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CITY OF MARSHALLTOWN RENT  
ASSISTANCE PROGRAM  
FOR  
MARSHALL, TAMA AND HARDIN COUNTIES

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM  
ADMINISTRATIVE PLAN

Reviewed and Approved by the PHA Governing Board Effective:

**April 28, 2008**

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## INTRODUCTION

The purpose of this Administrative Plan is to:

- Establish policies for issues not covered under Federal regulations for the Section 8 Rental Programs administered by the Marshalltown Housing Authority.
- Establish fair and equitable policies for selecting applicants to participate in Section 8 Rental Programs administered by the Marshalltown Housing Authority (HA);
- Provide fair, equitable and reasonable procedures to govern Section 8 Rental Program participation in accordance with regulations of the U.S. Department of Housing and Urban Development (HUD);
- Permit each applicant and participant the greatest opportunity for the exercise of individual rights.

The provisions of this Administrative Plan govern administration of the Section 8 Rental programs administered by the Marshalltown Housing Authority.

This plan conforms to all current HUD regulations. The Authority will comply with any subsequent changes in HUD regulations pertaining to program administration. If such changes conflict with the provisions of this policy, HUD regulations will have precedence.

The HA administers the Section 8 Rental programs in the city of Marshalltown, Iowa and the counties of Marshall, Hardin and Tama. The primary objective of these programs is to provide decent, safe, sanitary and affordable rental housing for low income households.

**SECTION I  
NONDISCRIMINATION AND PRIVACY POLICY**

The HA will not discriminate against any applicant or resident because of race, color, creed, national or ethnic origin or ancestry, religion, sex, age, disability, military status, source of income, marital status or presence of children in a household; nor will any criteria be applied, nor information be considered, pertaining to attributes or behavior that may be imputed by some to a particular group or category. All criteria applied and information considered in administering this plan shall relate to the attributes and behavior of the individual members of the household.

The HA shall not, on account of race, creed, color, sex, age, class, disability, religion, military status, source of income, marital status or the presence of children deny to any family the opportunity to apply for assistance or deny any eligible applicant the opportunity to lease a housing unit suitable to its needs. (24 CFR 100)

The Marshalltown Housing Authority is fully committed to providing reasonable accommodations to its applicants and participants with handicaps or disabilities.

The HA shall provide Voucher holders information on Federal/State/local laws regarding housing discrimination and any recourse available. Such information will be made available as part of the briefing session, and all applicable Fair Housing Information and Discrimination complaint forms will be made part of the Voucher holders' packet. The HA will provide referrals and information to applicants and participants about local and state organizations which provide assistance in filing discrimination complaints.

Resident complaints of racial, ethnic or sexual harassment will be reviewed by HA staff and referred to appropriate agencies.

## SECTION II PROGRAM ELIGIBILITY GUIDELINES

### A. Eligibility Criteria

To be eligible for admission, an applicant must meet the following criteria:

1. The applicant must qualify as a family. A family is defined as:
  - a. a single person or a group of persons
  - b. An Elderly Household whose head or spouse or sole member is elderly, handicapped or disabled (see Appendix 1, Glossary of Terms, for the definitions of elderly, handicapped and disabled persons). The household may include one or more elderly, handicapped or disabled persons living together or one or more such persons living with one another who is determined to be essential to their care or well being.
  - c. A Near Elderly Family whose head or spouse or sole member is at least 50 years of age but below the age of 62 years; or
  - d. A single adult person who has been displaced by government action or whose unit has been extensively damaged or destroyed as a result of a disaster, declared or otherwise formally recognized pursuant to Federal disaster relief laws; or
  - e. A single adult person, with no other children, who is pregnant or in the process of securing legal custody of any individual under the age of 18 years; or who shares joint custody of any individual under the age of 18 years at least 50% of the time; or
  - f. The remaining adult member of a resident family; or
  - g. Any other single person who is not elderly, displaced or disabled.
2. The applicant must be income eligible. The applicant's total family income must not exceed 50% of area median income as published in the Federal Register for Marshall, Hardin or Tama Counties. Income limits are generally revised annually by HUD and changes in income limits are incorporated into this policy by reference.
3. The applicant and each family member who has been assigned a Social Security Number (SSN) must disclose the SSNs. These numbers must be verified. If a SSN has not been assigned, certification to that effect must be executed for all family members.
4. The applicant, or any adult family member, must not have committed fraud in connection with any federal housing assistance program. Intentionally providing misleading information on the application form is considered fraud.
5. The applicant or at least one family member must be a U.S. citizen or noncitizens who have eligible immigration status.
6. The applicant family must not maintain another residence in addition to the HA unit.
7. Outstanding Debts. The family must have paid any outstanding debt owed to the HA or another the HA on any previous tenancy in public housing or Section 8. The HA may require the family to sign a repayment agreement for outstanding debts owed to the HA in order to determine the family eligible.
8. Debts Owed to Participating Landlords. If an outstanding debt is owed to a participating landlord, the HA may require repayment by the family to the landlord prior to re-entry to the Voucher program. The debt must result from a claim produced during a Section 8 tenancy. The participating landlord must provide documentation for charges made to the tenant.

**B. Ineligibility Because of Prior Eviction for Drug-Related Activity**

1. Drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use of a controlled substance. Pursuant to federal law, persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for participation in any Section 8 program at HA for a three-year period beginning on the date of such eviction.
2. The HA will waive this restriction if the applicant can demonstrate to the satisfaction of the HA that:
  - a. the person successfully completed a rehabilitation program approved by HA, or
  - b. the circumstance (s) leading to the eviction no longer exists. For example, the person involved in drugs and responsible for the eviction is no longer part of the household.

**C. Screening Out Criminals and Alcohol Abusers**

1. The HA will prohibit the admission to Section 8 programs of any person who the HA determines is illegally using a controlled substance. The HA will prohibit admitting any person to Section 8 programs in cases where the HA determines that there is reasonable cause to believe that the person's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.
2. The HA may waive the policies prohibiting admission in these circumstances if the person demonstrates to the HA's satisfaction that the person is no longer engaging in illegal use of a controlled substance or abuse of alcohol and:
  - has successfully completed a supervised drug or alcohol rehabilitation program;
  - has otherwise been rehabilitated successfully; oris participating in a supervised drug or alcohol rehabilitation program.
3. The HA shall prohibit the admission to Section 8 programs if any member of the family is a registered sex offender.
4. The HA shall prohibit the admission to Section 8 programs if member of the family has history which has occurred within the three (3) year period prior to application of felony or misdemeanor criminal activity involving physical violence against person or property, and/or any drug related criminal activity that would adversely affect the health, safety or well being of the landlord, other tenants, or program staff, or cause damage to property.

A criminal history check shall be made prior to any admission. Persons with a history of violent crime or drug abuse will be sent letters of denial.

**D. Eligibility Restrictions Regarding Noncitizens**

1. Eligibility for assistance or continued assistance under the Section 8 program, is contingent upon a family's submission of documentation either declaring U.S. citizenship or eligible immigration status. The HA requires both current tenants and applicants to submit the required citizenship or eligible immigration documentation for every household member in order to receive or continue to receive housing assistance. Documentation is required of all new admissions at the time an application is processed by the Housing Authority. Whenever a new family member is added, documentation must be provided before the new member can be added to the lease.



2. *Proof of citizenship will take the following form:*
  - a. For families claiming U.S. citizenship, each applicant or participant family member will sign the citizenship declaration form and present appropriate documentation (such as U.S. passport, resident alien card, social security card or other appropriate documentation), which will become a permanent part of the tenant file. Adults will be required to sign on behalf of all children under the age of eighteen years.
  - b. Non-citizens age 62 years or older who are current participants or applicants will be required to sign a declaration of eligible immigration status and proof of age.
  - c. Participants and applicants who are noncitizens declaring eligible immigration status must:
    - (1) sign a declaration of eligible immigration status;
    - (2) provide the required U.S. Immigration and Naturalization Service documents, such as Alien Registration Receipt Card, Arrival/Departure Record, Temporary Resident Card, Immigration and Naturalization Service (INS) receipt in the event of any lost or missing cards listed above; and
    - (3) sign a verification consent form.

The HA has the right to deny, terminate or adjust housing assistance if members of any household are found to be noncitizens with ineligible immigration status; however, this determination will not take place until all appeal rights requested have been exercised by the household. The HA may grant time extensions to provide appropriate information, provided that the household shows a diligent effort in obtaining immigration status documents.

3. The HA may not make assistance available to a family applying for assistance until at least the eligibility of one family member has been established, and assistance must be prorated based on the number of individuals in the family for whom eligibility has been affirmatively established.
4. The HA may not delay, deny, reduce or terminate eligibility of an individual for assistance on the basis of the immigration status of the individual. The family will not be penalized for delays on the part of those entities which must verify eligible immigration status.
5. The HA is required to suspend assistance to a family for a period of at least 24 months upon determining that the family has knowingly permitted an ineligible individual to reside on a permanent basis in the family's unit. This provision does not apply if the ineligible individual has already been considered in calculating any proration of assistance for the family.
6. If the HA discovers that citizenship information provided is expired, fraudulent, or otherwise invalid, it will notify the family or individual of the results of these findings. The family or individual will then have 30 days from the date of the notification to file an appeal with the INS to correct the problem. The family or individual must provide the Housing Authority a copy of the appeal request to the INS, which will become a permanent item in the tenant file. The HA can extend this 30 day appeal period at its sole discretion if good cause is found.
7. Any applicant or participant family affected by these provisions has the right to an informal hearing provided the family notifies the HA within 30 days of the action or decision the family wishes to appeal. All appeals will be conducted in accordance with the provisions of the HA's Informal Hearing Procedures.
8. In accordance with Federal rules, mixed families who were participants in the HA's Section 8 program on June 19, 1995, are permitted to receive continued assistance provided that one member of the family has eligible immigration status.

**E. Special Eligibility Provisions Relating to Applicants Requiring a Live-In Aide**

1. Some applicants/participants who would not otherwise be able to fully discharge the responsibilities of tenancy may be able to do so with the assistance of a live-in aide residing in the unit.  
  
A family may include a live-in aide who:
  - a. Has been verified by the HA to be essential to the care and well being of the elderly, handicapped/disabled family member (this may include verification from a physician); and
  - b. Is not obligated for the support of the elderly, handicapped/disabled member; and
  - c. Would not be living in the unit except to provide care of the elderly, handicapped/disabled member; and
  - d. Whose income will not be counted for purposes of determining eligibility or rent; and
  - e. Who may not be considered the remaining member of the Tenant family.
  - f. A live-in aide's family members may also reside in the unit provided it does not increase the subsidy by the cost of an additional bedroom and provided that the presence of the live-in's family members do not overcrowd the unit.
2. A live-in aide must meet the same standards as a program applicant in regard to criminal history and sex offender registry.
3. A live-in aide must be a person in good standing with the HUD program.

**F. Eligibility related to students**

1. The HA will comply with all Federal regulations regarding the admission of students to the Section 8 Housing Choice Voucher Program.

**G. Additional Eligibility Factors**

**Following the first termination of rental assistance for other than drug related activities as listed in Section II:B and violent criminal activities listed Section II:C.4, a one (1) year time period from the date of termination is required before the applicant may reapply for rent assistance. Following a second termination of rent assistance for other than drug related activity as listed in Section II:B and violent criminal activity listed in Section II:C.4, a five (5) year period from the date of the termination is required before the applicant may reapply for rent assistance. No person is allowed to reapply for rental assistance following a third termination of rental assistance.**

An applicant may be denied assistance by the HA for the following reasons: (24 CFR 982.552)

1. If any family member has ever been evicted from public housing.
2. If an HA has ever terminated assistance under a Section 8 program for any member of the family.
3. If the family has engaged in or threatened abusive or violent behavior toward HA personnel.
4. If any family member refuses to sign and submit mandatory consent forms.
5. If evidence of citizenship and eligible immigration status is not submitted by a specified date, or by the expiration of any extension granted.
6. If INS primary and secondary verification does not verify eligible immigration status of at least one family member.

7. 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.
8. If any member of the family is a registered as on the lifetime sex offenders list.
9. If any member of the family has history involving violent criminal activity. (See Section II, C, 4)

### **SECTION III APPLICATION FOR ADMISSION**

#### **A. Introduction**

The HA will accept applications for the Section 8 Programs when the waiting list is open. Interested persons may apply for participation in the HA's Section 8 programs by completing an application form. Anyone may apply; the HA will not deny anyone the right to submit an application when the waiting list is open. However, the application from any applicant who has lost assistance subject to Section II:F is subject to those rules. All applications will be time and date stamped upon receipt and all applicants will receive acknowledgment of receipt by mail. Accommodations will be made for interested, disabled applicants.

Each applicant is responsible for informing the HA if the family's address or phone number changes or if there are any changes in the household composition or household income. Failure to do so may result in an application being withdrawn from the active waiting list. Inability of HA to contact the family will result in withdrawal of the application from the waiting list.

#### **B. Program Outreach**

##### **1. Outreach to Families.**

The HA reserves the right to open or close the waiting list based on the supply of applicants.

The waiting list will be closed when there are not enough Section 8 subsidies to assist all the applicants in a reasonable period of time. When the HA determines that additional applicants are needed, the waiting list will be reopened. The Authority will publicly advertise the closing and reopening of application intake periods in local HA will clearly state in the public announcement the procedure used to determine the position of each applicant on the waiting list. To reach possible applicants from all backgrounds, the HA will advertise through a wide variety of sources including local and State newspapers, minority media, minority civic clubs, service agencies and broadcast media. An effort will also be made to notify agencies which specifically address the needs of individuals with handicaps. The HA will continuously monitor and evaluate outreach activities to ensure that the widest possible audience is reached.

All notices and advertising announcing the opening of the waiting list will include:

- the dates the list will be open;
- the office hours and location where applications are available and will be accepted;
- the availability of Vouchers;
- eligibility guidelines;
- preferences for the selection of applicants; and

- any limitations which may apply.

2. Outreach to Property Owners. Outreach to property owners will be conducted on an ongoing basis to interested property owners to increase the number of units available in low-poverty areas. HA .... staff will be available to make presentations about the Section 8 Program to these groups. In ..... addition, printed materials which describe the program requirements and opportunities for property owners will be made available. The HA maintains a list of interested property owners and units .. available for the Section 8 Program. As inquiries from prospective new property owners are ..... received, staff records the necessary information about units and make it available to prospective tenants upon request.

The HA will make a concerted effort to contact and encourage local property owners with units specially designed or adapted for persons with disabilities, and those who may be willing to adapt units, to participate in the program. Notices shall be sent to landlords presently participating, landlords that have participated in the past, local real estate agencies, and to local social service agencies that specifically address the needs of handicapped clientele.

The HA will make available to property owners information regarding reasonable accommodation and reasonable modification to encourage housing for persons with disabilities.

### **C. Applications/Determination of Eligibility**

1. The application (consisting of an application form, with a listing of documentation needs) will be given to anyone requesting to apply for the rental assistance program. An application may be sent by regular first class mail if requested.
2. When the completed application is returned it will be date and time stamped, and if the applicant appears to qualify, the applicant will be placed on the waiting list. A letter will be sent to the applicant stating that the applicant has been placed on the waiting list, or that the applicant has been denied. The completed application will include documentation of social security numbers and any necessary proof of alien status. If the application is not complete at the time it is submitted, it will be returned to the applicant by regular first class mail to the address given on the application.
3. When an applicant's name is near the top of the waiting list, a meeting will be scheduled with rental assistance staff. A letter will be sent by regular first class mail stating the time of the meeting.
4. Each applicant household shall be required to provide all information and authorizations necessary to enable Section 8 staff to determine program eligibility. The applicant will complete an Income/Asset Form and verification forms will be prepared and signed. Verification shall be from third party sources whenever possible. All verifications must be completed before the leasing procedure is finalized. However, the applicant shall not be penalized either by denial or unreasonable delay of assistance solely because third party sources have failed to respond to requests for information. When the applicant and the Authority have made all reasonable efforts to obtain information and the third party source has failed to respond, the Authority shall proceed with the processing of the application using the best available information.

Third Party Verification. (24 CFR 982.551(a)(b)) A release of information for verification of income (and other information) will be sent through the mail, via email or by FAX directly to the source. The method of verification is third party verification, and is the first method which must be sought.

If, after fifteen (15) days, the verification has not returned to the HA, or if an unusual circumstance prevents this method, then, the following methods may be used:

- a. *Review of Documents:* HA staff may review and verify documents provided by the client. This method of verification must be fully documented. Such documentation may include reports of interviews, letters or telephone conversations with reliable sources. At a minimum, such reports shall indicate the date, the source of information, including the name and title of the individual contacted, and a summary of the information received. The sources of information may include, but are not limited to, the applicant (by means of interviews), landlords, employers, family social workers, clinics or physicians where warranted by the particular circumstances.
  - b. *Family Certification:* When a third party verification or review of documents is not possible, the family may certify to their income. Such certification must be notarized. All information relative to income for eligibility, assets, family composition, preference and non-citizen status will be verified and current for applicants within 60 days prior to issuance of a voucher and verified and current for participants within 120 days for participants being recertified; all verified findings will be recorded in the applicant/tenant file.
5. The Authority shall require the applicant to:
- a. Provide verification of income, assets, exclusions and deductions from income; and preferences claimed;
  - b. Provide verification of family size, age and relationships;
  - c. Disclose the Social Security Numbers of all family members six (6) years of age and older;
  - d. Provide certification and/or documentation regarding U.S. citizenship/non-citizenship.

**ANY LETTER RETURNED DUE TO IMPROPER ADDRESS OR FAILURE TO PROVIDE A NEW FORWARDING ADDRESS WILL RESULT IN THE APPLICANT'S NAME BEING REMOVED FROM THE WAITING LIST.**

**D. Informal Review (24 CFR 982.554)**

1. An applicant is a person/family who has made application for rental assistance and has provided all required information. Applicant status begins at the point an action has been taken to either approve or disapprove the application.
2. The Housing Authority shall give an applicant prompt written notice of the decision denying assistance to the applicant, including a decision denying placement on the waiting list and the issuance of a Housing Voucher. The notice shall state that the applicant may request an informal review of the decision and shall describe how to obtain the informal review.
3. No statute, regulation or this document confers any property right to assistance. Further, placement on the waiting list confers no entitlement to assistance.
4. Within ten (10) business days of the receipt of a written request for an Informal Review from an ineligible applicant, the Authority shall notify the ineligible applicant of the time and date of the review.
5. The review is to be conducted by an impartial Review Officer(s) appointed by the Housing Director or the City Administrator. The Review Officer(s) shall be a person who had no part in the determination of the eligibility of the applicant.
6. The review may be rescheduled one time only with 24 hour notice, or, with proven extenuating circumstances, such as illness, birth of a child, a death in the family, up to the time of the review.

7. Any person appearing for a review more than 15 minutes late will be considered to have missed the review and the original decision will stand.
8. The applicant shall be given an opportunity to present written or oral objections to the Housing Authority's decision.
10. The Review Office(s) will make a determination on the merits of the evidence presented. Within ten (10) business days after the hearing, a written decision will be mailed to the applicant and one (1) copy will be retained in the applicant's file.
11. If the ineligibility determination is overturned and the family otherwise meets eligibility criteria, the family will be placed on the waiting list based on the original date of application. If the decision is upheld the family will be denied assistance and withdrawn from the waiting list.

*An informal review will not be provided for the following:*

1. Review of discretionary administrative determination by the City or to consider policy issues or class grievances;
2. Review of determination of the number of bedrooms entered on the Housing Voucher under the standards of occupancy established by the City;
3. Review of the City determination that a unit does not comply with Housing Quality Standards;
4. Review of decision not to approve a request for an extension of the term of the Housing Voucher.

## **SECTION IV APPLICANT SELECTION**

### **A. Order Of Selection from the Waiting List**

1. All eligible applicants will be placed on the waiting list.
2. Not less than 75% of new families admitted to the program must have incomes at or below 30% of the area median income. To achieve this applicants at or below 30% of AMI may be given preference and may be called in from the waiting list before any applicants of higher income.
3. Other admissions generally must be at or below 50% of the area median income.
4. Other admissions will be assigned according to date and time of application.
5. Persons living in the jurisdiction of the HA will be given preference over those persons living outside the jurisdiction.
6. Persons living in the state of Iowa will be given preference over person living outside the state of Iowa.

### **B. Special Admissions (24 CFR 982.203)**

1. Some family applicants will be admitted to the HA's Section 8 Program without ever being on the waiting list or without considering the applicant's place on the waiting list. This may occur when HUD has awarded funding to the HA for a targeted group of households living in specified units. This HUD-targeted funding may include (but is not limited to):
  - a. Families displaced because of demolition/disposition of a public or Indian housing project;
  - b. Families residing in a multifamily rental housing project when HUD sells, forecloses or

demolishes the project;

- c. Housing covered by the Low Income Preservation and Resident Homeownership Act/1990;
- d. Non-purchasing families residing in a project subject to a homeownership program;
- e. Families displaced because of a mortgage prepayment or voluntary termination of a mortgage insurance contract;
- f. Families residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and,
- g. Non-purchasing families residing in a HOPE 1 or HOPE 2 project.

- C. Waiting List Update:** The HA will periodically mail requests to each applicant for updated household information. Each applicant will be required to respond within a special time frame which shall be less than two (2) weeks from the date the request was mailed to the applicant by the HA. The application of any household which fails to respond to the update request by the specified deadline date will be withdrawn. Once an application is withdrawn, it may not be reactivated. To be considered for admission, the applicant will be required to reapply. An applicant may withdraw his/her application at any time. However, a withdrawn application cannot be reactivated. An applicant who has withdrawn an application will be required to reapply.

**SECTION V  
INCOME, ALLOWANCES, EXCLUSIONS, AND DISALLOWANCES  
24 CFR 5.609**

**Annual income means all amounts, monetary or not, which:**

- 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
- Which are not specifically excluded
- Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

**Annual income includes, but is not limited to:**

- gross amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for services;
- the net income derived from the operation of a business or profession (see regulation for items not to include);
- all net income derived from assets (Where there are net family assets in excess of \$5,000, include the greater of the actual income derived or a percentage (as determined by HUD) of the value of such assets);
- 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; (\*)
- payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay; (\*)

- periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from a person not residing in the dwelling;
- all regular pay, special pay, and allowances for a member of the Armed Forces; (\*)
- welfare assistance (if shelter and utilities are specifically designated). (Note: not applicable in the States of Iowa, Kansas or Missouri)

**\*An exception applies (see below under excluded income)**

### **Excluded Income**

- Income from employment of children (including foster children) under 18 years of ages;
- Payments received for the care of foster children or foster adults;
- 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 (except as provided above);
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- Income of a live-in aide (as defined in 24 CFR 5.403);
- 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 Services who is exposed to hostile fire;
- Amounts received under training programs funded by HUD;
  - (a) 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);
  - (b) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
  - (c) amounts received under a resident service stipend (not to exceed \$200 a month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development;
  - (d) 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 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 or older (excluding head of household or 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;
- amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which exclusions set forth in 24 CFR 5.609© apply.

**The following is a list of benefits excluded by other Federal Statute as of April 20, 2001 (Federal Register Vol. 66, No. 77):**

- The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
- Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044 (g), 5088);

*Examples of programs under this Act include, but are not limited to:*

- The Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;
- National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Programs, and Special Volunteer Programs;
- Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).
- Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626 ©);
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624 (f));
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552 (b)); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

- Income derived from the disposition of funds in the Grand River Band of Ottawa Indians (Pub.L. 94-540, 90 Stat. 2503-04);
- The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087 uu);

*Examples of Title IV programs include, but are not limited to:*

- Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
- Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 (f)).

*Examples of programs under this act include, but are not limited to:*

- Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, national Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.
- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation (M.D.L. No 381 (E.D.N.Y.));
  - Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
  - The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
  - Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
  - Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);
  - Allowances, earnings and payments to AmeriCorps participants under the national and Community Service Act of 1990 (42 U.S.C. 12637 (d));
  - Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
  - Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

**Disallowance of Increase in Earned Income: Public Housing and Tenant-based Section 8 Programs  
24 CFR 5.617**

Exclusions from Annual Income for qualified disabled families:

**Qualified family:**

- a disabled family whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed (\*see definition below) for one or more years prior to employment;
- whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- whose annual income increases as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needed families funded under Part A of Title IV of the Social Security Act.

**Disallowances of increase in annual income:**

- During the cumulative twelve month period once the family member is employed or experiences an increase attributable to employment, the full amount of the increase is excluded from annual income.
- During the second cumulative twelve month period, **fifty percent** of any increase is excluded from annual income.
- Lifetime 48 month disallowance (starting from the initial exclusion) for 12 months under each disallowance (full disregard and 50% phase in).
- **Definition of previously unemployed:** a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

**Welfare Benefit Reduction: Public Housing and Tenant-Bases Section 8 24 CFR 5.615**

Families who receive welfare assistance or other public assistance benefits from a State or other public agency under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

**Applicability:** A family member who receives a reduction of welfare benefits by the welfare agency, in whole or in part, because of fraud in connection with the welfare program; or because of welfare agency sanction for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**Effect:** The PHA will continue to count as income the amount of not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

**SECTION VI  
COMPUTING TOTAL TENANT PAYMENT  
AND TENANT RENT**

**A. Calculation of Total Tenant Payment and HAP Maximum Subsidy**

The HA will compute Annual and Adjusted Income and Total Tenant Payment in accordance with 24 CFR §§5.603, 5.609, 5.613.

Under the Voucher program, the Tenant Rent will vary based upon the Total Tenant Payment and the Contract Rent and its relationship to the Payment Standards. The Maximum Subsidy is the difference between the HA's applicable Payment Standard for the unit size issued and 30% of the family's adjusted income (defined in 24 CFR 5.603 and 5.609). This is the maximum that the HA will pay as subsidy for the household.

Once the unit is selected, the family's portion of the rent is calculated as the difference between the gross rent (Contract Rent plus utilities) and the *appropriate* Payment Standard. The appropriate Payment Standard is the lesser of the standard for the unit size issued, or the unit size selected. The tenant's portion may be more or less than 30% of the family's monthly adjusted income depending on the total rent of the unit selected by the family, except that the family may never pay less than the greater of 10% of monthly gross family income or more than 40% of their adjusted monthly family income at the time of initial rent up.

The Housing Assistance Payment for a family renting at or below the payment standard will be the higher of 30% of the family's monthly adjusted income, 10% of monthly income or the welfare rent. A family renting a unit above the payment standard pays the higher of 30% of the adjusted monthly income, 10% of monthly income, or the welfare rent, plus the amount of rent above the payment standard.

**The minimum rent payment for certificates and vouchers shall be \$0.**

**B. Utility Allowance**

The utility allowance used is based on the actual size of the unit the family selects regardless of the size authorized on the family's Voucher.

As required by 24 CFR 882.214, the Utility Allowance Schedule will be reviewed on an annual basis and adjusted as needed.

At least annually, the HA shall determine whether there has been a substantial change in utility rates that were used to calculate allowances. If there has been a change of more than 10% individually or cumulatively over the past 10 years, the utility allowance will be adjusted to reflect such increases. Such change shall be processed with the annual change of the Fair Market Rents and the review of the payment standards.

The HA will give tenants a utility allowance for stoves and refrigerators when these appliances are provided by the tenant. The determination regarding provision of appliances is between the landlord and the tenant; the HA will not be involved.

**C. Payment Standard**

1. At least annually the HA will review and when necessary, revise Payment Standards.
2. The payment standard shall be set by the PHA anywhere between 90% and 110% of the FMR.
3. With administrative review, a payment standard of 110% of FMR may be established in cases of

documented need. A payment standard of 120% of FMR may be requested from the regional office.

4. Decrease in the payment standard amount during the HAP contract term. If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard amount generally must be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's second regular annual reexamination following the effective date of the decrease in the payment standard amount. The PHA must determine the payment standard for the family as follows:

**Any changes to the Fair Market Rents, the payment standards schedules and the utility allowances shall become effective on January 1 of each calendar year.**

## SECTION VII SUBSIDY STANDARDS

- A. **Bedroom Size Assignment** (24 CFR 982.402) Bedroom size assignments on vouchers will be made so that no less than one (1) and no more than two (2) persons will occupy a bedroom. Persons of the opposite sex shall not be required to occupy the same bedroom except for married or cohabiting couples. Two children of the same sex may be required to share a bedroom regardless of age. Children of the opposite sex may be required to share a bedroom if both are under age three. Generally, children shall not be required to share a bedroom with a parent. No assignments of bedroom size on a Voucher will be made which require use of the living room for sleeping.

In the case of a participant who shares custody of a child (or children) at least 50% of time with a parent or guardian residing outside of household, the child shall be included when considering the assignment of bedroom size.

The intent of HUD requirements is that the smallest appropriate bedroom size be assigned to participant families without overcrowding. The HA does not limit or restrict which family members may share bedrooms.

Using the above guidelines, the following subsidy standards will determine the number of bedrooms required. The HA may determine the unit size on a case by case basis provided the maximum number of persons per unit per bedroom is not exceeded.

<u>NUMBER OF BEDROOMS</u>	<u>NUMBER OF PERSONS PER UNIT</u>	
	<u>MINIMUM</u>	<u>MAXIMUM</u>
0	1	1
1	1	2
2	2	4
3	3	6
4	5	8
5	7	10

A separate bedroom may be provided for an individual family member if the family presents documentation sufficient to convince the HA that the individual's physical or mental health requires separate sleeping quarters.

## SECTION VIII ISSUANCE OF VOUCHERS AND BRIEFING OF FAMILIES

- A. Selection from the Waiting List.** Not less than 75% of new families admitted from the waiting list must have incomes at or below 30% of the area median income. Other admissions will be assigned according to date and time of application and based on preferences listed in Section IV. The goal is to serve the lowest income applicants, but units are not required to remain vacant to meet this guideline.
- B. Notification and Response.** Once an applicant has filed a completed application, provided copies of photo ID's, social security cards, and verified alien status the family will be placed on the waiting list and informed in writing of their status. All eligible applicants are required to attend a briefing at which the family will be provided with a detailed overview of the Section 8 Program. The program briefing may be group or individual.
1. A packet of materials will be presented to the applicant at this meeting, and all the materials will be reviewed with rent assistance staff.
  2. If the applicant is determined to be eligible after all verification forms are returned and after gross income is calculated, the voucher will be issued.

**If an applicant fails to appear, without prior explanation or re-scheduling, for a scheduled appointment to attend a briefing, such failure shall result in removal from the waiting list and the person may reapply provided that applications are being accepted at that time.**

**C. Briefings (24 CFR 982.301)**

1. Briefing Packets.
  - a. At the family briefing, the family will receive a Section 8 Voucher briefing packet, which will include explanations of applicant and owner responsibilities under the programs, and program guidelines

The briefing packet shall contain:

- Term of Voucher, a description of the HA's Voucher extension or suspension policies and how to request them.
- How HAP is determined, including information of the Payment Standard and Utility Allowances.
- How maximum rent is determined.
- Where family may lease a unit, including information on portability.
- HUD required "lease addendum".
- Sample request for Tenancy Approval and explanation of how to request approval to lease a unit.
- The HA's subsidy standards, including any exceptions to these standards.
- HUD, EPA and Iowa Lead Based Paint brochure.
- Notice to applicants and participants regarding drug related activity.

- Required forms in order to verify an applicants eligibility including but not limited to release forms and declaration of citizenship.
- Lead disclosure form.
- Fair Housing Brochure.
- List of landlords/real estate agents willing to lease a unit or to help the family locate a unit.
- Notice that if family includes a disabled person they may request a current listing of available accessible units known to the HA.
- Family Obligations under the Section 8 program.
- Grounds on which the HA may terminate assistance.
- Informal hearing procedures.
- The HA's policy on providing information to owners about a participant's history.
- Additional information as determined by the HA.

2. Briefing Session.

- a. The briefing session will be informal with the opportunity for the applicants to ask questions to ensure that they have an adequate understanding of the program and procedures to be followed.
- b. Briefing session topics will include:
  - Description of how the program works.
  - Family and owner responsibilities.
  - Where the family may lease a unit, including renting a dwelling unit inside or outside the HA's jurisdiction.
  - Portability.
  - Advantages of moving to an area that does not have a high concentration of poor families.

The family will be notified that they must report any changes in family composition and/or income during the period between issuance of the Voucher and execution of the HAP/Voucher Contract. The HA will follow up as necessary before execution of lease and contract.

**D. Term of Voucher/Voucher Suspensions and Extensions**

1. The Voucher shall expire at the end of 120 days unless within that time the family submits a Request for Tenancy Approval (RFTA), at which time a "suspension" may occur. (The time between the date the RFTA is submitted and the date the HA determines whether to lease or deny the RFTA is not counted against the Voucher time limit.)
2. The Voucher term may be extended if extenuating circumstances are present. The Director shall determine if an extension is warranted.

**SECTION IX  
UNIT SELECTION AND APPROVAL**

**A. Locating a Unit**

It is the responsibility of the Voucher holder to locate a unit suitable to the holder's needs and desires. The holder of a Voucher may select the dwelling unit, which the holder already occupies if the unit meets program qualifications.

Information regarding landlords interested in participating in the program will be offered to the Voucher holder. Voucher holders will be encouraged to locate their own housing, but will also be informed that they should periodically contact the HA staff in order to report their progress or request any new information regarding available units.

Staff will provide a list of accessible units known to the HA and assistance in locating a dwelling unit to those families who request assistance as a reasonable accommodation.

To those applicants reporting apparent discrimination, assistance will be provided in preparing the required HUD Discrimination Complaint Form and in locating available housing elsewhere.

If a Voucher holder elects to move to a different jurisdiction, they must follow HUD's portability guidelines.

**B. Portability** (24 CFR 982.353, 354, 355) Portability is the ability of a family issued a Voucher, to move anywhere within the State of Iowa or anywhere in the United States where a tenant-based program is administered. If funding is reduced due to HUD cutbacks the HA may limit portability based on available funds.

If neither household head or spouse had a legal residence in the jurisdiction of the HA at the time of application, the family must lease a unit in the HA jurisdiction for one year before becoming eligible for portability.

If a family's initial lease is outside the jurisdiction of the HA, they must be income eligible for the area in which they will lease.

The amount of housing assistance shall be based on the applicable Payment Standard in effect at the receiving HA at the time the Voucher is received.

The receiving HA will promptly notify the initial HA if the family has submitted a Request for Tenancy Approval, whether they will absorb or administer the Voucher, if the family ceases to be a current participant in the initial HA's Voucher Program, or has requested to move to another HA jurisdiction.

The receiving HA will perform all functions normally associated with providing assistance to a family in the Voucher Program, including determining unit size, lease approval, annual reexamination of income, annual inspection of the unit to meet Housing Quality Standards, and executing the HAP Contract. If the receiving HA does not absorb the family into its program, they will bill the initial HA for the Housing Assistance Payment on behalf of the family. The receiving HA will be eligible to receive 80% of administrative fees, and all hard-to-house fees associated with the portable Voucher being administered.



The initial and receiving HAs must comply with financial procedures and billing and payment deadlines required by HUD. The first bill must be sent from the receiving HA to the initial HA within six (6) months from the date the initial HA issued the voucher to the family (PIH Notice 96-54,7/26/96)

If the family selects an area where more than one Housing Authority may have jurisdiction, then the HA may select which Housing Authority in the new area shall be the receiver.

### **C. Applicant Flexibility on Unit Size Selection**

It is emphasized that the unit size listed on the applicant's Voucher does not preclude the family from selecting either a smaller or larger sized unit provided the following requirements are met:

1. **Larger-Sized Units.** The family may select a larger-sized unit than listed on its Voucher. The family will be required to pay any additional cost for the larger size unit, within program guidelines.
2. **Smaller-Sized Units.** The family may select a smaller-sized unit provided there is at least one sleeping room or living/sleeping room of appropriate size for each two persons in the household.

**NOTE:** The unit size designated on the Voucher must remain unchanged, regardless of the actual unit size selected.

### **D. Eligible and Ineligible Housing Units (24 CFR 982.352)**

1. **Eligible Units.**
  - a. The types of housing units that are eligible for the Voucher Programs are: apartments, single family homes, townhouses, duplexes, fourplexes, mobile homes, assisted living homes, congregate and independent group homes. These may include units owned by a relative only if it is determined that the leasing would accommodate a person with disabilities.
  - b. Owners of manufactured homes are not eligible to receive assistance on the Voucher Program.
  - c. Single Room Occupancy (SRO) Housing is eligible for assistance on the Voucher Program if:
    - (i) the property is located in an area where there is significant demand for SRO units (as determined by HUD),
    - (ii) the HA approves the use of SRO units for such purposes,
    - (iii) the HA certifies to HUD that the property meets applicable local health and safety standards for SRO housing.
  - d. Some units or developments sponsored by the FMHA may be eligible for residency by a voucher holder if occupancy does not create a situation of duplicate subsidy.
2. **Ineligible Units.**
  - a. Any Public Housing or Indian Housing unit.
  - b. Units in which the family is being assisted under other Section 8 subsidy programs.
  - c. Nursing homes, or facilities providing continual psychiatric, medical or nursing services.
  - d. Colleges or other school dormitories.
  - e. Units on the grounds of penal, reformatory, medical, mental and similar public or private institutions.

- f. Housing owned in whole or in part, by the family to be assisted, or by a relative of the family to be assisted. (See 1:a)
- g. Units that are owned by landlords that have been barred from participating in the program.

**E. Information Provided to Prospective Landlords About Participants (24 CFR 982.307)**

The HA will provide the following information about program participants to prospective landlords:

- a. current address; and
- b. if known, name and address of owner of participant's current and prior address.

The HA will inform all property owners interested in participating in the Section 8 Program that tenant screening for payment and other lease compliance behavior is the owner's responsibility, and is not performed by the HA.

The HA may offer the owner other information in the HA's possession about the family including information about the tenancy history of family members or about drug trafficking or violent criminal activity by a family member. The same types of information will be provided to all families and all owners.

**F. Security Deposits (24 CFR 982.313)**

Property owners have the right to request security deposits from Section 8 tenants. Security deposits collected by owners cannot be in excess of private market practice or in excess of amounts charged by owners to unassisted tenants.

It is the family's responsibility to pay the security deposit to the owner. The HA will not provide advances to assist families in meeting security deposits, but will provide assistance by referring the family to other potential private or public sources.

After the family moves from the unit, the owner must treat the deposit in accordance with State law. The owner may use the security deposit, including interest earned, as reimbursement for any unpaid Tenant Rent, damages to the unit, or other amounts, which the family owes under the lease. The owner must give the family a written statement listing all items charged against the security deposit and the amount charged for each item. The tenant must be notified of the move-out inspection. After deducting the amount used as reimbursement, the owner must promptly refund the full amount of the balance to the family. Any interest earned on a rental deposit during the first five years of a tenancy shall become property of the landlord. The family must provide a forwarding address or delivery instructions to the landlord upon move out. If the family fails to provide a forwarding address within one year from the termination of the tenancy, the rental deposit shall revert to the landlord and the tenant will be deemed to have forfeited all rights to the rental deposit.

**G. Approval of Property Owner (24 CFR 982.306)**

The HA will not approve a unit if any one of the following conditions exists:

1. The owner is debarred, suspended or subject to a limited denial of participation by HUD under 24 CFR Part 24.
2. If directed by HUD because the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.
3. If directed by HUD because a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.
4. The HA, at its discretion, may deny participation to an owner if any one of the following conditions exists:
  - a. The owner has violated obligations under any Section 8 HAP contract;
  - b. The HA has obtained documentation that the owner has committed fraud, bribery or any other corrupt or criminal action in connection with any Federal housing program;
  - c. The owner has engaged in drug trafficking;
  - d. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program;
  - e. The owner has a history or practice of renting units that fail to meet state or local housing codes; *or*
  - f. The owner has not paid state or local real estate taxes, fines or assessments.

The individual circumstances and seriousness of such conditions will be considered prior to disapproval of an owner.

If the HA determines that the owner is approvable and that the lease does not violate any program rules, the lease may be approved. If the lease cannot be approved, the owner and subsidy holder will be notified and provided with the reason and an opportunity to correct any deficiencies.

#### **H. Approval of Owner's Proposed Lease (24 CFR 982.308)**

1. The HA may adopt a model lease for its Section 8 Voucher program and owners may elect to use it. However, owners may use their own lease. All leases must include the Section 8 lease addendum language verbatim or the owner must sign the HUD lease addendum with the prospective tenant. If the owner selects his/her own lease, the Voucher holder must submit a copy for review at the time the RFTA is submitted. The HA will review all leases proposed by property owners to ensure that:
  - a. The lease includes the lease addendum language verbatim.
  - b. Utilities, which must be paid by the tenant, if any, are specified.
  - c. The initial lease term is for at least one year and includes a provision for automatic renewals for a definite or indefinite length.

#### **I. Housing Quality Standards Inspections (24 CFR 882.109, 982.401)**

1. Inspection Procedures.

When a family selects a unit and submits a Request for Tenancy Approval, the HA will inspect the unit for compliance with HQS. HQS used in the operation of the program will be as set forth in 24 CFR §882.109 (and Subparts J or K, if applicable), or as set forth in specified HUD-approved variations in the acceptability criteria.

The HA will use an approved HUD Housing Quality Standards (HQS) inspection form. The inspection form is maintained in the tenant file. Copies may be sent to both the owner and the tenant on request. In the case of any "fail" items, a reinspection is completed prior to approval of any lease. In the case of any "inconclusive items," further documentation of the acceptability of the items will be required, or a reinspection will be completed to confirm acceptability of the unit.

The various types of inspections include: annual, move-in, move-out, complaint and special. The HA will inspect each dwelling unit leased to an eligible family at least annually and at such other times as may be necessary to insure that the owner is maintaining the unit in accordance with HQS and is providing the agreed upon utilities and other services. The annual inspection will be performed in conjunction with the annual reexamination of family circumstances.

The HA encourages that both the owner and tenant are present during inspections. The HA will send a written notification to the landlord and tenant informing them of the inspection date and time.

The initial HQS inspection shall take place no later than 15 days after the Request for Tenancy Approval is received by the HA.

When a unit fails the HQS inspection, the HA will notify the owner of the failed item(s) and the required time to repair (24 hours for emergency items, 30 days for other non-emergency items). If the owner fails to take corrective action within the time prescribed in the notice, the HA may exercise any of its rights or remedies under the contract, including abatement of Housing Assistance Payments (even if the family continues in occupancy) and termination of the contract. (See also Section X, E. Rent Abatement and Contract Termination for HQS Violations.) If the family wishes to be rehoused in another dwelling unit with Section 8 assistance and the HA decides to terminate the Housing Assistance Payments Contract, the HA shall issue to the family another contract.

A family's assistance may be terminated if the family has breached its responsibilities under the program and is responsible for HQS failure for the following reasons: failure to pay for tenant supplied utilities and services; failure to provide and maintain tenant-supplied appliances, or; damages caused by guests or family members.

## 2. Lead Based Paint Hazard Procedures

Visual assessments shall be conducted by a certified inspector on any pre-1978 units that are occupied or will be occupied by children under age 6.

Areas to be inspected include interior and exterior painted surfaces of the rental unit and any common areas frequented by children under age 6.

If the HQS inspector identifies deteriorated paint, the condition must be documented on the HQS inspection form. The HQS inspector should note whether the area of deteriorated paint is less than the de minimis levels.

Violations of HQS must be identified in writing and given to the owner, the resident, and the PHA and must specify a time frame for correction of the violations. No more than 30 days is allowed for correction of annual inspection violations, and for new admissions, the condition must be correct

prior to occupancy. A reasonable time exemption is allowed during a period when weather conditions are unsuitable for conventional construction activities.

Deteriorated paint surfaces must be corrected by the owner or a representative of the owner, provided that person is certified in safe work practices. Work may include, but is not limited to, the removal of loose paint, repair of the areas, and the repainting or covering of the areas.

Clearance testing shall be done to the unit by a certified inspector. The cost of the initial clearance testing shall be the responsibility of the PHA. The cost of any further clearance testing shall be the responsibility of the owner. The results of the clearance testing shall be provided to the owner, the applicant or resident and to the PHA.

Failure to correct a HQS violation shall result in the stopping payment to the owner and the termination of the HAP contract. Owners and residents must be notified in writing when payment is stopped or when termination will occur.

The HA will attempt to obtain from local health agencies the names and addresses of children with identified elevated blood levels (EBLs) and match this information with the names and addresses of participants. If a match occurs, the HA will determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint the owner will be required to treat the lead-based paint. If corrective action is not taken the family will be issued a Voucher to move. Copies of the inspection reports will be kept for a period of three (3) years.

3. Quality Control Procedures.

In order to ensure that the inspections are adhering to HQS, and are providing consistent determinations, a random sample of approximately five percent of the approved units are reinspected by housing supervisory personnel. The sample shall reflect equal numbers of both passed and failed units. If inconsistencies are found corrective actions will be taken including additional training, and a larger sample will be used until no inconsistencies are found. A log will be kept of those units surveyed and a copy of the original inspection will be signed and dated by the quality control inspector following his/her re-inspection. Any comments regarding the quality control inspection will be made on the copy of the inspection and filed in the tenant file.

**J. Initial Contract Rents**

1. Fair Market Rent.

b. The Contract Rent is not limited by the FMR, however at no time may the voucher Contract Rent exceed rent that is paid for comparable, unassisted units.

2. Rent Reasonableness. (25 CFR 882.106(b))

Rent reasonableness will be determined for Voucher holders at initial lease up and each annual certification thereafter. Documentation of reasonable rent will be included in each participant's file. The reasonableness of the rent requested by the owner will be determined on the basis of:

- a. HA market survey information on rents for comparable units in the area;
- b. Factors considered in the determination of rent reasonableness are: location, size, type, quality, age, amenities, housing services, maintenance and utilities.

The HA will collect and maintain substantial data to determine and support rent reasonableness for all

program rents. Data will be purged and updated regularly by Section 8 staff.

If the HA determines that the amount of rent requested by the owner is not reasonable, a reasonable rent will be computed, and a counter-offer will be made to the owner. Failure by the owner to lower the rent will result in disapproval of the unit for the program.

## **SECTION X HOUSING ASSISTANCE PAYMENTS CONTRACT**

### **A. HAP Contract Execution (24 CFR 982.311, 451, 452, 454, 455)**

1. Once the owner, lease (if owner elects to use his/her own lease), and unit are approved, and a reasonable rent negotiated, the HA will enter into a HAP contract.

The HAP contract is a contract between the HA and the owner and provides for the HA to make monthly payments to the owner for a specific family in a specific unit. The term of the contract runs concurrently with the lease term. The HAP contract terminates if the lease terminates. No payments may be made after the family moves out or the lease term ends.

2. The family is not responsible for the HAP payment and cannot be charged late fees if the HA pays late. However, the Conforming Rule, effective October 2, 1995, permits a HA to be charged late fees in accordance with state/local laws. The HA may pay for late fees from administrative fee income or reserves. No late fees will be paid in the instance of failure of payment to the HA by HUD.
3. Once the leasing/contract documents are prepared, HA staff will meet with the owner and family (preferably together) to review documents. (If the landlord is unable to meet in person, the HA can mail the documents to the landlord.) In addition to reviewing the specific terms of the HAP contract and lease, staff will explain:
  - a. Owner requirements to maintain the unit, allow inspections, and inform the HA if the tenant vacates without notice.
  - b. Tenant requirements to pay rent, maintain the unit, allow inspections, cooperate with the HA's recertification requirements, and notify the HA when the family wishes to move.
4. The HA will make their best effort to sign all HAP contracts before lease terms start and will ensure that all contracts are executed within 60 days after the beginning of the lease term.
  - a. If the HAP contract was signed within the 60 day period after the lease term started, housing assistance payments may be made retroactive to the beginning of the lease term.
  - b. If the HAP contract was executed more than 60 days following the beginning of the lease term, the contract is void and no housing assistance payments may be made to the owner.
5. A new HAP contract will be required for new and revised leases. Changing the security deposit, family members, utilities furnished by owner, or acceptability of pets will require execution of a new HAP contract. A new contract will be required when a resident is required to move due to termination not connected with eligibility (damage to the unit, i.e. fire, sale of the residence, etc.). In the case of such a termination, the resident has 180 days to submit a new Request for Tenancy form.

### **B. Payments to Owners (24 CFR 982.311)**

1. Housing Assistance Payment, (the difference between the contract rent and the portion of the rent payable

by the family) shall be paid to the owner in accordance with the contract.

2. No payments will be made on behalf of an assisted family until the lease and the Housing Assistance Payments Contract have been signed by all appropriate parties.
  3. The HA will maintain an internal control system which will ensure the accurate posting and tracking of Housing Assistance Payments to owners.
  4. The HAP payment will be considered “received” upon mailing of the payment by the HA to the owner.
  5. Effective October 1, 2008 the HA will require all owners to receive housing assistance payments by direct deposit.
- C. Contract Rent Adjustment - Voucher Program** The Contract Rent may not be increased during the first year of the lease. After the initial year, owners may request an increase at any time, but must provide written notice of any proposed increase to the HA and the family sixty (60) days in advance of the increase,

Families who wish to move because of the owner's rent increase will be required to give the owner proper notice and notify the HA at least thirty (30) days in advance.

- D. Rent Abatement and Contract Terminations for HQS Violations** (24 CFR 982.404) When an owner fails to correct cited repairs within the specified time frame, housing assistance payments will be abated at the end of the month in which the failed reinspection occurred, and will continue until such time when:

The owner corrects the deficiencies, in which case the housing assistance payments may be resumed as of that date; or

The HAP contract expires or is terminated.

The HA will not resume HAP payments until the owner has corrected the deficiencies. No retroactive payments will be made for the period during which the rent abatement occurred. When the deficiencies are corrected, however, a prorated housing assistance payment may be provided to the owner for the period commencing with the date a HA inspector certified the required work was completed.

The HA will send the owner advance written notification, in accordance with the HAP contract, when the HA plans to abate payments. The HA will also notify the family of this action and apprise the family of its responsibility, based on applicable State or local law, for the payment of the tenant share of rent to the owner.

The HA will terminate HAP contracts which are under abatement at the earlier of:

- a) the month the family living in the unit has moved, or
- b) six months after the last payment was made.

HAP contracts will be terminated immediately, without application of the rent abatement process described above, in cases of owner failure to repair life-threatening conditions within the required 24 hour time period. This applies only to cases in which the owner is responsible for the situation not when the tenant has caused the violation. Life-threatening conditions include but are not limited to:

1. No heat between October 1 and May 1.
2. No electricity.

3. No gas.
4. No running water.
5. Natural gas leak or fumes.
6. Major plumbing leaks or flooding (such as sewer backup or stoppage).
7. Any electrical outlet, switch, stationary light fixture, fuse box or circuit breaker that smokes, sparks or short circuits, creating a fire hazard.
8. Broken or missing lock on any dwelling unit doors accessible to the outside of the dwelling unit.
9. Uninhabitable units due to fire, tornadoes, destroyed or vandalized property that prevent a tenant from using the bathroom or kitchen or from entering the dwelling unit.

## SECTION XI ONGOING ACTIVITIES

### A. Annual Reexaminations (24 CFR 882.515)

1. The HA will re-examine the income, assets, expenses and family composition of all families at least annually. Reexaminations determine the participant's monthly TTP and rent to owner (Tenant Rent), eligibility for continued occupancy, and required unit size. At the time of the annual re-examination, criminal history and sex offender status will be checked.

The HA follows all pertinent HUD regulations in its completion of reexaminations. Approximately ninety (90) days prior to the family's reexamination effective date, the family will be notified of a scheduled reexamination interview. If the family is unable to attend the scheduled interview, another appointment will be scheduled. If the family fails to keep the second appointment, the HA may send the family a notice terminating assistance under the Section 8 program effective on the family's reexamination effective date.

Employment and income data, assets, full-time student status, medical expenses (elderly families only), child care expense, and handicapped assistance expenses will be verified, documented and placed in the participant's folder.

Third party written verifications are the preferred kind of verifications. However, oral third party verifications are acceptable, if properly documented. When such documents cannot be photocopied, Housing Authority staff will sign a statement confirming that the verification documents were viewed by recording the document source, date, time, amount, etc. All verifications will be maintained in the participant's folder. Verified information will be analyzed to determine TTP and the appropriate unit size.

2. Tenants requiring larger or smaller units are issued a Voucher for the appropriate bedroom size dwelling unit at the annual reexamination, or at such other times necessary, depending on availability. However, if the family size exceeds the maximum subsidy standard for continued occupancy, the family must be immediately issued the appropriate size Voucher.
3. Tenants whose Total Tenant Payment equals or exceeds the gross rent for their dwelling unit, will be notified of their responsibility for the entire contract rent amount.



- a. Housing Assistance Payments shall be terminated with proper notice to both the tenant and owner.
  - b. Suspension of Housing Assistance Payments shall not affect the tenant's other rights under the lease, nor shall suspension preclude the resumption of payments as a result of loss of income or other relevant circumstances.
  - c. The HA will terminate the contract if six (6) months have passed since the date of the last Housing Assistance Payment.
4. Increases in the participant's portion of the rent to owner (Tenant Rent) will be effective on the scheduled reexamination effective date, with reasonable advance notice (30 days) provided the participant has complied with all reporting requirements. When the participant has failed to do so, the participant's portion will increase retroactive to the reexamination effective date. Retroactive changes in participant's rent share will not be made when delays are solely the fault of the Authority or a verification source.
5. Decreases in participant's portion of rent shall take effect on the reexamination effective date.

**B. Interim Reexaminations** Changes in family income or composition may result in an interim recertification. An interim re-examination shall be done only when a tenant at zero income reports a change in income status or if any change in income results in a rent increase of \$25 or more per month, or if a participant fails to report a change in status, which would result in an increase in rent. An interim reexamination does not change the anniversary date for the annual reexamination.

1. Income/Family Composition Changes.

- Changes decreasing the household composition must be reported within 14 days. Additions to the household must be pre-approved by the HA and the owner.
- The resident must report within 14 days any of the following facts, which would result in an increase in rent:
  - a. an increase in gross household income
  - b. receipt of a deferred payment in a lump sum (such as unemployment benefits).
- The resident may report any of the following changes, which would result in a decrease in rent:
  - a. Decrease in income expected to last at least 60 days; and
  - b. Increase in allowances or deductions.

2. Zero Income.

Families reporting \$0 income will be required to have all adult household members sign a monthly certification of \$0 income and annually release forms allowing the HA to verify annual income and to obtain a certified copy of any tax return submitted to IRS by all adults residing in the household. Failure to comply with these reexamination requirements will be considered grounds for termination of assistance.

3. Effective Date of Rent Changes Due to Interim Recertifications.

- a. *Tenant Rent Decreases:* If a change in family circumstances or income results in a decrease in Tenant Rent, the adjustment in rent will be effective the first day of the month, following verification of reported change. Decrease in Tenant Rent will not be granted without verification of the decrease in income.

- b. *Tenant Rent Increases*: If a change in family circumstances or income results in an increase in Tenant Rent the adjustment in rent will be made effective the first day of the second month following that in which the change in family circumstances or income is verified and written notice of new rent is sent to the tenant (thereby giving a 30-day notice to the tenant).
  - c. Tenant and owner will be notified as to any changes in the Housing Assistance Payment or Tenant Rent.
4. **Errors**. If an error in Tenant Rent is revealed at any time during the income year, proper adjustment will be made to correct the error as follows:
- a. If the error is the fault of the tenant, and results in the tenant owing additional rent, such rent shall be repaid by the family within a reasonable period of time. Failure to repay may result in termination.
  - b. If the error is not the fault of the tenant and it results in increased Tenant Rent, such rent shall be made effective the first day the change is corrected. If a refund is necessary, because of a decrease in rent, it shall be processed immediately.
  - c. If the error is not the fault of the tenant, and corrective action results in a decreased rent, such rent shall be made effective as of the date the error was made.

### C. Changes in Household Composition

All participants are required to report any change in household composition within 14 days of the change to the Authority and to the landlord. New household members may be added to the resident's lease if the new family member has been added as the result of birth, marriage, reconciliation with a spouse, legal adoption, award of custody to or by a member of a household on the lease and award of a foster child. All new adult household members shall complete application forms and provide necessary income information. New adult household members must provide documentation from the landlord allowing the additional person to be added to the lease.

**No new household member over the age of five years may be added unless and until that person has provided the required information to the Section 8 Department and been determined eligible for admission according to the guidelines specified in Section II of this policy. The Housing Authority has the right to deny admission to any person found to be ineligible. All new household member over the age of five years shall be approved prior to residence in the assisted unit.**

Participants must provide documentation as required by the Authority when reporting that a family member has left the household. In the case of an income producing household member, the Authority will require at least two documents verifying the new address or other evidence deemed acceptable by the Authority. Utility bills, a driver's license, an automobile registration, voter registration, an employer's verification, or a lease or a rent receipt bearing the family member's name, new address and a date are examples of acceptable evidence. Court papers indicating that a family member has left the household such as a Petition for Dissolution of Marriage, a Petition for an Order of Protection, or a Petition for Legal Separation may also be acceptable.

### D. Family Moves with Continued Assistance (24 CFR 982.314; See also Section XII, Terminations)

1. If the tenant desires to relocate, they may do so freely upon completion of the first year's term of the lease. However, the tenant must first submit a 30 day written notice, but not more than a 60 day notice, to the landlord stating his/her intention to vacate. A copy of this notice, signed by the tenant, must be provided to the HA.
2. If the tenant desires to relocate, but has not completed the initial year's term of the lease, the transfer will not be granted by the HA unless both tenant and landlord mutually agree to rescind the lease. If

- both the landlord and tenant do so agree, they must both sign a mutual rescission form.
3. Participants are limited to one move in any 12 month period.
4. If the family wants to move to a new unit that is located in another jurisdiction, the family must provide notice to the HA and must specify the area where the family wants to move. (See also Section IX, B. Portability.)
5. The HA may deny a participant family's request to move if the family has not complied with a Repayment Agreement executed with the current or another HA, or if the HA does not have sufficient funding for continued assistance. (See also Section XI, Ongoing Activities, H. Repayment Agreements.)

**E. Assistance for Families Under Lease**

The HA will plan, develop and coordinate working relationships with human services and social service agencies that can be of help to tenants. The HA staff will assist in providing information and referral service to tenants. Families who have questions regarding their participation in the Voucher Program, may request assistance from the HA.

**F. Family Break-Up (24 CFR 982.315)**

In the case of family break-up, the HA has the discretion to decide which members of an assisted family will continue to receive the housing assistance. In making such a determination, the factors to be considered may include: whether the assistance should remain with family members remaining in the original assisted unit; the interest of minor children or of ill, elderly or disabled family members; and whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household.

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

In the case where there is no adult remaining family member and there are minors still living in the unit, the Authority will accept proof of legal guardianship of remaining minors and will grant remaining member status subject to all program eligibility considerations.

If sufficient vouchers are available a voucher may be issued to both parties.

**G. Family Absence From Unit (24 CFR 982.312)**

The family may be absent from the unit for brief periods of time. In cases where no member of the assisted family is present due to acknowledged vacation, hospitalization or imprisonment, the absence may not exceed 180 days. (If it does, housing assistance will be terminated and the family must reapply for the program.) The family must supply information and certification to the HA to verify that the family is residing in the unit. The family must also promptly notify the HA of the absence from the unit, including any information requested about the purpose of the family absence(s).

**H. Repayment Agreements**

If a participant owes money to the HA, the HA may require the participant to enter into a repayment agreement or may require repayment on demand. If the participant does not comply with the repayment agreement, the HA may terminate the participant from the program. However, the HA will consider extenuating circumstances on a case-by-case basis.

If the HA determines that the family committed fraud or was grossly irresponsible, the HA may require the family to repay the entire amount in full or have its assistance terminated, since fraud or gross irresponsibility are considered a violation of a family obligation.

In no case does the HA have a responsibility to enter into a repayment agreement. If the family's assistance is terminated and repayment has not been made, the money will still be considered to be owed and the HA may still take action to collect the amounts owed. (See also Section II, A. (9) Eligibility Criteria, Section XI, D. (6) Family Moves with Continued Assistance and Section XII, B. Housing Assistance Terminations, 1.f.)

## **I. Requests for Information**

All requests for information regarding applicants, participants or participating owners, or any other program information must be submitted in writing on the form provided by the PHA.

The applicant, participant, or owner for which information has been requested will be notified by the PHA of said request.

Files may not be removed from the PHA office and are available only during regular working hours. A charge of \$15.00 per hour, with a minimum of \$30.00, shall be collected for supervision of the review of any files. The minimum charge shall be paid in advance of the review and covers the review of one (1) to twenty-five (25) files. The cost for the review of more than (25) files shall be at the rate of \$1.00 per file, paid in advance.

Information deemed appropriate for release will be made available within ten (10) working days of the submitted request. Charges for any materials copied will be at the rate of \$1.25 per page.

## **SECTION XII TERMINATION, CLAIMS AND COMPLAINTS AND APPEALS**

### **A. Termination of Tenancy By Owner or Participant**

1. Owner Initiated Lease Terminations. (24 CFR 982.310, 311) During the term of the lease, the owner may terminate tenancy on the following grounds:
  - a. Serious or repeated violation of the terms and conditions of the lease;
  - b. Violation of Federal, State or local law that imposes obligations on a tenant in connection with the occupancy or use of the premises; or
  - c. Other good cause. However, during the first year of the lease, the owner may not terminate for "other good cause" unless the termination is based on something the family did or failed to do. The following are some examples of "other good cause" for termination of tenancy by the landlord:
    - (i) Failure by the Tenant Family to accept the offer of a new or revised lease.
    - (ii) Tenant Family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or property.
    - (iii) Criminal activity by Tenant, any member of the household, a guest or another person under the tenant's control, that threatens the health and safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity of the premises.
    - (iv) Any drug related criminal activity on or near the premises.
    - (v) The landlord's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit; or

- (vi) A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to rent the unit at a higher rental).

The owner may only evict the tenant from the unit by instituting a court action.

**NOTE:** This list of examples is intended as a non-exclusive statement of some situations included in "other good cause," but shall in no way be construed as a limitation on the application of "other good cause" to situations not included in the list. The owner may not terminate the tenancy during the first year of the term of the lease, for example, for reasons (i), (v) or (vi) of "other good cause."

If termination is due to a "business or economic reason" (i.e., the HA is unable to approve the amount of rent you are currently charging), or "expiration" of the HAP contract, a written notice must be sent the tenant family in accordance with the lease and state and local law.

- d. If owner initiates an eviction action in accordance with the lease and the family continues to live in the unit, the HA will continue to make payments until the family moves or is evicted.
- e. The owner will keep the full payment for the month in which the family moves out in "skip" cases. If the family does not skip and the lease is scheduled to terminate during the month, then the owner keeps a prorated payment for the last month.

2. Participant Initiated Lease Terminations.

- a. If a tenant wishes to move, they may do so at any time after the first year of the term of the lease. The tenant must submit a 30 day written notice, but not more than a 60 day notice, to the landlord. A copy of this notice, signed by the tenant, must be provided to the HA.
- b. If a family desires to be released prematurely from a lease in effect at the time, such tenant shall first obtain a Mutual Recision form from the HA. This form must be filled out, in full, by the landlord and tenant.
- c. If a family moves with continued assistance, the term of the lease for the new unit may begin during the month in which the family moves from the old unit, and payment may overlap for the old and new units. This is not considered a duplicative housing subsidy. The HA may deny permission to move if there is insufficient funding for continued assistance.
- d. If the family wishes to terminate assistance voluntarily and remain in the unit, the family and owner must execute a new lease.

**B. Housing Assistance Termination (24 CFR 982.552)**

Program participants in the Section 8 programs will continue to receive assistance as long as they comply with program obligations. If a participant family fails to abide by the program obligations, they may be terminated from the Section 8 Program that will result in the discontinuation of the housing assistance in the family's current unit and in all future units. The PHA shall conduct a review of the criminal history of each participant at the time of entry to the program and at each annual review thereafter.

All participants for whom the HA intends to terminate assistance will be provided a written notification informing them of the reason for the termination determination and the right to request an Informal Hearing. (See Section F for further discussion of informal hearings.)

- 1. The HA may terminate housing assistance for the following reasons:
  - a. If the family violates any family obligations under the program.
  - b. If any member of the family has been evicted from public housing.
  - c. If the HA has ever terminated rent assistance.

- d. If the family allows any person, who is not an authorized member of the household, to use the assisted unit address for receipt of mail or for any other purpose, without the prior written permission of the PHA.
- e. If any member, guest, or visitor of the family commits drug-related criminal activity, or any violent criminal activity. This includes any family member being on the sex offender registry.
- f. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- g. If the family currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.
- f. If the family has not reimbursed any HA 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.
- g. If the family breaches an agreement with the HA to pay amounts owed to an HA, or amounts paid to an owner by an HA.
- i. If a family has engaged in or threatened abusive or violent behavior toward HA personnel.
- j. If any family member fails to sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 5.
- k. Evidence of citizenship (i.e., the declaration) and eligible immigration status is not submitted by date specified by the HA.
- l. Evidence of citizenship or eligible immigration status is submitted in a timely manner, but INS primary and secondary verification does not verify eligible status of any family member and:
  - (i) Family does not pursue INS appeal or HA informal hearing rights or
  - (ii) INS appeal and informal hearing rights are pursued but final appeal and/or hearing is decided against family member.
- m. The tenant has failed to meet his/her HQS obligation in cases where they are responsible for tenant supplied appliances or utilities and/or the activities of their guests.
- n. The tenant has failed to promptly notify the HA if any family member no longer resides in the unit.
- o. The family fails to promptly inform the HA of birth, adoption, or custody of a child and request approval to add any other family member.
- p. The family fails to promptly notify the HA of any absence from the unit.
- q. The family has committed fraud, bribery or any other corrupt or criminal act in connection with a Section 8 Rental Assistance programs.
- r. If any family member illegally uses, or possesses for personal use, a controlled substance. Such use or possession must have occurred within one year before the date the housing authority provides notice to the family of its decision to terminate assistance. The housing authority will not deny or terminate assistance for such use or possession by a family member, if the family member can demonstrate that he or she:
  - (i) Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment; and
  - (ii) Is recovering, or has recovered from, such addiction and does not currently use or possess controlled substances. As a condition of being allowed to reside in the unit, the HA will require evidence of participation in, or successful completion of, a treatment program from the family member who has engaged in the illegal use of drugs.
- s. If a family signed a statement certifying that a person who engaged in domestic violence against the household would not be allowed to reside in the household, breach of this certification may be grounds for termination of assistance. [5.420(b)(4)(iii)(B)]
- t. The housing authority determines that there is reasonable cause to believe that the participant abuses alcohol in a way that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. The HA may waive this provision if the participant demonstrates to the HA's satisfaction that the participant is no longer engaging in abuse of alcohol and:
  - (i) has successfully completed a supervised drug or alcohol rehabilitation program;
  - (ii) has otherwise been rehabilitated successfully; or
  - (iii) is participating in a supervised drug or alcohol rehabilitation program.

- u. The tenant has a total tenant payment equal to or greater than the gross rent for the unit for six (6) months.
2. After the first termination of rent assistance for grounds other than drug activity, no application from the former participant will be accepted for the rent assistance program for one (1) year. After a second termination of rent assistance, no application will be accepted for five (5) years. After a third termination of rent assistance, the family is permanently barred from the rent assistance program.
3. Termination of Assistance related to the VAWA  
An incident or incidents or actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.

The HA may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants.

The HA may honor court orders regarding the rights of access or control of the property, including EPO's, DVO's, and other orders issued to protect the victim and disused to address the distribution or possession of property among household members where the family "breaks up."

There is no limitation on the ability of the HA to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence or stalking, other than the victim may not be subject to a "more demanding standard" than non-victims.

There is no prohibition on the HA terminating assistance if it "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's (victim's) assistance is not terminated."

Any protections provided by law which give greater protection to the victim are not superseded by these provisions.

The HA may require certification by the victim of victim status on such forms as the HA and/or HUD shall prescribe or approve.

### **C. Contract Termination**

1. HAP contracts terminate automatically 180 calendar days after the last housing assistance payment to the owner. The HA may terminate, with a 30 day written notice, a contract with a landlord for the following reasons:
  - a. The unit is not in compliance with Housing Quality Standards because the owner has refused, or failed to correct the HQS deficiencies after proper notice by the HA.
  - b. The tenant has moved.
  - c. The tenant has been notified by the HA to move because the unit is either overcrowded or under occupied.
  - d. The owner has committed any fraud or made any false statement to the HA or HUD in connection with the contract, or has committed fraud or made any false statement in connection with any federal housing assistance program.
  - e. The unit is determined by the HA and/or owner to be abandoned or unoccupied.

- f. Lease is terminated by mutual agreement of the owner and tenant, then the HAP contract automatically terminates in accordance with the contract terms.
- g. The HA cannot approve the new rent requested by the owner, and the owner will not accept a lower rent.
- h. The HA has found it necessary to terminate the tenant's assistance for documented good cause.
- i. Owner has decided to terminate tenancy for "other good cause" that is business or economic.
- j. If the owner has violated any obligation under this Contract or under any other Housing Assistance Payments contract under Section 8 of the U.S. Housing Act of 1937.
- k. If the owner has demonstrated any intention to violate any obligation under this Contract or under any other Housing Assistance Payments contract under Section 8 of the U.S. Housing Act of 1937.
- l. 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; or if the owner has filed any false statement or misrepresentation with HUD in connection with the mortgage or loan.
- m. If the owner has engaged in drug trafficking.

**NOTE:** If the HA determines that a breach has occurred, the HA may exercise any of its rights or remedies under the Contract. The HA shall notify the Owner in writing of such determination, including a brief statement of the reasons for the determination. The notice by the HA to the owner may require the owner to take corrective action (as verified by the HA) by a time prescribed in the notice. The HA's rights and remedies under the Contract include recovery of overpayments, termination or reduction of Housing

#### **D. Termination Due to Lack of Program Funding**

The PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that available program funding is not sufficient to support continued assistance for families in the program. Participants will be removed from the program in the following order, based on the effective date of their contract, with those having the most recent effective date being the first to be removed:

1. Persons with no children, who are non elderly and non disabled;
2. Other non elderly, non disabled persons;
3. Elderly and disabled persons.
4. If more than one family has the same effective date the families which will be terminated shall be chosen through a lottery system.

#### **E. Complaints and Appeals**

1. Complaints.
  - a. *Discrimination:* If a person encounters discrimination from an owner in obtaining a unit, the HA will refer them to the local fair housing office or will assist the person in filing a complaint with the Department of Housing and Urban Development with a review of the specific



circumstances.

- b. *Tenant/Landlord Complaint Regarding HA Decision:* If a tenant or landlord disagrees with a decision by a Section 8 staff person, the following procedure is available:

- (i) Contact the Executive Director or his/her representative. If a settlement cannot be reached, then

2. Appeals.

- a. *Participants:* The HA has established an informal hearing procedure which is in accordance with federal regulations. All participant appeals will be handled as specified by these procedures. (See F. Informal Hearing.)
  - b. *Applicants:* The HA has established an informal review procedure which is in accordance with federal regulations. All applicant appeals will be handled as specified by these procedures. (See Section III, D. Informal Review.)

**F. Informal Hearing (24 CFR 982.555)**

1. The City of Marshalltown will provide an opportunity for an informal hearing to review certain City Determinations relating to the individual circumstances of the participant. The purpose of the Informal Hearing is to consider whether a decision is in accordance with the law, the City's administrative rules and HUD regulations. The right to an informal hearing applies only when the participant claims that the rules(s) or law(s) have been incorrectly applied. An informal hearing may be requested by the participant for the following types of decisions:

- a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
  - b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the HA utility allowance schedule.
  - c. A determination of the family unit size under the HA subsidy standards.
  - d. A determination that a program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the HA subsidy standards, or the HA determination to deny the family's request for an exception from the standards.
  - e. A determination to terminate assistance for a participant family because of the family's action or failure to act in violation of any applicable law or regulation.
  - f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under HA policy and HUD rules.

In the cases described above, the HA must give the opportunity for an informal hearing before the HA terminates housing assistance payments for the family under an outstanding HAP contract.

2. An informal hearing will not be provided for the following:
  - a. To review discretionary administrative determinations by the City of Marshalltown or to consider general policy issues or class grievances;
  - b. To review the City's determination that a dwelling unit does not comply with Housing Quality Standards, that the owner has failed to maintain or operate a contracted unit to provide decent, safe and sanitary housing, or that the unit does not comply with Housing Occupancy Standards because of an increase in family size or change in family composition;
  - c. To review a decision by the City to exercise any remedy against the owner under an outstanding contract including the termination of housing assistance payments to the

- owner;
- d. To review the City of Marshalltown schedule of utility allowances;
- e. To review the City's decision not to approve a family's request for an extension of the term of the Voucher/Certificate issued to an assisted family who wants to move to another dwelling unit with continued program participation.

3. Procedures for obtaining and conducting an Informal Hearing for Participants:

The City of Marshalltown will provide prompt written notice of a decision relating to the individual circumstances described above. The notice will provide a statement of the reasons for the decision. The notice shall state that if the participant does not agree with the decision, the participant may request an informal hearing on the decision. The request must be made in written form, and be received by the Housing Authority within ten (10) days of the mailing of the notice of decision to the participant. Upon the timely request for an informal hearing, the Housing Authority shall inform the participant of the date, time and place of the hearing and the rights and regulations herein below enumerated. The rights and regulations pertaining to all informal hearings, shall be as follows:

- a. The family must be given the opportunity to examine before the HA hearing any HA documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the HA does not make the document available for examination on request of the family, the HA may not rely on the document at the hearing.
- b. The HA hearing procedures may provide that the HA must be given the opportunity to examine at HA offices before the HA hearing any family documents that are directly relevant to the hearing. The HA must be allowed to copy any such document at the HA's expense. If the family does not make the document available for examination on request of the HA, the family may not rely on the document at the hearing.
- c. The Housing Director or City Administrator shall designate a person or persons, other than the person who made or approved the decision under review or a subordinate of said person, to conduct the informal hearing.
- d. The person or persons who conducts the hearing shall regulate the conduct of the hearing in accordance with these procedures.
- e. At his/her own expense, the participant may be represented by a lawyer or other representative.
- f. The participant and the Housing Authority shall have the right and opportunity to present evidence and witnesses on their own behalf, and to cross-examine the other party's witnesses who testify. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- g. The hearing may be rescheduled one time only with 24 hour advance notice, or, with proven extenuating circumstances such as illness, birth of a child, or a death in the family, up to the time of the hearing.
- h. Any person appearing for a hearing more than 15 minutes late without prior notification to the HA will be considered to have missed the hearing and the original decision will stand.
- i. The Hearing Officer(s) shall issue a written decision within twenty (20) days of completion of the hearing. This written decision shall briefly state the reason(s) for the decision. The participant shall have the burden of proving the Housing Authority erred in its decision by a preponderance of the evidence. Factual determination(s) relating to the individual circumstances of the participant shall be based solely upon evidence presented at the informal hearing.
- j. The Hearing Officer(s) may render any reasonable decision based upon the evidence, including, but not limited to, the following: (1) terminating the participant's eligibility to participate in the program; (2) suspending the participant's eligibility to

participate in the program for a certain period of time, or until a certain condition(s) is met, or both; (3) permitting the participant's eligibility in the program to continue if certain condition(s) is met, and providing for automatic termination if the certain condition(s) is not met; or (4) permitting the participant's eligibility in the program to continue.

- k. At his/her own expense, the participant upon request shall be tendered a transcript of the hearing. The request must be made at least 24 hours in advance of the hearing and a written transcript will be made available within 10 working days.

## **SECTION XIII HOME OWNERSHIP**

### **1. GENERAL PROVISIONS.**

The Section 8 Home Ownership Program of the Marshalltown Housing Department Rent Assistance Program(HA) permits eligible participants in the Section 8 housing choice voucher program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. On an annual basis no more than 5% of the Housing Choice Vouchers contracted by the HA will be used for the Home Ownership program

The home ownership option is available to program participants who have completed an initial Section 8 lease term, are in good standing, do not owe monies to the HA and meet the eligibility requirements set forth below and as set forth in the Section 8 Administrative Plan. The applicant must terminate their current lease arrangement in compliance with their lease and with the laws of the State of Iowa.

Section 8 home ownership assistance may be used to purchase the following type of homes within Marshall, Hardin and Tama counties: new or existing single-family, condominiums or cooperatives, or manufactured homes. The HA also will permit portability of Section 8 home

ownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 home ownership program for which the Section 8 home ownership applicant qualifies.

## 2. FAMILY ELIGIBILITY REQUIREMENTS.

Participation in the Section 8 home ownership program is voluntary. Each Section 8 home ownership participant must meet the general requirements for admission to the Section 8 housing choice voucher program as set forth in the HA's Administrative Plan. Such Section 8 family also must be "eligible" to participate in the home ownership program. The additional eligibility requirements for participation in the HA's Section 8 home ownership program include that the family must: (A) be a first-time homeowner or have a member who is a person with disabilities; (B) with the exception of elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources; (C) with the exception of elderly and disabled households, meet the requisite employment criteria; (D) not defaulted on a mortgage securing debt to purchase a home under the home ownership option; and (E) not have any member who has a present ownership interest in a residence at the commencement of home ownership assistance.

### A. First-Time Homeowner.

Each Section 8 family, except families with a disabled member, must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of home ownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Section 8 homeownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest

### B. Minimum Income Requirement.

#### (1) Amount of Income.

At the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income not less than:

- (a) In the case of a disabled family, the monthly federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by twelve; or
- (b) In the case of other families, the Federal minimum wage multiplied by 2,000.

#### (2) Exclusion of Welfare Assistance Income.

With the exception of elderly and disabled families, the HA will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families ("TANF"); Supplemental Security Income ("SSI") that is subject to an income eligibility test; food stamps; general assistance; or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the home ownership program. It does not affect the determination of income-eligibility for admission to the Section 8 housing choice voucher program, calculation of the family's total tenant payment, or calculation of the amount of home ownership assistance

payments.

C. Employment History.

With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of home ownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of the sales agreement. In order to reasonably accommodate a family's participation in the program, the HA will exempt families that include a person with disabilities from this requirement. The HA's Executive Director may also consider whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. The Executive Director may also consider successive employment during the one-year period and self-employment in a business.

D. Completion of Initial Lease Term.

Applicants for and new participants in the Section 8 housing choice voucher program shall be ineligible for participation in the Section 8 home ownership program until completion of an initial Section 8 lease term and the participant's first annual recertification in the Section 8 housing choice voucher program. Nothing in this provision will preclude Section 8 participants that have completed an initial lease term in another jurisdiction from participating in the Section 8 home ownership program.

E. Repayment of Any Housing Authority Debts.

Participants in the Section 8 housing choice voucher program shall be ineligible for participation in the Section 8 home ownership program in the event any debt or portion of a debt remains owed to the HA or any other Housing Authority. Nothing in this provision will preclude Section 8 participants that have fully repaid such debt(s) from participating in the Section 8 home ownership program.

F. Additional Eligibility Factors.

(1) Elderly and Disabled Households.

Elderly and disabled families are exempt from the employment requirements set forth in Section 2. C. above. In the case of an elderly or disabled family, the HA will consider income from all sources, including welfare assistance in evaluating whether the household meets the minimum income required to purchase a home through the Section 8 home ownership program.

(2) Prior Mortgage Defaults.

If a head of household, spouse, or other adult household member who will execute the contract of sale, mortgage and loan documents has previously defaulted on a mortgage obtained through the Section 8 home ownership program, the family will be ineligible to participate in the home ownership program.

3. FAMILY PARTICIPATION REQUIREMENTS.

Once a family is determined to be eligible to participate in the program, it must comply with the following additional requirements: (A) complete a home ownership counseling program approved by the HA prior to commencement of home ownership assistance; (B) within a specified time, locate the home it proposes to purchase; (C) submit a sales agreement containing specific components to the HA for

approval; (D) allow the HA to inspect the proposed home ownership dwelling to assure that the dwelling meets appropriate housing quality standards; (E) obtain an independent inspection covering major building systems; (F) obtain HA approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and (G) enter into a written agreement with the HA to comply with all of its obligations under the Section 8 program.

A. Home Ownership Counseling Program.

A family's participation in the home ownership program is conditioned on the family attending and successfully completing a home ownership and housing counseling program provided or approved by the HA prior to commencement of home ownership assistance. The home ownership and counseling program will cover fair housing issues, predatory lending practices, home maintenance, budgeting and money management, credit counseling, finding a home and negotiating purchase price and securing mortgage financing.

The counseling agency providing the counseling program shall either be approved by HUD or the program shall be consistent with the home ownership counseling provided under HUD's Housing Counseling program. The HA may require families to participate in a HA approved home ownership counseling program on a continuing basis.

B. Locating and Purchasing a Home.

(1) Locating A Home

Upon approval for the Section 8 home ownership program, a family shall have one hundred eighty (180) days to locate a home to purchase. A home shall be considered located if the family submits a proposed sales agreement with the requisite components to the HA. For good cause, the HA may extend a Section 8 family's time to locate the home for additional thirty (30) day increments. During a Section 8 participant's search for a home to purchase, their Section 8 rental assistance shall continue pursuant to the Administrative Plan. If a Section 8 participant family is unable to locate a home within the time approved by the HA, their Section 8 rental assistance through the Section 8 housing choice voucher program shall continue.

(2) Type of Home.

A family approved for Section 8 home ownership assistance may purchase the following type of homes: a new or existing home, a single-family home, or a manufactured home to be situated on a privately owned lot or on a leased pad in a mobile home park. The home must be already existing or under construction at the time the HA determines the family eligible for home ownership assistance. The family also may purchase a home in another jurisdiction, provided the Housing Authority in the receiving jurisdiction operates a Section 8 home ownership program for which the Section 8 home ownership applicant qualifies.

(3) Purchasing a Home.

Once a home is located and a sales agreement approved by the HA is signed by the family, the family shall have up to three (3) months, or such other time as is approved by the HA's Executive Director or set forth in the HA approved sales agreement, to purchase the home.

(4) Failure to Complete Purchase.

If a Section 8 participant is unable to purchase the home within the maximum time

permitted by the HA, the HA shall continue the family's participation in the Section 8 housing choice voucher program.

C. Purchase or Sales Agreement.

Prior to execution of the offer to purchase or sales agreement, the financing terms must be provided by the family to the HA for approval. The sales agreement must provide for inspection by the HA and the independent inspection referred to in Section 3(E) and must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to the HA. The contract also must provide that the purchaser is not obligated to pay for any necessary repairs without approval by the HA. The sales agreement must provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by the HA pursuant to Section 3(F). The sales agreement must also contain a seller certification that the seller is not debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

D. Independent Initial Inspection Conducted.

To assure the home complies with the housing quality standards (HQS) of the Section 8 program, home ownership assistance payments may not commence until the HA first inspects the home. An independent inspection of existing homes covering major building systems also must be completed by a professional selected by the family and approved by the HA. The HA will not pay for the independent inspection. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components and be certified by the State of Iowa to conduct home inspections. The independent inspector may not be an HA employee or contractor, or other person under the control of the HA. The independent inspector must provide a copy of the inspection report both to the family and to the HA. The HA may disapprove the unit due to information contained in the report or for failure to meet federal housing quality standards. Even if the unit otherwise complies with the HQS, the HA shall have the discretion to disapprove the unit for assistance under the home ownership program because of information in the inspection report.

E. Ongoing Inspections

Before each annual recertification during the next two years, the home will be inspected by a rental inspector for the City of Marshalltown and must pass inspection to continue receiving home ownership assistance. If the HA determines there are problems with maintaining the home in a safe and decent manner, the HA Director may require on-going inspections at annual recertifications for the next five years.

F. Financing Requirements.

The proposed financing terms must be submitted to and approved by the HA prior to close of escrow. The HA shall determine the affordability of the family's proposed financing. In making such determination, the HA may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, education and training expenses and the like. Certain types of financing, including but not limited to, balloon payment mortgages, unless convertible to a variable rate mortgage, are prohibited and will not be approved by the HA. Seller-financing mortgages shall be considered by the HA on a case by case basis. If a mortgage is not FHA-insured, the HA will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/ FHA, Ginnie Mae, Fannie Mae, Freddie Mac, California Housing Finance Agency (CHFA), USDA Rural Housing Services, the Federal

Home Loan Bank, or other private lending institution.

#### G. Compliance With Family Obligations.

A family must agree, in writing, to comply with all family obligations under the Section 8 program and the HA's home ownership policies. These obligations include (1) attending ongoing home ownership counseling, if required by the HA; (2) complying with the mortgage terms; (3) not selling or transferring the home to anyone other than a member of the assisted family who resides in the home while receiving home ownership assistance; (4) not refinancing or adding debt secured by the home without prior approval by the HA; (5) not obtaining a present ownership interest in another residence while receiving home ownership assistance; (6) supplying all required information to the HA, including but not limited to annual verification of household income, notice of change in home ownership expenses, notice of move-out, and notice of mortgage default, (7) allowing inspections of the home and maintaining the unit in a decent and safe manner, and (8) repairing any incipient code violations identified from the independent inspector's report within six months of ownership.

The HA's Home Ownership Family Obligation policies are set forth in Appendix A hereto.

#### H. Compliance Lien

Upon purchase of a home, the family must execute documentation as required by HUD and the HA, consistent with State and local law, securing the HA's right to recapture the home ownership assistance in accordance with Section 5. C. below. The lien securing the recapture of home ownership subsidy may be subordinated to a refinanced mortgage.

#### 4. AMOUNT OF ASSISTANCE.

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible; the monthly home ownership expense; and the family's household income. The HA will pay the lower of either the payment standard minus the total family contribution ("TFC") or the family's monthly home ownership expenses minus the TFC. The Section 8 family will pay the difference.

##### A. Determining the Payment Standard.

The voucher payment standard is the fixed amount the HA annually establishes as the "fair market" rent for a unit of a particular size located within the HA jurisdiction. In the home ownership program, the initial payment standard will be the lower of either (1) the payment standard for which the family is eligible based on family size; or (2) the payment standard which is applicable to the size of the home the family decides to purchase. The payment standard for subsequent years will be based on the higher of: (1) the payment standard in effect at commencement of the home ownership assistance; or (2) the payment standard in effect at the most recent regular reexamination of the family's income and size. The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. The HA will request HUD approval of a higher payment standard, up to 120% of the published Fair Market Rent limit, where warranted as a reasonable accommodation for a family that includes a person with disabilities.

##### B. Determining the Monthly Home Ownership Expense.

Monthly home ownership expense includes all of the following: principal and interest on the



initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowner's insurance; maintenance expenses per HA allowance; costs of major repairs and replacements per HA allowance (replacement reserves); utility allowance per the HA's schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any. Home ownership expenses for a cooperative member may only include HA approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home; principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt; home insurance; the allowances for maintenance expenses, major repairs and replacements and utilities; and principal and interest on debt incurred to finance major repairs, replacements, or improvements, including changes needed to make the home accessible.

#### C. Determining the Total Family Contribution

The TFC is that portion of the home ownership expense that the family must pay. It is generally 30% percent of the family's adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance), will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.

#### D. Payment to Family or Lender.

The HA will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow and will pay the HA's contribution towards the family's homeowner expense directly to the family, unless otherwise required by the lender. The family will be responsible to submit the entire mortgage payment to the lender unless the lender requires direct payment of the HA's contribution.

### 5. TERMINATION OF SECTION 8 HOME OWNERSHIP ASSISTANCE.

#### A. Grounds for Termination of Home Ownership Assistance

##### (1) Failure to Comply with Family Obligations Under Section 8 Program or the HA's Home Ownership Policies.

A family's home ownership assistance may be terminated if the family fails to comply with its obligations under the Section 8 program, the HA home ownership policies, or if the family defaults on the mortgage. If required, the family must attend and complete ongoing home ownership and housing counseling classes. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide the HA with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; the family's household income and home ownership expenses on an annual basis; any notice of mortgage default received by the family; and any other notices which may be required pursuant to the HA home ownership policies. Except as otherwise provided in this Section, the family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving home ownership assistance.

(2) Occupancy of Home.

Home ownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the HA will not continue home ownership assistance commencing with the month after the family moves out. Neither the family nor the lender is obligated to reimburse the HA for home ownership assistance paid for the month the family moves out.

(3) Changes in Income Eligibility.

A family's home ownership assistance may be changed in the month following annual recertification of the household income, but participation in the Section 8 Home Ownership program shall continue until such time as the assistance payment amounts to \$0 for a period of six (6) consecutive months.

(4) Maximum Term of Home Ownership Assistance.

Notwithstanding the provisions of Section 5(A), subparagraphs 1 through 3, except for disabled and elderly families, a family may receive Section 8 home ownership assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years. Families that qualify as elderly at the commencement of home ownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of home ownership assistance or at any time during the provision of home ownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date home ownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of home ownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that home ownership payments are made, or is a spouse of any member of the household who has an ownership interest.

B. Procedure for Termination of Home Ownership Assistance.

A participant in the Section 8 Home Ownership program shall be entitled to the same termination notice and informal hearing procedures as set forth in the Administrative Plan of the HA for the Section 8 housing choice voucher program.

6. CONTINUED PARTICIPATION IN SECTION 8 HOUSING CHOICE VOUCHER PROGRAM.

A. Default on FHA-Insured Mortgage.

If the family defaults on an FHA-insured mortgage, the HA may permit the family to move with continued Section 8 housing choice rental assistance if the family demonstrates that it has (a) conveyed title to the home to HUD or its designee, as required by HUD; and (b) moved from the home within the period established or approved by HUD.

B. Default on non-FHA-Insured Mortgage.

If the family defaults on a mortgage that is not FHA-insured, the HA may permit the family to move with continued Section 8 housing choice voucher rental assistance if the family

demonstrates that it has (a) conveyed title to the home to the lender, to the HA or to its designee, as may be permitted or required by the lender; and (b) moved from the home within the period established or approved by the lender and/or the HA.

7. WAIVER OR MODIFICATION OF HOME OWNERSHIP POLICIES.

The Executive Director of the HA shall have the discretion to waive or modify any provision of the Section 8 home ownership program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

## APPENDIX A: SECTION 8 HOME OWNERSHIP OBLIGATIONS

This form is to be signed by the home buyer(s) in the presence of the Marshalltown Housing Department Rent Assistance Program (HA) Director. The Director will explain any and all clauses which you, the home buyer(s), may not understand.

The following paragraphs describe your responsibilities under the Section 8 Home Ownership Program. If you or members of your household do not meet these responsibilities, through your actions or your failure to act, you may be terminated from the Section 8 Home Ownership Program.

1. **Family Obligations:** You must comply with all Family Obligations of the Section 8 Housing Choice Voucher Program, excepting only the prohibition against owning or having an interest in the unit. ***Family Obligations §§ 982.551(c),(d),(e),(f),(g) and (j) do not apply to the Section 8 Homeownership Program.***

2. **Housing Counseling:** All participating family members (i.e. those signing the purchase offer and loan documents) must satisfactorily complete a HA provided or approved counseling program prior to commencement of home ownership assistance. The HA may require any or all participating family members to attend additional housing counseling classes as a condition of continued assistance.

3. **Purchase Contract:** You must include contract conditions in any Offer to Purchase that give the HA a reasonable time (a) to inspect the home for compliance with HUD’s Housing Quality Standards; (b) to review and approve a professional home inspection report obtained by you from an HA approved inspector; and (c) approve the terms of your proposed financing. Advise your Realtor of these requirements.
4. **Mortgage Obligations:** You must comply with the terms of any mortgage incurred in the purchase of the property and must notify the HA’s Home Ownership Program Counselor within five (5) days of receipt of any late payment or default notice.
5. **Occupancy:** You must occupy the unit as your principal residence. You may not transfer, sell, or assign any interest in the property without the HA’s prior written consent. You may not rent or lease any part of the premises without the HA’s prior written consent. You must notify the HA in writing **at least 30 days prior to moving out of the house for a period of 30 days or longer** or prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.
6. **Maintenance:** You must maintain the property in a decent, safe and sanitary manner. You must allow the HA to inspect the property within one-week of a demand by the HA to conduct an inspection. You must correct any notice of deficiency issued by the HA within the time limit specified in the notice. If you fail to adequately maintain the property, the HA may divert the maintenance and replacement reserves portions of the Home Ownership Assistance Payment to an escrow account to be used to pay for reasonable and necessary maintenance expenses.
7. **Annual Re-examination:** You must annually provide the HA with current information regarding family income and composition in a format required by the HA.
8. **Refinancing:** You must notify the HA in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain HA’s written approval of such financing prior to executing any loan documents.
9. **Default:** In the event of a default on your mortgage obligation, you must cooperate with the HA and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Section 8 Housing Choice Voucher Program.

By signing below, I attest that I have read and understood my obligations as a participant in the Section 8 Home Ownership Program and I agree to abide by these responsibilities. I understand that the HA may terminate my home ownership assistance if I violate any of these obligations, but that I may request an informal review of any proposed notice of termination prior to it becoming effective.

\_\_\_\_\_  
Program Participant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Program Participant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary

**SECTION XIV  
ADDITIONAL ITEMS**

**A. Misrepresentation**

The resident is to be notified in writing if the Authority finds evidence that the resident or any adult member of the resident family has misrepresented facts affecting the family's eligibility or rent. Willful misrepresentation of facts may result in retroactive rent charges, termination of assistance, and/or criminal prosecution.

Section 1001 of Title 18 of the United States Code makes it a criminal offense to knowingly make a false statement to any department or agency of the United States as to any matter within its jurisdiction and establishes penalties of fines up to \$10,000 and/or imprisonment not to exceed five years.

**B. Monitoring Program Performance**

The HA places strong emphasis on staff communication in regular staff meetings. Staff meetings will be scheduled on a monthly basis and shall include the HQS inspectors. Problems and potential problems are investigated, discussed and handled using team effort. The HA management policy is formulated

accordingly. Internal policies and procedures, as required for the implementation of the Administrative Plan, shall be developed as necessary.

A monitoring and evaluation system has been developed to include major program areas. This system is designed to ensure that regulations are followed and program goals are met. Changes in approach are initiated on an as-needed basis, subject to program regulations and funding limitations. Annual and interim reexaminations, leases, contracts, and supporting documents are checked by appropriate staff for accuracy, completion, and program compliance. An annual financial audit will be conducted on an annual basis by an independent public accountant.

The HA will maintain records of applications, eligibility and ineligibility determinations, verifications, HQS inspections, leases, contracts and payment information in applicant and participant files. Inactive files will be maintained for a minimum of three years.

Applicable records related to immigration status will be maintained for a minimum of five years. All other aspects of monitoring program performance will be performed in accordance with HUD requirements and the HA's policies.

### **C. 1. Resident Advisory Board**

A Resident Advisory Board shall be established to review the Annual and Five Year Plans for the HA. All residents shall be contacted on an annual basis to request their participation on the Board. Any interested program participant may be a member of the Board. Efforts shall be made to make board members a representative sample of program participants. The Resident Advisory Board shall meet at least annually at a time established by the HA Director.

The Resident Advisory Board shall review any proposed substantial changes to the Administrative Plan and send recommended changes to the governing board. The Resident Advisory Board shall review the annual and Five Year Agency Plans for the HA and recommend approval of the Plans to the Governing Board.

The Resident Advisory Board shall choose a representative to the Governing Board from among any of its members who would agree to serve on said Board.

### **2. Governing Board**

The Governing Board shall consist of the members of the City Council plus one (1) member of the Resident Advisory Board. If no member of the Resident Advisory Board agrees to serve on the Governing Board, the members of the City Council shall constitute membership.

The Governing Board shall have jurisdiction over HA activities and shall provide oversight of the HA.

### **D. Interpretation and Amendment**

#### *Interpretation*

The policies set forth herein shall be interpreted, implemented and acted upon in relation to the laws of the United States and the State of Iowa, and all rules, regulations and policies enacted, enforced or promulgated by the United States Department of Housing and Urban Development, all of which shall take precedence over the Policies and Procedures described in this Administrative Plan and all of which are incorporated herein by reference and all current rules, regulations and policies, including but not limited to Income Limits, Utility Schedules and Fair Market Rents, shall be in accordance with Federal law.

#### *Amendment*

The policies outlined herein shall be amended only by resolution adopted by the affirmative vote of the HA Board upon recommendation by the HA, except that no action shall be required to make changes required by laws of the United States or the State of Iowa or any rules, regulations and policies enacted, enforced or promulgated by the United States Department of Housing and Urban Development, all of which shall take precedence over the herein expressed Policies, and all of which are incorporated herein by reference. The HA Board of Commissioners will be notified of any subsequent changes that may be effective through new Federal regulations.

## **E. VERIFICATION PROCEDURES**

[24 CFR Part 5, Subparts B, D, E and F; 982.516]

### **1. This Section is required by HUD in accordance with the Federal Requirements for the Section 8 Program.**

#### **A. INTRODUCTION**

HUD regulations require City of Marshalltown Rent Assistance Program (PHA) to verify the factors of eligibility and Total Tenant Payment/Family Share. Applicants and program participants must provide true and complete information to PHA whenever information is requested. PHA's verification requirements are designed to maintain program integrity. This Chapter explains PHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. PHA will obtain proper authorization from the family before requesting information from independent sources.

PHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was not obtained as well as the manner in which the eligibility factors were verified.

#### **B. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]**

PHA will verify information through five methods of verification according to the hierarchy listed below:

1. Up Front Income Verification (UIV)
2. Third-Party Written Verification
3. Third-Party Oral Verification
4. Review of Documents
5. Certification/Self-Declaration

PHA will allow up to two (2) weeks for return of third-party verifications and up to one (1) additional week to obtain other types of verifications before going to the next method. PHA will document the file as to how the information was verified including an explanation for the method utilized if other than a written third party verification.

For applicants, verifications must be received 60 days prior to the issuance of a voucher. For

participants, they will be valid for 60 consecutive days from date of receipt.

## **1. Up-Front Income Verification**

PHA will utilize up-front income verification methods, including TASS and the Work Number, whenever possible as well as any other UIV that might become available to PHA. When HUD announces the availability of the UIV system for PHA, additional UIV tools will be used. (including a centralized computer matching system.)

Third-party verification may continue to be used to complement up-front income verification.

UIV may be used in lieu of 3<sup>rd</sup> party verifications when there is not a substantial difference between UIV and tenant-reported income. HUD defines substantial difference as \$200 or more per month.

- If the income reflected on the UIV verification is less than that reflected on the tenant-provided documentation, PHA will use tenant-provided documents to calculate anticipated annual income as long as the difference is within the aforementioned \$200 threshold. The income reflected on the UIV verification must not be more than 60 days old.
- If the income reflected on the UIV verification is greater than current tenant-provided documentation, PHA will use UIV income data to calculate anticipated annual income as long as the difference is within the above mentioned \$200 threshold; unless the tenant provides documentation of a change in circumstances (i.e. change in employment, reduction in hours, etc.) The tenant supplied documents must not be more than 60 days old.

In cases where UIV data is substantially different than tenant-reported income, PHA will follow the following guidelines:

- PHA will utilize written third party verification to verify the information
- When PHA cannot readily anticipate income, such as in cases of seasonal employment, unstable working hours, and suspected fraud, PHA will review historical income data for patterns of employment, paid benefits, and/or receipt of other income to anticipate income.
- PHA will analyze all data (UIV data, third party verification and other documents; information provided by the family) and attempt to resolve the income discrepancy.
- PHA will use the most current verified income data (and historical income data if appropriate) to calculate anticipated annual income.

If PHA is unable to anticipate annual income using current information due to historical fluctuations in income, PHA may average amounts received/earned to anticipate annual income.

If the tenant disputes UIV SS/SSI benefit data, PHA will request the tenant to provide a current original SSA notice or benefit letter within 10 business days of being notified of the dispute.

## **2. Third-Party Written Verification**

Third-party verification is used to verify information directly with the income source. Third-party



written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the income source are considered third party written verifications. Verifications hand carried by clients will not be considered third party verifications unless the verification is from a government agency.

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

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Unemployment Compensation Board
- City or County Courts

### **3. Third-Party Verbal Verification**

Verbal third-party verification will be used when written third-party verification is delayed or not possible. When third-party verbal verification is used, staff will be required to complete the Verbal Verification Log, noting with whom they spoke, the date of the conversation, and the facts provided. If verbal verification is utilized PHA must originate the call.

### **4. Review of Documents**

In the event that third-party written or verbal verification is unavailable, or the information has not been verified by the third party within two (2) weeks, PHA will annotate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed.

PHA will accept the following documents from the family provided that the document is an original and does not appear to be tampered or altered.

- Printed wage stubs
- Computer print-outs from the employer
- Letters signed by the employer or other appropriate party (provided that the information is confirmed by phone)
- Other documents noted in this Chapter as acceptable verification

PHA will accept faxed and photocopied documents when received directly from the generating source.

If third-party written verification is received after documents have been accepted as provisional verification, and there is a discrepancy, PHA will utilize the third party verification.

PHA will not delay the processing of an application beyond two (2) weeks because a third party information provider does not return the verification in a timely manner.

## 5. Self-Certification/Self-Declaration

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

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

Adult family members will be required to sign the form HUD 9886 Release of Information/Privacy Act form. In addition, all adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Refusal to cooperate with the prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by PHA or HUD.

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

All income not specifically excluded by the regulations.

Zero-income status of household.

Full-time student status including High School students who are 18 or over.

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

Childcare expenses when it allows an adult family member to be employed, to actively seek employment or to further his/her education.

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

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

Disability for determination of preferences, allowances or deductions.

U.S. citizenship/eligible immigrant status

Social Security Numbers for all family members 6 years of age or older who have been issued a social security number.

"Preference" status, as applicable.

Marital status when needed for head or spouse definition.

## Verification of Reduction in Benefits for Noncompliance:

Before granting a family's request for rent reduction because of a decrease in benefits, PHA will obtain written verification from the Welfare agency stating that the family's benefits were not reduced because of fraud or non-compliance with an economic self-sufficiency requirement.

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

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

#### 1. **Employment Income**

Verification forms request the employer to specify the:

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

Acceptable methods of verification in addition to UIV include:

- Employment verification form completed by the employer.
- Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
- W-2 forms plus income tax return forms.
- Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income, IRS Form 8121. In cases where there are questions about the validity of information provided by the family, PHA will require the most recent federal income tax statements. Confirmation may be made on a case-by-case basis.

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

Acceptable methods of verification in addition to UIV include:

- Benefit verification form completed by agency providing the benefits.
- Award or benefit notification letters prepared and signed by the providing agency.

- Computer report electronically obtained or in hard copy.

### 3. Unemployment Compensation

Acceptable methods of verification in addition to UIV include:

- Verification form completed by the unemployment compensation agency.
- Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
- Payment stubs.

### 4. Welfare Payments or General Assistance

Acceptable methods of verification in addition to UIV include:

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

### 5. Alimony or Child Support Payments

Acceptable methods of verification in addition to UIV include:

- Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.
- A notarized letter from the person paying the support.
- Copy of latest check and/or payment stubs from Court Trustee. PHA must record the date, amount, and number of the check.
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide:

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

## **6. Net Income from a Business**

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

Acceptable methods of verification include:

- IRS Form 1040, including Schedule C (Small Business), Schedule E (Rental Property Income), Schedule F (Farm Income). Note: If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.
- Audited or un-audited financial statement(s) of the business.
- Credit report or loan application.
- Documents such as manifests, appointment books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
- Family's self-certification as to net income realized from the business during previous years.

## **7. Child Care Business**

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

If the applicant/participant is operating a day care business which may or may not be licensed, PHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

PHA may conduct interim reevaluations every 120 days and require the participant to provide a log with the information about customers and income.

If childcare services were terminated, a third-party verification will be sent to the parent whose child was cared for.

If the child care business provides day care services for the State of Missouri, a third party income verification will be sent to the Family Support Division.

## **8. Recurring Gifts**

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

- The person who provides the gifts
- The value of the gifts

- The regularity (dates) of the gifts
- The purpose of the gifts

### **9. Zero Income Status**

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. PHA will request information from the Iowa Workforce Development Center. Families claiming to have not income will have to certify to this status at least quarterly when notified by PHA.

### **10. Full-time Student Status**

Only the first \$480 of the earned income of full time students, other than head, co-head, or spouse, will be included towards family income. Financial aid, scholarships and grants received by full time students are not family income.

Verification of full time student status includes:

- Written verification from the registrar's office or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

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

### **1. Savings Account Interest Income and Dividends**

Acceptable methods of verification include:

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

### **2. Interest Income from Mortgages or Similar Arrangements**

Acceptable methods of verification include:

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

### **3. Net Rental Income from Property Owned by Family**

Acceptable methods of verification include:

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

## **G. VERIFICATION OF ASSETS**

### **1. Family Assets**

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

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate taxes statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

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

For all Certifications and Re-certifications, PHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

**H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME**

[24 CFR 982.516]

**1. Child Care Expenses**

Written verification from the person who receives the payments is required. If the childcare provider is an individual, s/he must provide a statement of the amount they charge and receive from the family for their services. Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Child care expenses are deducted only to the extent that they are not reimbursed and reflect a reasonable charge; and are paid for the care of children under the age of 13.

As stated elsewhere in this document, child care is allowable for the following reasons:

➤ Child-Care to Work

The maximum child-care allowed will be based on the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

➤ Child-Care for School

The HA will compare the number of hours the family member is attending school relative to the number of child care hours to determine the number of child care hours that will be included in the rent calculation.

➤ Rate of Expense

The HA will survey the local day care providers in the area/community to determine a reasonableness standard. The determination will be made only on a reasonable HOURLY rate. The reasonable rate will be determined based upon the type of care chosen by the family, i.e., center-based or in-home care; State provided care or private care.

➤ Actively Seek Employment

The PHA will obtain evidence that the individual is fulfilling welfare-to-work requirements or the requirements for receiving unemployment compensation; or is otherwise actively seeking employment. Written verification from a local or state government agency that oversees work-related activities will be accepted.

If third party verification is not possible, PHA will review documents provided by the family



and/or a notarized statement from the family member attesting to his or her efforts to find employment.

## **2. Medical Expenses**

Families, who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. One or more of the methods listed below will verify all expense claims:

- Written verification by a doctor, hospital or clinic personnel, dentist, Pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
- For attendant care:

PHA will require certification from a qualified professional having knowledge of the person's need for an attendant and who can verify the attendant is necessary as a medical expense.

Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.
- PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

## **3. Assistance to Persons with Disabilities [24 CFR 5.611(c)]**

- In All Cases:

Written certification from a reliable, knowledgeable professional that the person with

disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

➤ Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

➤ Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

**I. VERIFYING NON-FINANCIAL FACTORS [24 CFR 982.153(b)(15)]**

**1. Verification of Legal Identity and Familial Relationships**

PHA will require applicants to furnish verification of legal identity for all family members. The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth, naturalization papers
- Church issued baptismal certificate
  
- Current, valid Driver's license
  
- U.S. military discharge (DD 214)
  
- U.S. passport
  
- Voter's registration
  
- Company/agency Identification Card
  
- Government issued Identification Card
  
- Verification of guardianship is:
  - Court-ordered assignment
  - Affidavit of parent
  - Verification from social services agency

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

If none of these documents can be provided, a third party who knows the person may, at PHA's discretion, provide certification to be used as verification.

## **2. Verification of Marital Status (when necessary to determine custody of children)**

- Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- Verification of a separation may be a copy of court-ordered maintenance or other records.
- Verification of marriage status is a marriage certificate.

## **3. Verification of Permanent Absence of Family Member**

If an adult member who was formerly a member of the household is reported permanently absent by the family, PHA will consider any of the following as verification:

- Divorce Decree
- Legal separation agreement
- Order of protection/restraining order obtained by one family member against another
- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
- If no other proof can be provided, PHA will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

## **5. Verification of Change in Family Composition**

PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

## **6. Verification of Disability**

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

**J. VERIFICATION OF CITIZENSHIP/ELIGIBLE IMMIGRANT STATUS**

[24 CFR 5.508, 5.510,5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to declare their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while PHA informal review is pending.

**1. Citizens or Nationals of the United States**

All applicants and participants are required to sign a declaration under penalty of perjury. PHA will require citizens to provide documentation of citizenship. Acceptable documentation will include at least one of the following original documents:

- United States birth certificate
- United States passport
- Resident alien/registration card
- Social Security card
- Other appropriate documentation as determined by PHA

**2. Eligible Immigrants who were Participants and 62 or over on June 19, 1995**

Eligible Immigrants who were Participants and 62 or over on June 19, 1995 are required to sign a declaration of eligible immigration status and provide proof of age.

**3. Non-citizens with eligible immigration status**

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. \_\_\_\_\_ PHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, \_\_\_\_\_ PHA must request within ten days that the INS conduct a manual search.

**4. Ineligible family members**

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

#### **5. Non-citizen students on student visas**

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

#### **6. Failure to Provide**

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

#### **7. Time of Verification**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination at the time of initial application. PHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family. PHA will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs at the first re-certification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, PHA must conduct the determination.

#### **8. Extensions of Time to Provide Documents**

PHA will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

#### **9. Acceptable Documents of Eligible Immigration**

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

**K. VERIFICATION OF SOCIAL SECURITY NUMBERS [24 CFR 5.216]**

Social security numbers must be provided as a condition of eligibility for all family members age six and over if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security Number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security Card information provided is/are complete and accurate:

- A driver's license
- Identification card issued by a Federal, State or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union
- An identification card issued by a medical insurance company
- Earnings statements or payroll stubs
- Bank Statements
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of benefits or Social Security Number from Social Security Administration

## APPENDIX 1

### SECTION 8 ADMINISTRATIVE PLAN GLOSSARY OF TERMS

#### ABSORPTION

In portability, the point at which a receiving HA chooses not to bill or stops billing the initial HA for assistance on behalf of a family and issues assistance from its own allocation.

#### ADJUSTED INCOME

Annual income less the following allowances determined in accordance with HUD instructions:

1. \$480 for each Dependent;  
  
**Note:** The head, co-head, spouse, foster child or live-in aide are never counted as dependents.
2. \$400 for each family whose head or spouse is at least 62 years of age or disabled;
3. For any family that is not an elderly family or a disabled family but has a handicapped or disabled member other than the head of household or spouse, handicapped assistance expenses in excess of three percent of annual income, but this allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of assistance to the person with disabilities;
4. For any elderly family or disabled family: (i) that does not have handicapped assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed three percent of annual income; (ii) that has disability assistance expenses greater than or equal to three percent of annual income, an allowance for disability assistance expenses computed in accordance with paragraph 3 of this section, plus an allowance for medical expenses that is equal to family's medical expenses; (iii) that has disability assistance expenses that are less than three percent of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the amount by which the sum of these expenses exceeds three percent of annual income; and
5. Child care expenses (see Section V for detail).

#### ADMISSION

The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

#### ADULT

A person who is eighteen (18) years of age or older, or a person of less than eighteen (18) years of age who meets the qualifications of an emancipated minor.

#### ANNUAL INCOME

1. Annual income is the anticipated total income from all sources (monetary or not) received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of initial determination or re-examination of income, exclusive of income that is temporarily non-recurring or sporadic. Annual income includes, but is not limited to:
  - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

- b. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.
- c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. All allowance for depreciation is permitted only as authorized in paragraph 1b of this section. Any withdrawal of cash or assets from an investment will be 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 excess of \$5,000, Annual Income shall include 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.
- d. The full amount of periodic payments 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 amount for the delayed start of a periodic payment (except as provided in 2n below).
- e. Payments in lieu of earnings such as unemployment and disability compensation, worker's compensation and severance pay.
- f. Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling.
- g. All regular pay, special pay allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse (but see 2g below).

2. Income Exclusions

Annual income does not include the following:

- a. Income from employment of children (including foster children) under the age of 18 years;
- b. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);
- c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in 1e above);
- d. Amounts received by the Family that are specifically for, or in reimbursement of, the cost of Medical Expenses for any Family member;
- e. Income of a live-in aide as defined in 24 CFR 5.403;
- f. The full amount of student financial assistance paid directly to the student or to the educational institution;
- g. The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire;
- h.
  - (i) Amounts received under training programs funded by HUD;
  - (ii) Amounts received by a disabled person 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);



- (iii) Amounts received by a tenant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
  - (iv) A resident service stipend: this is a modest amount (not to exceed \$200 per month) received by a public housing resident for performing a service for the HA, on a part-time basis, that enhances the quality of life in public housing. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; or
  - (v) 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 the 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.
- i. Temporary, nonrecurring or sporadic income (including gifts);
  - j. 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;
  - k. Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
  - l. Adoption assistance payments in excess of \$480.00 per adopted child;
  - m. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;
  - n. 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;
  - o. Amounts paid by a State Agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
  - p. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. The following is a list of incomes that qualify for that exclusion:
    - (i) The value of the allotment provided to an eligible household under Food Stamp Act of 1977;
    - (ii) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
    - (iii) Payments received under Alaska Native Claims Settlement Act;
    - (iv) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
    - (v) Payments or allowances made under department of Health and Human Services' Low-Income Energy Assistance Program;
    - (vi) Payments received under programs funded in whole or in part under the Job Training Partnership Act;
    - (vii) Income derived from the disposition of funds of Grant River Band of Ottawa Indians;
    - (viii) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of Interior;

- (ix) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the BIA student assistance programs. These are made available to cover the cost of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of a student or an educational institution;
  - (x) Payments received from programs funded under Title V of the Older Americans Act of 1965;
  - (xi) Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, MDL No. 381 (E.D.N.Y.);
  - (xii) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-426, 94 Stat. 1785).
  - (xiii) The value of any childcare provided or reimbursed for under the Child Care and Development Block Grant Act of 1990.
  - (xiv) Earned income tax credit.
3. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for shorter periods may be annualized, subject to redetermination at the end of the shorter period.
4. Any family receiving the reparation payments referred to in paragraph 2j of this section that has been requested to repay assistance under this chapter as a result of receipt of such payments shall not be required to make further repayments on or after April 23, 1993.

APPLICANT (applicant family)

A family that has applied for admission to a program, but is not yet a participant in the program.

AREA OF OPERATION

The recognized City of Marshalltown, which shall not conflict with any other area of jurisdiction.

ASSETS

The values of (or equity) in the real property, stocks, bonds, savings accounts or certificates, stocks or merchandise or valuables and other forms of capital investments. (Does not include personal and household belongings and automobiles.) Assets shall include any asset disposed of at less than fair market value within the last two years.

CHILD

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 of which annual income is computed, but only where such care is necessary to enable a family member to be gainfully employed or to further his/her education. A child care deduction will not be allowed if an adult family member is capable and available to provide the child care. The amount deducted shall reflect reasonable charges for child care, and, in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment and only to the extent such amounts are not reimbursed.

CITIZEN

A citizen (by birth or naturalization) or national of the United States

CONTIGUOUS MSA

In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA is located.

CONTINUOUSLY ASSISTED

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act Program when the family is admitted to the certificate or voucher program.

CONTRACT RENT

The total amount of rent specified in the Housing Assistance Payments Contract as payable by the HA and the tenant to the owner for an assisted unit. In the case of the rental of only a manufactured home space, Contract Rent is the total rent specified in the HAP Contract as payable by the HA and the tenant to the owner for the rental of the space, including fees or charges for management and maintenance services with respect to the space, but excluding utility charges for the manufactured home.

COVERED PERSON

Any resident, any member of the resident's household, a guest or any person under the resident's control.

DATING VIOLENCE

[AS DEFINED IN Section 40002 of VAWA 1994] which states as follows:

SEC 40002(a)(8) – "DATING VIOLENCE – the term 'dating violence' means violence committed by a person –

- (A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- (B) where the existence of such relationship shall be determined based on a consideration of the following factors:
  - 1. The length of the relationship.
  - 2. The type of relationship.
  - 3. The frequency of interaction between the persons involved in the relationship."

DECENT, SAFE AND SANITARY HOUSING

Housing that meets the Housing Quality Standards contained in the federal regulations or the requirements for Single Room Occupancy (SRO) Housing.

DEPENDENT

A member of the family household (excluding foster children, head of household, or spouse) who is under 18 years of age or is a disabled person or handicapped person or is a full-time student.

DISABILITY

- 1. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
- 2. Blind and unable by reason for such blindness, to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- 3. No person shall be considered disabled solely on the basis of any drug or alcohol addiction.

DISABLED PERSON

A person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423), or who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) which defines a developmental disability as:

"Severe chronic disability that (a) is attributable to a mental or physical impairment or combination of mental and physical impairments; (b) is manifested before the person attains age twenty-two; (c) is likely to continue indefinitely; (d) results in substantial functional limitations 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 (e) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong extended duration and are individually planned and coordinated."

**DISPLACED FAMILY**

A family in which each member, or whose sole member, is a person displaced by governmental action (this includes physical displacement from a unit under construction and funded by the rental rehabilitation program), 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. This definition is used to determine general program eligibility and eligibility for certain allowances when rent is calculated.

**DOMESTIC VIOLENCE**

[AS DEFINED IN Section 40002 of VAWA 1994] which states as follows:  
SEC 40002(a)(8) – “DOMESTIC VIOLENCE – the term ‘domestic violence’ includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating 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.

**DRUG-RELATED CRIMINAL ACTIVITY**

Term means:

1. Drug-trafficking; or
2. Illegal use, or possession for personal use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802.))

**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)).

**ELDERLY FAMILY**

A family whose head or spouse or whose sole member is an elderly, disabled or handicapped person. It may include two or more elderly, disabled, or handicapped persons living together, or one or more of these persons living with one or more live-in aides.

**ELDERLY PERSON**

A person who is at least sixty-two (62) years of age.

**EVIDENCE OF CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS**

The documents which must be submitted to prove citizenship or eligible immigration status.

**EXCEPTION RENT**

In the certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. The HA may approve exception rents up to 110% of the published FMR for no more than 20% of units. HUD may approve on a case-by-case or community wide exception up to 120% of the published FMRs for all or some Bedroom sizes for all or part of the community. The HA approved exception rents must be monitored so as not to exceed approval authority. In the voucher program, the HA may adopt a payment standard between 90%-110% of the published FMR.

**EXCESS MEDICAL EXPENSES**

Any medical expenses incurred by elderly families in excess of 3% of annual income which are not reimbursable from any other source.

FAIR MARKET RENT

The rent, including utilities (except telephone), ranges, refrigerators, and all maintenance, management, and other services, which as determined at least annually by HUD, would be required to be paid in order to obtain privately owned, existing decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Separate Fair Market Rents shall be established for dwelling units of varying sizes (number of bedrooms).

FAIR MARKET RENT (MOBILE HOMES)

The rent which, as determined at least annually by HUD, would be required to be paid in order to obtain privately owned, decent, safe, and sanitary mobile home spaces of modest nature. This rent includes certain maintenance and management services. Rents for double-wide spaces will be permitted for assisted families of 5 or more persons so long as mobile home meets the minimum occupancy standards for families in accordance with federal regulations

FAMILY

An eligible head of household with a group of persons regularly living together, related by blood, marriage, adoption or guardianship, or operation of law, or a displaced person as defined in this policy. Other persons, including foster children and members temporarily absent, may be considered part of the family group if they are living or will live regularly with the family. Also included are those who have evidence of a stable family relationship which has existed over a period of time, provided there is no violation of local laws. Family includes, but is not limited to (a) an elderly family or single person as defined here; (b) the remaining member of a tenant family and (c) a displaced person; (d) additionally, a single person who is in the process of securing legal custody of any individual who has not attained the legal age of 18 years, or other single person (under limited circumstances, with prior HUD approval); (e) a single pregnant woman with no other family members.

1. Related by blood or marriage means a person who is related to the head of household as follows:

- |           |               |                |            |           |
|-----------|---------------|----------------|------------|-----------|
| a. Spouse | b. Parent     | c. Child       | d. Niece   |           |
| e. Nephew | f. Grandchild | g. Grandparent | h. Brother | i. Sister |

2. Operation of Law means legally adopted children, wards.

FAMILY SELF-SUFFICIENCY (FSS Program)

The program established by an HA to promote self-sufficiency of assisted families, the provision of supportive services (42 U.S.C. 1437u).

FAMILY UNIT SIZE

The appropriate number of bedrooms for a family. Family unit size is determined by the HA under the HA subsidy standards.

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 a college degree.

GROSS RENT

The total monthly cost of housing an eligible family, which is the sum of the Contract Rent and any utility allowance for the assisted unit. In the case of rental of only manufactured home space, gross rent also includes the family's monthly payment to amortize the purchase price of the manufactured home.

HANDICAPPED ASSISTANCE EXPENSES

Reasonable expenses that are anticipated during the period for which annual income is computed, for attendant care and auxiliary apparatus for a handicapped or disabled family member and that are

necessary to enable a family member (including the handicapped or disabled member) to be employed, or provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

HANDICAPPED PERSON

Handicapped with a physical impairment which is expected to be of long continued and indefinite duration, which substantially impedes but does not prohibit his ability to live independently, and is of such nature that such ability could be improved by more suitable housing conditions.

HEAD OF HOUSEHOLD

The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

HOUSEHOLD

Any family members or approved live-in aide.

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.

HOUSING ASSISTANCE PAYMENT (HAP)

The monthly assistance payment by an HA. The total assistance payment consists of:

1. A payment to the owner for rent to owner under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to owner. In the certificate program, the additional payment is called a "utility reimbursement".

HOUSING QUALITY STANDARDS (HQS)

The HUD minimum quality standards for housing assisted under the tenant-based program.

IMMEDIATE FAMILY MEMBER

1. A spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or
2. any other person living in the household of that person and related to that person by blood or marriage.

INITIAL HA

In portability, the term refers to both:

1. A HA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting HA.
2. A HA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing HA.

INITIAL LEASE TERM

The initial term of the assisted lease. The initial lease term must be for at least one year.

INS

The U.S. Immigration & Naturalization Service.

JURISDICTION

The area in which the HA has authority under State and local law to administer the program.

LEASE

1. 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 HA.
2. 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 HA.

#### LIVE-IN AIDE

A person residing with an elderly, handicapped, disabled person or persons solely for the purpose of providing medical care. The need for such care must be medically verified. Live-in aides are not counted as family members and their income is not included in the calculation of family income. The name of a live-in aide will not be listed on the lease, calculation sheet, or 50058. The notation "live-in aide" will be made on the calculation sheet for bedroom size determination purposes only. The name of a live-in aide shall be noted on comment sheet. Tenant must request and receive approval for each and any live-in aide.

#### LOCAL PREFERENCE

A preference used by the HA to select among applicant families without regard to their federal preference status.

#### LOW-INCOME FAMILY

A family who's Annual Income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

#### LUMP-SUM BENEFIT

A payment of monthly benefits for a previous period which may be included as income (except such lump sums of Social Security shall not be counted as income). Only that portion of the payment attributable to the time the tenant resided continuously under the Section 8 Program may be counted as income.

#### MEDICAL EXPENSES

For purposes of income determination for elderly persons or families, medical expense in excess of 3% of total family income, where these expenses are not compensated for, or are covered by insurance. Medical expenses include such items as medical insurance premiums, dental expenses, prescription and nonprescription medicines, etc.

#### MINOR

A person less than eighteen years of age (Head of household, spouse, or an unborn child may not be counted as a minor.)

#### MISDEMEANOR

Any illegal criminal activity involving but not limited to: domestic assault, burglary, possession of drugs or drug paraphernalia, arson.

#### MIXED FAMILY

A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

#### NATIONAL

A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

#### NET FAMILY ASSETS

Net cash value after deducting reasonable costs that would be incurred in disposing of real property,

savings, stocks, bonds, and other forms of capital investment excluding interests in Indian trust land and the equity in a housing cooperative unit or in a manufactured home in which the family resides.

NONCITIZEN

A person who is neither a citizen or national of the United States.

OWNER

Any person or entity with the legal right to lease or sublease a unit to a participant.

PARTICIPANT (participant family)

A family that has been admitted to the HA 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 HA for the family (first day of initial lease term).

PAYMENT STANDARD

In the voucher program, an amount used by the HA to calculate the housing assistance payment for a family. Each payment standard amount is based on the fair market rent and must be between 80 and 100% of the currently published FMR. The HA adopts a payment standard for each bedroom size and for each fair market rent area in the HA jurisdiction. The payment standard for a family is the maximum monthly subsidy payment.

PORTABILITY

Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial HA.

PREMISES

The building or complex in which the dwelling unit is located, including common areas and grounds.

REASONABLE RENT

A rent to owner that is not more than either:

1. Rent charged for comparable units in the private unassisted market; or
2. Rent charged by the owner for a comparable assisted or unassisted unit in the building or premises.

RECEIVING HA

In portability, an HA that received a family selected for participation in the tenant-based program of another HA. The receiving HA issues a certificate or voucher, and provides program assistance to the family.

REMAINING FAMILY MEMBERS

The sole remaining family member after a reduction in family size shall be permitted to remain in housing if over the age of 18 and able to live independently.

RENT REASONABLENESS LIMITATION

The HA is required to certify for each Section 8 Existing unit assisted that the Contract Rent is reasonable in relation to comparable units on the private unassisted market and not in excess of rents currently being charged for comparable unassisted units owned by the same landlord.

RENT TO OWNER

The monthly rent payable to the owner under the lease. Rent to owner includes payment for any services, maintenance and utilities to be provided by the owner in accordance with the lease.

RESIDENCY PREFERENCE

An HA 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").



**RESIDENT OF AREA**

A family living in the HA's jurisdiction, working in the HA's jurisdiction or notified that they are hired to work in the HA's jurisdiction. The length of time the family has lived or worked in the jurisdiction may not be considered.

**RESPONSIBLE ENTITY**

The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status.

**SECURITY DEPOSIT**

An amount deposited by the tenant, with the owner, which is not in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

**SINGLE PERSON**

A person who lives alone or intends to live alone who does not qualify as an elderly family, displaced person or the remaining member of tenant family.

**SPECIAL ADMISSION**

Admission of an applicant that is not on the HA waiting list, or without considering the applicants waiting list position.

**SPOUSE**

Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads".

**STALKING**

1. (a) To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass or intimidate another person; and (b) to place under surveillance with the intent to kill, injure, harass or intimidate another person; and
2. in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to- (a) that person; (b) a member of the immediate family of that person; or (c) the spouse or intimate partner of that person.

**SUBSIDY STANDARDS**

Standards established by an HA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. See definition of "family unit size".

**SUSPENSION**

Stopping the clock on the term of a family's certificate of voucher, for such period as determined by the HA, from the time when the family submits a Request for Lease Approval to the HA, until the time when the HA approves or denies the request.

**TENANT**

The person or persons (other than a live-in aide) who execute the lease as lessee of the dwelling unit.

**TENANT RENT**

Total tenant payment minus the utility allowance.

**TOTAL TENANT PAYMENT**

The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

USE

Actual use, attempted use or threatened use.

UTILITY ALLOWANCE

The HA's estimate of the average monthly utilities (except telephone) for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and bedroom size.

UTILITY REIMBURSEMENT

In the certificate program, the amount, if any, by which any utility allowance for family-paid utilities or other housing services exceeds the total tenant payment.

VERY-LOW INCOME FAMILY

A Low-Income family who's Annual Income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

VICTIM WITNESS

1. A family who has:
  - a. Critical knowledge of a felonious crime.
  - b. The protection and sanction of the local authority.
  - c. Is eligible for relocation costs/benefits provided by the local authority.

VIOLENT CRIMINAL ACTIVITY

Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another. Violent criminal activities may include but are not limited to, murder, assault, rape, burglary, arson/vandalism, domestic abuse and child molestation.

VOUCHER (rental voucher)

A document issued by an HA to a family selected for admission to the voucher program. The voucher describes the program, and the procedures for HA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.