing authority. NWRHA will also conduct one on one conferences with landlords on an as-needed basis.

NWRHA makes available to all applicants a listing of subsidized housing units, handicapped accessible units and a list of landlords known to the agency who are willing to participate in the HCV program.

The geographical/jurisdictional area in which a NWRHA voucher may be used includes all of Bottineau, Burke, Divide, and Renville counties. Portability procedures must be followed for areas outside of the NWRHA jurisdiction. The NWRHA implements to the fullest extent possible the portability of housing assistance to increase housing options for very low and extremely low-income families.

3.5 HOUSING AUTHORITY DEFINITIONS

Student Eligibility: To meet the student eligibility requirements as a student enrolled in an institution of higher education you must meet one of the following criteria:

- Be 24 years old by December 31st of the current year, or
- Be married, or
- Have a dependent other than a spouse, or
- Be a veteran of the U.S. Armed Forces, or
- Have been an orphan or ward of the state until age 18, or
- Have parents who are individually or jointly, income eligible for HCV Housing Assistance or
- Must be able to demonstrate his or her independence from parents for the past 12 months, or
- Be a college graduate pursuing a master's degree.

Temporary, Sporadic or Nonrecurring Income - Income, which is not expected, is not reliable or periodic, and cannot be anticipated and no historic, stable pattern of income exists.

Unauthorized household member - A person who lives or resides in an assisted unit for more than fifteen (15) days in a twelve (12) month period without prior written consent from NWRHA and landlord.

Custody – In order to claim children as dependents, applicants must provide proof of custody that is 51% or greater. Custody or arrangement papers, divorce degree, school records, or a letter from Social Services stating which household has children more than 51% of time.

3.6 CRIMINAL BACKGROUND HISTORY POLICY

Terms:

Non-violent crime: Non-violent crimes are those crimes that do not involve the use of any force or injury to another person. The seriousness of a non-violent crime is usually measured in terms of economic damage or loss to the victim. Most non-violent crimes involve some sort of property crime such as larceny, theft, DUI, parole violation, child support claims, etc.

Violent crime: A violent crime or crime of violence is a crime in which an offender uses or threatens force upon a victim. This entails both crimes in which the violent act is the objective, such as murder, as well as crimes in which violence is the means to an end. Violent crimes may, or may not, be committed with weapons.

Drug crime: A drug crime is to possess, manufacture, or distribute drugs classified as having a potential for abuse (such as cocaine, heroin, morphine and amphetamines). Drugs are also related to crime as drug trafficking and drug production are often controlled by drug cartels, organized crime and gangs.

Denial of application/assistance for life

The housing authority will deny applicants assistance for life for an arrest or charge of the following arrests, charges, or convictions:

- Accessory to murder;
- Attempted murder;
- Homicide / Murder / Manslaughter;
- Lifetime registered sex offenders;
- Threatening a housing authority employee;
- Manufacturing and/or Distribution of methamphetamine

Felony disqualification for housing assistance

The housing authority will deny applicants for three years if there is any violent or drug felony arrest, charge or conviction within the last three years. The housing authority will allow an applicant or client to receive housing assistance if there is a non-violent or non-drug felony arrest, charge, or conviction within the past three years.

The housing authority may warn the tenant or require information from any involved party; (examples: police records, client statements, counselor statements, etc.), after the first arrest based on the charge. If there is a second non-violent or non-drug felony or misdemeanor arrest or charge within the three years of the first charge, the housing authority will deny or terminate assistance.

Summary: Clients are allowed to have one non-violent or non-drug felony crime in the past three years on their record and receive assistance.

Misdemeanor denial of assistance for three years

The housing authority will deny housing assistance for violent or drug-related misdemeanor arrests, charges, or convictions based on a (3) three-year period. The housing authority will deny applicants assistance for any misdemeanor arrest, charge, or conviction within one year of application; excluding minor traffic violations (traffic tickets, DUI, driving without license or insurance, etc.).

The housing authority may warn the household after the first arrest based on the charge. If there is a second misdemeanor arrest or charge within the three years of the first charge, the housing authority will require the household member to provide documentation of counseling, legal services, or other supportive documentation that the client is actively seeking help and does not pose a danger to the livability of the housing development. If the client has a third

misdemeanor arrest, charge, or conviction within the three-year period, the housing authority will deny assistance.

The housing authority will deny assistance for any violent misdemeanor crimes within the past three years.

Summary:
Clients can have up to two (2) non-violent or non-drug related misdemeanor arrests, charges, or convictions within a three-year period and continue to receive housing assistance. If there is a third misdemeanor or a felony arrest in the three-year period, the housing authority will deny assistance.

Appeals
Clients will have up to fourteen (14) days to appeal any assistance denial. Clients will need to provide in writing a current relationship with a local support agency, counseling agency, or attorney. The housing authority will not accept a written letter or phone message for any appeal.

Denial of assistance for safety
The housing authority can deny a family if charges may pose a safety risk for the housing authority employees or other tenants. For example, the housing authority will deny any registered sex offender housing assistance.

3.7 LEGAL GUARDIAN, CUSTODY, AND POWER OF ATTORNEY
Head of households must be the parent, legal guardian, or have legal custody of all minors under the age of 18. If the head of household is not the parent, legal guardian, or has legal custody, the minor(s) cannot reside in the unit.

Examples of proof:
Birth certificate showing parent(s) and child's name;
Court paperwork describing custody naming parent(s) and child(ren);
Notarized power of attorney;
Legal documentation from Social Services, Human Services, or other government entity

The head of household can obtain power of attorney and other documents through ND Courts and local County Clerk of Courts can notarize and file the documents. There is a cost. Agencies cannot give legal advice. Custody, legal guardianship, power of attorney, and other legal arrangements can change by re-filing documents.

3.8 APPLICATION LIMIT
Northwest Regional Housing Authority will limit applicants to submit three applications during a calendar year.

This application limit encourages clients to submit completed applications and required materials in a timely fashion and minimizes the administrative burden created by processing multiple of the same application. An application limit also reduces errors and keeps records current.

If a disabled or elderly client exceeds the application limit, the client may request a reasonable accommodation if working with a caseworker, advocate, or legal representative.

4.0 MANAGING THE WAITING LIST

The following policies explain how the Housing Authority manages the various waiting lists and guide the Housing Authority in specific circumstances.

4.1 OPENING AND CLOSING THE WAITING LIST

The opening of the waiting list will be announced via public notice that applications for HCV 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 minority media. The public notice will state any limitations to who may apply.

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

Closing of the waiting 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 minority media.

4.2 TAKING APPLICATIONS

Families wishing to apply for the HCV Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at the Housing Authority.

Applications are taken to compile a waiting list. Due to the demand for HCV 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.

When the waiting list is open, completed applications will be accepted by all applicants. The Housing Authority will later verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit.

The completed application will be dated and time stamped upon its return to the Housing Authority. The Housing Authority will inform households if their application is incomplete and give the households fourteen (14) days to complete the application. Incomplete applications will be terminated without processing into the computer system.

Persons with disabilities who require 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: (see housing authority appendix for specific information.)

The application requires the family to provide limited basic information including name, address, phone number, family composition and family unit size, racial or ethnic designation of the head of household, income category, and information establishing any preferences to which they may be entitled. This first phase results in the family's placement on the waiting 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 waiting list. If the Housing Authority determines the family to be ineligible, the notice will state the reasons 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 waiting list. Confirmation of the changes will be confirmed with the family in writing.

4.3 ORGANIZATION OF THE WAITING LIST

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

- The application will be a permanent file;
- All applications will be maintained in order of preference and then in order of date and time of application;
- Any contact between the Housing Authority and the applicant will be documented in the applicant file.

Note: The HCV waiting 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 nearing being offered assistance, the family will be invited to an interview and the verification process will begin. It is now that the family's waiting list preference will be verified. 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. The Housing Authority must notify the family in writing of this determination and give the family the opportunity for an informal review.

Once the preference has been verified the family will complete a full application, present Social Security Number information, citizenship/eligible immigrant information, and sign the Consent for Release of Information forms.

4.5 MISSED APPOINTMENTS

All applicants who fail to keep a scheduled appointment in accordance with the paragraph below will be sent a notice of denial.

The Housing Authority will allow the family to reschedule appointments for a good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities for good cause. When a good cause exists, the Housing Authority will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal review before being removed from the waiting list.

4.6 PURGING THE WAITING LIST

The Housing Authority will update and purge its waiting list at least annually 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.

4.7 REMOVAL OF APPLICANTS FROM THE WAITING LIST

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

- The applicant requests that the name be removed;
- 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; or
- The applicant does not meet either the eligibility or screening criteria for the program.

4.8 GROUNDS FOR DENIAL

The Housing Authority will deny assistance to applicants who:

- Do not meet any one or more of the eligibility criteria;
- Do not supply information or documentation required by the application process;
- Fail to respond to a written request for information or a request to declare their continued interest in the program;
- Fail to complete any aspect of the application or lease-up process;
- Have a history of criminal activity by any household member involving crimes of physical violence against persons or property, and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well-being of other tenants or staff, or cause damage to the property.
- Currently owes rent or other amounts to any housing authority in connection with the public housing or HCV Programs.
- 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;
- Have a family member who was evicted from public housing within the last three years;
- Have a family member who was evicted from assisted housing within five years of the projected date of admission because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802;

- Have a family member who is illegally using a controlled substance or abuses 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:
    - The person demonstrates to the Housing Authority's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
    - The person has successfully completed a supervised drug or alcohol rehabilitation program;
    - The person has otherwise been rehabilitated successfully; or
    - The person is participating in a supervised drug or alcohol rehabilitation program.
- Have engaged in or threatened abusive or violent behavior towards any Housing Authority staff or residents;
- Have a family household member who has been terminated under the Voucher Program during the last three years;
- Have a family member who has been convicted of manufacturing, possession or producing methamphetamine (speed) (Denied for life);
- Have a family member with a lifetime registration under a state sex offender registration program (Denied for life).

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 14 calendar 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 timeframe 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 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 reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

4.10 ADMINISTRATIVE REVIEW

In order to serve applicants and participants as quickly and efficiently as possible, an applicant family or a participant family will be offered the opportunity for an administrative review prior to either an informal hearing for either an applicant or a program participant upon request by the family to answer family's questions on Housing Authority's action or the program guidelines.

4.11 PROCEDURES FOR AN ADMINISTRATIVE REVIEW

The person designated to conduct the Administrative Review shall be designated by the Executive Director. Staff assigned to conduct the administrative review will attempt to answer

the questions of the applicant or the program participant through either telephone communication or a meeting with the family.

If issues cannot be resolved through an administrative review, the applicant or program participant will be informed of his/her right to an Informal Hearing, when required.

4.12 INFORMAL REVIEW

If the Housing Authority determines that an applicant does not meet the criteria for receiving HCV 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 14 calendar days of the denial. The Housing Authority will describe how to obtain the informal review. The informal review process is described in the Admin Plan.

5.0 SELECTING FAMILIES FROM THE WAITING LIST

The following policies explain how the Housing Authority selects families from the waiting list.

5.1 WAITING 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 waiting list admission.

If HUD awards funding that is targeted for families with specific characteristics or families living in specific units, the Housing Authority will use the assistance for those families.

5.2 PREFERENCES

The Housing Authority will select families based on the preferences set by the Housing Authority and its board of directors See section 5.4

5.3 SELECTION FROM THE WAITING LIST

For example, all families in preference A will be offered housing before any families in preference B, and preference B families will be offered housing before any families in preference C, and so forth.

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.

Notwithstanding the above, if necessary 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 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 the 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.

5.4 NWRHA SELECTION OF FAMILIES FROM THE WAITING LIST & LOCAL PREFERENCES

The NWRHA will select families from the waiting list in accordance with the following local preferences and in date and time order of application and in compliance with the income targeting guidelines.

1. Local Waiting list – Residents of NWRHA Counties
    a. Victims of Domestic Violence (200 points)

   b. Rural Residents of NWRHA Counties (50 points)
   c. Elderly and disabled households (20 points)
   d. Family with children (10 points)
   e. Singles & Couples (5 points)
   f. Urban Residents of NWRHA Counties (5 points)
2. Non-Residents of NWRHA Counties (separate waiting list)
   a. Victim of Domestic Violence (200 points)
   b. North Dakota resident (100 points); plus
   c. Elderly and disabled households (20 points)
   d. Family with children (10 points)
   e. Singles & Couples (5 points)

Based on the above preferences, residents of NWRHA counties receive points based on their household and location. NWRHA allows point preferences for families that are residing and intend to reside in rural areas. Rural area being defined as a community with a population less than 2,500 residents.

In order to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income, the NWRHA 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. The procedure for compliance with Income Targeting Guidelines is that once a month, reports will be run tracking income for new admissions to program. In the event that new admissions for the present fiscal year fall below the mandatory income guidelines for extremely low- income admissions, it may become necessary to select applicants whose names have come up on the waiting list based on their meeting the extremely low-income guidelines. This will be accomplished in the following manner:

- An applicant at the top of the list will be sent a letter and asked to come in for interview.
- If, after the interview, an applicant's verified income exceeds the extremely low-income requirement, the applicant will be put back on the waiting list with their original date and time, and the next applicant at the top of the waiting list will be processed.
- This procedure will continue until the Housing Authority is again in compliance with the mandatory income guidelines.

Families whose names have reached the top of the waiting list will be notified by phone, email, text, or mail to schedule an appointment. Phone and email are preferred to reach families. Mail is the last communication tool to schedule an appointment. Applicants are advised that if they do not attend the briefing and fail to contact NWRHA to reschedule the appointment prior to the scheduled initial appointment, the application will be inactivated. A new appointment must be rescheduled within five (5) working days of the initial appointment time. An applicant may request to be placed at the bottom of the waiting list one time; a second refusal of assistance shall inactivate the application.

If an applicant claims they did not receive a letter mailed by the Housing Authority to provide information or attend a briefing, the HA will determine if the letter was returned to the HA. If the letter was not returned to the HA, it will be assumed the applicant received it. If the letter was returned to the HA and the applicant can provide evidence that they were living at the address to which the letter was sent, the application will be reinstated with the date and time of the application in effect at the time the letter was sent.

In order to receive assistance, at least one family member must be age 18 and have the legal capacity to enter a lease under State Law.

6.0 INITIAL CERTIFICATION

The Initial Certification is the process when a household is invited to join the program. The following policies explain how the Housing Authority follows HUD and Housing Authority policies to qualify and properly subsidize rent.

6.1 ASSIGNMENT OF BEDROOMS 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 are based on the assumption that each bedroom will accommodate no more than two (2) people. Two adults will share a bedroom unless related by blood.

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:

- Children of the same sex may share a bedroom.
- Children of the opposite sex, both under the age of six may share a bedroom.
- Adults and children will not be required to share a bedroom.
- Foster–adults and children will not be required to share a bedroom with household members.
- Live-in aides will get a separate bedroom.

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 size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family unit size will determine the maximum subsidy.

6.2 BRIEFING

When the Housing Authority selects a family from the waiting list, the family will be invited 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, they may attend a later session. 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 when 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 consider the requests of the applicant. Families unable to attend a briefing due to a disability may request reasonable accommodation such as having the briefing presented at an alternate location.

The briefing will cover at least the following subjects:

- A description of how the program works;
- Family and owner responsibilities;
- Where the family may rent a unit, including inside and outside the Housing Authority's jurisdiction;
- Types of eligible housing;
- For families qualified to lease a unit outside the Housing Authority's jurisdiction under portability, an explanation of how portability works;
- An explanation of the advantages of living in an area that does not have a high concentration of poor families; and
- An explanation that the family's share of rent may not exceed 40% of the family's monthly-adjusted income.

6.3 PACKET

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

- The term of the voucher and the Housing Authority's policy on extensions and suspensions of the term;
- The packet will include information on how to request an extension and forms for requesting extensions;

- How the Housing Authority determines the housing assistance payment and total tenant payment for the family;
- Information on the payment standard, exception payment standard rent areas, and the utility allowance schedule;
- How the Housing Authority determines the maximum rent for an assisted unit;
- Where the family may lease a unit;
- For families qualified to lease outside the Housing Authority's jurisdiction, the packet includes an explanation of how portability works;
- The HUD-required tenancy addendum that provides the language that must be included in any assisted lease, and a sample contract;
- The request for approval of the tenancy form and an explanation of how to request Housing Authority approval of a unit;
- A statement of the Housing Authority's policy on providing information to prospective owners;
    - This policy requires applicants to sign disclosure statements allowing the Housing Authority to provide prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses. Upon request, the Housing Authority will also supply any factual information or third-party verification relating to the applicant's history as a tenant or their ability to comply with material standard lease terms or any history of drug trafficking, drug-related criminal activity or any violent criminal activity;
- The Housing Authority's subsidy standards, including when the Housing Authority will consider granting exceptions to the standards;
- The HUD brochure on how to select a unit ("A Good Place to Live");
- The HUD-required lead-based paint brochure;
- 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;
- 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;
- Notice that if the family includes a person with disabilities, the family may request a current list of accessible units known to the Housing Authority that may be available;
- The family's, landlords, and Housing Authority's obligations under the program;
- The grounds upon which the Housing Authority may terminate assistance because of the family's action or inaction;
- Housing Authority informal hearing procedures, including when the Housing Authority is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and
- The Housing Authority owner information brochure
    - This brochure can be given by the applicant to a prospective owner to help explain the program.

6.4 ISSUANCE OF VOUCHER AND 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. Upon request by a prospective owner, the Housing Authority will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with standard material lease terms.

6.5 TERM OF THE VOUCHER

The initial term of the voucher will be 60 days and will be stated on the Housing Choice Voucher.

The Housing Authority may grant one or more extensions of the term, but the initial term plus any extensions will never exceed 90 calendar days from the initial date of issuance. To obtain an extension, the family must make a request in writing prior to the expiration date. A statement of the efforts the family has made to find a unit must accompany the request. If the

family documents their efforts and additional time can reasonably be expected to result in success, the Housing Authority will grant the length of request sought by the family for 30 days, whichever is less.

If the family includes a person with disabilities and the family requires an extension due to the disability, the Housing Authority will grant an extension allowing the family the full 120-day search time. If the Housing Authority determines that additional search time would be a reasonable accommodation, the Housing Authority will request HUD to approve an additional extension.

Upon submittal of a completed Request for Approval of Tenancy form, the Housing Authority will suspend the term of the voucher. The term will be in suspension until the date the Housing Authority provides notice that the request has been approved or denied. This policy allows families the full term (60 days, or more with extensions) to find a unit, not penalizing them for the period during which the Housing Authority is taking action on their request. A family may submit a second request for approval of tenancy before the Housing Authority finalizes action on the first request. In this case, the suspension will last from the date of the first submittal through the Housing Authority's action on the second submittal. No more than two requests will be concurrently considered.

6.6 APPROVAL TO LEASE A UNIT

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

- The unit is eligible;
- The unit is inspected by the Housing Authority and passes HQS;
- The lease is approvable and includes the language of the tenancy addendum;
- The rent to owner is reasonable;
- The family's share of rent does not exceed 40% of their monthly adjusted income;
- 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
- 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 of the following conditions are met:

- The unit passes the Housing Authority HQS inspection;
- The family's share of rent does not exceed 40% of their monthly adjusted income;

- The landlord and tenant sign the lease to include the HUD required addendum; and
- 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 and lease are signed, and the tenant has possession.

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

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

6.7 HOUSING AUTHORITY DISAPPROVAL OF OWNER

The Housing Authority will 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:

- The owner has violated any obligations under the HCV Housing Assistance Payments Contract;
- The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- The owner has engaged in drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with HQS for units leased under HCV or with applicable housing standards for units leased with project-based HCV assistance or leased under any other Federal housing program;
- The owner has a history or practice of renting units that fail to meet State or local codes; or
- The owner has not paid State or local real estate taxes, fines, or assessments.
- 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:
    - premises by tenants, Housing Authority employees or owner employees; or
    - residences by neighbors;
- Other conflicts of interest under Federal, State, or local law

6.8 INELIGIBLE / ELIGIBLE HOUSING

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

- A public housing or Indian housing unit;
- A unit receiving project-based assistance under the HCV Program;

- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- College or other school dormitories;
- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- A unit occupied by its owner. This restriction does not apply to cooperatives or to assistance on behalf of a manufactured homeowner leasing a manufactured home space; and
- 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:

- Congregate housing
- Group homes
- Shared housing
- Cooperative housing
- Single room occupancy housing

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

- Single family dwellings
- Apartments
- Manufactured housing
- Manufactured home space rentals
- House boats (will not approve)

6.9 HCV VOUCHER EXTENSIONS

An extension of a Voucher will only be approved under the following circumstances:

- When the family verifies extenuating circumstances to NWRHA's satisfaction or is a hard to house family, and can clearly demonstrate that they have made every effort to secure a suitable unit prior to expiration of the 60-day term of the Voucher; and
- Family has not refused a suitable unit without good cause; and
- There is a reasonable possibility that an extension of the Voucher will result in an approved lease and the execution of a Housing Assistance Payments Contract.

NWRHA will allow a maximum of one (1) thirty-day extension.

If the family includes a person with disabilities and the family requires an extension due to the disability, the Housing Authority will grant an extension allowing the family the full 120-day search time as allowed by federal law. If the Housing Authority determines that additional search time would be a reasonable accommodation, the Housing Authority will request HUD to approve an additional extension.

6.10 INCOMPLETE INITIAL MEETING

If a household does not have all of their verifications available at the initial meeting, they will be given thirty (30) days to provide the missing verifications. The housing authority will not issue a voucher or house a client until those verifications are available. If the household cannot provide the documentation in that period, the application will be terminated, and the household be required to re-apply.

6.11 INITIAL HAP START DATE

Initial clients must provide the housing authority documentation of the date residency will begin prior to an assistance contract may start.

7.0 MOVES WITH CONTINUED ASSISTANCE

Participating families are allowed to 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 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 12-month requirement will be waived.

7.1 WHEN A FAMILITY MAY MOVE

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

- The assisted lease for the old unit has terminated;
- The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).

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.

This briefing is intended to provide the following:

- 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;
- Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- Payment standards, exception payment standard rent areas, and the utility allowance schedule;
- An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income;
- Portability requirements and opportunities;
- The need to have a reexamination conducted within 120 days prior to the move;
- An explanation and copies of the forms required to initiate and complete the move; and
- All forms and brochures are 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 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, it will be considered a serious lease violation and subject the family to termination from the program.

The family is required to give the Housing Authority a copy of the notice to terminate the lease at the same time as 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.

A family who gives notice to terminate the lease must mail the notice by certified mail or have the landlord or his agent sign a statement stating the date and time received. The family will be required to provide the certified mail receipt and a copy of the lease termination notice to the Housing Authority, or a copy of the lease termination notice and the signed statement stating the date and time the notice was received. If the landlord or his/her agent does not accept the certified mail receipt, the family will be required to provide the receipt and envelope showing that the attempt was made. Notice must be signed by the head of the household and may be brought in.

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

8.0 PORTABILITY

An eligible family that has been issued a housing choice voucher may use that voucher to lease a unit anywhere in the United States where there is a housing agency operating a housing choice voucher program. This feature of the program is referred to as portability. This chapter describes eligible families and the procedures for moving from one jurisdiction to another using portability.

The PHA that issues the voucher to a portable family that wants to move to a different jurisdiction is referred to as the "initial" PHA. The PHA in the jurisdiction to which the family wishes to relocate is called the "receiving" PHA. This chapter describes the responsibilities of the initial PHA and the receiving PHA and the policies of the initial and receiving PHAs that apply to the family.

8.1 PROVIDING THE FAMILY INFORMATION ABOUT PORTABILITY

PHAs are required to inform families about portability. The oral presentation at each voucher briefing must include information about where a family may lease including information about portability. The briefing packet provided to families also must include information about portability opportunities and procedures.

PHAs are expected to describe the portability choices that may help families move to neighborhoods, including those in nearby jurisdictions, with lower poverty and minority concentrations and nearby job opportunities.

The PHA should use maps to illustrate areas where there are housing opportunities outside areas of poverty and minority concentration. These areas should include areas beyond the PHA's jurisdiction when housing opportunities in other jurisdictions may provide good alternatives to impacted neighborhoods. The briefing packet should include a list of the PHAs in all of the neighboring jurisdictions with the name, address, and telephone of the portability contact person at each agency.

During the briefing, the PHA can communicate the possible advantages and some of the challenges of portability.

The PHA may want to emphasize the flexibility that portability provides for those who need to relocate with assistance to follow job opportunities in a new location, select the best school districts, or be near household members or childcare providers. In this way, portability allows a family with housing subsidies the same choices available to others in the community.

However, families may also need to think about some of the possible difficulties they could encounter in moving to a new location. A family moving to a distant location, who has vacated one unit before locating a new one, could find a tight housing market with few available units

and end up with no assistance if the term of the portable voucher expires before the family locates a new home.

Families should also be aware that the portability procedures at the receiving PHA could be different from those at the initial PHA. It will be important to remind them that they need to seek information and pay close attention to portability requirements at both PHAs.

For participant families already leased with vouchers but wanting to move to a new unit, some PHAs hold monthly "moves" briefings and pay particular attention to portability procedures and the issues relevant to families moving out of the jurisdiction.

8.2 DETERMINING FAMILY ELIGIBILITY

8.2.1 PROGRAM REQUIREMENTS FOR FAMILIES NEW TO THE HOUSING VOUCHER PROGRAM

A family that has not yet leased a unit under the housing choice voucher program is eligible for portability if the head of household or spouse was a resident of the PHA's jurisdiction at the time the application for assistance was submitted. A "resident" for the purpose of determining eligibility for portability, is a person who has a legal domicile in the jurisdiction.

A non-resident family may be required to initially lease a unit with its housing choice voucher in the issuing PHA's jurisdiction for 12-months. However, the initial PHA has the authority but no obligation to allow a new voucher holder that was not living in its jurisdiction at the time of application to exercise portability. The initial PHA may decide to allow portability for a family new to its jurisdiction in certain instances, such as when the move would respond to a special family need (reasonable accommodation, medical, education, natural disaster, etc.) but not allow such moves in other instances. The family must provide a written statement requesting and proof of why the request is warranted. It is important for the PHA to document the reasons for discretionary decisions to avoid any perception of discrimination.

A regular admissions family exercising portability when it uses its voucher for the first time must be within the application income limits for the jurisdiction in which the family initially leases a unit. If the family is issued a voucher under a special admission, the income limits dictating eligibility for the special admission voucher are applicable for the jurisdiction in which the family initially leases a unit.

8.2.2 PROGRAM REQUIREMENTS FOR PARTICIPANT FAMILIES

A participant family electing to move to another jurisdiction with its voucher is eligible to do so but only when the family is able to move out of its current program unit under the terms of the family's lease. A family is not eligible for portability if the family has moved out of its assisted unit in violation of the lease.

8.2.3 VERIFYING RESIDENCY

The initial PHA will need documentation that the household was a resident at the time of application. A lease, school records, voter registration or similar records are acceptable forms of documentation.

When a participant family chooses to move using portability, the initial PHA should review the family's lease to determine the termination provisions, and the length of notice required. The PHA should review a copy of the family's written notice to the owner of its intention to vacate. If the owner has agreed to an early lease termination, the PHA may require a written statement from the owner.

Income limits do not affect the eligibility of a participant family exercising portability; however, the family's TTP must be less than the payment standard at the receiving PHA for the family to lease within that PHA's jurisdiction.

8.3 INITIAL PHA RESPONSIBILITIES

The initial PHA determines eligibility for the housing choice voucher program based on its admission policies. The family is expected to initiate the portability process by informing the initial PHA of its interest in moving to another jurisdiction (porting out).

After the family announces its interest in portability, the initial PHA must provide the family with information to help it contact the PHA in the jurisdiction where the family wishes to live. If this will be the family's first lease under the housing choice voucher program, the initial PHA must also compare the family's income to the applicable-income limit (typically the very low-income limit) for the community where the family wants to move and determine if the family will be able to lease up in that jurisdiction. Addresses and telephone numbers for PHAs around the country are available on HUD's web site: www.hud.gov. Income limits are available at www.huduser.org.

The initial PHA must: 1) contact the receiving PHA to alert that agency to expect the family; and 2) send the receiving PHA a completed form HUD-52665, Family Portability Information form. The portability information form has two parts: Part I is completed by the initial PHA and Part II by the receiving PHA. Copies of the family's voucher, the current form HUD-50058 and supporting income verifications must be attached to the portability form. The receiving PHA may request but not require additional information. The PHA may transmit these documents by email or mail. The PHA initiating the transmittal maintains copies of all documents.

Selecting the receiving PHA: When there is more than one PHA administering a housing choice voucher program within the jurisdiction where the portable families want to move, the initial PHA has the authority to select the receiving PHA.

Providing more than the required information:

Although not required, it may be helpful to the family, the receiving PHA, and the initial PHA to provide INS verification of citizenship and information from a criminal background check to the receiving PHA. Providing this information will require disclosure to the family. Some states limit what information from a criminal background check may be shared.

8.3.1 SELECTING THE RECEIVING HOUSING AUTHORTIY

When there are two or more PHAs operating within the jurisdiction where the portable family wishes to lease, the initial PHA will want to select the PHA that will provide the best and speediest service to both the family and the initial PHA. Many PHAs are familiar with the operations at PHAs in neighboring jurisdictions and staff can make a selection easily. However, when a family moves further away, staff may have no information about the efficiency of an agency's portability procedures. To obtain useful information, staff may contact the local HUD field office or staff at other PHAs in the region.

The initial PHA may also want to know the policies relevant to absorbing or administering portable families at the possible receiving PHAs. If the initial PHA is concerned about its utilization rate, it may wish to select a receiving PHA that will bill the initial PHA. On the other hand, if the new jurisdiction is distant from the initial jurisdiction, or the PHA prefers to avoid billing procedures, a PHA that elects to absorb might be preferable.

Monitoring families searching in other communities: It is helpful to know the number and status of families searching in other communities who may eventually lease up. A log can be maintained manually or electronically. The suggested format includes information about procedures completed by both the initial and the receiving PHAs. The log provides the following:

- Participant name
- The initial PHA's housing voucher expiration date
- Receiving PHA's name, address, telephone, and fax numbers
- Date forms HUD-50058 and HUD-52665 were sent to the receiving PHA.
- The date is six months after the housing voucher issuance, when the receiving PHA must absorb the family if it has not billed for the family.
- Date the form HUD-52665 is received informing the initial PHA that the family has leased a unit.

8.3.2 POLICIES APPLICABLE UNDER PORTABILITY

Applicable Initial PHA Policies

- Applicant selection and admission policies

Applicable Receiving PHA Policies

- Income limit applicable to any family executing its first lease under the voucher program (typically the very low-income limit)
- Voucher payment standards.
- Subsidy standards
- Extensions available for searchers

- Suspension of voucher term after submission of request for tenancy approval
- Policies and procedures related to annual and ongoing functions.
- Indication whether the receiving PHA has decided to absorb or administer the family's subsidy.
- The date—or a check mark—indicating that the family's portability effort has come to a conclusion.

Receipt of the form HUD-52665, indicating that the family has leased and the billing has begun, or information that the receiving PHA will absorb the family, or expiration of the housing voucher term and any extensions without a lease would all result in a conclusion of the need to track the family's portability.

8.4 RECEIVING PHA RESPONSIBILITIES

When the family arrives at the receiving PHA's office, the receiving PHA issues the family a housing choice voucher to enable the family to search in its jurisdiction. The receiving PHA issues may not expire before the expiration date established by the initial PHA. For extensions to the housing choice voucher term and the processing of requests for tenancy approval, however, the receiving PHA's policies apply. In addition, the receiving PHA uses its own policies to determine the appropriate unit size for a family moving into its jurisdiction.

The receiving PHA must inform the initial PHA immediately whether it will absorb or administer the family's housing choice voucher assistance and if it approves an extension to the voucher term or changes the unit size of the family's voucher.

The receiving PHA's payment standards are used when the portable family leases a unit. The family will need to be informed of the receiving PHA's policies and payment standards before it begins its search.

8.4.1 DECISION TO ABSORB OR ADMINISTER

The receiving PHA has the option to *administer* the subsidy for the initial PHA or to *absorb* the portable family into its own housing choice voucher program.

If the receiving PHA decides to administer the initial PHA's housing choice voucher assistance, the housing assistance for the portable family comes from the initial PHA's housing choice voucher allocation. The receiving PHA bills the initial PHA for the full housing assistance payment for the family's unit and for 80 percent of the ongoing administrative fee earned by the initial PHA for that unit.

8.4.2 MAKING THE DECISION TO ADMINISTER OR ABSORB

The receiving PHA has the authority to decide whether it will administer or absorb an incoming portable family. The PHA can vary its decision to respond to changing local situations.

The factors a receiving PHA may want to consider in making the decision to administer or absorb include:

- Leasing rate. If the receiving PHA has a low utilization rate, absorbing incoming portable families will increase the utilization rate. If the receiving PHA has a high utilization rate, it may prefer to use its own housing assistance funds to serve families on its waiting list.
- The administrative cost of billing. For the receiving PHA, absorbing is generally the most cost-effective approach.
- Proximity of the initial PHA. Some PHAs routinely bill for vouchers from nearby agencies with whom they have established relationships but prefer to absorb families moving from locations where staff have not previously worked with the PHA.
- Economy in numbers. Some PHAs choose to absorb families from locations from which they receive few incoming portability families in order to reduce the number of PHAs they must bill.

If the receiving PHA decides to absorb the portable family, funds from the receiving PHA's consolidated ACC pay for the family's housing assistance. The initial PHA is free to reissue the voucher in cases where the receiving PHA has absorbed the family.

A PHA that decides to administer a housing voucher may change that decision and decide to absorb at any time in the future. Many agencies, having opted to administer housing vouchers during a time when leasing rates were high and local sentiment favored using housing assistance funds for families from the local waiting list, reversed those decisions when housing markets tightened, leasing rates slowed and PHAs faced low utilization rates and low SEMAP scores. It is not necessary to wait for a recertification or other anniversary date to absorb an administered voucher.

The receiving PHA must promptly inform the initial PHA whether it will bill the initial PHA for assistance on behalf of the portable family or will absorb the family into its own program.

8.4.3 COOPERATIVE AGREEMENTS

Sometimes, PHAs in abutting jurisdictions make cooperative portability agreements. In locations where movement is in both directions, these agreements may consist of semiannual reviews of portability contracts that result in each PHA absorbing an equal number of HAP contracts. The remaining vouchers, which represent the imbalance in movement, will continue to be administered.

When a new voucher holder leases up under portability, the receiving PHA's decision whether to administer the subsidy or absorb the family will determine which PHA counts the family for income targeting purposes. If the receiving PHA bills the initial PHA, the family will be included in the initial PHA's income targeting calculations; if the receiving PHA absorbs, it will include the family in its admissions when calculating the percentage of extremely low-income families.

8.4.4 MONITORING FAMILITES MOVING INTO THE PHA'S JURISDICTION

Although not required, it is helpful to track each of the families currently conducting a housing search within the receiving PHA's jurisdiction. Exhibit 13-2, *Incoming Portability* is a processing log for families moving into the PHA's jurisdiction. Using a log allows the supervisor to establish accountability for ensuring that procedures are completed and the initial PHA notified before deadlines have passed. The log can be maintained manually or electronically. The log tracks the following information and activities:

- Participant name;
- Date housing voucher or extension expires;
- Date (or check) form HUD-50058 and form HUD-52665 received from initial PHA;
- Date Request for Tenancy Approval received;
- Date HAP executed;
- Name of initial PHA;
- Date six months after initial voucher was issued;
- Date form HUD-52665 or notice that family failed to lease sent to initial PHA; and
- Date that all tasks are complete.

Using a processing log in combination with monthly monitoring by the supervisor will provide staff with information about what has been completed, what remains to be done, and where priority needs to be placed.

8.4.5 THE FAMILY'S SEARCH

The family's search for housing in the receiving PHA's jurisdiction is governed by the receiving PHA's policies. The receiving PHA issues a housing choice voucher of the size based on its own subsidy standards. Procedures relating to submitting the request for tenancy approval, obtaining an inspection and leasing a unit are all in accord with the receiving PHA's policies. The term of the housing choice voucher issued by the receiving PHA cannot expire before the date on the housing choice voucher issued by the initial PHA but may be later. The receiving PHA may also issue extensions based on its own policy and practices regardless of the initial PHA's policies.

The receiving PHA may require the family to participate in a briefing and cooperate in a reexamination of income but may not unduly delay the family's housing search. It would not be reasonable, for example, to require the family to wait for a monthly briefing that was not scheduled for another three weeks. The receiving PHA may delay leasing activities only to receive verification of information related to income eligibility.

If the family locates and leases a unit, the receiving PHA must complete form HUD-52665 and send it to the initial PHA with the form HUD-50058 within ten days. When the portable family has been searching while still under HAP contract in its initial jurisdiction it is especially important that this communication take place within the required ten days to be sure the current HAP with the initial PHA is terminated at the appropriate time.

Unless the family is absorbed by the receiving PHA, the receiving PHA will report the family's lease-up information to HUD's System (PIC) as a "port-in".

The initial PHA will report the family to PIC as a port-out. If the family has been absorbed, the initial PHA reports the family to PIC as a move-out; the receiving PHA reports the family as a new admission.

It is always essential for the receiving PHA to notify the initial PHA at the earliest possible date of any activity related to the family's search. If the family's housing choice voucher expires without the family leasing a unit, the initial PHA needs to know. The example of a family still under lease in the initial jurisdiction is again a good case in point: the initial PHA needs the information if payments to the current landlord should be continued.

Occasionally, a family from one jurisdiction, searches in a second, and decides to try to move to a third jurisdiction. Shopping around from one jurisdiction to another presents no problem if paperwork flows properly. It is important that the family understands that the PHA that issued its first housing voucher will continue to be the initial PHA. It is also important that the initial PHA be informed of the family's decisions and activities. The receiving PHA may contact the initial PHA and, with permission, forward the original portability packet to a "new" receiving PHA; or the family may return to the initial PHA to be "forwarded" to a second receiving PHA. The receiving PHA should never forward the original portability packet without the initial PHA's permission.

8.4.6 ANNUAL AND ON-GOING ACTIVITIES

After a family leases up in the receiving PHA's jurisdiction, the receiving PHA is responsible for conducting all interim and annual reexaminations for the family and all HQS inspections of the family's unit.

Under a billing arrangement, the initial PHA must be informed of all changes affecting the household subsidy. After each interim and annual reexamination, the receiving PHA must send the initial PHA a completed form HUD-52665 showing the new HAP amount and copies of the form HUD-50058 and related income verifications if the billing amount changes.

Either the initial PHA or the receiving PHA may determine that it is necessary to terminate the family's assistance, and either PHA may issue a termination notice and conduct the informal hearing. If the initial PHA has initiated termination in an instance where there is a significant distance between the two jurisdictions, the PHA is encouraged to offer to conduct the informal hearing by telephone conference.

If the receiving PHA has absorbed the family, the family is no longer considered a portable family. The initial PHA is no longer involved with the family's subsidy. There is no billing and no communication on other details of the family's occupancy.

8.4.7 PORTABILITY BILLING

When a family leases up, the receiving PHA is responsible for completing Part II of form HUD 52665 and sending it back to the initial PHA within 10 days of HAP contract execution. A copy of the new form HUD 50058 and any related income verifications must be attached. The receiving PHA must bill the initial PHA within six months of the date the initial PHA issued the housing voucher. If the receiving PHA fails to meet this deadline, the initial PHA is not obligated to honor the housing voucher and the receiving PHA must absorb the portable family.

The initial PHA is required to pay the receiving PHA within 30 days of the initial billing for housing assistance payments and fees and on a monthly basis thereafter or in accordance with a schedule developed between the initial and receiving PHAS. The initial bill from the receiving PHA to the initial PHA automatically establishes a request for regular payment in the future; the receiving PHA is not required to continue submitting billing forms.

When the receiving PHA administers the subsidy, the initial PHA retains 20 percent of the ongoing administrative fee for that housing choice voucher unless both PHAs reach a different agreement. The initial PHA may also be eligible for a preliminary fee if the portable voucher is part of a funding increment awarded during the first 12 months of the PHA's housing choice voucher program.

The receiving PHA bills the initial PHA for the full amount of the housing assistance payment and 80 percent (or another amount agreed to by both PHAs) of the ongoing administrative fee earned by the initial PHA. (The fee amount to be used when calculating the on-going administrative fee is the amount identified in column 2 of the annual fee notice published by HUD in the *Federal Register.*)

Either PHA may contact the HUD state or area office for assistance in resolving portability disputes between PHAs, although efforts to reach mutual agreements without HUD's involvement are encouraged. Frequently, involvement of management or executive staff at both agencies and agreement to use logs and other monitoring tools internally is all that is required. HUD may reduce administrative fees to an initial PHA if the PHA does not promptly reimburse the receiving PHA or may impose other sanctions against PHAs that do not comply with portability procedures.

8.4.8 ADMINISTRATIVE FEES

The receiving PHA receives:

- 100% of the HAP for the leased unit;
- 80% of the initial PHA's column B administrative fee at the prorated rate for the agency, unless the unit is owned by the receiving PHA.

8.5 RELATED SEMAP INDICATORS

SEMAP Indicator 7 measures the PHA's efforts to expand housing opportunities and specifically to help families move to units located outside areas of poverty or minority concentration. The

indicator measures whether the PHA informs housing choice voucher holders at each briefing of the full range of areas where they may lease units both inside and outside of the PHA's jurisdiction.

The SEMAP certification form requires the PHA to report whether its briefing packet includes an explanation of portability and a list of PHAs in neighboring jurisdictions including the name of the portability contact at the PHA and the telephone number and address to help the family contact that agency.

In each briefing, PHAs are also expected to have prepared and used maps showing neighborhoods both inside and beyond the PHA's jurisdiction where there are housing opportunities outside areas of poverty and minority concentration.

8.6 DENYING FAMILY REQUESTS TO MOVE

A PHA may only deny a family's request to move if it has grounds to do so under the program regulations, which are as follows:

- The PHA has grounds to deny the move because of the family's action or failure to act as described in 24 CFR 982.552 or 982.553.
- The family is a non-resident applicant, or the family was a non-resident applicant that has not yet been assisted in the initial PHA jurisdiction for twelve months since being admitted to the program (see 24 CFR 982.353(c)).
- The family is an applicant and is not income-eligible (see 24 CFR 982.353(d)(1)) in the area in which they wish to initially lease a unit.
- The PHA has established policies on the timing and frequency of moves in accordance with 24 CFR 982.314(c)(2), and the requested move does not comply with those policies.
- The PHA does not have sufficient funding for continued assistance to support the move in accordance with 24 CFR 982.314(e)(1).
- The family is a non-resident applicant, or the family was a non-resident applicant that has not yet been assisted in the initial PHA jurisdiction for twelve months since being admitted to the program (see 24 CFR 982.353(c)).

In addition, the voucher regulations at 24 CFR 982.353(b) further provide that the initial PHA must deny a family's request to move if the family has moved out of its assisted unit in violation of the lease. However, as previously noted in HUD Notice PIH 2007-5, the Violence Against Women and Justice Department Reauthorization Act 2005 (VAWA 2005) amended HCV(r) of the U.S. Housing Act to provide an exception to the prohibition against a family moving under the portability provisions in violation of the lease. VAWA 2005 provides that the family may receive a voucher and move in violation of the lease under the portability procedures if the family has complied with all other obligations of the voucher program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted

dwelling unit. The final rule, HUD Programs, Violence Against Women Act Conforming Amendments, was published in the *Federal Register* on October 27, 2010.

If the circumstances described above exist, the PHA may allow a family to move under portability procedures if the only basis for the denial is that the family is violating the lease agreement. The PHA may request that the family provide the HUD-approved certification form (Form HUD-50066), or other acceptable documentation in order to verify the family's claim that the request to move is prompted by incidences of abuse in the unit.

8.6.1 DENYING FAMILY REQUESTS TO MOVE DUE TO INSUFFICIENT FUNDING

A PHA may only deny a request to move to a higher cost unit within the PHA's jurisdiction or to higher cost area in accordance with 24 CFR 982.314(e)(1) if the PHA would be unable to avoid terminations of housing choice voucher assistance for current participants during the calendar year in order to remain within its budgetary allocation (including any available HAP reserves) for housing assistance payments.

The PHA must provide written notification to the local HUD Office when they determine it is necessary to deny moves to a higher cost unit based on insufficient funding. The notification must include the following documentation:

- A financial analysis that demonstrates insufficient funds are projected to meet the current calendar year projection of expenses. The projection must not include vouchers that have been issued but are not yet under contract.
- A statement certifying the PHA has ceased issuing vouchers and will not admit families from their waiting list while the limitation on moves to a higher cost unit is in place.
- A copy of the PHA's policy stating how the PHA will address families who have been denied moves. The requirements of the policy are described below.

For moves within the initial PHA's jurisdiction, a "higher cost unit" is defined as a unit in which the PHA would have to pay a higher subsidy amount due to an increase in the gross rent for the new unit.

For portability moves, a "higher cost area" is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or "more generous" subsidy standards (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the initial PHA). Before denying the family's request to move due to insufficient funding, the initial PHA must contact the receiving PHA and confirm via email or other confirmed delivery method whether the receiving PHA will administer or absorb the family's voucher. HUD encourages PHAs to communicate this information via email in order to expedite the families' requests. Once the receiving PHA makes the commitment to absorb the voucher, they cannot reverse their decision. If the receiving PHA is willing to absorb the family, there are no grounds to deny the portability move under 24 CFR 982.314(e)(1). The initial PHA may also take into consideration any reported changes in the family's income or composition

that may result in a decreased subsidy amount therefore not resulting in an increased cost to the initial PHA.

A PHA **may not** deny a requested move due to insufficient funding under 24 CFR 982.314(e)(1) simply because the family wishes to move to a higher cost unit within the PHA's jurisdiction or to a higher cost area.

A PHA **may not** deny requests to move, including portability moves, if the subsidy for the new unit is equal to or less than the current subsidy being paid for the family or if the area the family has selected is a lower cost area. A "lower cost area" is defined as an area where the subsidy amount is equal to or lesser than the current subsidy paid because of lower payment standards or less generous subsidy standards, (e.g. the receiving PHA issues a 2- bedroom voucher to a family that received a 3-bedroom voucher from the initial PHA).

In projecting whether there is sufficient funding available for the remainder of the calendar year in order to approve the move, the PHA may make reasonable estimates to factor in conditions such as pending rent increases and the attrition rate for families leaving the program. However, a PHA may not include projected costs for vouchers that have been issued to families from the waiting list but not leased as part of this analysis. Vouchers that have been issued to those on the waiting list cannot be considered an expense for purposes of determining whether to deny a move due to insufficient funding until such time that HAP contracts are executed and the PHA is legally obligated to make HAP payments.

The address is http://www.hud.gov/offices/pih/programs/hcv. This spreadsheet is an example of one method of determining if sufficient funding is available and a PHA is not required to use it when making its determination to deny a move under 24 CFR 982.314(e)(1). However, in any case where the PHAs denies a family's request to move in accordance with 24 CFR 982.314(e)(1), the PHA must be able to demonstrate how it determined that sufficient funding was unavailable when the PHA denied the family's request to move.

The PHA must establish policies in its Administrative Plan, which state how the agency will address families who have requested a move and were denied due to lack of funding once the PHA has determined funds are available for those moves. At a minimum, the PHA policy must address:

- How the PHA will inform families of the PHA's local policy regarding moves denied due to lack of funding; i.e., information contained in briefing packets or in a letter to the tenant at the time the move is denied.
- How long the family's request to move will be open for consideration and how the PHA will notify families with open requests when funds become available.

A PHA may not deny a family's request to move to a higher cost unit or a higher cost area because it wishes to admit additional families from its waiting list into its voucher program, regardless of whether it has unit months available (UMA) to do so. If the PHA denies a family's

request to move, it may not subsequently admit any additional families to its voucher program until the PHA has followed the policy as described above.

If a PHA approves a family's request to move then subsequently experiences a funding shortfall, the PHA may only retract the voucher if the family would be allowed to remain in their current unit. If the family cannot remain in the unit, (e.g. family has already vacated the unit or family has already notified the owner of their intent to vacate, and the owner has re- let the unit to another family) the PHA must not retract the voucher. This requirement applies to moves both within the PHA's jurisdiction and to portability moves.

An initial PHA may not terminate a portability voucher under a billing arrangement with a receiving PHA for insufficient funding since the initial PHA is not a party to the HAP contract.

8.6.2 PORTABILITY AND PROJECT BASED ASSISTANCE

In accordance with 24 CFR 983.2(b)(2), provisions on portability do not apply to the PBV program. A family that is porting into a receiving PHA's jurisdiction may only receive a tenant-based voucher. If a portability-in family wishes to reside in a PBV unit, the family must abide by PBV rules.

8.7 PORTING VOUCHERS WITHIN COVERAGE AREA

Northwest Regional Housing Authority may allow immediate vouchers portability within areas NWRHA covers for financial purposes and well-being of communities.

9.0 DETERMINATION OF HOUSEHOLD INCOME

The following policies explain the household income.

9.1 INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME

To determine annual income, the Housing Authority counts the income of all household 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

- Annual income means all amounts, monetary or not, that:
    - Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
    - Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
    - Are not specifically excluded from annual income.

- Annual income includes, but is not limited to:
    - The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
    - 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.
    - 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 in excess of $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.
    - The full amount 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.)

- 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.)
- Welfare assistance.
    - 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:
        - The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus,
        - 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.
    - 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.
    - If the amount of welfare assistance is reduced because of a lifetime time limit, the reduced amount is the amount that shall be counted.
- 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.
- 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.)

9.21 DEFINITION EARNED INCOME

Earned Income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which

no goods or services are being paid for, such as welfare assistance, Social Security, and other governmental subsidies/benefits), or any cash or inkind benefits.

9.22 DEFINITION DAY LABORER

A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

Income earned as a day laborer is not considered nonrecurring income under 24 CFR § 5.609(b)(24) (see Attachment G (paragraph G.1) (Nonrecurring Income) of this notice) and must be included, unless specifically excluded in 24 CFR § 5.609(b) (e.g., earnings of full-time students in excess of the dependent deduction (24 CFR §§ 5.609(b)(3), (b)(14), etc.).

9.23 DEFINTION OF INDEPENDENT CONTRACTOR

An independent contractor is an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are consequently subject to the self-employment tax.

In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. For example, while instructions and route information are generally provided, third-party delivery and transportation service providers are considered independent contractors unless state law dictates otherwise. In addition, individuals considered "gig workers," such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

Income earned as an independent contractor is not considered nonrecurring income (see Attachment G (paragraph G.1) (Nonrecurring Income)) and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., 24 CFR §§ 5.609(b)(3), (b)(14), etc.).

9.24 DEFINITION OF SEASONAL WORKER

A seasonal worker is defined as an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry.

Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver.

Income earned as a seasonal worker is not considered nonrecurring income (see Attachment G (paragraph G.1) (Nonrecurring Income)) and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., § 5.609(b)(14), etc.).

9.25 DEFINTION OF UNEARNED INCOME

Unearned income means any annual income, as calculated under 24 CFR § 5.609, that is not earned income.

9.3 EXCLUSIONS FROM INCOME

Annual income does not include the following:

- Income from employment of children (including foster children) under the age of 18 years;
- 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);
- 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;
- Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- Income of a live-in aide;
- The full amount of student financial assistance paid directly to the student or to the educational institution;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- The amounts received from the following programs:
    - Amounts received under training programs funded by HUD;
    - 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);
    - 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, childcare, etc.) and that are made solely to allow participation in a specific program;
    - 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, which 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 of time;
    - Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. 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;

- Temporary, nonrecurring, or sporadic income (including gifts);
- 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;
- Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- Adoption assistance payments in excess of $480 per adopted child;
- Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
- 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;
- 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
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

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

9.4 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- $480 for each dependent
- $400 for any elderly family or disabled family

- 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 in excess of 3% of annual income. This allowance may not exceed the employment income received by household members who are 18 years of age or older because of the assistance to the person with disabilities.
- For any elderly or disabled family:
    - 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;
    - That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with the third paragraph, plus an allowance for medical expenses that equal the family's medical expenses;
    - That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that are equal to the total of these expenses less 3% of annual income.
- HOTMA will change the deductions and implement annual inflation changes.

9.5 MEDICAL EXPENSES

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed medical threshold deduction of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all household members are counted.

9.5.1 DEFINITION OF MEDICAL EXPENSES

HUD regulations define medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance."

Health and medical care expenses, as defined in 24 CFR § 5.603, include costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. Medical insurance premiums continue to be eligible health and medical care expenses. However, health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.

9.5.2 DISABILITY ASSISTANCE EXPENSE DEDUCTION

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

- are necessary to enable a family member 18 years or older to work,
- are not paid to a family member or reimbursed by an outside source,
- in combination with any medical expenses, exceed the medical deduction threshold of annual income; and,
- do not exceed the earned income received by the family member who is enabled to work.

Summary: Auxiliary apparatus items can include, for example, expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read, or type or special equipment to assist a person who is deaf or hard of hearing. Some examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day.

In order to claim the deduction for the cost of unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed. If the unreimbursed reasonable attendant care and auxiliary apparatus expense exceeds the amount earned by the person who was enabled to work, the deduction will be capped at the amount earned by that individual.

9.5.3 EARNED INCOME LIMIT ON THE DISABILTY ASSISTANCE EXPENSE DEDUCTION

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work.

The disability expense deduction is capped by the amount of "earned income received by household members who are 18 years of age or older and who are able to work" because of the expense. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the household members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, Housing Authority will consider factors such as how the work schedule of the relevant household members relates to the hours of care provided, the time required for transportation, the relationship of the household members to the person with disabilities, and any special needs of the person with disabilities that might determine which household members are enabled to work.

When the Housing Authority determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the household members' incomes.

9.5.4 ELIGIBLE DISABILITY EXPENSES

Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work.

9.5.5 ELIGIBLE AUXILIARY APPARATUS

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost-of-service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

9.5.6 ELIGIBLE ATTENDANT CARE

The family determines the type of attendant care that is appropriate for the person with disabilities. Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the

person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the Housing Authority will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work.

For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent on each activity and/or the number of persons under care.

9.5.7 PAYMENTS TO HOUSEHOLD MEMBERS

No disability assistance expenses may be deducted for payments to a member of an assisted family. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

9.5.8 NECESSARY AND REASONABLE EXPENSES

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

The Housing Authority determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the Housing Authority will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the Housing Authority will consider, the family's justification for costs that exceed typical costs in the area.

9.5.9 FAMILIES THAT QUALIFY FOR BOTH MEDICAL AND DISABILITY ASSISTANCE EXPENSES

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, Housing Authority will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

9.5.10 HARDSHIP EXEMPTIONS FOR HEALTH/MEDICAL CARE EXPENSES & REASONABLE ATTENDANCE CARE & AUXILIARY APPARATUS EXPENSES

The Housing Authority defines a medical hardship for the purposes of general relief hardship exemption for health and medical care expenses and reasonable attendant care & auxiliary apparatus expenses as a deviation from documented medical expenses that cause *actual rent burden to exceed 50%.* Families requesting this hardship must provide documentation of the need, costs, and income. Families must qualify for medical expense deductions under HUD policies.

The Housing Authority may allow one additional 90-day exemption extension. Households must request exemption prior to the first exemption expiring and provide documentation to the Housing Authority.

The Housing Authority must obtain third-party verification of the hardship or must document in the file the reason that third-party verification was not available. The Housing Authority must attempt to obtain third-party verification prior to the end of the 90-day hardship period.

Summary: As stated in C.3.a, the threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses has been increased from an excess of 3 to an excess of 10 percent of annual income. Concurrently with this increase, the regulations provide financial hardship exemptions for unreimbursed health and medical care expenses, and for reasonable attendant care and auxiliary apparatus expenses for eligible families. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, co-head, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.
To initiate, extend,
or conclude a hardship exemption only, PHAs/MFH Owners will
process and submit a non-interim reexamination transaction as described in Attachment I (paragraph I.4) (Non-Interim Reexamination Transactions) of this notice.
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Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.
Note: A family receiving phased-in relief may request to receive general hardship relief instead; once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance. The Housing Authority will fully implement the policy when HUD implements HOTMA and all policies. HUD does not expect implementation until January 1, 2027.

9.6 CHILD CARE EXPENSE DEDUCTION

NWRHA will deduct eligible childcare expenses from annual income in accordance with HOTMA and applicable HUD regulations. Childcare expenses must be necessary to enable a family member to seek employment, be gainfully employed, or further his or her education, and must otherwise meet HUD eligibility requirements.

If a family is unable to deduct eligible childcare expenses because of a financial hardship recognized under HUD requirements, NWRHA will provide the applicable hardship relief and temporary or phased-in deduction, as required.

NWRHA will obtain documentation necessary to verify eligible childcare expenses and will document any hardship determination in the family's file.

This policy will be administered in accordance with current HUD regulations and guidance.

9.6.1 CLARIFYING THE MEANING OF "CHILD" FO THIS DEDUCTION

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's childcare expenses.

9.6.2 DETERMINING WHO IS ENABLED TO PURSUE AN ELIGIBLE ACTIVITY

The family must identify the family member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the family eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).

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

9.6.3 SEEKING WORK

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

9.6.4 FURTHERING EDUCATION

If the childcare expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

9.6.5 BEING GAINFULLY EMPLOYED

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

9.6.7 EARNED INCOME LIMIT ON CHILD CARE EXPENSE DEDUCTION

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

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

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, childcare expenses are limited to $5,000.

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

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

9.6.8 ELIGIBLE CHILD CARE EXPENSES

The type, duration, and the location of care to be provided are determined by the family. The Housing Authority will determine the amount of deduction based upon the family's circumstances and documentation provided.

9.6.9 ALLOWABLE CHILD CARE ACTIVITIES

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

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

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

9.6.10 NECESSARY AND REASONABLE COSTS

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of childcare costs, the Housing Authority will use a signed statement from the childcare provider, stating the actual costs paid.

9.6.11 HARDSHIP EXEPTION TO CONTINUE CHILDCARE EXPENSE DEDUCTION

The Housing Authority defines hardship as the expense as a deviation from documented childcare expenses that cause *actual rent burden to exceed 50%.* Families requesting this hardship must provide documentation of the need, costs, income, and inability to pay rent. Families must qualify for childcare expense deductions under HUD policies.

The Housing Authority may allow one additional 90-day exemption. Households must request exemption prior to the first exemption expiring and provide documentation to the Housing Authority.

The Housing Authority must obtain third-party verification of the hardship or must document in the file the reason that third-party verification was not available. The Housing Authority must attempt to obtain third-party verification prior to the end of the 90-day hardship period.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance. The Housing Authority will fully implement the policy when HUD implements HOTMA and all policies. HUD does not expect implementation until January 1, 2027.

9.7.0 ASSET LIMITATIONS

9.7.1 ASSETS LIMITATIONS FOR NEW ADMISSIONS

The Housing Authority must deny admission of an applicant household for the following:

1. Net household assets that exceed $100,000 (adjusted annually for inflation by HUD); and or
2. The household has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell the real property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the household as a residence.

HUD continues to exclude the following assets for calculations:

- The value of real property that the household does not have the effective legal authority to sell.
- Interest in Indian trust lands.
- Any account under an IRS-recognized retirement plan, including IRAs, employer retirement plans, and retirement plans for self-employed.
- Certain education savings accounts such as Coverdell, 529, ABLE, or baby bond accounts.
- Household Self-Sufficiency Accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the household.
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a household member, of an incident resulting in disability.
- A trust fund that is not revocable by, or under the control of, any member of the household or household, is not a household asset.
- Property jointly owned with someone else and occupied by the other owner who is not a member of the household receiving benefits.
- A household that is offering property for sale.

The Housing Authority must include the asset value more than what was received in compensation for business or household assets disposed of less than fair market value during the two years preceding the application or reexamination. Including a disposition in trust, but not foreclosure or bankruptcy sales. For disposition through a separation or divorce settlement, it will not be considered for less than fair market value if the household member receives consideration not measurable in dollar terms. The Housing Authority must review and disposition of financial accounts within two years of application or reexamination.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

9.7.2 SELF-CERTIFICATION – REAL PROPERTY OWNERSHIP

The Housing Authority must determine whether a household has present ownership of real property for the purposes of determining whether the household is compliant with the asset limitation provision.

If a household declares present ownership in real property, the Housing Authority must seek third-party verification of the following, as applicable:

- Whether or not the household has the legal right to reside in the property; and
- Whether or not the household has the effective legal authority to sell the property; and
- Whether or not the property is suitable for occupancy by the household as a residence.

The Housing Authority may rely upon a self-certification from the household at both admission and reexamination state that they do not have any present ownership interest in any real property. The Housing Authority may require this statement to be notarized.

The Housing Authority will not accept a household's self-certification of present ownership of real property. Household members will need to provide tax statements or other legal documents stating the ownership details and valuation.

In the case of a household member who is a victim of domestic violence, dating violence, sexual assault, or stalking, the Housing Authority must comply with the confidentiality requirements und 5.20007. The Housing Authority must accept self-certification from the household member, and restrictions on requesting documentation under 5.2007 apply.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

9.7.3 SELF-CERTIFICATION OF NET FAMILY ASSETS EQUAL TO OR LESS THAN $52,787

The Housing Authority must determine if the household's total net assets are equal to or less than $52,787, and determine the actual income earned from the asset(s). HUD will adjust the asset limitation annually for inflation.

The Housing Authority will accept self-certification of net household's assets equal to or less than $52,787(adjusted annually for inflation) and anticipated income earned from assets. Household members must present valid financial statements to show the value and income every 3 years.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

9.8.0 ADDITION (PERMISSIVE) DEDUCTIONS

HUD provides Housing Authorities the ability to create permissive deductions under HOTMA. Permissive deductions must receive approval from HUD. The Housing Authority must have sufficient funding to cover the increased housing assistance payments costs of the deductions because permissive deductions will be excluded from the renewal calculations. NWRHA has not elected to allow additional permissive deductions.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance. The Housing Authority will fully implement the policy when HUD implements HOTMA and all policies, tentatively January 1st, 2027.

9.9 ADDING A PERSON TO HOUSEHOLD

Additional household members may be added to the assisted household. Before the NWRHA will grant a participant head of household's request to add another person to the unit, the new members will need to complete an new application and check the box that they are additional household members, and receive approval from the landlord that change in household is approved. The new member will be required to attend a "briefing" on program requirements and a recertification of the family income will be completed.

9.10 RELEASES OF INFORMATION

All clients receiving assistance through NWRHA are required to sign a release of information relating to area service providers. In addition, all clients must sign a utility release of information to review the utilities for each assisted unit.

9.11 DEFINITIONS OF MARITAL STATUSES

DEFINITION OF MARITAL STATUS

The Housing Authority uses the IRS definition of marriage "if the individuals are lawfully married under state law, and whether, for those same purposes, the term marriage includes such a marriage between individuals of the same sex."

The Housing Authority will consider a couple as married until legal documents are filed that dissolve the marriage, even if the individuals live apart, unless the household provides legal documentation or a signed affidavit. Unless the legal documentation or affidavit are complete, the Housing Authority will need to count the income of both spouses, criminal history, assets, and other applicable information for processing.

MARRIED INDIVIDUALS LIVING APART

This policy statement is to clarify the treatment of prospective tenants of housing assistance who are married persons but who do not plan to reside with a spouse. In some situations, the income of the prospective resident alone may be within income limits, but with the inclusion of the absent spouse's earnings, the household would be ineligible to reside in a restricted unit. The determination of annual income must be made in a manner consistent with the Department of Housing and Urban Development (HUD) HCV guidelines. The HUD Handbook does not specifically address marital separations; however, it does state the following:

- Spouses are counted as household members; and

- The head, spouse, and co-head must always be listed, even if they are temporarily absent;
- All amounts, monetary or not, that go to or are received on behalf of the family head, spouse or co-head (even if the family member is temporarily absent), or any other family member;

TEMPORARY SPOUSE ABSENCE
HUD guidelines discuss the following situations, which are somewhat analogous, and which involve a marital separation:

- A military spouse is counted as a household member even though the absent spouse is not physically residing in the unit. It further states, "if the spouse or a dependent of the person on active military duty resides in the unit, that person's income must be counted in full, even if the military member is not the head", or
- "The income of a household member who is confined to a nursing home can be excluded only if that person is permanently absent."

MARTIAL SEPARATION AND DIVORCE
If a household begins the proceedings to terminate the marriage, or is separating with no-reconciliation, the household will only be considered "single" adults if the following are complete:

- Divorce filing or legal separation documents;
- Documentation from an attorney or legal aid office indicating that the prospective resident/tenant has filed or is pursuing or has inquired about a divorce or legal separation; or
- A completed and notarized martial separation status affidavit form;

REPORTING MARTIAL STATUS CHANGES
A household needs to report any changes in marital status to the housing authority within ten (10) days and provide the proper documentation.

9.12 EARNED INCOME DISREGARD (EID) PROGRAM SUNSET

The Earned Income Disregard (EID) provisions were eliminated by HOTMA. NWRHA will not enroll new families in the EID program. Any remaining EID cases will be administered only to the extent required by applicable HUD regulations and transition provisions. NWRHA will not establish or extend EID benefits contrary to current HUD requirements.

9.13 DETERMINATION OF FAMILY INCOME USING SAFE HARBOR MEANS

NWRHA will not utilize the optional HOTMA Safe Harbor income verification provision. Accordingly, NWRHA will determine annual income using the applicable HUD income definitions and verification requirements rather than accepting income determinations made by other means-tested federal public assistance programs under the Safe Harbor provision.

NWRHA may elect to implement Safe Harbor in the future through an amendment to this Administrative Plan, subject to applicable HUD requirements.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

9.14 TWO YEAR ASSET CHANGE

The housing authority may request two years' worth of financial statements if an applicant or client disposed of an asset within the past two years. If an applicant or client refuses to provide statements and documentation explaining asset disposal, the housing authority may terminate the application or HAP assistance.

9.15 ELECTRONIC ACCOUNT INCOME INCLUSION

Deposits in electronic accounts such as Zelle, CashApp, and others are considered income. Applicants and clients must provide current statements from electronic accounts with their application and at the time of their annual review unless the Housing Authority requests additional documentation.

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 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 household members 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 ACCEPTACBLE 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. (Alternatively, 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 INS SAVE approval code, and forms signed by the family.

Other information will be verified by third party verification. This type of verification includes written documentation (with forms sent directly to and received directly from a source, not passed through the hands of the family). 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/tenant 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 third party verification cannot be obtained, the Housing Authority will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if the Housing Authority has been unable to obtain third party verification in a four-week period. Photocopies of the documents provided by the family will be maintained in the file.

When neither third-party verification nor hand-carried verification can be obtained, the Housing Authority will accept a notarized 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	**3rd party verification**	**Hand-carried verification**
General Eligibility Items		
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	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc.	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Letter from school	For high school students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other professional knowledgeable of condition	N/A
Childcare 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
Date of birth	Active state ID, clinic records, food stamp record, school enrollment	Taxes, custody papers
Value of and Income from Assets		
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	

Verification Requirements for Individual Items

Item to Be Verified	3rd party verification	Hand-carried verification
		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
Income		
Earned income	Letter from employer	Multiple 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
Periodic payments (i.e., social security, welfare, pensions, workers' comp, unemployment)	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: - whether enrolled - whether training is HUD-funded - whether State or local program - whether it is employment training	N/A

Verification Requirements for Individual Items		
Item to Be Verified	**3rd party verification**	**Hand-carried verification**
	- whether payments are for out- of-pocket expenses incurred in order to participate in a program	

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 Social Security card, birth certificate, military ID or military DD 214 Form.)

Prior to being admitted or at the first reexamination, all eligible noncitizens who are 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 INS documentation and place the copy in the file. The Housing Authority also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the Housing Authority will mail information to the INS so a manual check can be made of INS records.

Household 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 a family will not be eligible to be readmitted to HCV for a period of 24 months from the date of termination.

10.4 VERIFICATION OF SOCIAL SECURITY NUMBERS

Prior to admission, each family member who has a Social Security Number must provide verification of his or her Social Security Number. New household members must provide this verification prior to being added to the lease. Children in assisted households must provide this verification.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the Housing Authority will accept letters from Social Security that establish and state the number. Documentation from other governmental agencies will also be accepted that establish and state the number. Driver's license, military ID, passports, or other official documents that establish and state the number are also acceptable.

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 this fact and shall have up to 60 days to provide the verification. If the individual is at least 62 years of age, they will be given 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.

10.5 TIMING OF VERIFICATION

Verification must be dated within 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 age 6 and above, verification of Social Security Number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security Number at admission receives a Social Security Number, that number will be verified at the next regular reexamination. Likewise, when a child turns six, their verification will be obtained at the next regular reexamination.

10.7 ASSET VERIFICATION

The Housing Authority may request up to two years of documentation regarding an asset, including electronic accounts, bank statements, investments, or real estate. The Housing Authority must review documentation to determine eligibility, asset changes, income, and possible fraud.

10.8 FRAUD RECOVERY

When NWRHA is the principal party initiating or sustaining an action to recover amounts from tenants that are due as a result of fraud and abuse, the Housing Authority will retain the greater of: (1) Fifty (50) percent of the amount it actually collects from a judgment, litigation (including settlement of lawsuit) or an administrative repayment agreement, or (2) reasonable and necessary costs that NWRHA incurs related to the collection of a judgment, litigation (including settlement of lawsuit) or an administrative repayment. Reasonable and necessary costs include the costs of the investigation, legal fees and collection agency fees.

If HUD incurs costs on behalf of NWRHA in obtaining the judgment, these costs will be deducted from the amount to be retained by NWRHA.

In the interest of sound fiscal management and program integrity the Northwest Regional Housing Authority will make all reasonable efforts to collect amounts owed to the agency because of unreported income or amounts paid to owners on behalf of participants. The procedures to be followed to ensure maximum collection of applicant or program participant debt are:

- No applicant will be admitted to the Housing Choice Voucher waiting list until any/all known debts owed to any PHA have been paid in full or the family is current on a repayment agreement.
- It is the policy of NWRHA to require a minimum repayment of 1/3 of debt owed and $50 per month payments.
- The Housing Authority may negotiate the amount of monthly payments, due dates, and duration with the family as deemed appropriate.

- If a family signs a Repayment Agreement and misses two consecutive payments, and/or has a history of non-sequential missed payments, the family shall be in default on the agreement.
- Should the family refuse to negotiate and sign a repayment agreement, the family shall be in noncompliance and assistance shall be terminated.

Program participants in the Voucher program must agree to pay back any amounts owed the NWRHA to be eligible for continued assistance. The following procedures will be followed for program participants:

Unreported Income: A repayment agreement will be negotiated when the amount of overpayment of housing assistance payments has been established. A repayment agreement will be executed based upon the financial circumstances of the family. The repayment agreement will be executed with a first payment equal to one third of the amount owed and minimum monthly payments of $50.

Fraud: All fraud cases that result in amounts that exceed $**10,000** may be referred to the local State's Attorney's office for prosecution. Those under that amount will be handled under a payback arrangement as described above.

If a family signs a repayment agreement and misses two consecutive payments, and/or has a history of non-sequential missed payments, the family shall be in default of the agreement. The family may be offered the opportunity to bring the account up to date and resume regular monthly payments.

The family shall be sent a notice explaining that the family is in default and has 30 days to bring the account up to date and resume regular monthly payments. The notice will explain that if the family fails to make the payments by the given date, housing assistance payments shall be terminated.

If the family fails to make payment, procedures to terminate assistance shall begin. Northwest Regional Housing Authority will make all reasonable efforts to collect amounts owed tony Housing Authority for rent or other amounts owed in connection with HCV programs. This may include, but is not limited to:

- Pursuing collection through the judicial system in order to secure judgment and enhance the
- potential for collection
- Billing persons who have an outstanding debt
- Taking reasonable and legal actions to collect the amount owed
- Applying to withhold income tax refunds
- Turn accounts over to a collection agency.
- Refuse admission to a family who has an outstanding debt.

- Deny a Voucher to a participating family until the debt is paid in full.

Should a program participant request a voucher to move to a different unit, the debt to any/all PHA's must be paid in full or a repayment agreement which is acceptable to the PHA must be executed by the participant with payments by the participant being current before a new voucher will be issued. A participant may not port to another jurisdiction until its repayment obligation is paid in full.

10.9 TENANT COLLECTION POLICY

Northwest Regional Housing Authority (NWRHA) will inform the tenant if housing assistance payments (HAP) were paid incorrectly due to improper tenant/client reporting. NWRHA will set up a repayment agreement immediately and an accounts receivable line, even if the agreement is not signed. The client will receive notice of the amount owed to the housing authority.

Tenant signs repayment agreement:

If the tenant signs the repayment agreement within 30 days, NWRHA will allow the tenant to remain on housing assistance as regular/scheduled payments are made. NWRHA will add the tenant to the ARS system for state income tax collections, and place repayment agreement information in 50058.

Repayments made or paid off:

If the tenant makes payments on time, or pays off the debt owed to NWRHA, the tenant will remain on housing assistance if needed.

If payments are missed:

After 30 days:

If the tenant misses a payment, NWRHA will notify the tenant and landlord that NWRHA plans to terminate the contract due to fraud unless payments are made by a set date.

After 60 days;

If the tenant does not make a payment within 60 days of the last payment, NWRHA will terminate their housing assistance.

Moves within NWRHA jurisdiction.

If the tenant is current on payments, NWRHA will allow them to move to another dwelling if requested and payments continue.

Porting to another jurisdiction

NWRHA will not allow any tenant to port to another housing authority without repaying the complete amount. NWRHA will notify any housing authority of the tenant's actions to bypass the agreements.

If the amount is $10,000 or greater

Even if the tenant signs the repayment agreement and owes NWRHA more than $10,000, NWRHA will turn all evidence over to the County State's Attorney's office for prosecution.

If tenant refuses to sign repayment agreement

NWRHA will set up an accounts receivable line, even if the agreement is not signed. The client will receive notice of the amount owed to the housing authority. NWRHA will add the tenant to the ARS system for state income tax collections, send it to the collection agency, and place repayment information in 50058.

If the amount is below $2,500:

NWRHA will report all amounts owed to the collection agency, ARS, and HUD. This will allow NWRHA to regain some amounts and prevent the tenant from receiving assistance elsewhere.

If the amount is between $2,500 and $9,999:

In addition to the measures above, if the tenant refuses to sign the repayment agreement and owes NWRHA $2,500 or more, NWRHA may file a claim in North Dakota Small Claims Court. NWRHA will adhere to the small claims court policies set by the state of North Dakota, found on www.ag.nd.gov.

If the amount is $10,000 or greater:

In addition to the measures above, if the tenant refuses to sign the repayment agreement and owes NWRHA more than $10,000, NWRHA will turn all evidence over to the County State's Attorney's office for prosecution. NWRHA will report the fraudulent activity to HUD – Denver and the OIG investigations.

10.10 ASSET VERIFICATION

NWRHA will verify net family assets in accordance with HOTMA, 24 CFR Part 5, and applicable HUD guidance. When permitted by HUD, NWRHA may accept family self-certification of net family assets. When third-party verification is required, NWRHA will obtain documentation sufficient to establish the value and ownership of the family's assets. NWRHA may require additional documentation when information available to the Housing Authority indicates that self-certification is inaccurate, incomplete, or otherwise insufficient. The verification requirements and applicable asset thresholds will be updated as HUD publishes changes to the applicable requirements.

10.11 AUTHORIZATION OF RELEASE FORM

NWRHA will obtain and maintain the required authorization for release of information from each adult household member in accordance with HUD requirements. NWRHA will use the current HUD-required authorization form, including Form HUD-9886-A, Authorization for the Release of Information/Privacy Act Notice, or any successor form prescribed by HUD. The required authorization must remain effective for the period required by HUD.

Failure to provide or maintain the required authorization may result in denial, termination, or other action as permitted by HUD regulations, subject to applicable notice and due process requirements. This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

10.12 ENTERPRISE INCOME VERIFICATION USAGE

NWRHA will use HUD's Enterprise Income Verification (EIV) system in accordance with 24 CFR 5.233 and applicable HUD requirements. NWRHA will use EIV information for permitted verification, income discrepancy resolution, program administration, and other authorized purposes. NWRHA may use EIV reports that HUD identifies as available for discretionary PHA use. NWRHA will maintain appropriate safeguards for EIV information and will restrict access to authorized personnel.

NWRHA will update its EIV policies and procedures as necessary to remain consistent with HUD requirements and applicable HUD notices. The Housing Authority will review EIV reports quarterly at minimum to verify income reporting.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

10.13 VERIFY BENEFIT STATUS AND IDENTIFICATION UPDATE

Initial or Port-In clients to the jurisdiction must provide confirmation that SNAP, Medicaid, TANF, and/or other state and federal benefits have been closed in the initial state and are applying for benefits in North Dakota and update proper identification to North Dakota ID within 60 days of New Admission or lose assistance. North Dakota defines a resident as any person that resides in the state for 90 days or more. In addition, North Dakota requires residents to change vehicle plates and registration to North Dakota within 90 days of residency.

11.0 RENT AND HOUSING ASSISTANCE PAYMENT (HAP)

The following policies explain the various items related to Housing Assistance Payments and program qualifications and calculations.

11.1 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:

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

11.2 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 jurisdiction. The Housing Authority will consider the location, number of bedrooms, of the unit and the comparable units. The Housing Authority may utilize approved online tools from HUD and third-party rental studies. HUD does allow the Housing Authority to use similar jurisdictions or neighboring markets for comparability when information is not available.

The owner must certify the rent charged for other units. By accepting the housing assistance payments each month, the owner is certifying that the rent to the owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

11.3 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 a regular tenancy under the Certificate Program, the FMR/exception rent limit is the maximum initial gross rent under the assisted lease. This only applies until the transition of the merger of the HCV Voucher Programs as outlined in 24 CFR 982.502 is complete.

For the Voucher Program, the maximum payment standard will be 110% of the FMR without prior approval from HUD, or the exception payment standard approved by HUD.

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.

11.3.1 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 will 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.

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.

Before increasing any payment standard, the Housing Authority will conduct a financial feasibility test to ensure that in using the higher standard, adequate funds will continue to be available to assist families in the program.

11.3.2 SELECTING THE CORRECT PAYMENT STANDARD FOR A FAMILY

- For the voucher tenancy, the payment standard for a family is the lower of:
    - The payment standard for the family unit size; or
    - The payment standard for the unit size rented by the family.
- 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.

- During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
    - 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
    - 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.

- 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.
- 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.

11.3.3 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.

11.3.4 PREVIOUS PAYMENT STANDARD UTILIZATION

If the current payment standard is below the previous year payment standard until a new payment standard is higher, the housing authority can continue to use the previous payment standard if the household is eligible and remains in the same unit.

11.3.5 INCREASE IN PAYMENT STANDARD

For existing HAP contracts, when the PHA's payment standard increases, the PHA must use the increase payment standard amount to calculate the monthly housing assistance payment for each program participant beginning no later than the earliest of."

- The effective date of an increase in the gross rent that would result in an increase in the family share; or
- The family's first regular or interim reexamination; or
- One year following the effective date of the increase in the payment standard amount.

If the family unit size either increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard amount for the family immediately, but no later than the family's first regular reexamination following the change in family unit size.

11.4 ASSISTANCE AND RENT FORMULAS

- Total Tenant Payment
    - The total tenant payment is equal to the highest of:

    - 10% of monthly income
    - 30% of adjusted monthly income
    - Minimum rent
    - The welfare rent
    - Plus, any rent above the payment standard.
- 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 of 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.
- A hardship exists in the following circumstances:
    - When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;
    - When the family would be evicted as a result of the imposition of the minimum rent requirement;
    - When the income of the family has decreased because of changed circumstances, including loss of employment;
    - When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
    - When a death has occurred in the family.
- 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.
- 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 90 days from the date of the family's request. At the end of the 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.
- 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.
- Appeals. The family may use the informal hearing procedure to appeal to the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.
- Reasonable accommodation. A family can request reasonable accommodation of 120% of the FMR if the family has a person with a disability or is elderly. Request must provide support for the extra costs.

- HCV Vouchers
    - The payment standard is set by the Housing Authority between 90% and 110% of the FMR or higher or lower with HUD approval.
    - 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.
    - No participant when initially receiving tenant-based assistance on a unit shall pay more than 40% of their monthly-adjusted income.

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

- Rent for Families under the Noncitizen Rule
    - A mixed family will receive full continuation of assistance if all of the following conditions are met:
    - The family was receiving assistance on June 19, 1995;
    - The family was granted continuation of assistance before November 29,1996;
    - The family's head or spouse has eligible immigration status; and
    - 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 of time 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:

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

11.5 UTILITY ALLOWANCE

The Housing Authority maintains a utility allowance schedule for all tenant-paid basic utilities (telephone, cable, and internet are excluded), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the Housing Authority uses normal patterns of consumption for the community as a whole and current utility rates.

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. The Housing Authority maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by making an appointment with the Housing Authority.

The Housing Authority uses the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the Housing Authority subsidy standards).

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 Tenant Rent. The Tenant Rent is the amount the family owes each month to the owner. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belong to the tenant.

11.6 DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT

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 and in accordance with generally accepted practices in the Housing Authority jurisdiction.

11.7 CHANGE OF OWNERSHIP

When there is a change of ownership of a unit on which NWRHA has executed a Housing Assistance
Contract, the Housing Authority requires the following:

- The original owner must notify NWRHA in writing of the change of ownership.
- The new owner must inform NWRHA in writing of the intent to assume the current HAP contract and request approval for a change of ownership form.
- A Change of Ownership Form shall be completed by the old and new owners, the tenant and the Housing Authority.
- An executed IRS form W-9 which states the new owner's Tax ID number.

11.8 HUD SHORTFALL STATUS

If the PHA and HUD determine the PHA is in shortfall status for housing assistance funds, the PHA will exercise the following options until funding levels are appropriate:

- Review all financial information, VMS reporting, and PIC submissions;
- Review voucher size and unit size;
- Review utilities;
- Allow portability only if the receiving housing authority absorbs;
- Request that portability clients be absorbed by the other housing authority;
- Visit with landlords on rent amounts;
- Require monthly reports from zero income families;
- Terminate any outstanding vouchers and stop issuing vouchers;
- Cancel any HAP contracts that are incomplete;
- Close waiting list;
- Review payment standards and make adjustments;

In the extreme case that these measures do not provide significant financial relief, the housing authority will terminate the last new clients first in the order that the client(s) started receiving housing assistance.

11.9 INITIAL HOUSING ASSISTANCE CONTRACT CUT-OFF

Northwest Regional Housing Authority will only prorate the first month's rent when the request for tenancy and all verification items are received on or before the 20th. The housing authority will process the housing assistance contract in a timely manner. Paperwork received after the 20th will start on the 1st of the following month.

11.10 LEASE RENEWAL WITH MONTH-TO-MONTH FEES

The PHA will not cover newly proposed month-to-month fees effective January 1, 2025. Families who currently are approved month-to-month will be continued to be covered until the effective date of the next proposed lease renewal from the owner or the families 2026 annual housing recertification, whichever comes first.

In addition, the PHA may grant a reasonable accommodation to elderly or disabled household if the household documents health concerns that might require a move within the year lease. The Executive Director can grant reasonable accommodation or hardship waiver under extraordinary circumstances if needed.

12.0 INSPECTION POLICIES AND STANDARDS

The Housing Authority will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the HCV Existing Program unless the HQS is met. Units will be inspected at least tri-annually, and at other times as needed, to determine if the units meet HQS. HQS is being replaced by NSPIRE-V or National Standards for the Physical Inspection of Real Estate – Vouchers. Policy references of HQS will refer to NSPIRE-V.

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 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 types of inspections the Housing Authority will perform:

- Initial Inspection - An inspection that must take place to ensure that the unit passes HQS before assistance can begin.
- Annual/Biennial/Triennial Inspection - An inspection to determine that the unit continues to meet HQS.
- Complaint Inspection - An inspection caused by the Housing Authority receiving a complaint on the unit by anyone.
- Special Inspection - An inspection caused by a third party, i.e. HUD, needing to view the unit.
- Emergency - An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- Quality Control Inspection - Supervisory inspections on sample size determined from the total number of units that were under lease during the Housing Authority's previous fiscal year.

12.2 OWNER AND FAMILY RESPONSIBILITY

- Owner Responsibility for HQS
    - The owner must maintain the unit in accordance with HQS.
    - 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.
    - 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).

- 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.

- Family Responsibility for HQS
  - The family is responsible for a breach of the HQS that is caused by any of the following:
    - 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 tenant;
    - 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 tenant; or
    - Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
  - If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any Housing Authority approved extension).
  - 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

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

- Sanitary Facilities
  - 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.
  - Acceptability Criteria
    - The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
    - The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.

        - The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
        - The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

- Food Preparation and Refuse Disposal
    - Performance Requirements
        - The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.
        - There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).
    - Acceptability Criteria
        - The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of 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 tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
        - 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.
        - The dwelling unit must have space for the storage, preparation, and serving of food.
        - 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).

- Space and security
    - Performance Requirement
        - The dwelling unit must provide adequate space and security for the family.
    - Acceptability Criteria
        - At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
        - The dwelling unit must have at least one bedroom or living/ sleeping room for each of the two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
        - 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.
        - The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

- Thermal Environment
    - Performance Requirement
        - The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.
    - Acceptability Criteria
        - 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, in order to ensure a healthy living environment appropriate to the climate.
        - The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

- Illumination and Electricity
    - 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.
    - Acceptability Criteria
        - There must be at least one window in the living room and in each sleeping room.
        - 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.
        - The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

- Structure and Materials
    - 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.

- Acceptability Criteria
  - 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.
  - The roof must be structurally sound and weather tight.
  - 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.
  - 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.
  - Elevators must be working and safe.

- Interior Air Quality
  - Performance Requirement
    - The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.
  - Acceptability Criteria
    - The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
    - There must be adequate air circulation in the dwelling unit.
    - Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
    - Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

- Water Supply
  - Performance Requirements
    - The water supply must be free from contamination.
  - Acceptability Criteria
    - The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

- Lead-based Paint.
  - Definitions
    - 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, windowsills and frames, doors and frames, and other protruding woodwork.
    - 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, stair treads in a common stairwell, or an exterior wall.

- Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.
- 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.
- HEPA: A high efficiency particle accumulator used in lead abatement vacuum cleaners.
- 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 (mg/cm^2), or 0.5 % by weight or 5000 parts per million (PPM).

- Performance Requirements
  - 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.
  - 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.
  - 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 this Section.
  - 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 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.
  - Treatment of defective paint surfaces required under this Section must be completed within 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 30-day period,

treatment as required by this Section may be delayed for a reasonable time.

- The requirements in this paragraph apply to:
    - All painted interior surfaces within the unit (including ceilings but excluding furniture);
    - The entrance and hallway providing access to a unit in a multi-unit building; and
    - 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).
- In addition to the requirements 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.
- 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 this Section is required, and treatment shall be completed within the time limits in this Section.
- The requirements in this Section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
    - Within the unit;
    - The entrance and hallway providing access to a unit in a multi-unit building; and
    - Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- In lieu of the procedures set forth in 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 this Section.
- Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:

- A defective paint surface shall be treated if the total area of defective paint on a component is:
    - More than 10 square feet on an exterior wall;
    - More than 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;
    - 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.
- 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.
- 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.
- During exterior treatment soil and playground equipment must be protected from contamination.
- 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.
- Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.

- 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.
- 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.

        - The Housing Authority must attempt to obtain annually 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 voucher to move.
        - The Housing Authority must keep a copy of each inspection report for at least three 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.
        - 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).

- Access
    - 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).

- Site and Neighborhood
    - 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.
    - 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.

- Sanitary Condition
    - Performance Requirements
        - The dwelling unit and its equipment must be in sanitary condition.
    - Acceptability Criteria
        - The dwelling unit and its equipment must be free of vermin and rodent infestation.

- Smoke Detectors
    - Performance Requirements
        - Except as provided in paragraph b below of this Section, each dwelling unit must have at least one 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).
        - 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).
        - Effective December 29, 2024, the U.S. Department of Housing and Urban Development (HUD) will implement updated standards for smoke and carbon monoxide (CO) detectors across all HUD programs, in accordance with the National Fire Protection Association Standard 72.
        - Smoke Detector and Carbon Monoxide Requirements: All smoke and carbon monoxide detectors must (1) either be hardwired or equipped with sealed, tamper-proof 10-year batteries, (2) photoelectric, and (3) have a hush feature to silence nuisance alarms. For units built or substantially rehabilitated after December 2022, hardwired is the only option. The alarms must provide notification for individuals with hearing disabilities.
        - HQS/NSPIRE Standards: Each dwelling unit must be equipped with functioning smoke detectors in the following locations:
            - One on each level of the unit;
            - One inside each bedroom;

        - Hallways (within 21 feet of any door to a bedroom measured along a path of travel);
        - Kitchen (should be installed at least 10 feet from a cooking appliance); and
        - One in the basement.
    - Additionally, smoke detectors must be present in common areas within the property, including stairwells, hallways, and other relevant areas.
    - Carbon monoxide detectors must be present in accordance with Massachusetts law. They must be located within 10 feet of bedrooms, one in each level, and spaces adjoining rooms containing CO-producing appliances (fireplaces and gas clothes dryers are included). For units that are all electric and have no CO-producing appliances and heating systems in the building, no CO detectors are required.
    - Violation Response: Any deficiencies related to smoke or carbon monoxide detectors will be classified as 24-hour life-threatening violations. Prompt remediation is required to ensure compliance with these updated standards.

12.4 EXCEPTIONS TO THE INSPECTION ACCEPTABILITY CRITERIA

The Housing Authority will utilize the acceptability criteria as outlined above with applicable State and local codes.

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12.5 TIME FRAMES AND CORRECTION OF FAIL ITEMS

- Correcting Initial HQS Fail Items
    - The Housing Authority will schedule a timely inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible thereafter (within 5 working days) upon receipt of a Request for Tenancy Approval. The owner and participant will be notified in writing of the results of the inspection. If the unit fails HQS again, the owner and the participant will be advised to notify the Housing Authority to reschedule a re-inspection when the repairs have been properly completed.

- On an initial inspection, the owner will be given up to 30 days to correct the items noted as failed, depending on the extent of the repairs that are required to be made. No unit will be placed in the program until the unit meets the HQS requirements.

- HQS Fail Items for Units under Contract
  - The owner or participant 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 participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 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 terminate the contract in accordance with this section.
  - If the participant 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 the section Sections 12.2 and 17.0.4

- Time Frames for Corrections
  - Emergency repair items must be abated within 24 hours.
  - Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.
  - Non-emergency items must be completed within 10 days of the initial inspection.
  - For major repairs, the owner will have up to 30 days to complete.

- Extensions
  - At the sole discretion of the Housing Authority, extensions of up to 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 60 days after the initial inspection date, the Housing Authority will abate the rent and cancel the HAP contract for owner noncompliance. Appropriate extensions will be granted if severe weather conditions exist for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

12.6 LIFE THREATENING OR EMERGENCY FAIL ITEMS

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

- No hot or cold water
- No electricity
- Inability to maintain adequate heat.
- Major plumbing leak

- Natural gas leak
- Broken lock(s) on first floor doors or windows
- Broken windows that unduly allow weather elements into the unit
- Electrical outlet smoking or sparking.
- Exposed electrical wires which could result in shock or fire.
- Unusable toilet when only one toilet is present in the unit.
- Security risks such as broken doors or windows that would allow intrusion.
- Other conditions which pose an immediate threat to health or safety

12.7 ABATEMENT

When a unit fails to meet HQS and the owner has been given an opportunity to correct the deficiencies but has failed to do so within the required timeframe, the rent for the dwelling unit will be abated.

The initial abatement period will not exceed 7 days. If the corrections of deficiencies are not made within the 7-day timeframe, the abatement will continue until the HAP contract is terminated. When the deficiencies are corrected, the Housing Authority will end the abatement the day the unit passes inspection. Rent will resume the following day and be paid the first day of the next month.

For tenant caused HQS deficiencies, the owner will not be held accountable, and the rent will not be abated. The tenant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the Housing Authority will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

12.8 NSPIRE INSPECTIONS – VOUCHERS

NWRHA will implement NSPIRE-V beginning February 1, 2027, subject to HUD's discretion and any applicable HUD guidance.
NSPRIE-V resources available at:
https://www.hud.gov/program_offices/public_indian_housing/reac/nspire

12.9 ALTERNATIVE INSPECTIONS OR AT HOME MEETINGS

Some vulnerable and rural clients have home visits instead of office meetings. The housing authority will utilize reduced interaction methods to obtain required certification documents or inspections.

- **Alternative annual inspections.** The agency may use alternative inspections processes during an infectious disease situation to meet HUD time requirements with proper documentation. Alternative inspections require documentation that the following methods were used and may be followed by a physical inspection. The housing authority must fulfill the inspection date requirements set forth by HUD and document the situation. The housing authority can conduct a physical inspection when possible.

- **Inspection via online meeting.** The housing authority and client may use Skype and other online tools to view the unit and conduct an assessment. Life safety issues require physical inspections if the client is healthy, and the environment is safe.
- **Follow-up inspection.** After the infectious disease situation eases and the client is healthy, the housing authority may schedule a physical inspection of the unit.
- **Initial inspections.** The housing authority must conduct a physical initial inspection of the unit. The housing authority staff should ask the client health-related questions to determine safety and risk. During high infection periods, the housing authority staff should use personal protection measures such as face masks and gloves to conduct initial inspections. The housing authority may delay the initial inspection if the unit passed an inspection within the last 12 months. If public health officials require community self-quarantine, the housing authority will not conduct inspections and rental assistance be delayed.

13.0 NORTH DAKOTA TENANT RIGHTS

Almost everyone rents living space at some time in their life, but not everyone knows their rights and responsibilities as a tenant. The North Dakota Attorney General's Office has Tenant Rights information online: https://attorneygeneral.nd.gov/consumer-resources/tenant-rights/

This information is available from the North Dakota's Office of Attorney General.
600 E. Boulevard Avenue, Dept. 125
Bismarck, ND 58505
(701) 328-2210
http://www.ag.nd.gov

13.1 LEGAL HELP FOR TENANTS

The Attorney General and his staff cannot give legal advice to, or mediate disputes for, landlords or tenants. For help settling a dispute, or questions about a lease, tenants can contact Legal Services of North Dakota (LSND) at 800-634-5263, or an attorney in private practice. The Small Claims Court provides tenants with an inexpensive and informal way to resolve disputes without needing an attorney. You can contact the Clerk of District Court in your county to obtain a Small Claims Court packet.

13.2 HOUSING DISCRIMINATION

Federal and state law prohibit discrimination based on race, color, national origin, religion, sex, family status, marital status, financial status, or handicap. To file a housing discrimination complaint, the ND Department of Labor at 800-582-8032 or High Plains Fair Housing Center at 701-203-1077

13.3 MORE INFORMATION

Resources for tenants include:
First Link, Dial 211
High Plains Fair Housing Center, 701-203-1077, https://www.highplainsfhc.org/
North Dakota Housing and Finance Agency, 701-328-8080, https://www.ndhfa.org/
Community Action Partnerships, 701-232-2452, https://www.capnd.org/
ND Help is Here, 701-328-2310, https://www.helpishere.nd.gov/
ND Money Follows the Person, https://ndcpd.org/mfp/

14.0 RECERTIFICATION

There are several different recertification processes under the HCV program. The following help guide the Housing Authority, program participants, and others in understanding those processes.

14.1 ANNUAL REEXAMINATION

At least annually the Housing Authority will conduct a reexamination of family income and circumstances. 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 recertification packet to the family letting them know that it is time for their annual reexamination. The packet includes forms for the family to complete. 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 other consent forms that later will be mailed to the sources that will verify the family circumstances.

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

14.1.1 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS

The new family share will generally be effective upon the anniversary date with 30 days notice of any rent increase to the family.

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 a 30-day notice of the amount. 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 on the first of the month after the rent amount is determined.

14.1.2 MISSED APPOINTMENTS

If the family fails to respond to the letter, a second letter will be mailed. The second letter will be sent, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to respond to the second notice and will result in the Housing Authority taking action to terminate the family’s assistance.

14.2 INTERIM REEXAMINATIONS

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

Families may not be required to report any increase in income or decreases in allowable expenses between annual reexaminations.

Families are required to report the following changes to the Housing Authority between regular reexaminations. These changes will trigger an interim reexamination.

- A member has been added to the family through birth or adoption or court-awarded custody.
- A household member is leaving or has left the family unit.
- Family break-up
- In circumstances of a family break-up, the Housing Authority will make a determination of which family member will retain the voucher, taking into consideration the following factors:
    - To whom the voucher was issued.
    - The interest of minor children or of ill, elderly, or disabled household members.
    - Whether the assistance should remain with the household members remaining in the unit.
    - Whether household 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.

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 household 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 within 14 calendar days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings procedures.

In order to add a household member other than through birth or adoption (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant

status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. The Housing Authority will determine the eligibility of the individual before allowing them to be added to the lease. 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, the Housing Authority will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph below 14.2.2.

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the Housing Authority will take timely action to process the interim reexamination and recalculate the family share.

14.2.1 SPECIAL REEXAMINATIONS

If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the Housing Authority may schedule special reexaminations every 60 days until the income stabilizes and an annual income can be determined.

14.2.2 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 second month after the month in which the family receives notice of the new rent amount. 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 on the first of the month after the rent amount is determined.

14.3 ASSET LIMITATION FOR INTERIM AND ANNUAL REEXAMINATIONS

The Housing Authority must initiate termination of a household’s rental assistance no later than six months after the effective date of an annual or interim reexamination for the following:

1. Net household assets that exceed $100,000 (adjusted annually for inflation by HUD); and or
2. The household has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell the real property (based on laws of the state or locality in

which the property is located) that is suitable for occupancy by the household as a residence.

HUD continues to exclude the following assets for calculations:

- The value of real property that the household does not have the effective legal authority to sell.
- Interest in Indian trust lands.
- Any account under an IRS-recognized retirement plan, including IRAs, employer retirement plans, and retirement plans for self-employed.
- Certain education savings accounts such as Coverdell, 529, ABLE, or baby bond accounts.
- Household Self-Sufficiency Accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the household.
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a household member, of an incident resulting in disability.
- A trust fund that is not revocable by, or under the control of, any member of the household or household, is not a household asset.
- Property jointly owned with someone else and occupied by the other owner who is not a member of the household receiving benefits.
- A household that is offering property for sale.

The Housing Authority will give the household six months to comply with the new policies before termination. Households may appeal against the termination based on reasonable accommodation. The Housing Authority may take into consideration such factors as age, disability, income, the ability of the household to find suitable alternative housing, and whether supportive services are being provided. HUD only allows up to a six-month cure timeframe.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance.

14.4 INTERIM REEXAMINATIONS UNDER HOTMA

14.4.1 DECREASES IN ADJUSTED INCOME

The Housing Authority is required by HUD to process interim reexaminations for all decreases in adjusted income when a household member permanently moves out of the unit.

Per HUD, the Housing Authority are not permitted to establish a dollar figure threshold amount instead of a percentage threshold less than ten percent (10%).

The Housing Authority may decline to conduct an interim reexamination of household income if the agency estimates that the household's annual adjusted income will decrease by an amount that is equal to or less than ten percent (10%) of the household's annual adjusted income.

14.4.2 INCREASE IN ADJUSTED INCOME

The Housing Authority must conduct an interim reexamination of household income when the agency becomes aware that the household's annual adjusted income has changed by an amount that would result in an estimated increase of ten percent (10%) or more in annual adjusted income or another amount establish through a HUD notice, except housing authorities may not consider any increases in earned income when estimated or calculating whether the families adjusted income has increase, unless the household has previously received an interim reduction during the same reexamination cycle.

The Housing Authority will conduct an interim reexamination if a household reports an increase in income within three months of their next annual reexamination effective date.

14.4.3 ADDITON OR REMOVAL OF HOUSEHOLD MEMBERS

NWRHA will conduct an interim reexamination when a household member is added to or removed from the household, in accordance with HUD requirements. NWRHA will determine the effect of the household composition change on the family's annual income, adjusted income, deductions, assets, and housing assistance.

14.4.4 REPORTING CHANGES & EFFECTIVE DATES

Families must report household composition changes and changed to adjusted income consistent with HOTMA requirements; however, the Housing Authority will determine the timeframe in which reporting must occur to be considered "timely."

The Housing Authority has an established "cut-off" reporting timeline of the 20th of each month. Documents received on or before the 20th of each month will be used for an Interim Reexamination of the following month 1st of the next month. The Housing Authority must provide 30-day notice for any rent increase. The cut-off date allows timely processing and notification.

Documents received after the 20th may not be considered during the interim reexamination processing time. Clients can inform the housing authority of income decrease reported after the 20th.

If a client informs the housing authority of an income decrease after the 20th and before the 5th of the following month, the housing authority will process an interim reexamination in accordance with the Interim Reexamination Policy. If the client does not report the change in a timely manner, the Housing Authority will not make a change until the following month.

Timely processing requires a downward change requires immediate change and notification. An

upward change requires processing the change and issuing a 30-day notice.

This policy is established pursuant to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and applicable HUD regulations and guidance. The Housing Authority will fully implement the policy by January 1, 2027, or when possible, under HUD's guidance.

14.5 INTERIM CHANGE CUT-OFF

Clients are encouraged to budget for the year with the Annual Examination results. If there is a significant change, all rent reduction requests will be completed by the effective date of the first of the following month when the necessary verifications are received prior to the 20th of the month.

14.6 DOWNWARD CHANGES

NWRHA will make interim changes if the participant family reports a net reduction in income used to calculate the current level of assistance and if all required paperwork is completed by the participant. If received by the HAP deadline, this change is effective on the first of the month following verification of the reported income loss. All factors are to be considered in determining the net loss, including anticipation of replacement income such as TANF or employment benefits. When income is calculated using an anticipated annual average income, HA may determine that a change is not necessary. A downward change may not be made if it is determined that the change is temporary (less than 30 consecutive days).

MEDICAL / HANDICAP EXPENSES

The medical/handicap expense allowance is calculated based on anticipated annual expenses. The Housing Authority may make interim adjustments to the annual allowance when changes in actual expenses vary by more than $1000 from anticipated annual allowance.

NO-INCOME FAMILIES

Participant household whose last rental calculation was based on no income or extremely low-income, will be required to complete a “zero income verification” at least quarterly, showing how expenses are being paid. NWRHA may research credit history, employment history, etc. of participants declaring zero or nearly zero incomes to determine if other income sources exist. All “NO-INCOME” participants are subject to an interim change following the acquisition of any reasonably stable income. Income that is continuous but from different or changing sources (i.e., odd jobs, etc.) can be anticipated for the future by averaging past months’ income as reported on survival statements required by the HA.

INACCURATE / INCOMPLETE REPORTING

NWRHA will make immediate interim changes in any case where it is determined that all income was not reported and NWRHA is not taking action to terminate assistance.

Interim changes will be made in instances where staff determines that the reported increase in income is such that it should have been anticipated and reported by the participant family at the last rent calculation.

Any participant who does not report all income or shows a pattern/history of not reporting all income may be subject to an immediate interim, with repayment of over-assistance going back to the date the income started. Termination of assistance will be considered where non-reporting of income was intentional and results in an overpayment of assistance.

14.7 INCREASE OF INCOME

Interim Re-certifications will be completed for anticipated or unanticipated changes of gross income of $100 or more per month. The rent portion adjustment will be effective on the first of the month following the change. At its sole discretion, the PHA may postpone all interim recertification's resulting from increases of income until the participant's next annual recertification to address changes in HUD funding. In addition, the PHA may adjust the rent portion for an increase less than $100 for those participants previously reporting zero or very low-incomes or when a participants' income source changes.

INCREASE / DECREASE INCOME

If a family reports an increase in income, followed by a decrease in income prior to the first change, NWRHA will implement the increased amount one month followed by a decrease the next month.

CHANGE IN HOUSEHOLD COMPOSITION

If required, income will be verified, and a change of rent will be completed if there is a change in household composition. The Participant Rent Change Notice will reflect the added household member(s). If the household composition change requires a smaller Voucher size, the family will be allowed to stay at the larger Voucher size until the effective date of the next annual Recertification or the next change of unit whichever occurs first. If no change is needed, the staff will notify the participant and will note in the file that the participant has been notified.

Policies will expire upon HOTMA implementation.

15.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE HOUSING AUTHORITY

The Housing Authority may at any time terminate assistance for a participant under the program because of the family's actions or inaction as described in section 24 CFR 982.552 or 982.553).

- Termination of assistance for a participant may include any or all of the following:
  - Refusing to enter into a HAP contract or approve a lease.
  - Terminating housing assistance payments under an outstanding HAP contract,
  - Refusing to process or provide assistance under portability procedures.
- Requirement to terminate assistance:
  - The Housing Authority must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease. See 24 CFR 982.552(b)(2).
  - The Housing Authority must terminate program assistance for a participant, if any member of the family fails to sign and submit consent forms for obtaining information in accordance with federal regulations. See 24 CFR 982.552(b)(3).
  - 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 permanently reside in their HCV unit, the family's assistance will be terminated. Such a family will not be eligible to be readmitted to HCV for a period of 24 months from the date of termination. See 24 CFR 982.552(b)(4) and 24 CFR 5.514(c)
  - If the family violates any family obligations under the program. See 24 CFR 982.551 and 982.553.
  - If any member of the family has ever been evicted from federally assisted housing in the last 5 years.
  - If the Housing Authority has ever terminated assistance under the HCV Program for any member of the family.
  - If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.
  - If the family currently owes rent or other amounts to the Housing Authority or to another Housing Authority in connection with the HCV Program or public housing assistance under the 1937 Act. The family is terminated until the money (amount owed) is repaid or until the family enters into a repayment agreement.
  - 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 amounts owed by the family under the lease. The family is terminated until the money (amount owed) is repaid or until the family enters into a repayment agreement.
  - If the family breaches an agreement with the Housing Authority to pay amounts owed to a Housing Authority, or amounts paid to an owner by a Housing

Authority. (The Housing Authority, at its discretion, may offer a family the opportunity to enter into an agreement to pay amounts owed to a Housing Authority or amounts paid to an owner by a Housing Authority. The Housing Authority may prescribe the terms of the agreement.)

- If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
- If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel.
- If a welfare-to-work (WTW) family fails, willfully and persistently, to fulfill its obligations under the welfare-to-work voucher program.
- If any member of the family or guest commits drug-related criminal activity, or violent criminal activity. In determining whether to terminate assistance based on drug related criminal activity or violent criminal activity, the PHA may deny or terminate assistance if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.
- If the PHA seeks to 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 PHA provides notice to the family of the PHA determination to terminate assistance. The PHA 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:
    - Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment; and
    - Is recovering or has recovered from, such addiction and does not currently use or possess controlled substances. The PHA may require a family member who has engaged in the illegal use of drugs to submit evidence or participation in, or successful completion of, a treatment program as a condition of being allowed to reside in the unit.
- If any member of the family's (or guest'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.
- If any household member is subject to a lifetime registration requirement under a state sex offender registration program.
- Criminal activity directly relating to domestic violence, dating violence, or stalking engaged in by a member of a participant's household or any guest or other person under the participant's control shall not be cause for termination of housing assistance if the participant or an immediate member of the participant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking.
- When the Housing Authority gives a notice of termination to a participant, the Housing Authority must attach a written description of:

        - Family obligations under the program.
        - The reasons or grounds for the termination.
        - Informal hearing procedures.
- Prohibit participation in programs.
    - The housing authority may prohibit the individual and household from participation in the program based on program violations.
        - Participants may be banned for 1 year for a program violation or misdemeanor violations;
        - Participants may be banned for 3 years for a felony violation;
        - Participants may be banned for 5 years for fraudulent activities;
        - Participants may be banned for lifetime for criminal violation or threatening a housing authority employee;
        - Participants may be banned from housing assistance for unreported income until a repayment agreement is signed and an initial amount is paid.

15.1 TIME AWAY FROM UNIT

NWRHA will allow clients to be away from their unit no longer than 30 days. If a client leaves the unit for a period longer than 30 days, the client's assistance will be terminated, unless there is documented medical reasoning approved by the housing authority. Clients presenting a documented medical reason may be away from the unit for up to 100 days. The Executive Director or Deputy Director can use discretion regarding medical leave for direct caregiving needs or long-term health stay.

15.2 NON-PAYMENT OF RENTAL POLICY

Housing assistance clients must be current on their rent and utilities. If a landlord reports that a client is behind on their rent or utility, the housing authority may terminate their assistance. Clients will not be allowed to move or port unless all bills are paid.

15.3 CRIMINAL BACKGROUND HISTORY POLICY

Terms:

Non-violent crime: Non-violent crimes are those crimes that do not involve the use of any force or injury to another person. The seriousness of a non-violent crime is usually measured in terms of economic damage or loss to the victim. Most non-violent crimes involve some sort of property crime such as larceny, theft, DUI, parole violation, child support claims, etc.

Violent crime: A violent crime or crime of violence is a crime in which an offender uses or threatens force upon a victim. This entails both crimes in which the violent act is the objective, such as murder, as well as crimes in which violence is the means to an end. Violent crimes may, or may not, be committed with weapons.

Drug crime: A drug crime is to possess, manufacture, or distribute drugs classified as having a potential for abuse (such as cocaine, heroin, morphine and amphetamines). Drugs are also

related to crime as drug trafficking and drug production are often controlled by drug cartels, organized crime and gangs.

Denial of application/assistance for life

The housing authority will deny applicants assistance for life for an arrest or charge of the following arrests, charges, or convictions:

- Accessory to murder;
- Attempted murder;
- Homicide / Murder / Manslaughter;
- Lifetime registered sex offenders;
- Threatening a housing authority employee;
- Manufacturing and/or Distribution of methamphetamine

Felony disqualification for housing assistance

The housing authority will deny applicants for three years if there is any violent or drug felony arrest, charge or conviction within the last three years. The housing authority will allow an applicant or client to receive housing assistance if there is a non-violent or non-drug felony arrest, charge, or conviction within the past three years.

The housing authority may warn the tenant or require information from any involved party; (examples: police records, client statements, counselor statements, etc.), after the first arrest based on the charge. If there is a second non-violent or non-drug felony or misdemeanor arrest or charge within the three years of the first charge, the housing authority will deny or terminate assistance.

Summary: Clients are allowed to have one non-violent or non-drug felony crime in the past three years on their record and receive assistance.

Misdemeanor denial of assistance for three years

The housing authority will deny housing assistance for violent or drug-related misdemeanor arrests, charges, or convictions based on a (3) three-year period. The housing authority will deny applicants assistance for any misdemeanor arrest, charge, or conviction within one year of application; excluding minor traffic violations (traffic tickets, DUI, driving without license or insurance, etc.).

The housing authority may warn the household after the first arrest based on the charge. If there is a second misdemeanor arrest or charge within the three years of the first charge, the housing authority will require the household member to provide documentation of counseling, legal services, or other supportive documentation that the client is actively seeking help and does not pose a danger to the livability of the housing development. If the client has a third misdemeanor arrest, charge, or conviction within the three-year period, the housing authority will deny assistance.

The housing authority will deny assistance for any violent misdemeanor crimes within the past three years.

Summary:
Clients can have up to two (2) non-violent or non-drug related misdemeanor arrests, charges, or convictions within a three-year period and continue to receive housing assistance. If there is a third misdemeanor or a felony arrest in the three-year period, the housing authority will deny assistance.

Appeals
Clients will have up to fourteen (14) days to appeal any assistance denial. Clients will need to provide in writing a current relationship with a local support agency, counseling agency, or attorney. The housing authority will not accept a written letter or phone message for any appeal.

Denial of assistance for safety
The housing authority can deny a family if charges may pose a safety risk for the housing authority employees or other tenants. For example, the housing authority will deny any registered sex offender housing assistance.

15.4 VISITOR POLICY
Households can have adult visitors for up to ten (10) days and overnights during the month, not to exceed thirty (30) days in a year coinciding with their annual review. If the visitor(s) wished to stay longer, the household must apply to have the person(s) added to the household. Visitors and households cannot violate the lease or landlord policies; which may be stricter than the housing authority policy. Otherwise, the household will face termination from the voucher program and housing will notify the landlord.

16.0 COMPLAINTS, REVIEWS, AND APPEALS

The following policies help guide the housing authority, board members, program participants, and others in reviewing complaints or providing appeals.

16.1 COMPLAINTS

The Housing Authority will investigate and respond to complaints by participant families, owners, and the general public. The Housing Authority may require that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

16.2 ADMINISTRATIVE REVIEW

In order to serve applicants and participants as quickly and efficiently as possible, an applicant family or a participant family will be offered the opportunity for an administrative review prior to either an informal hearing for either an applicant or a program participant upon request by the family to answer family's questions on Housing Authority's action or the program guidelines.

16.2.1 PROCEDURES FOR AN ADMINISTRATIVE REVIEW

The person designated to conduct the Administrative Review shall be designated by the Executive Director. Staff assigned to conduct the administrative review will attempt to answer the questions of the applicant or the program participant through either telephone communication or a meeting with the family.

If issues cannot be resolved through an administrative review, the applicant or program participant will be informed of his/her right to an Informal Hearing, when required.

16.3 INFORMAL REVIEW FOR THE APPLICANT

Informal Review for the Applicant

- The Housing Authority will give an applicant for participation in the HCV Existing Program 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 14 calendar days of the denial and will describe how to obtain the informal review.

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:
    - A determination of the family unit size under the Housing Authority subsidy standards.
    - A Housing Authority determination not to approve an extension or suspension of a voucher term.
    - A Housing Authority determination not to grant approval to lease a unit under the program or to approve a proposed lease.

- A Housing Authority determination that a unit selected by the applicant is not in compliance with HQS.
- A Housing Authority determination that the unit is not in accordance with HQS because of family size or composition.
- General policy issues or class grievances.
- Discretionary administrative determinations by the Housing Authority.

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:
  - 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.
  - The applicant will be given an opportunity to present written or oral objections to the Housing Authority decision.
  - The Housing Authority will notify the applicant of the Housing Authority decision after the informal review within 14 calendar days. The notification will include a brief statement of the reasons for the final decision.

16.3.1 CONSIDERING CIRCUMSTANCES

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

The Housing Authority may impose, as a condition of continued assistance for other household members, a requirement that household 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 deny or 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 deny or terminate assistance. In determining whether to deny or terminate assistance for these reasons the Housing Authority will consider evidence of whether the household member:

- 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;
- Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or

- 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.

Informal Review 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 INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the applicant family within 30 days of receipt of the Notice of Denial or Termination of Assistance, or within 30 days of receipt of the INS appeal decision.

For applicant families, the Informal Review Process above will be utilized with the exception that the applicant family will have up to 30 days of receipt of the Notice of Denial or Termination of Assistance, or of the INS appeal decision to request the review.

16.4 INFORMAL HEARINGS FOR PARTICIPANTS

16.4.1 WHEN A HEARING IS REQUIRED

- 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 determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
    - A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Housing Authority utility allowance schedule.
    - A determination of the family unit size under the Housing Authority subsidy standards.
    - A determination that a Certificate 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.
    - A determination to terminate assistance for a participant family because of the family's action or failure to act.
    - 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.
- In cases described in paragraphs 16.4.1 last three notices 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.

16.4.2 WHEN A HEARING IS NOT REQUIRED

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

- Discretionary administrative determinations by the Housing Authority.
- General policy issues or class grievances.
- Establishment of the Housing Authority schedule of utility allowances for families in the program.
- A Housing Authority determination not to approve an extension or suspension of a voucher term.
- A Housing Authority determination not to approve a unit or lease.
- 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.)
- A Housing Authority determination that the unit is not in accordance with HQS because of the family size.
- A determination by the Housing Authority to exercise or not exercise any right or remedy against the owner under a HAP contract.

16.4.4 NOTICE TO THE FAMILY

- In the cases described in paragraphs 16.4.1 first three notices, 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.
- In the cases described in paragraphs 16.4.1, the last three notices of this Section, the Housing Authority will give the family prompt written notice that the family may request a hearing within 14 calendar days of the notification. The notice will:
    - Contain a brief statement of the reasons for the decision; and
    - State this if the family does not agree with the decision, the family may request an informal hearing on the decision within 14 calendar days of the notification.

16.4.5 HEARING PROCEDURES

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

- Discovery
    - The family will be given the opportunity to examine before the hearing 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.
    - 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.
- Representation of the Family
    - At its own expense, a lawyer or other representative may represent the family.
- Hearing Officer
    - 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.
    - The person who conducts the hearing will regulate the conduct of the hearing in accordance with the Housing Authority hearing procedures.
- 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.
- Issuance of Decision
    - The person who conducts the hearing must issue a written decision within 14 calendar 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.
- Effect of the Decision
    - The Housing Authority is not bound by a hearing decision:
        - Concerning a matter for which the Housing Authority is not required to provide an opportunity for an informal hearing under this Section, or that otherwise exceeds the authority of the person conducting the hearing under the Housing Authority hearing procedures.
        - Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.
    - If the Housing Authority determines that it is not bound by a hearing decision, the Housing Authority will notify the family within 14 calendar days of the determination, and of the reasons for the determination.

16.4.6 CONSIDERING CIRCUMSTANCES

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

The Housing Authority may impose, as a condition of continued assistance for other household members, a requirement that household 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 deny or 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 deny or terminate assistance. In determining whether to deny or terminate assistance for these reasons the Housing Authority will consider evidence of whether the household member:

- 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;
- Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
- 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.

16.4.7 INFORMAL HEARING PROCEDURES FOR DENIAL OF ASSISTANCE ON THE BASES OF INELIGIBLE IMMIGRATION STATUS

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

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

17.0 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 tenant, 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.

17.1 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).

17.2 BY THE OWNER

The owner may terminate the lease during its term on the following grounds:

- Serious or repeated violations of the terms or conditions of the lease;
- Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;
- 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;
- Any drug-related criminal activity on or near the premises;
- Other good cause. Other good cause may include, but is not limited to:
    - Failure by the family to accept the offer of a new lease;
    - Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
    - 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;
    - A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.
- During the first year the owner may not terminate the tenancy for other good cause unless the reason is because of something the household did or failed to do.
- The owner may only evict the tenant by instituting court action. The owner must give the Housing Authority a copy of any owner eviction notice to the tenant at the same time that the owner gives the notice to the tenant.
- 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.

17.3 TERMINATION OF THE LEASE BY MUTUAL AGREEMENT

The family and the owner may at any time mutually agree to terminate the lease.

17.4 TERMINATION OF THE CONTRACT

- Automatic termination of the Contract
    - If the Housing Authority terminates assistance to the family, the contract terminates automatically.
    - If the family moves out of the unit, the contract terminates automatically.
    - The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
- Termination of the contract by the owner
    - The owner may only terminate the tenancy in accordance with lease and State and local law.
- Termination of the HAP contract by the Housing Authority
    - The Housing Authority may terminate the HAP contract because:
    - The Housing Authority has terminated assistance to the family.
    - The unit does not meet HQS space standards because of an increase in family size or change in family composition.
    - The unit is larger than appropriate for the family size or composition under the regular Certificate Program.
    - When the family breaks up and the Housing Authority determines that the household members who move from the unit will continue to receive the assistance.
    - The Housing Authority determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program.
    - The owner has breached the contract in any of the following ways:
        - 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.
        - If the owner has violated any obligation under any other housing assistance payments contract under HCV of 1937.
        - If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
        - 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;
        - If the owner has engaged in drug trafficking.

17.5 FINAL HAP 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.

18.0 ZERO TOLERANCE ABUSE POLICY

Housing Authority staff will not tolerate any physical, written or verbal abuse from participants. If any employee feels threatened by a participant will terminate the participant immediately. This is in accordance with HUD regulations.

Per HUD regulations at 24 CFR 982.552(c):

(c) Authority to deny admission or terminate assistance — (1) Grounds for denial or termination of assistance. The PHA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following grounds:
…

(ix) If the family has engaged in or threatened abusive or violent behavior toward PHA personnel.

Coercion, bribery, harassment, intimidation and other threatening behavior towards PHA personnel may cause termination of assistance or application. The housing authority follows strict guidelines and does not tolerate those behaviors. The housing authority may terminate an application or assistance if the client intentionally misrepresents their household, assets, income, or other information.

- Harassment is a prohibited activity which is defined as verbal or physical conduct that denigrates or shows hostility or aversion toward an individual based on race, sex, color, religion, age, national origin, genetics, pregnancy, receipt of public assistance, disability, veteran or military status, marital status, or any other legally protected status.

Examples of such prohibited conduct when based upon a legally protected status include, but are not limited to:

- Verbal abuse or hostile behavior such as insulting, teasing, mocking, degrading or ridiculing another person or group;
- Unwelcome or inappropriate physical contact, comments, questions, advances, jokes or demands;
- Physical assault or stalking, or other threatening, intimidating or hostile acts; or
- Displays or electronic transmission of derogatory, demeaning or hostile materials.

Sexually harassing conduct may include, but is not limited to:

- Demands or pressure for sexual favors;
- Derogatory and sexual innuendos, comments and remarks about an individual's clothing, body, or activities;

- Sexual comments, jokes, or stories;
- Asking personal questions about an employee's sexual life;
- Repeatedly asking out an employee who has stated he or she is not interested;
- Inappropriate and unwelcome touching, feeling, rubbing, patting, pinching, or brushing against another's body;
- Verbal abuse or gestures of a sexual nature; or
- Sexually orientated "kidding".

Source :
https://www.eeoc.gov/harassment#:~:text=Harassment%20is%20unwelcome%20conduct%20that,(including%20family%20medical%20history).

The Housing Authority may involve law enforcement agencies in matters considered physical or verbal abuse. Housing Authority will determine the need for law enforcement involvement on a case-by-case basis.

19.0 VICTIMS OF DOMESTIC VIOLENCE POLICY

Housing Authority has developed this policy in compliance with the “Violence against Women and Justice Department Reauthorization Act" “VAWA”, a federal law that provides protections for victims of domestic violence, dating violence, and stalking, the PHA will comply with all applicable provisions of VAWA. This summary of VAWA protections is not intended to limit the rights of victims provided by the Act.

19.1 PURPOSE

The purpose of the Victims of Domestic Violence Policy is to:

- Reduce domestic violence, dating violence, sexual assault and stalking; and protect victims of such criminal acts;
- Prevent homelessness caused by domestic violence;
- Create long-term housing solutions for victims of domestic violence;
- Build collaborations among victim service providers, homeless service providers, housing providers and housing agencies to address the housing needs of victims of domestic violence;
- And enable public and assisted housing agencies, private landlords, private management companies and other housing providers and agencies to respond appropriately to domestic violence, while maintaining a safe environment for all housing residents.

19.2 PROTECTION OF VICTIMS

- For the purpose of this policy, the term “domestic violence” encompasses acts or threats of domestic violence, dating violence, sexual assault and stalking, as those terms are defined in the VAWA.
- VAWA protects qualified applicants or tenants and household members of applicants or tenants who are victims of domestic violence, dating violence, or stalking from being denied or terminated from housing assistance based solely on criminal acts of domestic violence against them. Criminal acts of domestic violence shall not be considered “serious or repeated lease violations” by the victim or “criminal activity” by the victim that is grounds for termination of the lease or of housing assistance.
- VAWA protections are available to both applicants for and recipients of housing assistance through the HCV rental assistance programs, including tenant-based Housing Choice Vouchers (HCV) and Project-Based Vouchers (PBV).
- VAWA protects both women and men who are victims of domestic violence.
- The protections provided by VAWA and this policy are to be observed and enforced by all PHA staff, individuals and agencies contracting with the PHA, and property owners participating in the Housing Choice Voucher or Project-Based Voucher programs.
- VAWA does not limit the authority of the PHA or a property owner or manager, when notified, to honor court orders addressing rights of access to or control of the property, including civil protection orders issued to protect the victim and issued to address the

distribution or possession of property among the household members in cases where a family breaks up.

19.3 CERTIFICATION

PHA May Request Certification. If an applicant or voucher participant claims protection under VAWA against denial of an application or termination of assistance, or other adverse action, the PHA may require the person who claims the VAWA protections to deliver a signed certification or other documentation concerning the incident or incidents. If the person does not deliver this certification within the time allowed, he or she will lose the legal protections under VAWA.

- Acceptable Forms of Certification. There are three ways to comply with a certification request by the PHA:
    - Complete a certification form approved by HUD (Form HUD-50066 or other approved form);
    - Provide a police report or court record;
    - Provide a document 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 domestic violence, dating violence or stalking.
- Self-Certification: Request for Additional Information. The PHA may accept self-certification by the person claiming to be a victim within the protection of VAWA. If the PHA has reason to believe the information provided in the certification is inaccurate or incomplete in material respects, the PHA may request additional information, also certified or attested.
- Perjury. The certification must state that the victim and any other person signing it or providing documentation are doing so under penalty of perjury (28 USC 1746).
- Time Limit. The applicant or voucher participant must deliver the certification in one of these three ways within 14 business days after receiving the housing authority's request for certification.

19.4 CONFIDENTIALITY

The Housing Authority will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives The Housing Authority written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence Against Women Act for All Tenants. For more information about The Housing Authority's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

19.5 NOTICES

The PHA will provide notices explaining the VAWA protections to applicants for housing assistance and HCV participants, and to property owners participating in the voucher program.

19.6 LEASES AND BIFURCATION OF LEASES

As required by VAWA, the HCV lease addendum shall provide that the PHA or a property owner may bifurcate a lease to remove a household member who engages in criminal acts of physical violence against household members or others.

19.7 RIGHTS OF PHA AND PROPERTY OWNERS TO EVICT OR TERMINATE ASSISTANCE

- Eviction for reasons other than domestic violence. VAWA specifically preserves the rights of the PHA and property owners to deny or terminate housing assistance to a victim of domestic violence for reasons other than the criminal activity related to the domestic violence, provided that no higher standard is applied.
- Failure to Submit Certification After Request by PHA. If the person claiming to be a victim within the protection of VAWA fails to deliver the certification or other documentation within 14 business days after receiving the PHA's request, that person loses the legal protections under VAWA.
- Imminent and Actual Threat. VAWA specifically preserves the rights of the PHA and property owners to evict or terminate from assistance any tenant or household member if the PHA or the owner or manager can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance.

19.8 POLICY DISTRIBUTION AND TRAINING

This Policy will also be distributed to all PHA employees and will be PHA office.

19.9 EMERGENCY TRANSFERS

The Housing Authority is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), The Housing Authority allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation. The ability of The Housing Authority to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether The Housing Authority has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a

model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that Housing Choice Voucher and Public Housing programs are in compliance with VAWA.

19.9.1 ELIGIBILITY FOR EMERGENCY TRANSFERS

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

19.9.2 EMERGENCY TRANSFER REQUEST DOCUMENTATION

To request an emergency transfer, the tenant shall notify The Housing Authority's management office and submit a written request for a transfer to The Housing Authority's office. The Housing Authority will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

- A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under The Housing Authority's program; OR
- A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

19.9.3 EMERGENCY TRANSFER TIMING AND AVAILABILITY

The Housing Authority cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. The Housing Authority will however act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. The Housing Authority may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If the Housing Authority has no safe and available units for which a tenant who needs an emergency is eligible, The Housing Authority will assist the tenant in identifying other housing

providers who may have safe and available units to which the tenant could move. At the tenant's request, The Housing Authority will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

19.10 SAFETY AND SECURITY OF TENANTS

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE or visit the online hotline at https://ohl.rainn.org/online/.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/our-programs/stalking-resource-center.

19.10.1 LOCAL DOMESTIC VIOLENCE CONTACTS

- 911
- Safe Shelter – serves Stutsman and Foster Counties – call 701-251-2300.

19.10.2 STATEWIDE DOMESTIC VIOLENCE CONTACTS

- ND 211 – Service will help connect victim with proper services.
- Abused Adult Resource Center, Bismarck Crisis Line: 866-341-7009 Office: 701-222-8370
- Family Crisis Center, Bottineau Crisis Line: 800-398-1098 Office: 701-228-2028
- Safe Alternatives for Abused Families, Devils Lake Crisis Line: 888-662-7378 Office: 701-662-7378
- Domestic Violence & Rape Crisis Center, Dickinson Crisis Line: 888-225-4506 Office: 701-225-4506
- Kedish House, Ellendale Crisis Line: 877-349-4729 Office: 701-349-4729
- Rape and Abuse Crisis Center, Fargo Crisis Line: 800-344-7273 Office: 701-293-7273
- Three Affiliated Tribes Victim Services, New Town Crisis Line: 701-627-3617 Office: 701-627-4171
- Domestic Violence and Abuse Center, Grafton Crisis Line: 866-435-7490 Office: 701-352-4242
- Community Violence Intervention Center, Grand Forks Crisis Line: 866-746-8900 Office: 701-746-0405

- S.A.F.E. Shelter, Jamestown Crisis Line: 888-353-7233 Office: 701-251-2300
- Abuse Resource Network, Lisbon Crisis Line: 701-683-5061 Office: 701-683-5061
- McLean Family Resource Center, Washburn Crisis Line: 800-651-8643 Office: 701-462-8643
- Women's Action and Resource Center, Beulah Crisis Line: 701-873-2274 Office: 701-873-2274
- Domestic Violence Crisis Center, Minot Crisis Line: 800-398-1098 Office: 701-853-2258
- Domestic Violence Program of NW ND, Stanley Crisis Line: 800-273-8232 Office: 701-628-3233
- Abused Persons Outreach Center, Valley City Crisis Line: 701-845-0078 Office: 701-845-0078
- Family Crisis Shelter, Williston Crisis Line: 701-572-0757 Office: 701-572-0757
- Three Rivers Crisis Center, Wahpeton Crisis Line: 800-627-3659 Office: 701-642-2115
- Spirit Lake Victim Assistance, Ft. Totten Crisis Line: 866-723-3032 Office: 701-766-1816
- Hearts of Hope, Turtle Mountain Reservation Crisis Line: 701-477-0002 Office: 701-477-0002

19.10.3 NATIONAL DOMESTIC VIOLENCE CONTACTS

- National Sexual Assault Hotline 1-800-656-4673
- National Domestic Violence Hotline 1-800-799-7233

20.0 STATEMENT OF CONFIDENTIALITY

As employees of the Housing Authority, employees understand that some of our work will involve access to information/records that are considered confidential.

Employees must acknowledge their responsibility to respect the confidentiality of client, landlord, and family records, to follow office procedures in order to protect privacy, and to act in a professional manner, both to the public and over the phone.

In addition, employees will ensure all documents are stored away from others view, and that clients cannot see other client information. Employees will follow proper document storage and proper document destruction to protect confidential information and client identity.

Employees further understand that if one is found acting indiscreet with confidential material or not protecting privacy of these records and information through my actions, employees may face dismissal. Employees understand this action to be necessary in order to maintain high professional standards of the office and integrity of the Housing Authority.

HOTMA-COMPLIANT HUD-50058 REPORTING

21.0 HUD PRIVACY ACT NOTICE

Privacy Act Notice. Authority: The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937 (42 U.S.C. 1437 et. seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and by the Fair Housing Act (42 U.S.C. 3601-19). The Housing and Community Development Act of 1987 (42 U.S.C. 3543) requires applicants and participants to submit the Social Security Number of each household member who is six years old or older. Purpose: Your income and other information are being collected by HUD to determine your eligibility, the appropriate bedroom size, and the amount your family will pay toward rent and utilities. Other Uses: HUD uses your family income and other information to assist in managing and monitoring HUD-assisted housing programs, to protect the Government's financial interest, and to verify the accuracy of the information you provide.

This information may be released to appropriate Federal, State, and local agencies, when relevant, and to civil, criminal, or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Penalty: You must provide all of the information requested by the HA, including all Social Security Numbers you, and all other household members age six years and older, have and use. Giving the Social Security Numbers of all household members six years of age and older is mandatory, and not providing the Social Security Numbers will affect your eligibility. Failure to provide any of the requested information may result in a delay or rejection of your eligibility approval.

22.0 ENTERPRISE INCOME VERIFICATION (EIV)

The Enterprise Income Verification (EIV) is a HUD system that connects with social security regarding payments and some deductions, social security numbers, and employment. Employment information is six to nine months behind in reporting. Housing Authorities are encouraged to get direct verifications if there is unreported income.

22.1 APPLICANT'S GUIDE TO EIV

The Applicant's Guide to EIV is a brochure by HUD and available online through https://www.hud.gov.

22.1.1 WHAT IS EIV?

The Enterprise Income Verification (EIV) system is a web-based computer system that contains employment and income information of individuals who participate in HUD rental assistance programs. All Public Housing Agencies (PHAs) are required to use HUD's EIV system.

22.1.2 WHAT INFORMATION IS IN EIV AND WHERE DOES IT COME FROM?

HUD obtains information about you from your local PHA, the Social Security Administration (SSA), and U.S. Department of Health and Human Services (HHS). HHS provides HUD with wage and employment information as reported by employers; and unemployment compensation information as reported by the State Workforce Agency (SWA). SSA provides HUD with death, Social Security (SS) and Supplemental Security Income (SSI) information.

22.1.3 WHAT IS THE EIV INFORMATION USED FOR?

Primarily, the information is used by PHAs (and management agents hired by PHAs) for the following purposes to:

- Confirm your name, date of birth (DOB), and Social Security Number (SSN) with SSA.
- Verify your reported income sources and amounts.
- Confirm your participation in only one HUD rental assistance program.
- Confirm if you owe an outstanding debt to any PHA.
- Confirm any negative status if you moved out of a subsidized unit (in the past) under the Public Housing or HCV program.
- Follow up with you, other adult household members, or your listed emergency contact regarding deceased household members.

EIV will alert your PHA if you or anyone in your household has used a false SSN, failed to report complete and accurate income information, or is receiving rental assistance at another address. Remember, you may receive rental assistance at only one home!

EIV will also alert PHAs if you owe an outstanding debt to any PHA (in any state or U.S. territory) and any negative status when you voluntarily or involuntarily moved out of a subsidized unit under the Public Housing or HCV program. This information is used to determine your eligibility for rental assistance at the time of application.

The information in EIV is also used by HUD, HUD's Office of Inspector General (OIG), and auditors to ensure that your family and PHAs comply with HUD rules.

Overall, the purpose of EIV is to identify and prevent fraud within HUD rental assistance programs, so that limited taxpayer's dollars can assist as many eligible families as possible. EIV will help to improve the integrity of HUD rental assistance programs.

22.1.4 IS MY CONSENT REQUIRED IN ORDER FOR INFORMATION TO BE OBTAINED ABOUT ME?

Yes, your consent is required in order for HUD or the PHA to obtain information about you. By law, you are required to sign one or more consent forms. When you sign a form HUD-9886 (Federal Privacy Act Notice and Authorization for Release of Information) or a PHA consent form (which meets HUD standards), you are giving HUD and the PHA your consent for them to obtain information about you for the purpose of determining your eligibility and amount of rental assistance. The information collected about you will be used only to determine your eligibility for the program, unless you consent in writing to authorize additional uses of the information by the PHA.

Note: If you or any of your adult household members refuse to sign a consent form, your request for initial or continued rental assistance may be denied. You may also be terminated from the HUD rental assistance program.

22.1.5 WHAT ARE MY RESPONSIBILITIES?

As a tenant (participant) of a HUD rental assistance program, you and each adult household member must disclose complete and accurate information to the PHA, including full name, SSN, and DOB; income information; and certify that your reported household composition (household members), income, and expense information is true to the best of your knowledge.

Remember, you must notify your PHA if a household member dies or moves out. You must also obtain the PHA's approval to allow additional household members or friends to move in your home prior to them moving in.

22.1.6 WHAT ARE THE PENALTIES FOR PROVIDING FALSE INFORMATION?

Knowingly providing false, inaccurate, or incomplete information is FRAUD and a CRIME.
If you commit fraud, you and your family may be subject to any of the following penalties:

- Eviction
- Termination of assistance
- Repayment of rent that you should have paid had you reported your income correctly.
- Prohibited from receiving future rental assistance for a period of up to 10 years.
- Prosecution by the local, state, or Federal prosecutor, which may result in you being fined up to $10,000 and/or serving time in jail.

Protect yourself by following HUD reporting requirements. When completing applications and reexaminations, you must include all sources of income you or any member of your household receives.

If you have any questions on whether money received should be counted as income or how your rent is determined, ask your PHA. When changes occur in your household income, contact your PHA immediately to determine if this will affect your rental assistance.

22.1.7 WHAT DO I DO IF THE EIV INFORMATION IS INCORRECT?

Sometimes the source of EIV information may make an error when submitting or reporting information about you. If you do not agree with the EIV information, let your PHA know. If necessary, your PHA will contact the source of the information directly to verify disputed income information. Below are the procedures you and the PHA should follow regarding incorrect EIV information.

Debts owed to PHAs, and termination information reported in EIV originate from the PHA who provided your assistance in the past. If you dispute this information, contact your former PHA directly in writing to dispute this information and provide any documentation that supports your dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV.

Employment and wage information reported in EIV originates from the employer. If you dispute this information, contact the employer in writing to dispute and request correction of the disputed employment and/or wage information. Provide your PHA with a copy of the letter that you sent to the employer. If you are unable to get the employer to correct the information, you should contact the SWA for assistance.

Unemployment benefit information reported in EIV originates from the SWA. If you dispute this information, contact the SWA in writing to dispute and request correction of the disputed unemployment benefit information. Provide your PHA with a copy of the letter that you sent to the SWA.

Death, SS and SSI benefit information reported in EIV originates from the SSA. If you dispute this information, contact the SSA at (800) 772–1213, or visit their website at: www.socialsecurity.gov. You may need to visit your local SSA office to have disputed death information corrected.

22.1.8 ADDITIONAL VERIFICATION

The PHA, with your consent, may submit a third-party verification form to the provider (or reporter) of your income for completion and submission to the PHA.

You may also provide the PHA with third party documents (i.e. pay stubs, benefit award letters, bank statements, etc.) which you may have in your possession.

22.1.9 IDENTITY THEFT

Unknown EIV information to you can be a sign of identity theft. Sometimes someone else may use your SSN, either on purpose or by accident. So, if you suspect someone is using your SSN, you should check your Social Security records to ensure your income is calculated correctly (call SSA at (800) 772-1213); file an identity theft complaint with your local police department or the Federal Trade Commission (call FTC at (877) 438-4338, or you may visit their website at: http://www.ftc.gov). Provide your PHA with a copy of your identity theft complaint.

22.1.10 WHERE CAN I OBTAIN MORE INFORMATION ON EIV AND THE INCOME VERIFICATION PROCESS?

Your PHA can provide you with additional information on EIV and the income verification process. You may also read more about EIV and the income verification process on HUD's Public and Indian Housing EIV web pages at:

http://www.hud.gov/offices/pih/programs/ph/rhiip/uiv.cfm.

The information in this Guide pertains to applicants and participants (tenants) of the following HUD-PIH rental assistance programs:

- Public Housing (24 CFR 960); and
- Section 8 Housing Choice Voucher (HCV), (24 CFR 982); and
- Section 8 Moderate Rehabilitation (24 CFR 882); and
- Project-Based Voucher (24 CFR 983)

22.2 EIV SECURITY POLICY

HUD and the Housing Authority protect EIV information through good practices, data security, select access, and much more.

22.2.1 PURPOSE

The purpose of this policy is to provide instruction and information to staff, auditors, consultants, contractors and tenants on the acceptable use, disposition and storage of data obtained through EIV (Enterprise Income Verification System).

The purpose of EIV is to assist the HUD, Contract Administrators, owners and their agents in streamlining the income verification process and to help in minimizing the need for 3rd party verification. EIV allows the user to identify:

- Applicants currently receiving HUD assistance.
- Income not previously reported.
- New employment
- Historical patterns of earnings and received income.
- Multi-subsidy for household members included in both PIC and TRACS databases.

- Deceased household member(s)

In addition, information in EIV can be used to provide more comprehensive oversight to compliance policies and their implementation. The data provided via EIV system will 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. Privacy of data and data security for computer systems are covered by a variety of federal laws and regulations, government bulletins, and other guiding documents.

22.2.2 SAFEGUARDING EIV DATA

The information processed by any EIV system can include wage and income data about private individuals, as well as identifying information such as Social Security Number, Address, and Employment information. This policy describes methods to comply with HUD's required EIV safeguards.

22.2.3 TECHNICAL SAFEGUARDS

- Reduce the risk of a security violation related to the EIV system's software, network, or applications.
- Identify and authenticate all users seeking to use the EIV system data.
- Deter and detect attempts to access the system without authorization.
- Monitor the user activity on the EIV system.

22.2.4 ADMINISTRATIVE SAFEGUARDS

- Ensure that access rights, roles, and responsibilities are appropriately and adequately assigned.
- Protect copies of sensitive data and destroy system-related records to prevent reconstruction of the contents.
- Ensure authorized release of tenant information consent forms are included in all family files, before accessing and using data.
- Maintain, communicate, and enforce standard operating procedures related to securing EIV data.
- Train staff in security measures and awareness, preventing the unauthorized accessibility and use of data.

22.2.5 PHYSICAL SAFEGUARDS

- Establish barriers between unauthorized persons and documents or computer media containing private data.
- Clearly identify restricted areas by use of prominently posted signs or other indicators.
- Develop a list of authorized users who can access restricted areas-e.g., contractors, maintenance, and janitorial/cleaning staff.
- Prevent undetected entry into protected areas and/or documents.

- Notify Coordinators/Security Administrators of system breaches and penetration by unauthorized users.

The Executive Director/designee will have the responsibility of ensuring compliance with the security policies and procedures outlined in this document. These responsibilities include:

- Maintaining and enforcing the security procedures
- Keeping records and monitoring security issues
- Communicating security information and requirements to appropriate personnel including coordinating and conducting security awareness training sessions
- Conducting review of all User IDs issued to determine if the users still have a valid need to access EIV data and taking necessary steps to ensure that access rights are revoked or modified as appropriate.
- Reporting any evidence of unauthorized access or known security breaches and taking immediate action to address the impact of the breach including but not limited to prompt notification to HUD. The Executive Director will escalate the incident by reporting to appropriate parties including the Contract Administrator or HUD.

22.2.6 LIMITING ACCESS TO EIV DATA

User accounts for the EIV system will be provided on a need-to-know basis, with appropriate approval and authorization.

22.2.7 SECURITY AWARENESS TRAINING

Security awareness training is a crucial aspect of ensuring the security of the EIV System and data. Users and potential users will be made aware of the importance of respecting the privacy of data, following established procedures to maintain privacy and security, and notifying management in the event of a security or privacy violation. Before granting access to the EIV information, each person must be trained in EIV Security policies and procedures. Additionally, all employees having access to EIV Data will be briefed at least annually on the security policy and procedures that require their awareness and compliance. Information about user access and training will be maintained in the property EIV file.

22.2.8 EIV SYSTEM COORDINATORS

Before accessing EIV, the Secure Systems Coordinators will obtain a letter from each property owner indicating that the owner gives permission for the Secure Systems Coordinator to act as the EIV coordinator. Once that permission is obtained, the coordinator will review the EIV training material provided by HUD and complete the appropriate Security Awareness Training Questionnaire and review the EIV Security Policy and the EIV User Policy. Upon completion of these three tasks, the EIV Coordinator will submit, to HUD, the appropriate Coordinator Access Authorization Forms. Upon receipt of HUD approval, the EIV Coordinator will complete the EIV Coordinator setup process.

22.2.9 EIV USERS

Before requesting EIV User access, appropriate staff will review the EIV training material provided by HUD and complete the appropriate Security Awareness Training Questionnaire and review the EIV Security Policy and the EIV User Policy. Upon completion of these three tasks, the EIV User will submit, to the EIV Coordinator, the appropriate User Access Authorization Form. Upon receipt the EIV Coordinator will review the completed Security Awareness Training Questionnaire for accuracy and recommend further training if necessary. If the EIV Coordinator feels that the EIV User candidate does not understand the security requirements, the EIV Coordinator will not continue with the EIV setup for that user.

Note: Under no circumstances will the EIV Coordinator process the User Access Authorization Form unless the executed Security Awareness Training Questionnaire, the signed EIV Security Policy and the signed EIV User Policy are attached.

Once the user request information is satisfactorily completed, the EIV Coordinator will complete the appropriate steps to provide EIV access to the user. In accordance with HUD requirements, the user's need for access will be reviewed on a quarterly basis.

At least once a year, staff with EIV access will be required to:

- Participate in training that includes a review of the EIV security policy and
- Complete the EIV Security Awareness Training Questionnaire

The Housing Authority will restrict access to EIV data only to persons whose duties or responsibilities require access. EIV Coordinators will be required to request re-certification on an annual basis. EIV Coordinators are authorized to provide access only to those individuals directly involved in the resident certification process and/or compliance monitoring. EIV Coordinators will carefully review initial and quarterly requests for access and certify only those users who will need access within the next 90 days.

The Housing Authority will maintain a record of users who have approved access to EIV data. Further, PHA will revoke (terminate) the access rights of those users who no longer require such access or modify the access rights if a change in the user's duties or responsibilities indicates a change in the current level of privilege.

The Housing Authority will ensure that a copy of Form-9886 has been signed by each member of the household age 18 years or older. The 9886 will be presented at move-in and/or initial certification. If a household member turns 18 in the middle of a certification cycle, that household member should sign Form 9886 within the thirty (30) days of the 18th birthday. All HUD-9886's will be placed in a resident file and will be updated on an annual basis for each adult household member, as needed.

By signing this HUD Form 9886, the applicant/resident authorizes HUD and/or the owner/agent to obtain and verify income and unemployment compensation information from various sources, including, but not limited to the IRS, the Department of Health and Human Services and the Social Security Administration, current and former employers and state agencies.

22.2.10 USERNAMES, PASSWORDS, AND PASSWORD CHANGES

Many systems require frequent changes in passwords. Secure Systems/ EIV passwords will be changed in accordance with HUD Secure Systems requirements. Users will not share usernames or passwords with any other employee or with anyone outside the organization. EIV access granted to an employee or authorized user will be revoked when access is no longer required or prior to termination of that employee or user to ensure data safety. Termination of EIV Access and un-assigning property access through "Property Assignment Maintenance" is required.

The EIV file will be documented to indicate when user access was terminated by the EIV Coordinator. Documentation of termination will be maintained in the property EIV file and in the employee's personnel file.

22.2.11 COMPUTER SYSTEM SECURITY REQUIREMENTS

All computer systems and computers will have password restricted access. The owner/agent will also use Antivirus software to limit data destruction or unintended transmission via virus, worms, Trojan horses or other malicious means. Remote access by other computers other than those specifically authorized is prohibited.

Authorized users of EIV data are directed to avoid leaving EIV data displayed on their computer screens where unauthorized users may view it. A computer will not be left unattended while the user is "logged in" to Secure Systems. If an authorized user is viewing EIV data and an unauthorized user approaches the work area, the authorized user will lessen the chance of inadvertent disclosure of EIV data by minimizing or closing out the screen on which the EIV data is being displayed.

22.2.12 PHYSICAL SECURITY REQUIREMENTS

The Housing Authority may use a combination of methods to provide physical security for resident file records. The EIV data may be maintained **in a locked metal file cabinet within a locked file room.**

Since the EIV data in resident files is maintained in the locked file room, only designated staff will have access to that room.

Users will retrieve computer printouts as soon as they are generated so that EIV data is not left unattended in printers or fax machines where unauthorized users may access them. EIV data will be handled in such a manner that it does not become misplaced or available to unauthorized personnel.

22.2.13 USE AND HANDLING OF EIV DATA

EIV Data serves two purposes:

- Verification of specific income information provided by the resident
- Monitoring resident and staff compliance

Use of the data is described in the EIV User Policies. This policy is designed to describe the security protocol used to protect EIV data.

22.2.14 EIV PRINTOUTS

Reports available through EIV will not be printed to a shared printer unless the EIV user plans to immediately retrieve the data. It is preferred that all EIV printouts are sent to the user's personal printer. EIV printouts will be stored in the resident file. The Documentation of EIV Data will be included in the resident file. This entire file will be made available to authorized people including appropriate staff or contractors (i.e. Service Bureaus, contractors performing file reviews, etc.) for the owner/agent, HUD staff, Contract Administration staff and the Office of the Inspector General.

If other people are tasked with reviewing the file, such as financial auditors complying with the Consolidated Audit Guide (Handbook IG 2000.04), the EIV printout in the manila folder including the EIV printout will be removed from the file and the Documentation of EIV Data will remain in the file to provide appropriate information required by the file audit.

If a resident requests a copy of their own EIV printout, a copy will be produced. The staff person providing the copy will note that the printout is a copy provided to the resident upon request.
This note will include the following:

- This is not an original, this is a copy provided to: _____
- On _____, 20___
- By_____(name will be printed)
- Initials_____

The appropriate staff will make a note in the file any time a copy of the EIV data is obtained by authorized persons and taken off site. This includes copies provided to the applicant/resident,

other internal staff, HUD, CA or OIG staff. Under no circumstances will the EIV information be provided to anyone other than those noted in this paragraph.

22.2.15 ELECTRONIC INFORMATION FROM EIV

Under no circumstances should anyone save or scan EIV information to retain an electronic copy. In order to ensure compliance with HUD's security requirements, EIV information should only be produced in hard copy and maintained in accordance with the recordkeeping requirements outlined by HUD.

22.2.16 ALTERNATIVE

In some cases, there may be a need to send or store EIV information electronically. If there is a need to store the information on a hard drive, a specific folder will be created. The folder will be password protected to prevent unauthorized access. Information in the folder will be purged periodically to comply with HUD's EIV file retention policies.

If EIV information is copied to portable media (CD, DVD, tape, etc.) that portable media will be destroyed appropriately upon completion of the intended use.

22.2.17 REPORTING IMPROPER DISCLOSURES

Recognition, reporting, and disciplinary action in response to security violations are crucial to successfully maintaining the security and privacy of the EIV system. These security violations may include the disclosure of private data as well as attempts to access unauthorized data and sharing of User ID's and passwords. Upon the discovery of a possible improper disclosure of EIV information or other security violation by an employee or any other person, the individual making the observation or receiving the information will contact the EIV Coordinator immediately who will document all improper disclosures in writing providing details including who was involved, what was disclosed, how the disclosure occurred, and where and when it occurred. The EIV Coordinator will immediately review the report of improper disclosure and, if appropriate, the EIV Coordinator will remove EIV access.

Improper disclosure of any information is grounds for immediate termination. All employees should carefully review the EIV Access Authorization Form to understand the penalties for improper disclosure of EIV data.

22.2.18 DISPOSAL OF EIV INFORMATION

EIV data will be destroyed in a timely manner based on the information provided in HUD's published EIV training materials, HUD notices or as prescribed by the owner/agent's policy and procedures. The owner/agent's policy and procedures will not allow data retention that is longer than the time allowed in the published HUD materials.

As necessary, all EIV originals will be shredded on-site. Information about the use of EIV information and how printouts were destroyed will be maintained in the resident file.

23.0 ND RENTING RIGHTS AND LAWS

North Dakota Attorney General's website and State of North Dakota Courts's website update laws, rights, and proceeding information that applies to tenants, renting, and landlords. The Housing Authority encourages households to check the North Dakota Apartments Association or North Dakota Attorney General's office.

22.1 TENANT RIGHTS

https://attorneygeneral.nd.gov/consumer-resources/tenant-rights/

23.2 SMALL CLAIMS COURT

https://www.ndcourts.gov/legal-self-help/small-claims

23.3 EVICTION FOR TENANTS

https://www.ndcourts.gov/legal-self-help/eviction-for-tenants

23.4 EVICTION FOR LANDLORDS

https://www.ndcourts.gov/legal-self-help/eviction-for-landlords

23.5 LEGAL SERVICES OF NORTH DAKOTA

https://lsnd.org/ or 1-800-634-5263

23.6 FAIR HOUSING COMPLAINT

High Plains Fair Housing https://www.highplainsfhc.org/ or 701-203-1077
ND Department of Labor: Human Rights https://www.nd.gov/labor/human-rights/housing or 701-328-2660

24.0 FRAUD COLLECTION

When Housing Authority is the principal party initiating or sustaining an action to recover amounts from tenants that are due as a result of fraud and abuse, the Housing Authority will retain the greater of: (1) Fifty (50) percent of the amount it actually collects from a judgment, litigation (including settlement of lawsuit) or an administrative repayment agreement, or (2) reasonable and necessary costs that Housing Authority incurs related to the collection of a judgment, litigation (including settlement of lawsuit) or an administrative repayment. Reasonable and necessary costs include the costs of the investigation, legal fees and collection agency fees.

If HUD incurs costs on behalf of Housing Authority in obtaining the judgment, these costs will be deducted from the amount to be retained by Housing Authority.

24.1 COLLECTION POLICIES

In the interest of sound fiscal management and program integrity the Housing Authority will make all reasonable efforts to collect amounts owed to the agency because of unreported income or amounts paid to owners on behalf of participants. The procedures to be followed to ensure maximum collection of applicant or program participant debt are:

No applicant will be admitted to the Housing Choice Voucher waiting list until any/all known debts owed to any PHA have been paid in full or the family is current on a repayment agreement. It is the preference of the Housing Authority to require a minimum repayment of 1/3 of debt owed and $50 per month payments. The Housing Authority may negotiate the monthly payments, due dates, and duration with the family as deemed appropriate.

If a family signs a Repayment Agreement and misses two consecutive payments, and/or has a history of non-sequential missed payments, the family shall be in default on the agreement. Should the family refuse to negotiate and sign a repayment agreement, the family shall be in noncompliance and assistance shall be terminated.

Program participants in the Voucher program must agree to pay back any amounts owed to the Housing Authority to be eligible for continued assistance. The following procedures will be followed for program participants:

Unreported Income: A repayment agreement will be negotiated when the amount of overpayment of housing assistance payments has been established. A repayment agreement will be executed based upon the financial circumstances of the family. The repayment agreement will be executed with first payment equal to one third of the amount owed and minimum monthly payments of $50.

Fraud: All fraud cases that result in amounts that exceed $500 may be referred to the local State's Attorney's office for prosecution. Those under that amount will be handled under a payback arrangement as described above.

If a family signs a repayment agreement and misses two consecutive payments, and/or has a history of non-sequential missed payments, the family shall be in default of the agreement. The family may be offered the opportunity to bring the account up to date and resume regular monthly payments. The family shall be sent a notice explaining that the family is in default and has 30 days to bring the account up to date and resume regular monthly payments. The notice will explain that if the family fails to make the payments by the given date, housing assistance payments shall be terminated. If the family fails to make payment, procedures to terminate assistance shall begin.

Housing Authority will make all reasonable efforts to collect amounts owed to any Housing Authority for rent or other amounts owed in connection with HCV programs. This may include, but is not limited to:

- Pursuing collection through the judicial system in order to secure judgment and enhance the potential for collection.
- Billing persons who have an outstanding debt
- Taking reasonable and legal actions to collect the amount owed
- Applying to withhold income tax refunds
- Turn accounts over to a collection agency.
- Refuse admission to a family who has an outstanding debt.
- Deny a Voucher to a participating family until the debt is paid in full.

Should a program participant request a voucher to move to a different unit, the debt to any/all PHA's must be paid in full or a repayment agreement which is acceptable to the PHA must be executed by the participant with payments by the participant being current before a new voucher will be issued.

A participant may not port to another jurisdiction until its repayment obligation is paid in full.

24.2 STATE INCOME TAX COLLECTIONS

The Housing Authority utilizes a system to collect improperly paid housing assistance through the North Dakota Tax Department. The housing authority can file a claim against the client's state income tax refund. When a state refund is anticipated, the Housing Authority will collect part or all of the refund towards the amount owed. Housing Authority will be entitled to the state income tax refund until the debt is paid in full.

24.3 LANDLORD COLLECTION / HAP OVERPAYMENTS

Occasionally inaccurate payments are made the landlords. If a landlord is paid improperly, Housing Authority must inform them in writing of the amount and terms for repayment. Each housing authority should create their own procedures and policies for recapturing the payments. Housing Authority may use the following methods for collection:

- Request repayment in full via check, cash, or money order.

- Deduct the amount from next month's check.
- Small claims court filing.

25.0 HOTMA-COMPLIANT HUD 50058 REPORTING

NWRHA will report Housing Choice Voucher Program transactions to HUD using the applicable version of Form HUD-50058 and associated reporting requirements prescribed by HUD.

For transactions with an effective date of January 1, 2027, or later, NWRHA will submit HOTMA-compliant information as required by HUD. NWRHA will maintain policies, procedures, staff training, and software necessary to support accurate HOTMA-compliant reporting.

Where HUD revises Form HUD-50058, reporting instructions, or associated systems requirements, NWRHA will implement the revisions within the timeframe established by HUD.

26.0 GLOSSARY

Glossary of Subsidized Housing Terms
24 CFR 982.4 and Part 5 Definitions.
(a) Definitions found elsewhere:
(1) General definitions. The terms 1937 Act, HUD, and MSA, are defined in 24 CFR part 5, subpart A.
(2) Terms found elsewhere. The following terms are defined in part 5, subpart A of this title: 1937 Act, covered person, drug, drug-related criminal activity, federally assisted housing, guest, household, HUD, MSA, other person under the tenant's control, public housing, HCV, and violent criminal activity.
(3) Definitions concerning family income and rent. The terms “adjusted income,” “annual income,” “extremely low-income family,” “tenant rent,” “total tenant payment,” “utility allowance,” “utility reimbursement,” and “welfare assistance” are defined in part 5, subpart F of this title. The definitions of “tenant rent” and “utility reimbursement” in part 5, subpart F of this title, apply to the certificate program, but do not apply to the tenant-based voucher program under part 982.
(b) In addition to the terms listed in paragraph (a) of this section, the following definitions apply:

Abatement of HAP Contract. Abatement is the process used by the PHA for withholding housing assistance payments from an owner. Abatement is used to enforce the PHA rights and remedies against an owner under the HAP contract, such as the recovery of overpayments by the PHA to the owner, or other recovery of housing assistance payments for the period that a dwelling unit and premises are not maintained in accordance with the housing quality standards (HQS) for the program. A PHA does not reimburse an owner for housing assistance payments that were abated for the period that the unit did not meet HQS.
Absorption. In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC. See 24 CFR 982.351.
Accessible. The facility or portion of the facility can be approached, entered, and used by individuals with physical handicaps.
Act, 1937 Housing. The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)
Annual Income. The amount of household income, less allowable HUD deductions for specified allowances, on which tenant rent is based.
Adjusted Annual Income. Same as Annual Income.
Administrative Fee. Fee paid by HUD to the PHA for administration of the program. See 24 CFR 982.152.
Administrative Fee Reserve. (Formerly “operating reserve”). Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes. See 24 CFR 982.155.

Administrative Plan. The plan describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See 24 CFR 982.54.

Admission. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. 24 CFR 982.54

Adult. A household member who is 18 years or older or who is the head of the household, or spouse, or co-head. An adult must have the legal capacity to enter a lease under state and local law.

Allowances. Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and childcare expenses for children under 13 years of age. Other allowances can be given at the discretion of the PHA.

Amortization Payment. In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home. If furniture was included in the purchase price, the debt service must be reduced by 15% to exclude the cost of the furniture. The amortization cost is the initial financing not refinancing. Set-up charges may be included in the monthly amortization payment.

Annual Contributions Contract (ACC). The ACC is a written contract between HUD and a PHA, under which HUD agrees to provide funding to the PHA, over a specified term, for housing assistance to owners and for the PHA administrative fee under Section 8 of the 1937 Act, and the PHA agrees to administer the program in accordance with HUD regulations and requirements.

Annual Income. The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations. All amounts, monetary or not, that:

- Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
- Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- Are not specifically excluded from Annual Income,
- Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

Applicant. A person or family that has applied for assistance but is not yet a participant in the program.

Area Exception Rent. An amount that exceeds the published FMR. See 24 CFR 982.504(b).

"As-paid" States. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See Net Family Assets.)

Asset Income. Income received from assets held by household members. If assets total more than $5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income.

Assistance Applicant.

- For any program under 24 CFR parts 215, 221, 236, 290, or 891, or any program under Section 8 of the 1937 Act: A family or individual that seeks rental assistance under the program.
- For the public housing program, a family or individual that seeks admission to the program.
- For any program under 24 CFR part 235; A homeowner or cooperative member seeking homeownership assistance (including where the individual seeks to assume an existing mortgage).

Assistance Payments. The amount HUD pays the owner for a unit occupied by a HCV, rental assistance participant. It includes HUD's share of the contract rent and any utility reimbursement due to the family. It is the gross rent for the unit minus the total tenant payment.

Assisted Lease (Lease). A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payment under a Housing Assistance Payment contract between the owner and the housing authority.

Assisted Rent. Any rent less than the market rent.

Auxiliary Aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance.

Briefing. A meeting between the PHA and the family prior to issuance of a Housing Choice Voucher. Topics include, but are not limited to, searching for a unit, family rights and program guidelines including family responsibilities.

Budget Authority. An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Certification. The examination of a household's income, expenses, and family composition to determine the household's eligibility for program participation and to calculate the household's rent for the following 12 months

Code of Federal Regulations (CFR). The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government. It is divided into 50 titles that represent broad areas subject to federal regulation. Each volume of the CFR is updated once every calendar year and is issued on a quarterly basis.

Child (or Youth). For purpose of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

Child Care Expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully

employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen. A citizen or national of the United States.

Citizenship Status. Eligibility for federal housing assistance is limited to U. S. citizens and applicants who have eligible immigration status.

Co-Head. An individual in the household who is equally responsible for the lease as the head of the household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

Common Space. In shared housing: Space available for use by the assisted family and other occupants of the unit.

Computer Match. The automated comparison of databases containing records about individuals.

Computer Match Agreement. The agreement describes the responsibilities and obligations of the parties participating in a computer match.

Confirmatory Review. An on-site review performed by HUD to verify the management performance of a PHA.

Congregate Housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606 to 982.609.

Consent Form. Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income) as referenced at 26 U.S.C. 6103 (l)(7)(A); and return information for unearned income from the Internal Revenue Service, as referenced at 26 U.S.C. 6103(l)(7)(B). The consent forms expire after a certain time and may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits as provided in 24 CFR 813.109, 913.109, and 950.315 of this title.

Consolidated Plan. A document written by a state or local government describing the housing needs of the low- and moderate-income residents, outlining strategies to meet these needs, and listing all resources available to implement the strategies. The document is required in order to receive HUD Community Planning and Development funds.

Contiguous Metropolitan Statistical Area (MSA). In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial housing authority is located. See 24 CFR 982, under subpart H.

Continuously Assisted. An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Act program when the family is admitted to the voucher program.

Contract. (See Housing Assistance Payments Contract.)

Contract Authority. The maximum annual payment by HUD to a PHA for a funding increment.

Contract Rent. In the Housing Choice Voucher Program, contract rent is the total rent paid to the owner including the family payment and HAP payment from the PHA.

Cooperative. Housing owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.
Cooperative Member. A family of which one or more members owns membership shares in a cooperative.
Covered Families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.
Covered Housing. Public housing, project-based assistance under HCV (including new construction and substantial rehabilitation projects), and tenant-based assistance under HCV
Covered Person. For purposes of 24 CFR 5, subpart I, and parts 966 and 982, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.
Currently Engaging In. With respect to behavior such as illegal use of a drug, other drug-related criminal activity, or other criminal activity, currently engaging in means that the individual has engaged in the behavior recently enough to justify a reasonable belief that the individual's behavior is current.

Dating Violence. Violence committed by a person, who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship.

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.
Decent, Safe, and Sanitary. Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.
Department: The Department of Housing and Urban Development
Dependent. A member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.
Disabilities. A physical or mental impairment that substantially limits one or more of the major life activities of such for an individual. See Person with Disabilities.
Disability Assistance Expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled Family. A family whose head, spouse, co-head, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
Disabled Person. See "Person with Disabilities"
Displaced Family. A family in which each member, or whose sole member, is a person displaced by governmental 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.
Displaced Person. A person displaced by governmental 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.
Domestic Violence. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
Domicile. The legal residence of the household head or spouse as determined in accordance with State and local law.
Down payment Assistance Grant. A form of homeownership assistance in the homeownership option: A single down payment assistance grant for the family. If a family receives a down payment assistance grant, a PHA may not make monthly homeownership assistance payments for the family. A down payment assistance grant is applied to the down payment for purchase of the home or reasonable and customary closing costs required in connection with purchase of the home.
Drug. A controlled substance as defined in section 102 of the Controlled Substance Act (21 U. S. C. 802).
Drug-Related Criminal Activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug. As defined in 42 U.S.C. 1437f(f)(5).
Drug-Trafficking. The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.
Economic Self-Sufficiency Program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training,

education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 5.603(c).

Elderly Family. A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person. An individual who is at least 62 years of age.

Eligible Family (Family). A family that is income eligible and meets the other requirements of the Act and See 24 CFR Part 5.

Employer Identification Number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation pursuant to sections 6011(b), or corresponding provisions of prior law, or 6109 of the Internal Revenue Code.

Entity Applicant.

- Except as excluded pursuant to 42 U.S.C. 3543(b), 3544(a)(2), and paragraph (2) of this definition, this term means a partnership, corporation, or any other association or entity, other than an individual owner applicant, that seeks to participate as a private owner in any of the following:
- The project-based assistance program is under Section 8 of the 1937 Act.
- The programs in 24 CFR parts 215, 221, or 236.
- The other mortgage and loan insurance programs in 24 CFR parts 201 through 267, except that the term "entity applicant' does not include a mortgage or lender.
- The term does not include a public entity, such as a PHA, IHA, or State Housing Finance Agency.

Estranged. An unfriendly or hostile spousal relationship that results in a spouse being removed from or distancing themselves from the family.

Eviction. The dispossession of the family from the leased unit as a result of the termination of tenancy, including a termination prior to the end of a lease term.

Evidence of Citizenship or Eligible Status. The documents which must be submitted to evidence citizenship or eligible immigration status. See 24 CFR 5.508(b).

Exception Rent. A rent approved by HUD that exceeds the published fair market rent.

Extremely Low-Income Families. Those families whose incomes do not exceed 30% of the median income for the area, as determined by the HUD Secretary with adjustments for smaller and larger families. See 24 CFR 5.603.

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.) A broad statute that prohibits discrimination based upon race, color, religion, sex, national origin, disability or familial status.

Fair Market Rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the

housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 CFR part 888.

Familial Status. One or more individuals (who have not attained the age of 18 years) living with:

- A parent or another person having legal custody of such individual or individuals (regardless of age or number of children); or
- The designee of such parent or other person having such custody, with the written permission of such parent or another person.

Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

(1) A single person, who may be:
   (i) An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
   (ii) An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or

(2) A group of persons residing together, and such group includes, but is not limited to:
   (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
   (ii) An elderly family;
   (iii) A near-elderly family;
   (iv) A disabled family;
   (v) A displaced family; and
   (vi) The remaining member of a tenant family.

Family Members. See Household Members

Family Rent to Owner. In the housing choice voucher program, the portion of rent to owner paid by the family. For calculation of family rent to owner, see 24 CFR 982.515(b).

Family Self-Sufficiency Program (FSS program). The program established by a PHA in accordance with 24CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family Share. The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

Family Unit Size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

Federal Agency. A department of the executive branch of the Federal Government.

Federally Assisted Housing. Housing assisted under any of the following programs listed in 24 CFR Part 5, Subparts I and J.

First-Time Homeowner. In the homeownership option: A family of which no member owned any present ownership interest in a residence of any family member during the three years

before commencement of homeownership assistance for the family. The term "first-time homeowner" includes a single parent or displaced homemaker (as those terms are defined in 12 U.S.C. 12713) who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

Foster adult. A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. Foster adults/children are not considered family members and must not be included in calculations of income for eligibility and rent determination purposes. However, foster adults/children are considered household members and must be included when determining unit size or subsidy standards based on established policies.

Foster child. A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (*e.g.,* public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction. Foster adults/children are not considered family members and must not be included in calculations of income for eligibility and rent determination purposes. However, foster adults/children are considered household members and must be included when determining unit size or subsidy standards based on established policies.

Foster Child Care Payment. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

Full Time Student. A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or Certificate Program, as well as an institution offering college degree. See 24 CFR 5.603.

Funding Increment. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

General Counsel. Means the General Counsel of HUD.

Gross Annual Income. The total income before taxes and other deductions, received by all members of the tenant's household. There shall be included in this total income all wages, social security payments, retirement benefits, military and veteran's disability payments, unemployment benefits, interest and dividend payments and such other income items as the Secretary considers appropriate.

Grantee. The person or legal entity to which a grant is awarded and that is accountable for the use of the funds provided.

Gross Rent. The sum of the rent to the owner plus any utility allowance.

Group Home. A dwelling unit that is licensed by the State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). A special housing type. See 24 CFR 982.610 to 982.614.

Guest. 24 CFR part 5: A person(s) temporarily staying in the assisted unit, with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of parts 966 and 982 apply to a guest as so defined.

Handicap. Any condition or characteristic that renders a person an individual with handicaps. See 24 CFR 8.3.

Handicap Assistance Expense. See "Disability Assistance Expense."

HAP Contract. Housing assistance payments contract.

Head of Household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Health and medical care expenses. Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Home. In the homeownership option: A dwelling unit for which the PHA pays homeownership assistance.

Homeless, Homeless Individual, Homeless Person. A person or individual who:

- lacks a fixed, regular, and adequate nighttime residence;
- has a primary nighttime residence that is:
- a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
- an institution that provides a temporary residence for individuals intended to be institutionalized;
- a public or private place not designed for, or ordinarily used as, regular sleeping accommodation for human beings.

Homeowner. In the homeownership option: A family of which one or more members owns title to the home.

Homeownership Assistance. Assistance for a family under the homeownership option. There are two alternative and mutually exclusive forms of homeownership assistance by a PHA for a family: monthly homeownership assistance payments, or a single down payment assistance grant. Either form of homeownership assistance may be paid to the family, or to a mortgage lender on behalf of the family.

Homeownership Expenses. In the homeownership option: A family's allowable monthly expenses for the home, as determined by the PHA in accordance with HUD requirements see 24 CFR 982.635.

Homeownership Option. Assistance for a homeowner or cooperative member under 24 CFR 982.625 to 982.641. A special housing type.

Household. For purposes of 24 CFR part 5, subpart I, and parts, 960, 966, 882, 982 means the family and PHA approved live-in aide. Includes all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

Household Members. Include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.
Housing Agency (HA). A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("PHA" and "HA" mean the same thing)
Housing Assistance Payment. The monthly assistance payment by a PHA, which includes:

- A payment to the owner for rent to the owner under the family's lease; and
- An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing Choice Voucher. A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The voucher also states the obligations of the family under the program.
Housing Choice Voucher Holder. A family that has an unexpired housing voucher.
Housing Quality Standards (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs. See 24 CFR 982.401.
Housing Quality Standards Abatement. The cessation of HAP when an owner has failed to make HQS repairs within the time frame allotted, i.e., 30 days, 24 hours and 10 days (minor HQS certification).
HUD. See U. S. Department of Housing and Urban Development.
HUD 50058. The HUD form that Housing Authorities are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

Immediate Family Member. A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or any other person living in the household of that person and related to that person by blood and marriage.
Imputed Asset. Asset disposed of for less than Fair Market Value for two years preceding examination or reexamination.
Imputed Income. For households with net family assets of more than $5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.
Imputed Welfare Income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction but is included in the family's annual income and therefore reflected in the family's rental contribution.
Income. Income from all sources, received by each member of the household, as determined in accordance with criteria established by HUD.
Income Category. Designates a family's income range. There are three categories: low-income, very low-income, and extremely low-income.
Income for Eligibility. Annual Income.
Income Information. Information relating to an individual's income, including but not limited to:

- All employment income information known to current or previous employers or other income sources that HUD or the processing entity determine is necessary for purposes of determining an assistance applicant's or participant's eligibility for, or level of assistance in, a covered program;
- All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a State unemployment compensation law
- With respect to unemployment compensation:
- Whether an individual is receiving, or has applied for unemployment compensation;
- The amount of unemployment compensation the individual is receiving or is entitled to receive; and
- The period with respect to which the individual actually received such compensation.
- Unearned IRS income and self-employment, wages and retirement income as described in the Internal Revenue Code, 26 U.S.C. 6103(l)(7).
- Wage, social security (Title II), and supplemental security income (Title XVI) data obtained from the Social Security Administration.

Income Limits. HUD establishes income limits by family size for the area in which the PHA is located. The income limits are published annually in a HUD Notice and are generally effective on the date of publication. The income limits are available on the Internet at www.huduser.com at the "datasets" portal. They are used to determine whether housing applicants qualify for admission to assisted housing programs. These income limits are based on HUD estimates for area median income with certain statutorily permissible adjustments.

- Very low-income limit, which is set at 50 percent of the area median income, is the income limit generally used to determine initial program eligibility.
- Low-income-limit, which is set at 80 percent of the area median income, is used for families whose incomes fall above the very low-income limits but who are considered to be eligible for assistance because they are: continuously assisted under the public housing or HCV programs, or displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract.
- Extremely low-income limit, which is set 0 to 30 percent of the median income. Each PHA must ensure that 75 percent of its admissions in each PHA fiscal year are families whose incomes are at or below the extremely low-income limit.

Incremental Income. The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Independent contractor. An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an

individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

Individual Owner Applicant. Except as excluded pursuant to 42 U.S.C. 3542(b), 3544(a)(2), or paragraph (2) of this definition, this term mean:

- An individual who seeks to participate as a private owner in any of:
- The project-based assistance programs under Section 8 of the 1937 Act;
- The programs in 24 CFR parts 215, 221, 235 (without homeownership assistance), or 236, including where the individual seeks to assume an existing mortgage.
- An individual who:
- Either:
- Applies for a mortgage or loan insured or coinsured under any of the programs referred to in paragraph (1)(iii) of the definition of "entity applicant" in this section; or
- Seeks to assume an existing mortgage or loan; and
- Intends to hold the mortgage property in his or her individual right.

Individual with Disabilities. Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. See Person with Disabilities.

Initial Public Housing Agency. In portability, the term refers to both:

- A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting housing agency; and
- A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing agency.

Initial Lease-Up. The date a family first moves into a housing unit under a HAP contract.

Initial Payment Standard. The payment standard at the beginning of the HAP contract term.

Initial Rent to Owner. The rent to owner at the beginning of the HAP contract term.

Institute of Higher Learning. PHA shall define an institution of higher learning as "A facility that requires high school diploma or equivalent, is not less than one-year program of training to prepare students for gainful employment."

Interest in The Home. In the homeownership option:

- In the case of assistance for a homeowner, "interest in the home" includes title to the home, any lease or other right to occupy the home, or any other present interest in the home.
- In the case of assistance for a cooperative member, "interest in the home" includes ownership of membership shares in the cooperative, any lease or other right to occupy the home, or any other present interest in the home.

Interim (Examination). A re-examination of a household's income, expenses, and household status conducted between the annual re-certifications when a change in a household's circumstances warrant such a re-examination.

Jurisdiction. The area in which the PHA has authority under State and local law to administer the program.

Landlord. The agent assigned to manage the unit or property. This may be either the owner of the property or the owner's representative or managing agent or the management agent's representative, as designated by the owner.

Law Enforcement Agency. The National Crime Information Center (NCIC), police departments and other law enforcement agencies hold criminal conviction records.

Lead-Based Paint: Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.

Legal Capacity. The participant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Lease.

- A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the PHA.
- In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA. For purposes of this part 982, the cooperative is the HCV "owner" of the unit, and the cooperative member is the HCV "tenant."

Live-In Aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

Local Preference. A preference or criteria used by the PHA to select among applicant families.

Low-income Family. A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families (1937 Act). HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.

Manufactured Home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence and meets the HQS. A special housing type: See 24 CFR 982.620 and 982.621.

Manufactured Home Space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

Medical Expenses. The amount of unreimbursed medical expenses that are anticipated during the period for which annual income is computed, (includes medical insurance premiums). This deduction is for elderly or disabled families only. These allowances are given when calculating adjusted income for medical expenses in excess of 3% of annual income.

Membership Shares. In the homeownership option: shares in a cooperative. By owning such cooperative shares, the shareowner has the right to reside in a particular unit in the cooperative, and the right to participate in management of the housing.
Merger Date. October 1, 1999.
Minimum Rent. The lowest total family payment permitted for families receiving HCV assistance. The PHA has the discretion to establish the "minimum rent" from $0 to $50. The minimum rent covers the family's contribution for rent and utilities.
Minor. A member of the family, other than the head of family or spouse, who is under 18 years of age.
Mixed Family. A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.
Moderate Rehabilitation. Rehabilitation involving a minimum expenditure of $1,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- Upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance; or
- Repair or replace major building systems or components in danger of failure.

Monthly Adjusted Income. One twelfth of the family's monthly income after allowances and deductions have been subtracted from the gross annual income.
Monthly Gross income. One twelfth of a family's total annual income.
Monthly Income. One Twelfth of annual income.
Move-in. Same as lease-up. The date the rental unit passes housing quality standards and housing assistance payments to the owner begins.
Mutual Housing. Included in the definition of "cooperative."

National. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.
Near-Elderly Family. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
Net Family Assets.

- The net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, life insurance and other forms of

capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under see 24 CFR 5.609.
- In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or participant family for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be of less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen. A person who is neither a citizen nor national of the United States.
Noncitizen Rule. Refers to the regulation effective June 19, 1995, restricting assistance to U. S. citizens and eligible immigrants.
Notice of Funding Availability (NOFA). For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Occupancy Standards. The standard that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.
Office of General Counsel (OGC). The General Counsel of HUD.
Organizational Unit. The jurisdictional area of each Assistant Secretary, and each office head or field administrator reporting directly to the Secretary.
Other Person Under the Tenant's Control. For the purposes of the definition of covered person and for parts 5, 882, 966, and 982. The person, although not staying as a guest (as defined in this section) in the unit, who is or was at the time of the activity in question, on the premises (as premises is defined in this section) because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.
Owner. Any person or entity (or employer of an owner) with the legal right to lease or sublease a dwelling unit to an eligible family.

Participant (Participant Family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment Standard. The maximum monthly assistance payment for a family assisted in the HCV program, (before deducting the total tenant payment by family). For a voucher tenancy, the housing authority sets a payment standard in the range from 90% to 110% of the current FMR.

Person with Disabilities.

- Means a person who:
- Has a disability, as defined in 42 U.S.C. 423;
- Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
- Is expected to be of long continued and indefinite duration;
- Substantially impedes his or her ability to live independently, and
- Is such a nature that the ability to live independently could be improved by more suitable housing conditions; or
- Has a developmental disability as defined in 42 U.S.C. 6001.
- Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
- 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
- Means "individual with handicaps" as defined in 24 CFR 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

Person with Disabilities. A person who:

- Has a disability as defined in Section 223 of the Social Security Act,
- "Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or
- In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."
- Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
- is expected to be of long continued and indefinite duration.
- substantially impedes his or her ability to live independently, and
- is of such a nature that such ability could be improved by more suitable housing conditions, or

- Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act. “Severe chronic disability that:
- is attributable to a mental or physical impairment or combination of mental and physical impairments;
- is manifested before the person attains age 22;
- is likely to continue indefinitely;
- results in substantial functional limitation in three or more of the following areas of major life activity: (1) self-care, (2) receptive and responsive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
- reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.”

Pet. Common household pet means:

- For purposes of Housing programs: A domesticated animal, such as a dog, cat, bird, rodent (including a rabbit), fish, or turtle, which is traditionally kept in the home for pleasure rather than for commercial purposes. Common household pet does not include reptiles (except turtles). If this definition conflicts with any applicable State or local law or regulation defining pets that may be owned or kept in dwelling accommodations, the State or local law or regulation shall apply. This definition shall not include animals that are used to assist persons with disabilities.
- For the purposes of Public Housing programs: PHA’s may define the term “common household pet” under 24 CFR 5.318.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with part 903 of this chapter.

PHA’s Quality Control Sample. An annual sample of files or records for families assisted by the PHA that drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see 24 CFR 985.3.

Portability. Renting a dwelling unit with HCV tenant-based assistance outside the jurisdiction of the initial PHA.

Premises. For purposes of 24 CFR part 5, subpart I, and parts 960 and 966. The building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Present Homeownership Interest. In the homeownership option: “Present ownership interest” in a residence includes title, in whole or in part, to a residence, or ownership, in whole or in part, of membership shares in a cooperative. “Present ownership interest” in a residence does not include the right to purchase title to the residence under a lease-purchase agreement.

Preservation. This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of

properties developed with project-based HCV assistance whose HAP contracts are about to expire.

Private Space. In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Processing Entity. The person or entity that, under any of the programs covered under this 24 CFR part 5 subpart B, is responsible for making eligibility and related determinations and any income reexamination. In the HCV program and the public housing programs, the "processing entity" is the "responsible entity" as defined in 24 CFR 5.100.

Project Owner. An owner (including HUD where HUD is the owner) or manager of a project for the elderly or persons with disabilities, or an agent authorized to act for an owner or manager of such housing.

Program. The HCV tenant-based assistance program is under this part. See 24 CFR 982.

Program Receipts. HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

Prorated Assistance. Partial rental assistance, or reduced housing assistance payment received by mixed families. In mixed families, the level of assistance is calculated at the ratio of eligible household members to ineligible household members. Prorated assistance can also be the amount of housing assistance paid to an owner for a partial month's occupancy such as when the family moves into the rental unit in the middle of the month.

Public Assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

Public Housing. Housing assisted under the 1937 Act, other that under HCV. "Public housing; includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating assistance.

Public Housing Agency (PHA). PHA includes both:

- Any State, county, municipality, or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), and
- Any of the following:
- A consortium of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortium members);
- Any other public or private non-profit entity that was administering a HCV tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or
- For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

Real Estate Assessment Center (REAC). Provides and promotes the effective use of accurate, timely, and reliable information assessing the condition of HUD's portfolio. REAC also provides

information to help ensure safe, decent, and affordable housing. It is designed to restore the public trust by identifying fraud, abuse, and waste of HUD resources.

Reasonable Accommodation. An accommodation to afford person(s) with disabilities equal opportunity to use and enjoy a dwelling. HUD regulations pertaining to reasonable accommodations may be found at 24 CFR 100.204

Reasonable Rent. A rent to owner that is not more than rent charged:

- For comparable units in the private unassisted market; and
- For comparable unassisted units on the premises.

Receiving PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Recertification. A reexamination of a household's total income, expenses, and family composition to determine the household's rent for the following 12 months.

Reexamination Date. The date on which any rent change is effective or would be effective if required as a result of the annual re-examination of eligibility and rent.

Regular Reexamination. In the case of participating families, regular reexamination means the biennial reexamination of household composition and income. In the case of elderly households and households where the head of household or spouse has a disability, regular reexamination means the triennial reexamination of household composition and income.

Remaining Member of a Tenant Family. A member of the family listed on the lease who continues to live in an assisted household after all other members have left.

Renewal Units. The number of units, as determined by HUD, for which funding is reserved on HUD books for a PHA's program. This number is used in calculating renewal budget authority in accordance with 24 CFR 982.102.

Rent to Owner. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

Residency Preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

Residency Preference Area. The specified area where families must reside to qualify for a residency preference.

Responsible Entity.

- For the public housing program, the HCV tenant-based assistance program (part 982 of this title), and HCV project-based voucher programs (part 983 of this title), and the HCV moderate rehabilitation program (part 882 of this title), responsible entity means the PHA administering the program under an ACC with HUD;
- For all other HCV programs, responsible entity means the HCV project owner.

Seasonal worker. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Secretary. The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937, now known as Housing Choice Voucher or HCV.
Section 8 Covered Programs. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under section 202 of the Housing Act of 1959. Now known as Housing Choice Voucher programs.
Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended **Section 214 Covered Programs**. Is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply? These programs are set forth in 5.500.
Security Deposit. A dollar amount (maximum set according to the regulations) which can be used by the owner or the owner's agent for unpaid rent or damages to the owner upon termination of the lease.
Set-Up Charges. In a manufactured home space rental: Charges payable by the family for assembling, skirting and anchoring the manufactured home.
Shared Housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type: see 24 CFR 982.615 to 982.618.
Shelter Allowance. That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.
Single Person. A person living alone or intending to live alone who does not qualify as an elderly person, a displaced person, a person with disabilities, or the remaining member of a tenant family.
Single Room Occupancy Housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: see 24 CFR 982.602 to 982.605.
Social Security Number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.
Special Admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.
Special Housing Types. See subpart M of this part 982. Subpart M of this part states the special regulatory requirements for: SRO housing, congregate housing, group home, shared housing, manufactured home (including manufactured home space rental), cooperative housing (rental assistance for cooperative member) and homeownership option (homeownership assistance for cooperative member or first-time homeowner).
Specified Welfare Benefit Reduction. Those reductions of welfare benefits (for a covered family) may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.
Sporadic Income. Income that is neither reliable nor periodic.
Spouse. The marriage partner of the head of household.
Stalking.

- To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person;
- 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:
    - that person;
    - a member of the immediate family of that person, or
    - the spouse or intimate partner of that person.

State Wage Information Collection Agency (SWICA). The State agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Statement of Family Responsibility. An agreement in the form prescribed by HUD, between the housing authority and a Family to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the family.

Statement of Homeowner Obligations. In the homeownership option: The family's agreement to comply with program obligations.

Student. All students enrolled either full-time or part-time at an institution of higher education. The student eligibility law does not exempt part-time students.

Subsidy Standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Supportive Housing. Supportive housing is affordable housing blended with on-site supportive services, including case management, which help people live more stable, productive lives. Supportive housing benefits individuals and families facing complex challenges, including those who are homeless or at risk of becoming homeless, and those facing serious, persistent challenges to a successful life such as alcohol abuse, substance use, mental illness, HIV/AIDS. Populations served may also include persons with developmental disabilities or the frail elderly.

Suspension. Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval of the tenancy, until the time when the PHA approves or denies the request. Also referred to as tolling.

Tenancy Addendum. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

Tenant. The individual or family (other than a live-in aide) who executes the lease as lessee (renter) of an assisted dwelling unit. May also be referred to as “resident”.

Tenant-Based Rental Assistance (TBRA). HUD assists low and very low-income families in obtaining decent, safe, and sanitary housing in private accommodations by making up the difference between what they can afford and the approved rent for an adequate housing unit.

Tenant Rent to Owner. See “Family rent to owner”. In the housing choice voucher program, the amount payable monthly by the family as rent to owner minus any utility allowance. For calculation of family rent to owner see 24 CFR 982.515(b).

Term of Lease. The amount of time a tenant agrees in writing to live in a dwelling unit.
Third Party Verification. Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.
Tolling: See Suspension.
Total Tenant Payment (TTP).

- Total tenant payment is the amount calculated under Section 3 (a)(1) of the 1937 Act. Also known as Family Share. Which is the higher of:
    - 30% of the family's monthly adjusted income;
    - 10% of the family's monthly income;
    - Minimum rent; or
    - If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.
    - If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a)(1) shall be the amount resulting from one application of the percentage.

Training Program. A learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to, classroom training in a specific occupational skill, on-the-job training with wages subsidized by the program or basic education.

Unauthorized Occupant. A person who, with the consent of a family, is staying in the unit, but is not listed on the lease documents or approved by the owner and CHA to dwell in the unit.
Unearned Income. Unearned income means any annual income, as calculated under § 5.609, that is not earned income.
Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.
U.S. Department of Housing and Urban Development (HUD). Established in 1965, HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships — particularly with faith-based and community organizations — that leverage resources and improve HUD's ability to be effective on the community level.
Utility Allowance. If the cost of utilities (basic heat, water, sewer, garbage) (does not include telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest

circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility Hook-Up Charge. In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Utility Reimbursement. In the voucher program, the portion of the housing assistance payment exceeds the amount of the rent to the owner. See 24 CFR 982.514(b).

Verification.

- The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).
- The three types of verifications are:
    - Third party verifications, either written or oral, are obtained from employers, public assistance agencies, schools, etc.
    - Documentation, such as a copy of a birth certificate or bank statement
    - Family certification or declaration (only used when third-party or documentation verification is not available.

Very Low-income Family. Low-income families whose annual incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families.

Violent Criminal Activity. Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonable likely to cause, serious bodily injury or property damage.

Voucher Program. The housing choice voucher program.

Voucher Holder. A family holding a voucher with an unexpired term (search time).

Voucher (Rental Voucher). A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Waiting List Admission. An admission from the PHA waiting list. 24 CFR 982.4

Welfare Assistance. Income assistance from Federal, State or local welfare programs 24 CFR 5.603(d) including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, childcare or other services for working families. Does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.

Welfare Rent. In "as-paid' welfare programs, the amount of the welfare benefit designated for shelter and utilities.

Welfare-To-Work (WTW) Families. Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose)

26.0 ACRONYMS

AAF: Annual Adjustment Factor (published by HUD in the Federal Register which is used to compute annual rent adjustments)
ACC: Annual Contributions Contract. Annual Contracts with Public Housing Authorities for payment
towards rents, financing debt service, and financing for modernization.
ADA: Americans with Disabilities Act of 1990
ADM: Administration (HUD Office of)
ALJ: Administrative Law Judge
ALLOCATION: Budget Authority transferred from one agency
APPROPRIATIONS: Statutory authority permitting agency to incur obligations.
ARRA: American Recovery and Reinvestment Act
BA: Budget Authority. Legal authority to enter into financial obligations.
BLS: Bureau of Labor Statistics, U. S. Department of Labor
BR: Bedroom
CACC: Consolidated Annual Contributions Contract
CDBG: Community Development Block Grant (Program)
CFO: Chief Financial Officer (HUD Office of)
CFR: Code of Federal Regulations (published federal rules that define and implement laws, commonly referred to as "the regulations")
CHAS: Comprehensive Housing Affordability Strategy
CIR: Congressional and Intergovernmental Relations (HUD Office of)
CO: Contracting Officer
CoC: Continuum of Care approach to assistance to the homeless
CONTRACT AUTHORITY: Statutory authority. Budget authority permitting contracting or obligations prior to an appropriation for payment.
CPI: Consumer Price Index (published monthly by the Department of Labor as an inflation indicator)
CR: Contract Rent
DAVIS BACON: Statutory requirement that persons working on Federal assisted projects be paid.
at least minimum prevailing wage.
EOHP: Equal Opportunity Housing Plan
EEO: Equal Employment Opportunity
EPA: U. S. Environmental Protection Agency
EZ: Empowerment Zones
FAIR HOUSIG ACT: 1968 act (amended in 1974 and 1988) providing HUD Secretary with fair housing enforcement and investigation responsibilities.
FASS: Financial Assessment Subsystem
FDIC: Federal Deposit Insurance Corporation
FEMA: Federal Emergency Management Administration
FHA: Federal Housing Administration
FHAP: Fair Housing Assistance Program (FHEO program). Program assisting State local

government with process fair housing complaints.
FHEO: Fair Housing and Equal Opportunity (HUD Office of)
FHIP: Fair Housing Initiatives Program (FHEO program). Program to assist state or local government, community groups and housing resource boards to combat housing discrimination.
FICA: Federal Insurance Contributions Act (established Social Security taxes)
FMC: Financial Management Center (Section 8; under PIH)
FMR: Fair market rent, maximum rent for HCV rental assistance)
FR: Federal Register
FSI: Financial Systems Integration
FSS: Family Self-Sufficiency (Program)
FY: Fiscal Year
FYE: Fiscal Year End
GAO: Government Accountability Office
GMC: Grants Management Center
GR: Gross Rent
HA: Housing Authority
HAP: Housing Assistant Payment.
HAP Plan: Housing Assistance Payment Plan
HCDA: Housing and Community Development Amendments of 1981
HCV: Housing Choice Voucher
HCVP: Housing Choice Voucher Program
HFA: Housing Finance Agency. State or local agencies responsible for financing and preserving low/mod housing within a state.
HMO: Housing Management Officer (in a HUD Field Office)
HOME: Home Investment Partnerships (CPD Program)
HOPE VI: Program for Revitalization of Severely Distressed Public Housing (PIH program)
HQS: Housing Quality Standards
HUD: Department of Housing and Urban Development
HUDCLIPS: HUD Client Information and Policy System
HURRA: Housing and Urban/Rural Recovery Act of 1983
IHAs: Indian Housing Authorities
IG: (HUD Office of) Inspector General
IGR: Independent Group Resident
IIP: Initial Implementation Period (for rules requiring documentation of citizenship and eligible alien status).
INS: (U. S.) Immigration and Naturalization Service
IPA: Independent public accountant
IPS: Initial Payment Standard (applies to the Housing Voucher Program)
IRA: Individual Retirement Account
IRS: Internal Revenue Service
IT: Information Technology
JTPA: Job Training Partnership Act

LBP: Lead-Based Paint
LIHTC: Low-income Housing Tax Credit
MBE: Minority Business Enterprise
MOU: Memorandum of Understanding
MSA: Metropolitan statistical area (established by the U.S. Census Bureau)
PIC: Multi-Family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
MTW: Move to Work Demonstration
NAHA: National Affordable Housing Act
NAHRO: National Association of Housing and Redevelopment Officials
NOFA: Notice of Funding Availability
ODEEO: Office of Departmental Equal Employment Opportunity
OGC: Office of General Counsel
OHHLHC: Office of Healthy Homes and Lead Hazard Control
OLR: Office of Labor Relations
OMB: Office of Management and Budget
ONAP: Office of Native American Programs
Operating Subsidies: Payments authorized by the U. S. Housing Act of 1937 for operating costs of low-rent public housing projects.
OPM: Office of Personnel Management
PASS: Plan for Achieving Self-Support
PFS: Performance Funding System
PHA: Public Housing Agency
PHAS: Public Housing Assessment System (under REAC)
PHMA: Public Housing Management Assessment Program (under PIH)
PHRA: Public Housing Reform Act of 1998 (also known as the Quality Housing and Work Responsibility Act)
PIC: PIH Information Center
PIH: (HUD Office of) Public and Indian Housing
PS: Payment Standard
QC: Quality Control
QHWRA: Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing
Reform Act)
QMR: (HUD) Quality Management Review program (for oversight of field operations)
RAD: Regional Accounting Office
REAC: (HUD) Real Estate Assessment Center
RECD: Rural Economics & Community Development
REMS: Real Estate Management System (under REAC)
RFP: Request for Proposals
RFTA: Request for Tenancy Approval
RHIIP: Rental Housing Integrity Improvement Project

RIGI: Regional inspector general for investigation (handles fraud and program abuse matters for
HUD at the regional office level)
ROSS: Resident Opportunity Self-Sufficiency
SECTION 8: Housing Assistance Payment Program (Housing and Community Development Act of 1974). Now known as Housing Choice Voucher Program.
SEMAP: Section 8 Management Assessment Program
SRO: Single Room Occupancy
SSA: Social Security Administration
SSI: Supplemental Security Income
SUPER NOFA: HUD's consolidated approach to issuance of Notices of Funding Availability
SWICA: State Wage Information Collection Agency
TAC: Technical Assistance Center (REAC Helpdesk)
TANF: Temporary Assistance for Needy Families
TARC: Troubled Agency Recovery Center (under PIH)
TASS: Tenant Assessment Subsystem
TIN: Taxpayer Identification Number
TR: Tenant Rent
TRACS: Tenant Rental Assistance Certification System
TTP: Total Tenant Payment
UA: Utility Allowance
URP: Utility Reimbursement Payment
USDA: U. S. Department of Agriculture
VA: Veteran Affairs (U. S. Department of)
VAWA: Violence Against Women Reauthorization Act of 2005

27.0 SPECIAL HOUSING TYPES

HUD requires the Housing Authority and board to approve any special housing types and uses. HUD has definitions and calculations for special housing types.

27.1 CHAPTER OVERVIEW

A PHA has the option to allow participating households to use their housing choice voucher program assistance in a number of specialized housing types. Each of the special housing types described below is targeted to households with particular needs. The program housing quality standards (HQS) generally apply to all units, but each special type of housing has additional unique HQS standards. The payment standard used for each special housing type, and any nonstandard requirements for determining the utility allowance, calculating the HAP payment, or determining the reasonableness of the rent, are included in the program descriptions.

With the exception of manufactured homes, which the PHA must allow families to lease under the program, the PHA must decide whether or not to approve the use of special housing types. The PHA's decision should be based on its assessment of the difficulties encountered by households currently looking for housing, applicant and participant demographics suggesting a need for specialized housing, and the availability of suitable housing of the various types in the local market. However, even though a PHA may decide to disallow the use of special housing types, the PHA must allow the use of a special housing type if needed as a reasonable accommodation for persons with disabilities.

The PHA's choice to approve use of any of these special housing types should not be confused with a commitment on the part of the PHA to provide project-based funding for specialized housing. All of these programs are options that may be made available to voucher holders and participant households as they search for housing. The PHA may not set aside program funds for special housing types. The PHA cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing.

For each household that elects to lease a unit in one of these special housing types, there is a separate lease and HAP contract. The PHA has no obligation to help owners of these special types of housing fill units vacated by housing choice voucher program participants. The PHA's administrative plan must include local policies regarding the use of special housing types.

27.2 SINGLE ROOM OCCUPANCY FACILITIES

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities. There is no federal limitation on the number of SRO units in an SRO facility.

Use of this type of housing—other than for projects funded under the McKinney Act—formerly required specific approval by HUD. HUD approval is no longer required.
An SRO unit may not be occupied by more than one person. Program regulations do not place any limit on the number of units in an SRO facility, although the size of a facility may be limited by local laws.

Federal regulations for SRO units include special provisions for access and fire safety as follows:

- Access: Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- Fire Safety: All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law. In addition, sanitary facilities and space and security features must meet local code standards for SRO housing. In the absence of local code standards, the following requirements apply:
- Sanitary Facilities: At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- Space and Security: An SRO unit must contain at least 110 square feet of floor space, and at least four-square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

The housing quality standards applicable to lead-based paint do not apply.

The payment standard for SRO housing is 75 percent of the 0-bedroom payment standard amount on the PHA's payment standard schedule. The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP. The utility allowance for an SRO unit is 75 percent of the 0-bedroom utility allowance.

27.3 CONGREGATE HOUSING

Congregate housing is intended for use by elderly persons or persons with disabilities. It contains a shared central kitchen and dining area and a private living area for the individual

household of at least one living room, bedroom and bathroom. Food service for residents must be provided.

Elderly persons or persons with disabilities may live in congregate facilities. With PHA approval a live-in aide may live in the congregate unit with a person with disabilities or an elderly person. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Housing quality standards for the housing choice voucher program apply to congregate housing, with the exception of the following alternate requirements:

Food Preparation and Refuse Disposal
Congregate housing requires:

- A refrigerator of appropriate size in the private living area of each resident;
- Central kitchen and dining facilities located within the premises and accessible to the residents; and
- Food service for the residents that is not provided by the residents themselves.
- The housing quality standards applicable to lead-based paint do not apply.

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the payment standard for a 0-bedroom unit is used. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA should use the 1-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

Housing choice voucher program assistance should be calculated on the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

27.4 GROUP HOMES

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. The group home consists of residents' bedrooms, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. No more than 12 persons may reside in a group home. This includes assisted and unassisted residents, and any live-in aides.

Elderly persons or persons with disabilities may live in group homes. If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a

live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities.

Persons living in a group home must not require continual medical or nursing care.

In addition to the generally applicable housing choice voucher program HQS, group homes require the following:

- Sanitary Facilities: Group homes must have at least one bathroom in the unit, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- Food Preparation and Service: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- Space and Security: Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
- Structure and Material: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- Site and Neighborhood: Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:

- Dangerous walks or steps
- Instability
- Flooding, poor drainage
- Septic tank back-ups
- Sewage hazards
- Mud slides
- Abnormal air pollution
- Smoke or dust
- Excessive noise
- Vibrations or vehicular traffic
- Excessive accumulations of trash
- Vermin or rodent infestation, and
- Fire hazards.

The housing quality standards applicable to lead-based paint do not apply.

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home is 0- or 1-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the group home size. The prorate-share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

DETERMINING THE PAYMENT STANDARD FOR A GROUP HOME UNIT

Rule: The payment standard is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the group home size.

Example: Household includes a person with disabilities plus a live-in aide.

Family unit size: 2 BR
Persons in the group home: 8
Group home size: 8 Bedrooms

2 BR payment standard: $400
8 BR payment standard: $1,500

2 person in assisted household
÷ 8 persons in the group home
.25 = pro-rata share

$1,500
x .25
$375 pro-rata share of payment standard for group home

$375 is lower than the $400 payment standard for the family unit size
$375 is the payment standard used to calculate the HAP payment

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted occupant in a group home is the pro-rata share of the utility allowance for the group home.

CALCULATING THE HAP AND UTILITY ALLOWANCE FOR A GROUP HOME UNIT

Household is person with disabilities plus live-in aide from example above.
Actual rent charge: $300
TTP for the household = $135
Payment standard (from above): $375

8 BR utility allowance (electricity): $280
$280 x .25 pro-rata share (from above) = $70 Utility Allowance

$300 Actual rent to owner plus allowance for tenant-paid electricity: $70.
$370 Gross Rent

$375 (Payment standard) - $135 (TTP) = $240
$370 (Gross Rent) - $135 (TTP) = $235
HAP = $235

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the pro-rata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

DETERMINING RENT REASONABLENESS
OF A PRO-RATA SHARE FOR A GROUP HOME UNIT

The household consists of a person with disabilities plus a live-in aide. The group home has 8 bedrooms.

The PHA has determined that a comparable 8 BR unit would rent for $1,500. One of the factors considered by the PHA is the fact that the assisted family is provided private sanitary facilities not used by other residents.

$1,500 x .25 (pro-rata share from above) = $375

The gross rent for the assisted household ($370) does not exceed the pro-rata share of the reasonable rent for the group home ($375).

27.5 SHARED HOUSING

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the housing choice voucher program, or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family. If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities.

HQS for the housing choice voucher program apply, with the following exceptions:

- Facilities Available for the Family: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- Space and Security: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

Rule: The payment standard is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the shared housing unit.

DETERMINING THE PAYMENT STANDARD IN SHARED HOUSING

Rule: The payment standard is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the shared housing unit.

Example: household includes mother and 8 year old daughter
Shared housing unit size: bedrooms available to assisted family= 2
Total bedrooms in the unit: 3
2 Bedrooms for assisted family
÷ 3 Bedrooms in the unit
.667 pro-rata share

2 BR payment standard: $400
3 BR payment standard: $565
$565 x . 667 (pro-rata share) = $377
$377 is lower than the $400 payment standard for the 2 BR family unit size
$377 is the payment standard used to calculate the HAP

The HAP for a family in shared housing is the lower of the TTP minus the payment standard or TTP minus the gross rent. The utility allowance for an assisted family living in shared housing is the pro-rata share of the utility allowance for the shared housing unit.

CALCULATING THE HAP AND UTILITY ALLOWANCE IN SHARED HOUSING

Household is mother and daughter from example above.
Actual rent charged: $250
TTP for the household: $275
Payment standard (from above): $377
Applicable 3BR utility allowance: $175

$175 (3 BR utility allowance) x .667 (pro-rata share) = $117 utility allowance for assisted family

$117 + $250 = $367 Actual rent charged plus utility allowance (gross rent)

$377 (payment standard) - $275 (TTP) = $102

$367 (gross rent) - $275 (TTP) = $92
HAP = $92

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

DETERMINING RENT REASONABLENESS AND PRO-RATA SHARE IN SHARED HOUSING

Household is mother and daughter from example above.

The reasonable rent for a 3-BR unit of this quality in this neighborhood is $570.

$570 x .667 (pro-rata share) = $380 reasonable rent for 2 BR share for assisted family

Gross rent for the assisted family = $367

The gross rent for the assisted family ($367) does not exceed the pro-rata share of the reasonable rent for the shared housing ($380).

27.6 COOPERATIVE HOUSING

Cooperative housing is owned by a nonprofit corporation or association, where a member of the corporation or association has the right to reside in a particular apartment and to participate in management of the housing.

There are no program restrictions on who may occupy a cooperative housing unit.

All housing choice voucher program HQS apply to cooperative housing units. There are no additional HQS requirements.

The payment standard for a cooperative housing unit is the payment standard for units of the same bedroom size on the PHA's payment standard schedule.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down-payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

The rent for a cooperative housing unit must be reasonable based on rents for comparable unassisted units.

27.7 MANUFACTURED HOMES

A manufactured home is a manufactured structure, transportable in one or more parts, which is built on a permanent chassis, is designed for use as a principal place of residence and meets housing choice voucher program HQS. Program provisions for the leasing of manufactured homes apply when the family leases the manufactured home unit and the manufactured home space.

There are no program restrictions on who may occupy a manufactured home. The PHA must allow a family to lease a manufactured home and space with assistance under the program. The PHA may provide assistance to a family that owns the manufactured home and leases only the space. However, the PHA is not required to provide such assistance.

The manufactured home must meet all HQS performance requirements and acceptability criteria.

In addition, the following requirements apply:

- Manufactured Home Tie-Downs: A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

The payment standard for a manufactured housing unit and space is the payment standard for units of the same size on the PHA's payment standard schedule.

The HAP for a manufactured home is the lower of the payment standard minus the TTP or the gross rent minus TTP. The rent paid to the owner includes the rent for the unit, for the manufactured home space, and maintenance, services, and utilities that the owner provides under the lease.

The PHA must determine that the rent paid to the owner for a manufactured home is reasonable based on rents for comparable unassisted units.

27.8 MANUFACTURED HOME SPACE RENTAL

A PHA may provide rental assistance to a family that owns its own manufactured home and leases only the manufactured home space. For families leasing the manufactured home space under the housing choice voucher program, the rent to the owner includes payment for maintenance and services that the owner provides under the lease for the space. The rent to the owner does not include the cost of utilities and trash collection, but if these are provided by the owner, the owner may charge the family a separate fee. Otherwise, the tenant receives a utility allowance for any tenant-paid utilities.

Although PHAs are not required to provide assistance to families who own their manufactured home and lease the home space, there are no program restrictions as to who may receive assistance for the rental of a manufactured home space.

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

The manufactured home and space must meet all HQS performance requirements and acceptability criteria. In addition, the following requirements apply:
Manufactured Home Tie-Downs: A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

The FMR for a manufactured home space is generally 40 percent of the published FMR for a 2-bedroom unit or, where approved by HUD, the 40th percentile of the rental distribution of manufactured home spaces for the FMR area. The PHA may establish a payment standard for manufactured home spaces that is between 90-110 percent of the FMR for manufactured home spaces.

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the (gross) manufactured home space rent minus the TTP. The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, and the utility allowance for tenant-paid utilities.

Initially, and annually thereafter the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

28.0 ERRORS, OMISSIONS, AND PROGRAM INTEGRITY

The Errors, Omissions, and Program Integrity policies assist the Housing Authority with program integrity and making corrections under specific circumstances.

28.1 CHAPTER OVERVIEW

PHAs maintain their credibility with applicant and participant families, owners, HUD, and the larger community by enforcing program requirements. When families, owners, or PHA employees fail to adhere to program requirements, the PHA must take appropriate action. The action that is appropriate depends on the particular case of circumstances.

PHAs should address program errors, omissions, fraud, or abuse through both *prevention* and *detection*. Preventive measures are the most effective way to deter widespread program irregularities. This chapter first discusses the important differences between program errors and omissions and fraud and abuse. It also identifies various ways PHAs can prevent and detect errors and abuses and discusses corrective action methods.

28.1.01 DISTINGUISHING BETWEEN ERRORS OR OMISSIONS AND FRAUD AND ABUSE

This chapter uses the terms “error” and “omission” to identify situations in which a family or owner does not comply with program requirements or staff members incorrectly apply program rules. An error or omission may be intentional or unintentional. Some will affect family payment and subsidy amounts; others will not. It is important that PHAs carefully analyze the unique circumstances of the case to determine how to best handle the situation. Errors or omissions that affect the family’s payment, subsidy amount or the regular flow of housing assistance payments should be a high priority.

“Fraud” and “abuse” mean a single act or pattern of actions made with the intent to deceive or mislead, constituting a false statement, omission, or concealment of a substantive fact. Fraud and abuse result in the payment of housing choice voucher program funds in violation of program requirements. It often occurs when families or owners intentionally fail to report required information or report incorrect information to obtain benefits to which they are not entitled. Fraud is a legal term that involves taking legal action to pursue a remedy of the situation, such as terminating program assistance.

It is important that PHA staff recognize the differences between unintentional and intentional misreporting. Particularly in cases of intentional misreporting, PHA staff must be able to evaluate the special circumstances and seriousness of the case to determine whether it is a case of fraud. PHAs must also establish policies and procedures for fair and consistent treatment of cases of intentional misreporting, abuse, and fraud. A policy that clearly defines circumstances under which a family or owner would be terminated from the program, but also allows the PHA to consider mitigating circumstances before terminating, is best.

ERRORS AND OMISSIONS VS. FRAUD AND ABUSE

Errors/Omissions	Fraud/Abuse
By the Family	
• Failure to report required information due to lack of understanding, such as omitting a particular asset or failing to report a source of income. • Incorrect reporting, such as reporting the income source but incorrectly stating the amount of income. • Failure to report changes as required, such as failure to notify the PHA of a change in family composition or income.	• Intentionally misrepresenting income, assets, and allowances. • Intentionally misrepresenting family composition. • Initiating and participating in bribes or other illegal activities.
By the Owner	
• Collecting housing assistance payments for an unoccupied unit, when the owner is not aware that the assisted family has vacated. • Errors in specifying responsibilities for utility payments.	• Collecting extra or "side" payments in excess of the family share of rent or requiring the family to perform extraordinary services in lieu of payments. • Charging families for utilities that are the owner's responsibility. • Collecting housing assistance payments for units not occupied by program participants. • Bribing PHA employees to certify a substandard unit as passing HQS. • Other HQS violations involving misrepresentation and deceit.
By the PHA	

• Unintentionally miscalculating subsidy/rent. • Unintentionally determining eligible families as ineligible and vice versa. • Unintentionally approving rents that are not reasonable. • Misinterpreting documentation or information provided by a third party. • Forgetting to inform the participant of a reporting requirement or to collect all required information during an interview. • Unknowingly failing to apply program rules and procedures properly. Late processing.	• Willful passing of units not meeting HQS and/or local standards. • Accepting kickbacks from owners, managers, or families to permit participation or to allow rents in excess of the rent reasonableness limitation. • Intentionally calculating total tenant payment or housing assistance payments incorrectly. • Intentionally making incorrect determinations of family eligibility, including certifying as eligible otherwise ineligible applicants, coaching applicants to falsify documents, or changing an applicant's position on the waiting list.

28.2 PREVENTING AND DETECTING ERRORS, OMISSIONS, FRAUD, AND ABUSE

PHAs are ultimately responsible for ensuring that the right people receive the right amount of subsidy, and they must maintain a high degree of accuracy in administering the housing choice voucher program. Nonetheless, errors, omissions, fraud, and abuse will occur, and PHAs must have preventive measures in place so that any irregularity can be quickly detected and resolved as efficiently, professionally, and fairly as possible. Because preventive measures are the most effective way to deter widespread program irregularities, they should be an integral part of daily operations.

When determining which techniques to use to prevent and/or detect errors, PHAs should take into account the cost-effectiveness of the approach, specifically, whether the cost to implement the prevention/detection technique will be offset by the savings to be realized. "Savings" might include actual dollar amounts recovered (either for the PHA or on behalf of the family or owner), an estimate of erroneous payments saved, or any benefits realized in program efficiency, effectiveness, and integrity. A second consideration is whether the technique allows for the identification of errors before or after the PHA makes housing assistance payments to the owner.

Errors in favor of the family or owner that go undetected present an added hardship for families and owners who may have limited means to make repayments. They also translate into increased collection costs and losses for the PHA. Detecting an error, omission, fraud or abuse later in the process is always more costly.

Eleven techniques or approaches to preventing and detecting errors, omissions, fraud, and abuse are discussed below.

28.2.01 VERIFICATION BY PHA STAFF

PHAs must independently verify all factors affecting a family's eligibility and payment including:

- Preference status;
- Citizenship status (special verification requirements);
- Annual income;
- Value of assets;
- Expenses related to allowances; and
- Other factors that affect the determination of adjusted income, such as full-time student status.

Three methods of verification are acceptable if the file is properly documented. The most acceptable form, which should always be pursued to the utmost extent, is third party verification from a reliable source. Third party verification should be either written or oral. Written verification should not be hand carried by the family. If several attempts have been made and third-party verification is not possible, the PHA may rely on review of documents but must document the file to record why third-party verification has not been obtained. When reviewing documents is not possible, the PHA may require that the family sign a certification or notarized statement.

28.2.02 HUD COMPUTER MATCHING INCOME VERIFICATION

Through its computer matching verification program, HUD uses Federal tax return data received from the Social Security Administration and the Internal Revenue Service (IRS) to identify potential income discrepancies (i.e. income that housing choice voucher families did not report as required when applying for initial or continued rental assistance.) The program also involves initiating administrative or legal actions to resolve income discrepancies and recapture any excess rental assistance assisted families may have received. HUD's Real Estate Assessment Center is responsible for HUD's computer matching program.

HUD is implementing its computer-matching program nationwide in an effort to detect and deter program abuses so that resources may be used to serve the most needy families. Implementation is as follows:

- HUD identifies potential income discrepancies by comparing the income reported by families and submitted by the PHA to HUD through PIC with Federal tax data provided by the IRS and the Social Security Administration;
- If HUD identifies a potentially significant income discrepancy, HUD generates and sends a letter to the family describing the potential discrepancy. The letter requires the participant to disclose the income data shown in the letter to the PHA;

- HUD forwards the PHA a list of all families who received a letter;
- When the family discloses its income data, the PHA initiates a thorough review and takes necessary action to resolve the discrepancies; and
- HUD tracks PHA efforts to resolve potential discrepancies.

PHAs should make a prudent effort to obtain full repayment of excess rental assistance through repayment agreements.

HUD's authority to use Federal tax return data from the Internal Revenue Service (IRS) is limited by statute to disclosure of any discrepancies to the assisted family only. HUD can only provide the PHA with a list of housing choice voucher participants to whom it has sent an income discrepancy letter but cannot disclose the Federal tax return data to the PHA. Households that receive such a letter must "promptly disclose" the letter or other notice from HUD to the PHA. No specific timeframe is specified, but HUD suggests that the family be given 30 days from the date of receipt to respond.

HUD's income matching provisions apply only to families that currently receive housing choice voucher assistance. If they have the resources to do so PHAs may, but are not required to, pursue abuses by former program participants.

POSITIVE OR FALSE POSITIVE?

It is likely that some discrepancies that HUD's Computer Matching Program identifies will not involve any intentional wrongdoing on the family's part. For example, the discrepancy may be the result of an error on the PHA's part, or the differences in income reported might be the result of the application of earned income disregards. PHA staff must be informed of the range of circumstances that might generate a false positive. Staff should also be trained to respond sensitively to families who find themselves in a situation where they have received a letter but have not done anything wrong.

28.2.03 ESTABLISH QUALITY CONTROL PROCEDURES

A good quality control system will ensure that staff's daily decisions about tenant eligibility, tenant rent, rent reasonableness, housing assistance payments, and housing quality conform to program requirements and are based on accurate information. A good quality control system is implemented regularly. Depending upon the size of the program, general program performance, and staff capabilities and experience, quality control may occur quarterly, monthly or on a more frequent basis.

Information obtained during quality control reviews should not only help identify individual errors or omissions, but it should also be collected on an aggregate basis so that the PHA can determine error rates by category and the extent and causes of errors. This level of detail allows the PHA to initiate actions necessary to prevent the recurrence of problems identified.

A good quality control system also contains procedures for taking corrective action on errors or omissions identified. For example, the staff member responsible for making the error should always be responsible for correcting the error. Staff should be provided with deadlines for correcting the errors and corrections should be reviewed for accuracy and thoroughness.

When overall error rates exceed the acceptable level, management must determine the cause of the errors and identify whether changes in operating policies and procedures need to be made to resolve the problem.

ESTABLISHING A QUALITY CONTROL SYSTEM PHA CONSIDERATIONS

1. Who will be responsible for implementing and operating the system?
2. What information should be collected and reviewed?
3. With what frequency will the reviews occur?
4. What should be done with the information?
5. What action should be taken to correct deficiencies?
6. What preventive actions can help avoid problems in the future?

28.2.04 QUALITY CONTROL PROCEDURES

Quality control may take many different forms. Quality control may be in the form of routine checks, including manual and automated, that are typically built into a PHA's program management system. For example, some PHAs require that a supervisor review all new admissions and recertification transactions prior to final data entry into the PHA's computer system. Other PHAs only review the work of new employees. Quality control also occurs when managers generate and analyze standardized reports that enable them to check for internal consistency, completeness of processing, and accuracy of calculations. Another form of quality control is a thorough review of a sample of files representing different transaction types. This review occurs after staff members finish processing the file (e.g. after completion of a recertification.)

Regardless of the approach taken, quality control should include a review of the following functional areas to detect and prevent recurring errors, omissions, fraud or abuse:

- Admissions and occupancy functions: The objective of the review is to determine that the file is complete; meaning that all information, particularly income, assets, and allowances, have been properly verified; unit size is appropriate; and the subsidy, rent, and utility allowance/reimbursement calculations are correct. The review should determine if the information in the file is consistent with the family information reported in PIC. If any of the file entries are incomplete, unverifiable, or incorrect, the quality control supervisor

should record the specific error, preferably by using a standard file review form. The standardized forms can then be compiled and tabulated to summarize the results of all tenant file reviews.

- Rent reasonableness function: The objective of the review is to determine whether the rent approved by the PHA was determined to be reasonable in accordance with HUD regulations and PHA rent reasonableness procedures. This review protects against owners receiving more rent than they would if they rented their units in the private rental market. The reviewer should determine that each file documents that all steps in the rent reasonableness procedure have been completed and that the data provided supports the conclusions drawn.
- Housing Assistance Payments processing function: The objective of this review is to first determine whether the housing assistance payment to the owner is correct, based on the payment standard and family contribution. Second, this review ensures that the payment being made to the owner matches the amount shown on the PHA's HAP register. Third, it also confirms that any change in rent resulting from a recertification or interim change is properly reflected in the HAP to owner. Fourth, it protects against payments being made on a HAP contract that has been terminated. Finally, this review protects against payments for a unit that has failed HQS and where the owner has yet to correct the deficiency.
- Inspection function: The objective of this review is to examine the quality of the original PHA inspector's work and the accuracy of the inspector's determination regarding whether or not the unit complied with HQS and/or local housing code. This review prevents owners from receiving program subsidy under the program for substandard units.

28.2.05 QUALITY CONTROL SAMPLES

At a minimum, PHAs should select a sample (tenant files, new admissions, housing units, inspection files, etc.) that adheres to the minimum sample size requirements outlined in the regulations for the Section 8 Management Assessment Program (SEMAP). If the sample is to be drawn monthly, the files drawn should be limited to those representing transactions completed during the past month. Similarly, if the sample is drawn quarterly, it should be limited to transactions completed during the past three months. Samples should include the work of all staff responsible for the processing function being reviewed. The sample should also include a representative sample of the various transactions that may occur.

The table below identifies the sample size required based on the "universe" or the whole under consideration. The universe for selections from the waiting list will be the total number of applicants selected within the period under review. The universe for HQS enforcement will be the total number of units that failed HQS during the period.

NUMBER OF FILES/RECORDS TO BE SAMPLED	
UNIVERSE	NUMBER OF FILES/RECORDS TO BE SAMPLE

50 or fewer	5
51-600	5 plus 1 for each increment of 50 (or part of 50) over 50
601-200	16 plus 1 for each increment of 100 (or part of 100)
Over 2000	30 plus 1 for each increment of 200 (or part of 200) over 2000

28.2.06 PROVIDE ADEQUATE TRAINING TO STAFF AND MONITOR PERFORMANCE

Staff training on the objectives, rules and regulations governing the housing choice voucher program, and PHA discretionary policies and procedures significantly reduces the likelihood of errors and omissions. Training is not only important for new and inexperienced staff but for experienced staff as well. Changes in program requirements occur on a regular basis. Without training, staff may be processing cases according to rules and regulations that are no longer in effect. Training helps to avoid a common problem whereby new staff receive informal training by coworkers who may or may not be properly following program rules and internal policies and procedures. Training staff as a group helps to promote consistency and standardization of processing. In addition, it helps staff to understand how their work responsibilities relate to others' work and the overall goals of the PHA. Sending staff out to off-site workshops with staff from other PHAs provides an opportunity to gather information and ideas and perspective from individuals doing similar work. Both approaches to training staff have value.

28.02.07 FORMALIZE ADMINISTRATIVE PROCEDURES AND MONITOR STAFF COMPLAINCE

The PHA's administrative plan and written operating procedures are also vehicles for preventing errors and omissions. When staff have access to up-to-date, detailed written procedures, they are more likely to respond appropriately when a question or problem arises, thereby avoiding opportunities for errors. Procedures should clearly describe individual staff roles and responsibilities. In order to provide better guidance to front-line staff, procedures should clearly define program terms and items that may be interpreted differently. The more simplified the policy or procedure, the less opportunity for error.

PHA management must also ensure that PHA policies and procedures are consistently applied by both staff and management. There should be a formal procedure for revising the procedures when the need arises.

28.02.08 IMPROVE QUALITY OF PHA COMMUNICATIONS WITH FAMILIES AND OWNERS

"Communications" includes both standard forms used by the PHA to obtain information from families and owners and information provided to families and owners about the program. When a PHA communicates well to owners and families, families and owners are less likely to commit errors, fraud, or abuse because they have a much better understanding of program requirements and the PHA's expectations of them.

<u>Obtaining Information from Families</u>

The quality and thoroughness of the process for obtaining eligibility information from families is a critical factor in error prevention. For example:

- Face-to-face eligibility and recertification interviews that are conducted by trained staff in a private setting may increase the ability of the PHA staff person to collect information from the family that is both accurate and comprehensive.
- Well-designed forms also help staff to collect all required information. Some PHAs have designed recertification and admission forms that require very specific and detailed information, including the recording of negative responses from families about income and assets to avoid inadvertently forgetting to ask these key questions. Some forms include questions to ensure that enough information is obtained to be able to annualize the income.
- Many PHAs require staff to complete the admission and recertification forms while the family is present to reduce the likelihood of tenant error due to misreading, misinterpreting, or simply not understanding the question being asked.

Providing Information to Families and Owners

Too often forms and certifications that the family must sign at application, admission, and recertification are hastily read or explained, putting the household members at risk of signing an important document which they do not fully understand. PHA staff should always highlight the key contents of a document before obtaining signatures on the form. Likewise, staff should consider a detailed review of the contents of the HAP contract with the owner, particularly those who are new to the program. Staff should be aware of potential language barriers and attempt to accommodate the family or owner.

Participants must be given a copy of any documents they have signed. These documents are part of the contractual agreement with the participant and may be used if it becomes necessary to take legal action based on the participant's violation of a program requirement. However, any case against a participant will be weakened if the family has not been offered copies of the documents it has signed.

Through participant and owner briefings, the admission and recertification processes, annual HQS inspections, and other oral or written communication, the PHA must regularly ensure that it fully informs families and owners about program requirements and PHA expectations. This means that staff must be fully informed of these requirements and obligations.

PHAs that are committed to preventing program abuse *regularly* inform or remind families of requirements and obligations. Opportunities for informing families include at the time of application, at briefing and issuance, during the housing search and leasing process, at the inspection phase, and during annual or interim recertifications. At a minimum, the PHA must discuss the following with the family:

- Legal requirement to fully disclose income, assets, and family composition;
- Prohibition of making illegal side payments to the owner;
- Requirement to report interim changes in family composition; and
- PHA right to terminate assistance due to misrepresentation by the family.

At a minimum, the PHA is responsible for explaining to owners their legal responsibility to adhere to the program requirements as contained in the HAP contract. Most PHAs go over these requirements with the owner at the time of HAP contract execution. However, it is important to regularly send a message to owners regarding the PHA's commitment to prevent and eliminate program abuse. These messages can and should be sent using various mediums. For example, PHAs can use landlord fairs, special owner workshops or training, a newsletter or marketing pieces in a landlord newsletter, and special mailings to reinforce the PHA's intent to maintain program integrity and pursue owners that fail to comply with program requirements.

At a minimum, the PHA must discuss program responsibilities and prohibitions against abusing the program with employees when they are hired. In addition, the PHA should use messages it sends to families and owners regarding the PHA's intent to eliminate abuse to educate and inform employees.

28.02.09 REVIEW FAMILY HISTORY PRIOR TO INTERIM OR ANNUAL RECERTIFICATION

Another approach to preventing and detecting family errors and omissions is to carefully review the information reported at the most recent prior examination before meeting with the client for an interim or annual recertification. This procedure helps the staff person conducting the interview to determine whether the differences being reported are due to legitimate changes or intentional or unintentional misreporting.

28.02.10 IDENTIFY AND MONITOR AT-RISK FAMILIES

Some families, due to a lack of stable income or frequent changes in family composition, may be more at risk of (intentionally or unintentionally) misrepresenting income or family composition. By identifying who these families are and instituting procedures to monitor their cases, the PHA may prevent or more quickly detect and stop program abuse. One possibility is to require that these families be reexamined more frequently than annually. In cases where doubt exists, the PHA may attempt to verify family composition in connection with the annual or a special HQS inspection. By identifying and monitoring "at-risk" or "error-prone" cases, the PHA uses selective action techniques to target administrative resources where they will have the greatest payoff.

28.02.11 CONDUCT SPECIAL MARKETING TO PROMOTE PHA'S INTENT TO ELIMINATE PROGRAM ABUSE

Some PHAs deliver reform messages through various media channels as a means to educate landlords, families, and the larger community on their commitment to preventing and eliminating program abuse. Actions include sending a letter to participating families emphasizing HUD's and the PHA's intent to eliminate program abuse, hanging posters in the PHA waiting room and other public areas, conducting public services announcements, and speaking at public and neighborhood association meetings and to various advocacy groups.

28.02.12 ROTATE STAFF ASSIGNMENTS AND CASELOADS

By rotating staff assignments and caseloads, managers can foster uniform and consistent interpretation of program requirements and prevent the possibility of program abuse. For example, if an employee is giving special treatment to a family or owner, this situation can be detected if the employee's caseload is taken over by another staff member. Rotating caseloads also help to identify and resolve inconsistencies regarding how cases are being processed and how rules are interpreted.

28.02.13 CAREFUL DESIGN OF PARTICIPANT INTERIM REPORTING REQUIREMENTS

PHAs have discretion in designing interim recertification requirements that minimize family reporting burdens and reduce opportunities for error, both on the part of the family and the PHA. HUD rules require interim reporting of changes in household composition only. In developing an interim reporting policy, the PHA should also strive for simplicity. A family will easily remember if it is required to report all changes or no changes; any qualifications to the message will decrease the prospects for compliance.

28.3 ESTABLISHING A PROCESS FOR HANDLING CLAIMS OF POTENTIAL ABUSE

Claims and concerns regarding potential fraud and abuse can come from PHA staff, participants, owners, or members of the local community. For example, a PHA housing specialist may receive a credit report showing that a family has two jobs, when the family identified income from only one job on its application. The PHA may receive an anonymous phone call reporting that someone is illegally living in a unit.

A PHA should establish a process whereby these accusations, claims, and concerns about potential abuse are documented and responded to as efficiently as possible by qualified staff. It is important that the process is standardized, clear, and consistently followed. Without a consistent, standardized process, PHAs are vulnerable to accusations of unfair treatment. At a minimum, the PHA should provide all participating families, owners and PHA employees with written instructions identifying PHA staff to contact if program abuse is suspected.

When a PHA has reason to believe that a family, owner, or PHA employee may have abused the program, immediate action is required to gather more information regarding the validity of the concern or claim and, if valid, the nature and extent of the abuse. The PHA should collect as much information as possible about the case so that a fair and informed decision can be made. The PHA may confront the family, owner or employee with any information it has and discuss the facts. It may also interview and obtain any additional information from other parties involved. Other parties may include PHA staff, representatives from another local agency (police, welfare agency), and other third parties, such as the person reporting the abuse, landlord, tenant, or employer.

The PHA should summarize the actions taken and the findings and recommendations of its assessment in writing. The summary should include the following:

- Name and address of the subject(s);

- Synopsis of the alleged abuse or fraudulent activity which specifies the sources;
- Name and address of known witnesses or persons having knowledge of the allegations;
- Known or suspected period during which the alleged offense occurred;
- Known or suspected monetary loss;
- Determination, based on the evidence, as to whether the subject is abusing or has abused the program and is receiving or received a benefit to which he or she is not entitled;
- Corrective action to be taken to remedy the situation.

28.3.01 CORRECTIVE ACTION: ERRORS AND OMISSIONS

The PHA must take immediate action to correct the family payment and subsidy amount and, in some cases, to move the family to a new unit. An amendment to the lease and HAP contract must reflect any changes to family payment and subsidy. An amendment can be in the form of a notice to the participant and owner. Unless the owner requires a new lease, execution of a new HAP contract and lease is not required.

28.3.02 WHEN FAMILY PAYMENT IS INCORRECTLY ESTABLISHED TOO HIGH

When the family payment is incorrectly set too high, the family pays more for rent and utilities than it should under the program. As a result, the amount the PHA pays to the owner in the form of a housing assistance payment is too low.

In cases where the error or omission is the fault of the PHA, the PHA must immediately refund the total amount due to the family. Such reimbursement would come from the PHA's administrative fee reserves. If the family owed the landlord rent, the PHA, depending upon the circumstances, may choose to pay the amount due or a portion thereof directly to the owner on behalf of the family.

In cases where the error or omission is clearly the fault of the family, the PHA should not reimburse the family. Instead, the PHA would process the change immediately and provide notice to the landlord and family of the effective date of the change. Changes in the amount of family payment and housing assistance payment should become effective the month following the discovery.

28.3.03 WHEN FAMILY PAYMENT IS INCORRECTLY SET TOO LOW

When the family payment is incorrectly set too low, the family is receiving more subsidy than it is entitled to under the program. As a result, the PHA is paying too much to the owner in the form of a housing assistance payment.

In cases where the error or omission is the fault of the PHA, the family and owner are not responsible for repayment. The PHA must give the family and owner reasonable notice of the increase in family payment and corresponding decrease in housing assistance payment. HUD does expect, however, the PHA to repay HUD the amount of overpaid subsidy due to PHA error or omission. The amount owed must be paid out of administrative fee reserves.

In cases where the error or omission is clearly the fault of the family, the family must repay the PHA within a reasonable period of time. If the amount owed is not repaid, the PHA may terminate the family's assistance. The PHA must process the change immediately and inform the landlord and family of the effective date of the change. Increases in the amount of family payment resulting from a family error or omission become effective retroactively to the time of the reporting error.

28.3.04 ERRORS AFFECTING THE SIZE OF THE FAMILY'S UNIT

In cases where a PHA error leads the family to receive subsidy for a larger unit than the size unit for which it is entitled, the PHA should immediately encourage the family to move to a smaller unit. The PHA is obligated to try to find the family reasonable, alternative housing. If the family refuses to move after the PHA identifies reasonable alternatives, the PHA must recalculate the family's subsidy based on the payment standard for the bedroom size for which it qualifies. The PHA must give reasonable notice to the family and owner of any change in payment. The PHA must process the payment change at the next annual reexamination, if not sooner.

In cases where misrepresentation by the family leads the family to receive subsidy for a larger unit than the size unit for which it is entitled, the family must repay the PHA or sign a repayment agreement to pay any amount owed. If the amount owed is not repaid, the PHA may terminate the family's assistance. If the PHA decides not to terminate the family's assistance, the PHA must immediately adjust the subsidy according to the payment standard for the appropriate bedroom size and provide the family and owner reasonable notice of the change. The family is not required to move but if the family is unable to pay the new amount, it must give appropriate notice to the owner and PHA and move to a smaller unit.

In cases where PHA error leads the family to receive subsidy for a unit that is smaller than the size unit for which it is entitled, the PHA must immediately notify the family and owner of the problem and issue the family a voucher for the appropriate bedroom size. The PHA is obligated to try to find the family reasonable, alternative housing. If the family does not locate another unit within this time frame, the PHA must terminate assistance for the family if the unit does not meet the HQS requirements.

28.3.05 ERRORS THAT REQUIRE THE OWNER TO REPAY HAP AMOUNTS

The PHA may discover that the owner is not entitled to the full amount of housing assistance payments it paid to the owner. For example, the PHA may mistakenly pay the owner the full monthly housing assistance payment twice in one month because of a record keeping or other error. Another example would be if the owner accepted a HAP payment for a unit that was not occupied by a housing choice voucher participant, i.e. the family vacated the unit with or without the knowledge of the owner. In both of these instances, the owner owes the PHA the portion of the housing assistance payment to which the owner is not entitled.

In most instances, the PHA will reclaim the amount due by withholding payment due for the subsequent month or months until the debt is paid, occasionally, if the debt is large and not the

result of willful abuse, the PHA may make an agreement with the owner for payment in installments over a period of time.

28.3.06 DOCUMENTING AND COLLECTING OVERPAYMENTS AND UNDERPAYMENTS

Money owed to the PHA by the family because of overpayments on its behalf may be collected by requiring a lump-sum payment of the entire amount or by entering into a repayment agreement. A repayment agreement is a formal document prepared by the PHA and signed by the family, in which the family acknowledges a debt, and the amount owed. The agreement specifies how the amount owed is to be repaid, including the specific time period(s) when payment is due. The PHA, at its discretion, may offer a family the opportunity to enter into a repayment agreement to pay amounts owed to the PHA, and may prescribe the terms of the agreement. Although the PHA always has the option of requiring payment of the entire amount due, if the PHA offers a repayment agreement, the terms may not require prohibitive payments that would force the family to leave the program.

The PHA must maintain full and complete documentation of all debt. A suggested approach for determining and documenting overpayments and underpayments follows:

- Record the data used and steps taken to calculate the incorrect payment;
- Record the real data that should have been used and recalculate the payment;
- Conduct third party verification of new data;
- Compare the recalculated/correct payment to the actual benefits paid;
- Record action taken.

28.4 CORRECTIVE ACTION: FRAUD AND ABUSE

If as a result of its assessment the PHA determines that the family, owner, or PHA employee has abused the program, the PHA must take immediate actions to remedy the situation. The PHA may at any time deny program assistance to an applicant or terminate program assistance for a participant if any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program. The PHA's actions will vary, depending upon the extent and nature of the abuse. The PHA must determine that a preponderance of evidence demonstrates that the action taken by the family, owner, or employee was willful and intentional, in order to terminate assistance on the basis of fraud or abuse.

28.4.01 PHA ADMINISTRATIVE REMEDIES

The Housing Authority can use specific administrative remedies when applicable.

28.4.02 POSSIBLE REMEDIES FOR ABUSE BY THE FAMILY

If the family is ineligible for housing choice voucher program assistance, the PHA must terminate the family's assistance.

If the PHA paid too much subsidy on the family's behalf because of discrepancies in information furnished by the family *and if the PHA has sufficient evidence that the family intentionally misrepresented its circumstances,* the PHA must pursue debt collection and may terminate assistance.

If the family executes but then breaches an agreement with the PHA to pay amounts owed, the PHA may terminate assistance for the family.

The PHA has the discretion to consider all of the circumstances in each case when determining whether or not to deny or terminate assistance because of action or failure to act by members of the family. The PHA should consider the seriousness of the case, any special circumstances surrounding the case, the extent of participation or culpability of individual household members, any mitigating circumstances such as those related to the disability of a family member, and the effects of denial or termination of assistance on other household members who were not involved in the action or failure.

As a condition of continued assistance for other household members, the PHA may impose a requirement that household members who participated in or were culpable for the action or failure will not reside in the unit. The PHA may permit the other members of a participant family to continue receiving assistance. If the family includes a person with disabilities, the PHA decision concerning such action is subject to reasonable accommodation considerations.

Before taking action against a family for any perceived abuse related to the amount of assistance paid, the PHA should carefully review documentation and calculations in the file and ensure there are no file errors that may later complicate the PHA's charge of abuse.

28.4.03 POSSIBLE REMEDIES FOR ABUSE BY OWNERS

The PHA may immediately abate payment and subsequently terminate the HAP contract. When this occurs, the PHA must issue the family a new housing choice voucher and assist the family to locate another unit.

If the owner was collecting side payments, the PHA must notify the owner to immediately cease collecting these payments and require repayment to the family through the PHA of the full amount illegally collected. The PHA must determine if the owner also collected side payments from other participants and follow-up to require payment. The amount can be repaid by offsetting the amount due against future housing assistance payments. The PHA may, at its discretion, terminate the affected HAP contract immediately, even if the owner has repaid amounts due to the family; but it must cancel the HAP contract if the owner fails to repay the family.

If the owner's unit contains HQS violations and the owner fails to correct the deficiencies cited by the PHA within the time allotted, the PHA must immediately abate payment and subsequently

terminate the contract. However, the PHA should not terminate the HAP contract until the family moves or has been given reasonable time to find another unit.

If the owner has allegedly discriminated against the housing choice voucher family, the PHA must provide assistance to the family, as follows:

- The PHA must inform the family of its rights under federal, state, and local law, including the right to file a formal complaint under one or more of these laws.
- If the family wishes to file a complaint under Title VIII of the Civil Rights Act of 1968, the PHA must assist the family in completing form HUD-903, Discrimination Complaint, or refer the Family to the local fair housing organization or HUD Field Office of Fair Housing and Equal Opportunity.

If the PHA determines that the owner has committed a very serious program abuse or more than one of the offenses described above, the PHA may restrict the owner from future participation in the program for a reasonable period of time commensurate with the offense's seriousness.

28.4.04 POSSIBLE REMEDIES FOR ABUSE BY EMPLOYEES

If the PHA determines that any employee has abused the program, it must take whatever action is appropriate under its personnel policies and law. Actions may include putting the employee on probation, giving the employee a poor performance evaluation, requiring the employee to take leave without pay, terminating the employee, and/or filing a criminal complaint.

HUD will consider a pattern of substantial administrative deficiencies on the part of the PHA a substantial default under the ACC and will take appropriate action against the PHA in such cases.

28.4.05 REFERRALS FOR PRESECUTION FOR PURPOSEFUL MISREPORTING

If the PHA has reason to believe (preponderance of evidence) that the participant's or owner's abuse of the program was willful or intentional, the PHA may refer the cases to the appropriate HUD Special Agent in Charge (SAC) for investigation and possible criminal prosecution. The PHA may also pursue remedies under state or local law, with an information copy to the appropriate RIGI. Cases sent to RIGI for investigation should contain, at a minimum, the following information:

- Name and address of subject(s);
- Synopsis of alleged abuse, violation, intentional misrepresentation, or fraudulent activity, including the source of the information;
- Identity and address of known witnesses or persons having knowledge of the allegation(s);
- Known or suspected period during which alleged offense(s) occurred;
- Known or suspected monetary loss;
- Findings of the PHA or any corrective or administrative actions or sanctions taken by the PHA; and
- Indication of whether the matter has been referred to or considered by local prosecution or law enforcement agencies.

If the Justice Department or appropriate local or state agency declines prosecution, the PHA may pursue remedies through civil court.

The PHA must obtain HUD approval before initiating litigation in which it is requesting HUD assistance or participation.

28.4.06 RECOVERY OF PROGRAM FUNDS

Where the PHA is the principal party initiating or sustaining an action to recover amounts from tenants or owners that are due as a result of fraud and abuse, the PHA may retain a portion of the amount of housing choice voucher program funds it recovers.

28.4.07 APPLICABILITY

To be eligible to retain housing choice voucher program tenant and owner fraud recoveries, the PHA must be the principal party initiating or sustaining an action to recover the amounts. In addition, the fraud recoveries must be obtained through one of the following:

- Litigation brought by the PHA, including settlement of a lawsuit, on or after October 8, 1986;
- Court-ordered restitution pursuant to a criminal proceeding obtained on or after October 8, 1986; or
- Administrative repayment agreement with the family or owner signed on or after October 28, 1992. The repayment agreement must be made in accordance with the PHA's housing choice voucher program informal hearing requirements.

PHAs are not eligible to retain fraud recoveries in cases of owner fraud in units owned or controlled by the PHA. Nor are PHAs eligible to retain fraud recoveries in cases where incorrect payments were made or benefits received because of the PHA's calculation errors instead of willful fraudulent activities.

28.4.08 PHA RETENTION OF PROCEEDS

The PHA may retain the greater of:

- Fifty percent of the amount it actually collects from a judgment, litigation, or an administrative repayment agreement; or
- Reasonable and necessary costs that the PHA incurs related to the collection from a judgment, litigation or an administrative repayment agreement. Reasonable and necessary costs include the costs of the investigation, legal fees, and collection agency fees.

If HUD incurs costs on behalf of the PHA in obtaining the judgement, HUD must deduct these costs from the amount the PHA will retain.

The PHA must use the amount of the recovery proceeds it is authorized to retain in support of the housing choice voucher program in which the fraud occurred. The remaining balance of the recovery proceeds must be applied as directed by HUD. To permit HUD to audit the amounts retained, the PHA must maintain all records HUD requires, including:

- Recovered amounts;
- Nature of the judgment or repayment agreement; and
- Amount of legal fees and expenses incurred in obtaining the judgment or repayment agreement and recovery.

28.5 PHA STAFFING AND RESOURCE CONSIDERATIONS

PHA activities related to preventing, detecting, and resolving cases of program abuse by families, owners, and PHA staff should occur on an on-going basis. Therefore, adequate staffing and resources must be dedicated to these activities. PHAs can take a number of approaches to ensure that sufficient staff and dollar resources are dedicated to preventing errors and controlling fraud and abuse. The PHA may wish to contract with other agencies for the delivery of on-going information and service functions. If an outside agency is contracted, the PHA must provide sufficient monitoring since it is ultimately responsible under the ACC for program compliance. All expenditures from handling complaints, program errors, and program abuse must be paid out of the PHA's ongoing administrative fee.

When determining the level of staff and dollar resources to dedicate to maintaining program integrity, the PHA should carefully analyze the extent to which errors, omissions, fraud and abuse are present. Staffing a sophisticated investigations unit, for example, may not be appropriate for a small PHA that has received very few complaints from landlords, participants, applicants, and the community regarding how the program is administered. Some PHAs have established a "processing threshold" whereby minor errors resulting in small overpayments by the PHA are not processed if it is determined that the cost of contacting families and owners and processing the errors is more expensive than the amount that can be recaptured.