

Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Farmville Housing Authority of the Town of Farmville, North Carolina is referred to as "PHA" or "Housing Authority" or "FHA" throughout this document.

The Public Housing Program was created by the U.S. Housing Act of 1937.

Administration of the Public Housing Program and the functions and responsibilities of the Public Housing Authority (PHA) staff shall be in compliance with the Farmville Housing Authority (FHA) contracts and agreements, and this Admissions and Continued Occupancy Policy. The administration of the FHA's housing program will also meet the requirements of the Department of Housing and Urban Development. Such requirements include any Public Housing Regulations, Handbooks, and applicable Notices. All applicable Federal, State and local laws, including Fair Housing Laws and regulations also apply. Changes in applicable federal laws or regulations shall supersede provisions in conflict with this policy. Federal regulations shall include those found in Volume 24 CFR, Parts V, VII and IX. (Code of Federal Regulations).

A. FARMVILLE HOUSING AUTHORITY MISSION STATEMENT

It is the mission of the FHA to provide affordable housing to eligible people within our community while creating and promoting opportunities for independence, self-sufficiency, and an improved quality of life.

Our organization is committed to teamwork that values integrity, initiative, innovation and trust.

FHA's goals are to maximize housing opportunities for eligible persons, to facilitate opportunities for self-sufficiency of the residents, and to create a team-based environment that promotes communication and development of all employees.

B. LOCAL OBJECTIVES

This Admissions and Continued Occupancy Plan for the Public Housing Program is designed to demonstrate that FHA is managing its program in a manner that reflects its commitment to improving the quality of housing available to its public, and its capacity to manage that housing in a manner that demonstrates its responsibility to the public trust. In addition, this Admissions

and Continued Occupancy Policy is designed to achieve the following objectives:

To provide improved living conditions for very low and low income families while maintaining their rent payments at an affordable level.

To operate a socially and financially sound public housing agency that provides decent, safe, and sanitary housing within a drug free, suitable living environment for tenants and their families.

To avoid concentrations of economically and socially deprived families in any one or all of the FHA's developments.

To lawfully deny the admission of applicants, or the continued occupancy of residents, whose habits and practices reasonably may be expected to adversely affect the health, safety, comfort or welfare of other residents or the physical environment of the neighborhood, or create a danger to FHA employees.

To attempt to house a tenant body in each development that is composed of families with a broad range of incomes and rent-paying abilities that are representative of the range of incomes of low-income families in FHA's jurisdiction.

To provide opportunities for upward mobility or families who desire to achieve self-sufficiency.

To facilitate the judicious management of FHA's housing inventory, and the efficient management of FHA staff.

To ensure compliance with Title VI of the Civil Rights Act of 1964 and all other applicable Federal laws and regulations so that the admissions and continued occupancy are conducted without regard to race, color, religion, creed, sex, national origin, disability or familial status.

C. PURPOSE OF THE POLICY

The purpose of this Admissions and Continued Occupancy Policy (ACOP) is to establish guidelines for FHA staff to follow in determining eligibility for admission and continued occupancy. These guidelines are governed by the requirements of the Department of Housing and Urban Development (HUD) with latitude for local policies and procedures. These policies and procedures for admissions and continued occupancy are binding upon applicants, residents, and FHA.

FHA's Board of Commissioners must approve the original policy and any changes. This required document is incorporated in the Agency Plan that is provided to HUD.

D. FAIR HOUSING POLICY

Nondiscrimination

It is the policy of FHA to fully comply with Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, state and local Fair Housing laws, and any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted.

FHA shall not discriminate because of race, color, sex, religion, familial status (in non-elderly designated housing), disability, or national origin in the leasing, rental, or other disposition of housing or related facilities, including land, included in any development or developments under its jurisdiction.

FHA shall not take any of the following actions on account of race, color, sex, religion, familial status, disability or national origin:

Deny to any family the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs.

Provide housing that is different than that provided others.

Subject a person to segregation or disparate treatment.

Restrict a person's access to any benefit enjoyed by others in connection with any program operated by the Housing Authority.

Treat a person differently in determining eligibility or other requirements for admission.

Deny a person access to the same level of services.

Deny a person the opportunity to participate in a planning or advisory group that is an integral part of the public housing program.

FHA shall not automatically deny admission to a particular group or category of otherwise eligible applicants (e.g. families with children born to unmarried parents or elderly pet owners). Each applicant in a particular group or category will be treated on an individual basis in the normal processing routine.

FHA will seek to identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Section 504 of the Rehabilitation Act of 1973, FHA will make such physical or procedural changes as will reasonably accommodate people with disabilities.

FHA records with respect to applicants for admission shall indicate for each application the date of receipt, the determination of eligibility or non-eligibility, the preference rating if any, and the date, location, identification, and circumstances of each vacancy offered and whether that vacancy was accepted or rejected.

Affirmative Marketing

As conditions may require, FHA will post notices of housing availability in particular neighborhoods or developments to encourage fuller participation. FHA may issue public announcements of availability to encourage applications for assistance. Among the marketing efforts FHA may engage in depending on the situation are the following:

Send informational spots to local media outlets such as radio stations, cable TV, newspapers, or other periodicals for broadcast or publication.

Special outreaches to minorities, persons with disabilities and very low-income families.

Distribute pamphlets and brochures.

Post notices in places of employment, unemployment offices, welfare offices, post offices, grocery stores, churches, community halls, public transportation centers, and with other agency community service providers.

Conduct outreach to organizations that assist people with disabilities, the elderly, students, immigrants, homeless people and victims of domestic violence.

FHA will monitor the benefits received as a result of the above activities, and will increase or decrease the outreach activities accordingly.

To reach minority groups, it may be necessary to canvas neighborhoods or make mass mailing to areas with heavy concentration of minority citizens. If language is a problem, brochures may be printed in other languages as required.

Operations

In order to further the objectives of nondiscrimination, FHA shall:

Include in the admissions briefings for all FHA programs a section on compliance with Civil Rights laws. The briefings shall explain to all participants what should be done if they believe they have been discriminated against.

Prominently display Fair Housing posters in every development office owned by FHA and in FHA's administrative offices. Such posters shall be posted in such a manner as to be easily readable from a wheelchair.

Use the Equal Housing Opportunity logo and/or statement in all advertising and in all

marketing publications of FHA. FHA shall be particularly conscious of human models used in its publications so as to avoid signaling any sense of discrimination.

FHA shall maintain a TDD/TTY machine or access to a TDD/TTY for the use of the hearing impaired. FHA shall use the telecommunications relay service through the local service provider. The number 1-800-735-2962 for TDD and then for voice 1-800-735-8262.

As many publications as feasible shall be printed both in English and in any other languages as may be commonly spoken within the Town of Farmville. FHA will try to employ staff with bi-lingual language capabilities in English and any other language as may be commonly spoken within the Town of Farmville, or maintain a relationship with a service or individual that can provide the service.

E. SERVICE AND ACCOMMODATIONS POLICY

This policy is applicable to all situations described in this Admissions and Continued Occupancy Policy when a family initiates contact with FHA, when FHA initiates contact with a family including when a family applies, and when FHA schedules or reschedules appointments of any kind.

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

FHA's policies and practices will be designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations will be made known by including notices on FHA forms and letters to all families, and all requests will be verified so that the FHA can properly accommodate the need presented by the disability.

Federal Americans with Disabilities Act of 1990

With respect to an individual, the term "disability," as defined by the 1990 Act means:

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

Undue Hardship

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability and they do not create an "undue financial and administrative burden" for FHA, meaning an action requiring "significant difficulty or expense."

In determining whether accommodation would create an undue hardship, the following

guidelines will apply:

The nature and cost of the accommodation needed;

The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation.

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

Any request for an accommodation that would enable a tenant to materially violate essential lease terms will not be approved, i.e. allowing nonpayment of rent, destruction of property, disturbing the peaceful enjoyment of others, etc.

Other Accommodations

Qualified families will be offered an accessible unit, upon request by the family, when an accessible unit is available. Due to the limited number of accessible units, FHA will offer vacant accessible units with features for person with disabilities as follows:

First, to a current qualified resident of the same development under common control, who requires a unit with accessible features. If no such resident exists, then,

Second, to a current qualified resident in another development under common control, who requires a unit with accessible features. If no such resident exists, then,

Third, to an eligible qualified applicant on the Waiting List having a disability and requiring the features of an accessible unit. If no such applicant exists, then,

Fourth, to an otherwise eligible applicant without a disability requiring an accessible unit. This applicant shall be required to move to a non-accessible unit when the accessible unit is needed as an accommodation for a qualified family and non-accessible unit is available. Proper notice will be given.

F. TRANSLATION OF DOCUMENTS

Foreign Language Interpretation

FHA will try and maintain bilingual staff or retains the potential services to assist non-English speaking families and will consider providing translation of FHA documents into other languages upon request by an applicant or resident. FHA will endeavor to have access to people who speak languages other than English in order to assist non-English speaking families. However, applicants and residents who speak languages other than English are encouraged to utilize an interpreter of their choice. In general, FHA is not required by the Fair Housing Act, 24 CFR 8.6, to pay costs associated with a foreign language interpreter. FHA shall remain in compliance with the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Against

National Origin Discrimination Affecting Limited English Proficient Persons dated January 22, 2007 in the Federal Register.

In determining whether it is feasible to translate documents into languages other than English, FHA will consider the following factors:

Number of families in the County who do not speak English and who speak another language,

Estimated cost to FHA per client for translation of English documents into another language,

Evaluation of the need for translation by the bilingual staff and by agencies that work with non-English speaking clients, and

The availability of local organizations to provide translation services to non-English speaking clients.

Interpretation for Visual or Audible Impairments

Documents intended for use by applicants and residents will be made available in formats accessible for those with vision or hearing impairments in compliance with the Fair Housing Act, 24 CFR 8.6, including communication by way of TDD/TTY for those applicants or program participants who are speech or hearing impaired.

G. PUBLIC HOUSING MANAGEMENT ASSESSMENT SYSTEM (PHAS)
OBJECTIVES [24 CFR 901 & 902]

FHA operates its public housing program with efficiency and can demonstrate to HUD or independent auditors that FHA is using its resources in a manner that reflects its commitment to quality and service. FHA policies and practices are consistent with the new Public Housing Assessment System (PHAS) outlined in the 24 CFR Parts 901 and 902 final published regulations.

FHA is continuously assessing its program and consistently strives to make improvements. The FHA acknowledges that its performance ratings are important to sustaining its capacity to maintain flexibility and authority. FHA intends to diligently manage its current program operations and continuously make efforts to be in full compliance with PHAS. The policies and procedures of this program are established so that the standards set forth by PHAS are demonstrated and can be objectively reviewed by an auditor whose purpose is to evaluate performance.

H. FAMILY OUTREACH

FHA will publicize and disseminate information to make known the availability of housing units and housing-related services for low-income families on a regular basis.

FHA will communicate the status of housing availability to other service providers in the community. FHA will advise them of housing eligibility factors and guidelines in order that they can make proper referrals for those who seek housing.

I. QUALITY HOUSING AND WORK RESPONSIBILITY ACT (QHWRA)

FHA shall comply with the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA amends the Housing Act of 1937 to include the following operational practices of the Public Housing program:

Deregulation and decontrol of public housing agencies, enabling agencies to perform as property and asset managers;

Flexibility in use of Federal assistance to enable the agency to leverage and combine assistance amounts with amounts obtained from other sources;

The facilitation of mixed income communities and the deconcentration of poverty;

An increased accountability to HUD with rewards for effective management of the Public Housing programs; and

Ability to create incentives and economic opportunities for residents of Public Housing to work, become self-sufficient.

J. FEDERAL PRIVACY ACT

FHA's practices and procedures are designed to safeguard the privacy of applicants and residents.

Applicants and residents, including all adults in their households, are required to sign the form HUD-9886, "Authorization for Release of Information and Privacy Act Notice." This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information.

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

Files will never be left unattended or placed in common areas.

The criminal background check information will be retained in the applicant/tenant file, kept in a

secured area under lock and key, with access only by persons authorized by FHA. The HUD regulations require that upon making a determination of eligibility, the criminal background check information will be destroyed. However this is subject to the laws of the State of North Carolina. FHA is governed by the provisions of Chapter 132 and 132-1 of the public records laws of the State of North Carolina and as such, no person may destroy, sell, loan, or otherwise dispose of any public record without the consent of the State of North Carolina. As such, FHA shall maintain these records in a manner to protect the confidentiality requirements in a secure manner, but shall not destroy the record unless with the consent of the State of North Carolina.

Any and all information that would lead one to determine the nature and/or severity of a person's disability must be returned to the tenant or destroyed. However, the personal information documenting the need for a reasonable accommodation will be maintained in the folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the Executive Director.

FHA staff will not discuss or access family information contained in files unless there is a business reason to do so. Staff will be required to disclose whether s/he has relatives living in Public Housing or assisted housing. Inappropriate discussion of family information, or improper disclosure of family information by staff will result in disciplinary action.

K. POSTING OF REQUIRED INFORMATION

FHA will maintain bulletin boards in conspicuous areas of the Administrative Office and the individual site development offices. The bulletin boards will contain:

- Statement of policies and procedures governing Admission and Continued Occupancy Policy (ACOP)
- Information on application taking.
- Directory of FHA's housing sites including names, address of offices and office hours.
- Income limits for admission.
- Current schedule of routine maintenance charges.
- A copy of the lease.
- FHA's grievance procedures.
- A Fair Housing Poster.
- An Equal Opportunity in Employment poster.
- Current Resident Notices.
- Required public notices.
- Security Deposit Charges.
- Schedule of Utility Allowances (if applicable).
- Flat Rent Schedule

Chapter 2

ELIGIBILITY FOR ADMISSION [24 CFR Part 960, Subpart B]

INTRODUCTION

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

Exemption from Eligibility Requirements for Police Officers and Other Security Personnel

The Authority shall be permitted to admit to Public Housing, police officers and other security personnel who are not otherwise eligible for such housing under any other admission requirements or procedures (i.e. police officers would not be required to be income eligible to qualify for admission to the Public Housing program.) HUD's objective in granting this exemption is to permit long-term residency in public housing developments of police officers and security personnel whose visible presence is expected to serve as a deterrent to criminal activity in and around housing.

Before FHA would be permitted to house police officers or other security personnel under this provision and as contained in the five-year plan, FHA would submit to HUD the Housing Authority's standards and criteria for approval/waiver of admission criteria in accordance with 24 CFR 960.501.

A. QUALIFICATION FOR ADMISSION

It is FHA's policy to admit qualified applicants only. An applicant is qualified if he or she meets the following criteria:

Is a family as defined by regulation;

Where at least one member of the household is either a U.S. citizen or is an eligible non-citizen. (24 CFR Part 5, Subpart E).

Has an Annual Income at the time of admission that does not exceed the low-income limits for occupancy established by HUD and posted separately in the PHA offices.

The Quality Housing and Work Responsibility Act of 1998 authorizes PHAs to admit

families whose income does not exceed the low-income limit (80% of median area income) and the PHA is required to meet the annual 40% targeted income requirement of extremely low-income families (families whose income does not exceed 30% of median area income). It is the policy of the FHA to meet the income-targeting requirement.

Provides a Social Security number (SSN) for all family members that have a SSN or will provide written certification that they do not have Social Security numbers;

Provide Birth Certificate for all family members;

Provide Picture ID, if available;

Meets or exceeds the standards for the criminal & credit background check;

Meets or exceeds the tenant Selection and Suitability Criteria as set forth in this policy.

This student eligibility criteria listed below does not apply to Public Housing, but only applies to the Section 8 Program.

Restrictions on Assistance to Students Enrolled In Institution of Higher Education

No assistance shall be provided under Section 8 of the 1937 Act to any individual who:

- Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965;
- Is under 24 years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child; and
- Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under Section 8 of the 1937 Act.

Timing for the Verification of Qualifying Factors

The qualifying factors of eligibility will be verified at the time of application to determine the family's status and/or position on the waiting list to be offered a housing unit.

B. FAMILY COMPOSITION

Definition of Family

The applicant must qualify as a Family. A family may be a single person or a group of persons. Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law. For occupancy standards purposes, the applicant may claim a spousal relationship. (See Chapter 5, Occupancy Guidelines.)

A group of persons is defined by FHA as two or more persons who intend to share residency, and whose income and resources are available to meet the family's needs, and will live together in FHA housing.

The term "Family" includes, but is not limited to:

A family with or without children;

An elderly family;

A disabled family;

A displaced family;

The remaining member of a tenant family;

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

Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family;

Two or more near-elderly persons living together, or one or more near-elderly persons living with one or more live-in aides.

The temporary absence of a child from the home due to placement in foster care shall be considered in determining the family composition and family size.

For the purposes of the definition of a qualified family and admission of a single higher education student, **the restrictions on assistance to students enrolled in an institution of higher education do not apply to public housing.** (24 CFR 5.612)

Head of Household

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

Emancipated minors who qualify under State law will be recognized as head of household if there is a court order recognizing them as an emancipated minor.

Spouse of Head

Spouse means the husband or wife of the head.

For proper application of the Noncitizens Rule, the definition of spouse is: the marriage partner whom, in order to dissolve the relationship, would have to be divorced. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

Co-head

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

Live-In Aide

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

Is determined by FHA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

Is not obligated for the support of the person(s), and

Would not be living in the unit except to provide care for the person(s).

A live-in aide is not considered to be an assisted family member and has no rights or benefits under the program:

Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.

Live-in aides are not subject to Non-Citizen Rule requirements.

Live-in aides may not be considered as a remaining member of the tenant family.

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

Family members of a live-in aide may also reside in the unit, providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the family member(s) does not overcrowd the unit. The family will be eligible to increase the bedroom size by one bedroom to accommodate the live-in aide status.

A Live-in Aide may only reside in the unit with the approval of FHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled.

FHA will screen and qualify the live-in aide and the live-in aide must be eligible under non-

criminal background requirements and must also have the necessary skills to meet the needs of the individual requesting the reasonable accommodation.

FHA has the right to disapprove a request for a live-in aide based on the "Other Eligibility Criteria" described in this Chapter.

C. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216]

Families are required to provide verification of Social Security Numbers for all family members if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of Social Security Numbers is grounds for denial of admission or termination of tenancy.

If a member does not have a Social Security Number they must sign a certification stating that they do not have one. The certification shall:

- state the individual's name, state that the individual has not been issued a Social Security Number;
- state that the individual will disclose the Social Security Number, if they obtain one at a later date;
- be signed and dated.

D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

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

1. A noncitizen who has been lawfully admitted to the U. S. for permanent residence, as defined by Section 101(a)(20) of the Immigration and Nationality Act (INA) as an immigrant, as defined by Section 101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 2101(a)(15), respectively (immigrants). This category includes a noncitizen who has been admitted under Section 210 or 210A of the INA (8 U.S.C. 1160 or 1161), (special agricultural worker), and who has been granted lawful temporary resident status;
2. A noncitizen who entered the U. S. before January 1, 1972, or such later date as enacted by law, and who has continuously maintained residence in the U. S. since

then, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA (8 U.S.C. 1259);

3. A noncitizen who is lawfully present in the U. S. pursuant to an admission under Section 207 of the INA (8 U.S.C. 1157) (refugee status); pursuant to the granting of asylum (which has not been terminated) under Section 208 of the INA (8 U.S.C. 1158) (asylum status); or as a result of being granted conditional entry under Section 203(a)(7) of the INA (U.S.C. 1153(a)(7) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity;
4. A noncitizen who is lawfully present in the U.S. as a result of an exercise of discretion by the Attorney General for emergent reasons or for reasons deemed strictly in the public interest under Section 212(d)(5) of the INA (8 U.S.C. 1182(d)(5)) (parole status);
5. A noncitizen who is lawfully present in the U. S. as a result of the Attorney Generals' withholding deportation under Section 243(h) of the INA (8 U.S.C. 1253(h)) (threat to life or freedom); or
6. A noncitizen lawfully admitted for temporary or permanent residence under Section 245A of the INA (8 U.S.C. 1225a) (amnesty granted under INA 245A).

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

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

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

Non-citizen students defined by HUD in the noncitizen regulations are not eligible for assistance.

No individual or family applying for financial assistance may receive such financial assistance prior to the affirmative establishment and verification of eligibility of at least one individual or family member.

E. OTHER ELIGIBILITY CRITERIA

All applicants will be processed in accordance with HUD's regulations (24 CFR Part 960) and sound management practices. Applicants will be required to demonstrate the ability to comply with essential provisions of the lease as summarized below.

All applicants must demonstrate through an assessment of current and past behavior the ability:

- to pay rent and other charges as required by the lease in a timely manner;
- to care for and avoid damaging the unit and common areas;
- to use facilities, appliances and equipment in a reasonable way;
- to create no health or safety hazards, and to report maintenance needs in a timely manner;
- not to interfere with the rights and peaceful enjoyment of others and to avoid damaging the property of others;
- not to engage in criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents or staff and not to engage in drug-related criminal activity on or off FHA premises;
- not to have ever been convicted of manufacturing or producing methamphetamine, also known as "speed," on the premises of assisted housing;
- not to be subject to lifetime sex offender registration requirement;
- not owe debts to other landlords or public utilities;
- to not commit fraud against any assisted housing program;
- to comply with necessary and reasonable rules and program requirements of HUD and FHA; and,
- to comply with local health and safety codes.

Denial of Admission for Previous Debts to This or Any Other PHA

Previous outstanding debts to FHA or any Public Housing Authority (PHA) resulting from a previous tenancy in the public housing, Section 8, or assisted housing program must be paid in full prior to admission.

Applicants with previous PHA debts will be permitted to execute a Payment Agreement at the

time of application, but 100% of the debt must be paid prior to offer of a unit.

FHA reserves the right, in the case of extreme hardship, i.e. homelessness, to enter into a Payment Agreement. Full documentation of the hardship will be required. In no case will the debt be forgiven.

Either spouse is responsible for the entire debt incurred as a previous FHA tenant. Children of the head or spouse who had incurred a debt to FHA will not be held responsible for the parent's previous debt.

Denial of Admission for Previous Debts to Landlords and Public Utilities

Previous outstanding debts to public utilities or previous landlords shall be paid before the applicant is processed by FHA for a unit to be occupied.

Applicants with previous PHA debts will be permitted to execute a Payment Agreement at the time of pre-application, but 100% of the debt must be paid prior to offer of a unit.

FHA reserves the right, in the case of extreme hardship, i.e. homelessness, to enter into a Payment Agreement. Full documentation of the hardship will be required. In no case will the debt be forgiven.

F. NON-ECONOMIC ELIGIBILITY CRITERIA, (Including Criminal/Drug)

In developing its admission policies, the aim of FHA is to attain a resident body composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families and families with serious social problems. Therefore, it is the policy of FHA to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development or neighborhood, or on the quality of life for its residents.

As part of eligibility determination, the Authority will screen each applicant household to assess its suitability as renters.

Factors not related to economics to be considered are housekeeping habits, prior history as a tenant, criminal records, and the ability of the applicant to maintain the responsibilities of tenancy.

In determining qualifications for tenancy, FHA shall consider the following items:

Whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical, environmental, or financial stability of the development.

FHA shall rely upon sources of information which may include, but not limited to, FHA records, the records of other housing authorities, personal interviews with the applicant or tenant, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians, or the police department. This will be done in order to determine whether the individual attributes, prior conduct, and behavior of a particular applicant or tenant is likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety, or welfare.

In making a decision to deny assistance, the FHA will consider factors discussed in Chapter 2-G, **PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub.L. 109-162]**

An authorized representative of FHA shall document any pertinent information relative to the following:

Criminal Activity – including the activities further defined herein as of a criminal nature.

Pattern of Violent Behavior – includes evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to neighbors' peaceful enjoyment of their premises. HUD defines violent criminal activity as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity was/is being engaged in by any family member.

Pattern of Drug Use – includes a determination by FHA that the applicant has exhibited a pattern of illegal use of a controlled substance that might interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Drug Related Criminal Activity – includes a determination by FHA that the applicant has been involved in the illegal manufacture, sale, distribution, use or possession of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Pattern of Alcohol Abuse – includes a determination by FHA that the applicant's pattern of alcohol abuse might interfere with the health, safety or right to peaceful enjoyment of the premises by other residents.

Initiation of Threats – or behaving in a manner indicating an intent to assault employees or other residents.

Abandonment of a Public Housing Unit or Other Assisted Housing Unit (“skipped”) – any abandonment of a unit assisted by HUD without advising the administering housing authority’s personnel of intent to vacate so that the unit may be properly secured and protected from any vandalism.

Non-payment of Rightful Obligations – including rent and/or utilities and other charges owed to FHA or another housing authority.

Intentionally Falsifying an Application for Leasing – including providing false information about family income and family composition, using an alias on the application for housing, or making any other material false statement or omission intended to mislead.

Record of Serious Disturbances of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior – consists of patterns of behavior which endanger the life, safety, or welfare of other persons by physical violence, gross negligence or irresponsibility, which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant’s inability to adapt to living in a multi-family setting. Includes judicial termination of tenancy in previous housing on grounds of nuisance or objectionable conduct, or frequent loud parties, which have resulted in serious disturbances of neighbors.

Unsanitary Housekeeping – includes the creation of a fire hazard through acts such as hoarding rags, papers, or other materials; severe damages to premises and equipment caused by the family or persons under control of the family; seriously affecting neighbors by causing infestations, foul odors, depositing garbage outside of normal trash receptacles, or serious neglect of the premises. This category does not include families whose housekeeping is found to be superficially unclean or due to lack of orderliness, where such conditions do not create a problem for neighbors or a threat to health and safety.

Destruction of Property – damage to any previous rentals or property that the family has resided in.

Whether Applicant or Tenant is Capable of Maintaining the Responsibilities of Tenancy – In the case of applicants for admission, the person’s present living arrangements and a statement obtained from the applicant’s physician or social worker will be among factors considered in making this determination. The availability of a Live-In Aide will be considered also in making this determination.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant’s conduct, and

to factors that might indicate a reasonable probability of favorable future conduct.

The FHA shall not admit persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug related criminal activity within the past seven (7) years preceding determination of eligibility. (See also Item 6 below re methamphetamine.)

The FHA may waive this requirement if the person demonstrates that he/she:

Has successfully completed a supervised drug or alcohol rehabilitation program approved by FHA;

Has otherwise been rehabilitated successfully;

Is participating in a supervised drug or alcohol rehabilitation program; or,

The circumstances leading to the eviction no longer exists (i.e. the individual involved in drugs is no longer in the household because the person is incarcerated).

In no event shall a person convicted of manufacturing or producing methamphetamine (also called "speed") be determined eligible for public housing. Such individuals are permanently denied admission to all federally assisted housing programs.

The FHA shall not admit persons whose 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 within the past seven (7) years preceding the date of application.

The FHA shall not admit persons who have engaged in violent criminal activity within the seven (7) years preceding the date of application.

The FHA shall not admit persons that have been engaged in the illegal drug activity within the seven (7) years preceding the date of application.

Persons incarcerated must demonstrate behavior that is acceptable outside of the incarcerated environment for a minimum of seven (7) years.

The FHA shall not admit any person classified as a "habitual criminal" or any person subject to a lifetime sex offender registration requirement under a State sex offender registration program.

The FHA shall not admit persons whose conduct in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical environment, or the financial stability of the development.

If in the past the FHA initiated a lease termination, which may or may not have resulted in eviction for any reason cited under the One Strike Notice (PIH 96-27) or amended changes, for a family, as a prior resident of public housing, the family shall be ineligible for admission to Public Housing for a minimum of a three (3) year period beginning on the date of such eviction. The FHA will not waive this requirement, even in the event of rehabilitation efforts on part of the family or family member.

In determining the criminal background for admission, the FHA will not deny the family if the member is a “victim” of domestic violence as stated and protected under the Violence Against Women Act.

Administration

All screening procedures shall be administered fairly and in such a way as not to discriminate on the basis of race, color, nationality, religion, sex, familial status, disability or against other legally protected groups, and not to violate right to privacy.

To the maximum extent possible, the FHA will involve other community and governmental entities in the promotion and enforcement of this policy.

In evaluating evidence of negative past behavior, the FHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903]. The FHA will perform criminal background checks through local law enforcement for all adult household members.

The FHA is required to perform criminal background checks necessary to determine whether any household member is subject to a registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 960.204(a)(4)].

The FHA may not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the PHA will request the applicant to be fingerprinted and will request the information from the National Crime Information center (NCIC).

If the FHA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the FHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission [24 CFR 5.903(f) and 5.905(d)].

The FHA will ensure that any criminal record received is maintained confidentially, not misused, or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished. (See section on page 1-9)

When the FHA takes any adverse action based on a criminal conviction record, the applicant may request, and the FHA will provide, a copy of the criminal record and an opportunity to dispute the record at an informal hearing. (Tenants may also contest such records at the court hearing in the case of evictions.)

Hearings

(See Chapter titled “Complaints, Grievances and Appeals”)

If information is revealed that would cause the FHA to deny admission to the household and the person disputes the information, he/she shall be given an opportunity for an informal hearing according to FHA’s hearing procedures outlined in the Chapter on Complaints, Grievances and Appeals.

G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub.L. 109-162]

The Violence against Women Reauthorization Act of 2005 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the public housing program:

Every contract for contributions shall provide that . . . the public housing agency shall not deny admission to the project to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant otherwise qualifies for assistance or admission, and that nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.

Definitions

As used in VAWA:

- 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 or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *stalking* means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - 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 (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
- The term *immediate family member* means, with respect to a person –
 - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
 - Any other person living in the household of that person and related to that person by blood and marriage.

Notification and Victim Documentation

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FHA Policy

The FHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history that would warrant denial under the FHA's policies. Therefore, if the FHA makes a determination to deny admission to an applicant family on the basis of an unfavorable history, the FHA will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking

One of the following:

- A police or court record documenting the actual or threatened abuse; or
- A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The applicant must submit the required documentation with her or his request for an informal hearing or must request an extension in writing at that time. If the applicant so requests, the FHA will grant an extension of 10 business days, and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the FHA determines the family is eligible for assistance, no informal hearing will be scheduled and the FHA will proceed with admission of the applicant family.

Perpetrator Removal or Documentation of Rehabilitation

FHA Policy

In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, or stalking, the FHA will proceed as above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the public housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment.

If the family elects the second option, the documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

This additional documentation must be submitted within the same time frame as the documentation required above from the victim.

FHA Confidentiality Requirements

All information provided to the FHA regarding domestic violence, dating violence, or stalking,

including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

H. SCREENING FOR SUITABILITY [24 CFR 960.204, 960.205]

It is the policy of FHA to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development or neighborhood, or on the quality of life for its residents.

FHA will conduct a detailed interview of all applicants. The interview form will contain questions designed to evaluate the qualifications of applicants to meet the essential requirements of tenancy. All information will be subject to third party verification.

An applicant's intentional misrepresentation of any information related to eligibility, award of preference for admission, housing history, allowances, family composition or rent will result in denial of admission.

Applicants must be able to demonstrate the ability and willingness to comply with the terms of the lease, either all or with assistance which they can demonstrate that they have or will have at the time of admission. (24 CFR 8.2 Definition: Qualified Individual with Handicaps) The availability of assistance is subject to verification by FHA.

The FHA's minimum age for admission as head of household is 18. This requirement is to avoid entering into leases that would not be valid or enforceable under applicable law. Exception to the age requirement may be granted to those with emancipation status as granted by a court of law. FHA will not allow under any circumstances a parent or legal guardian to co-sign a lease on behalf of an applicant in order to bypass the age requirement.

As a part of the final eligibility determination, FHA will screen each applicant household to assess their suitability as renters.

FHA may complete a credit check of each applicant so as to determine past rental history, including any possibility of bad debts to any federally assisted housing programs.

FHA shall rely upon sources of information which may include, but not be limited to, FHA records, personal interviews with the applicant or tenant, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians or the police department.

This will be done in order to determine whether the individual attributes, prior conduct, and behavior of a particular applicant is likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare.

Factors to be considered in the screening are housekeeping habits, rent paying habits, prior history as a tenant, criminal records, the ability of the applicant to maintain the responsibilities of tenancy, and whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety or welfare of other residents, or the physical environment, or the financial stability of the project.

FHA's examination of relevant information pertaining to past and current habits or practices will include, but is not limited to, an assessment of:

- The applicant's past performance in meeting financial obligations, especially rent.
- Eviction or a record of disturbance of neighbors sufficient to warrant a police call, destruction of property, or living or housekeeping habits at present or prior residences which may adversely affect the health, safety, or welfare of other tenants or neighbors.
- Any history of criminal activity on the part of any applicant family member involving criminal acts, including drug-related criminal activity.
- Any history or evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy by neighbors.
- Any history of initiating threats or behaving in a manner indicating an intent to assault employees or other tenants.
- Any history of alcohol or substance abuse that would threaten the health, welfare, or right to peaceful enjoyment of the premises by other residents.
- The ability and willingness of an applicant to comply with the essential lease requirements will be verified and documented by FHA. The information to be considered in the screening process shall be reasonably related to assessing the conduct of the applicant and other family members listed on the application in present and prior housing.

The history of applicant conduct and behavior must demonstrate that the applicant family can reasonably be expected not to:

- Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare. [24CFR 960.205(b)]
- Adversely affect the physical environment or financial stability of the project. [24CFR 960.205(b)]
- Violate the terms and conditions of the lease. [24CFR 8.3].
- Require services from PHA staff that would alter the fundamental nature of the PHA's program. [24 CFR 8.3]

Rent Paying Habits

FHA will examine any Housing Authority records from a prior tenancy, and will request written references from the applicant's current landlord and may request written references from former landlords (for up to the past 7 years).

Based upon these verifications, FHA will determine if the applicant was chronically late with rent payments, was evicted at any time (during the past 7 years) for nonpayment of rent, or had other legal action initiated against him/her for debts owed. Any of these circumstances could be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.

Applicants will not be considered to have a poor credit history if they were late paying rent because they were withholding rent due to substandard housing conditions in a manner consistent with a local ordinance; or had a poor rent paying history clearly related to an excessive rent relative to their income (using 50% of their gross income as a guide,) and responsible efforts were made by the family to resolve the nonpayment problem.

The lack of credit history will not disqualify a family, but a poor credit history will, with the exceptions noted above.

Screening Applicants Who Claim Mitigating Circumstances

Mitigating circumstances are facts relating to the applicant's record of unsuitable rental history or behavior, which, when verified would indicate both: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, and the applicant's prospect for lease compliance is an acceptable one, justifying admission.

If unfavorable information is received about an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct. In order to be factored into the PHA's screening

assessment of the applicant, mitigating circumstances must be verifiable.

If the mitigating circumstances claimed by the applicant relate to a change in disability, medical condition or course of treatment, FHA shall have the right to refer such information to persons who are qualified and knowledgeable to evaluate the evidence and to verify the mitigating circumstance. FHA shall also have the right to request further information reasonably needed to verify the mitigating circumstance. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

Examples of Mitigating Circumstances

Examples of mitigating circumstances include:

Evidence of successful rehabilitation;

Evidence of the applicant family's participation in and completion of social service or other appropriate counseling service approved by FHA; and/or

Evidence of the applicant family's successful and sustained modifications of previous disqualifying behavior.

Consideration of mitigating circumstances does not guarantee that the applicant will qualify for admission. FHA will consider such circumstances in light of:

- The applicant's ability to substantiate through verification the claim of mitigating circumstances and his/her prospects for improved future behavior; and
- The applicant's overall performance with respect to all the screening requirements.

Qualified and Unqualified Applicants

Information that has been verified by FHA will be analyzed and a determination will be made with respect to:

- The eligibility of the applicant as a family;
- The eligibility of the applicant with respect to income limits for admission;
- The eligibility of the applicant with respect to citizenship or eligible immigration *status*;
- The eligibility of the family for suitability, non-criminal requirements, etc.;
- Preference category to which the family is entitled.

Assistance to a family may not be delayed, denied or terminated on the basis of the family's ineligible immigration status unless and until the family completes all the verification and appeals processes to which they are entitled under both INS and PHA procedures, except for a pending PHA hearing.

Applicants who are determined to be unqualified for admission will be promptly notified with a Notice of Denial of Admission stating the reason for the denial. In the case of criminal status denial for admissions, the FHA will provide the opportunity to review the documents prior to the denial. FHA shall provide applicants an opportunity for an informal hearing (see Chapter titled "Complaints, Grievances, and Appeals.")

Applicants who have requested a reasonable accommodation as a person with a disability and who have been determined eligible, but fail to meet the Applicant Selection Criteria, will be offered an opportunity for a second meeting to have their cases examined to determine whether mitigating circumstances or reasonable accommodations will make it possible for them to be housed in accordance with the screening procedures.

FHA will make every effort to accurately estimate an approximate date of occupancy. However, the date given by FHA does not mean that applicants should expect to be housed by that date. The availability of a suitable unit to offer a family is contingent upon factors not directly controlled by FHA, such as turnover rates, and market demands as they affect bedroom sizes and project location.

Documenting Findings

An authorized representative of FHA shall document any pertinent information received relative to the admission and eligibility requirements.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct or financial prospects.

Prohibited Criteria for Denial of Admission

Applicants will NOT be rejected because they:

- Have no income;
- Are not employed;
- Do not participate in a job-training program;
- Will not apply for various welfare or benefit programs;

- Have children;
- Have children born out of wedlock;
- Are on welfare;
- Are eligible students.

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I. CRITERIA FOR DECIDING TO DENY ASSISTANCE or TERMINATION

FHA Policy

The FHA will use the concept of the preponderance of the evidence as the standard for making all admission and termination decisions.

Preponderance of the evidence is defined as the greater weight of the evidence; that is, evidence that you believe because it outweighs or overbalances in your mind the evidence opposed to it. A preponderance means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may, or may not, be identical with (quantity)(the greater number of witnesses).

Consider all evidence. In determining whether an issue has been proved by a preponderance of the evidence, you should consider all of the evidence, regardless of who produced it.

Equally balanced. If the weight of the evidence is equally balanced, or if you are unable to determine which side of an issue has the preponderance, the party who has the burden of proof has not established such issue by a preponderance of the evidence.

J. HEARINGS

If information is revealed that would cause FHA to deny admission to the household and the person disputes the information, s/he shall be given an opportunity for an informal hearing according to FHA's hearing procedures outlined in Chapter 13, Complaints, Grievances and Appeals.

K. ONE STRIKE AND YOU'RE OUT POLICY

A. PURPOSE

It is the policy of the Farmville Housing Authority (Housing Authority) that all residents shall enjoy decent, safe, and sanitary living conditions.

B. AUTHORITY

Drug-related criminal activity, other criminal activity, and alcohol abuse in public housing and assisted housing communities increase resident fear and decrease unit marketability. Therefore, the Housing Authority will not tolerate such behavior from its applicants or residents. **UNLESS OTHERWISE PROVIDED BY LAW, PROOF OF VIOLATION SHALL NOT REQUIRE CRIMINAL CONVICTION, BUT SHALL BE BY A PREPONDERANCE OF THE EVIDENCE.**

C. DEFINITIONS

Drug-related criminal activity is defined as the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance.

D. PROCEDURES FOR APPLICANTS

1. The Housing Authority shall screen out and deny admission to any applicant whereby either the applicant or authorized occupants proposed by applicants:
 - a. has a recent history of criminal activity involving crimes to persons and/or other criminal acts that affect the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - b. was evicted from assisted housing within three years of the projected date of admission because of drug-related criminal activity. This requirement may be waived if:
 - (1) the person demonstrates successful completion of a rehabilitation program approved by the Housing Authority; or,
 - (2) the circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated;
 - c. the Housing Authority has determined the applicant to be illegally using a controlled substance; the Housing Authority has determined the applicant to be abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - d. the Housing Authority has determined that there is a reasonable cause to believe the applicant'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 Housing Authority may waive policies prohibiting admission in these circumstances if, the applicant demonstrates to the Housing Authority's satisfaction that the applicant is no longer engaging in illegal use of a controlled substance or abuse of alcohol, and;
- a. the applicant has successfully completed a supervised drug or alcohol rehabilitation program; or,
 - b. the applicant has otherwise been rehabilitated successfully.

E. PROCEDURES FOR RESIDENTS

1. The Housing Authority shall terminate the tenancy/rental assistance of any resident who:
 - a. the Housing Authority has determined is illegally using a controlled substance;
 - b. the Housing Authority has determined that the resident's abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents; or,
 - c. the Housing Authority has determined to be engaging in drug-related criminal activity, either on or off the premises; or,
 - d. engages in any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

F. PROCEDURES FOR HOUSING AUTHORITY

1. The Housing Authority shall track crime-related problems at its developments and report any incidents to the local police authorities in order to improve law enforcement and crime prevention.
2. The Housing Authority will forward any resident complaints received concerning crime-related problems to the local police authorities.
3. The Housing Authority will review police reports and newspaper articles concerning crime-related problems with its residents, and bring such problems to the attention of local police authorities.

The Housing Authority shall document its progress toward meeting its goals under the implementation plan for any drug prevention or crime reduction program funded by the Department of Housing and Urban Development and being administered by the Housing Authority.

Chapter 3

APPLYING FOR ADMISSION

INTRODUCTION

The policy of FHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This Chapter describes the policies and procedures for completing an application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but FHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the waiting list in accordance with this Policy.

A. HOW TO APPLY

Families who wish to apply for any of FHA's programs must complete a written application form when the application process is open. Applications will be made available in an accessible format upon request from a person with a disability.

Applications are taken at the administrative office at the Farmville Housing Authority, 4284 Anderson Avenue, Farmville, NC 27828 by appointment or on Wednesdays from 1:30 p.m to 4:00 p.m. for all Waiting Lists that are open.

The application process will involve a single phase.

The FHA ensures that verification of all HUD, State, local, and FHA eligibility factors as pursuant to the program are current and in order to determine the family's eligibility for an offer of a suitable unit.

B. APPLICATION PROCEDURES

FHA will utilize a full application form. The application will be taken in person or by completion by the applicant of the form itself, whenever the Waiting List is open.

Applications may be mailed to Out-of-State applicants or for purposes of reasonable accommodations.

Translation of the application is available upon request for non-English speaking applicants.

At a minimum, the application will contain questions designed to obtain the following information:

- Names of head of household, spouse/co-head
- Names of all members and age of all members
- Number of family members (used to estimate bedroom size needed)
- Street address and phone numbers
- Mailing address (If PO Box or other permanent address)
- Annual income
- Source(s) of income received by household members
- Information regarding request for reasonable accommodation or for accessible unit
- Social Security Numbers
- Race/ethnicity
- Arrests/Convictions for Drug Related or Violent Criminal Activity
- Questions regarding previous participation in HUD programs

Applicants will be asked to fill out the following documents:

A Personal Declaration Form prior to the interview;

Sign Release of Information Forms including authorization form for criminal background checks of all adult household members, and consent for verification of Immigration status;

Participate in an interview with a FHA representative during which the applicant will be required to furnish complete and accurate information as requested by the interviewer. The Applicant will complete the entire application form and will sign and certify that all information is complete and accurate.

Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

Applications will require an interview and information on the application will be verified prior to admission. Final eligibility will be determined when the application process is completed and all information is verified.

Applicants are required to inform FHA in writing of changes in family composition, income, and address. Applicants are also required to respond to requests from FHA to update information on their application, or to determine their continued interest in assistance.

Corrections, updates, or changes on applications will be documented. Obsolete information on paper forms of applications shall be lined through and documented as to its obsolescence, initialized and dated by the employee making such changes, or by the applicant, if such change is made by the applicant him/herself.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.

C. PREFERENCE DEFINED

At this time, the preferences recognized by FHA are that of Emergency, Substandard Housing, Upwardly Mobile, and Local preference. The preference will be verified prior to admission.

Emergency Preference

The FHA shall grant preferences to families of federally declared disasters who are public housing residents from another jurisdiction and other eligible disaster-affected families who are income eligible. These persons will receive preferences over other waiting list placeholders. This preference will remain in place until the emergency no longer exists.

Occupying Substandard Housing

The FHA will grant preferences to families that are currently occupying substandard housing. Substandard housing will be determined and verified through the local code enforcement provisions and agency.

Upwardly Mobile Preference

The FHA shall grant preferences to applicants with an adult member for the previous 6 months has been continuously and is currently working at least 20 hours per week. This preference is equally extended to all elderly/disabled families and all families whose head is receiving disability income based on their inability to work.

Local Preference

For the purpose of priority for admission, the FHA will provide for a residency preference for persons who reside in the jurisdictional area that the FHA operates the program, over families that do not reside, work or notified that they will be working in the jurisdictional area of FHA.

Other Provisions for Preferences

The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the Waiting List. The preference is based on current status of the family at the time of admission.

The FHA will have all preferences as equal in weight. Therefore a family either has a preference or a family does not have a preference. All families with a preference will be housed before families that do not have a preference, except when the criteria is for filling accessible units.

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

Buildings Designed for the Elderly and Disabled

Preference will be given to elderly and disabled families for buildings or units that are specifically designed for the elderly or disabled. If there are no elderly or disabled families on the list, preference will be given to near-elderly families. If there are no near-elderly families on the waiting list, units will be offered to families who qualify for the appropriate bedroom size using the above priorities.

Accessible Units

Accessible Units will be first offered to families who may benefit from the accessible feature. The unit will be offered to a family that has the need for the specific unit that is living in the development. If no family in the development needs the specific unit features, it will then be offered to a family in another development that need the specific unit features. If no family in any development needs the specific unit's features, then it will be offered to a family on the waiting list that needs the specific unit features. If no family on the waiting list needs the unit with the special features, then it will be offered to the next family on the waiting list that is eligible for the unit in accordance with any other priority, and date and time. The non-disabled family will agree to move to a non-disabled unit should a family with a disability have a need for the disabled unit features. Any family required to move will be given a 30-day notice.

Requirement to Attend Interview

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

The head of household and spouse must attend the interview and sign the housing application.

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

All adult members must sign form HUD-9886, "Release of Information"; the declarations and consents related to citizenship/immigration status; and any other documents required by FHA. Applicants will be required to sign specific verification forms for information that are not covered by the HUD-9886. Failure to do so will be cause for denial of the application for failure

to provide necessary certifications and release as required by FHA. All adults will be further required to sign all local FHA release forms.

Information provided by the applicant will be verified, including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full time student status and other factors related to preferences, eligibility and rent calculation.

If FHA determines at or after the interview that additional information or document(s) are needed, FHA will request the document(s) or information in writing. The family will be given ten (10) working days to supply the information; however extensions may be given for extenuating circumstances such as information that must be obtained from out of state.

If the information is not supplied in this time period, FHA will provide the family a notification of denial for assistance. (See Chapter on Complaints, Grievances and Appeals.)

D. PROCESSING APPLICATIONS

At the time of application, the following items will be verified to determine qualification for admission:

- Preference verification
- Family composition and type (elderly/non elderly), inclusive of family status, familial/marital status when needed for Head or spouse definition, or for inclusion in the household of a minor who is not yet born to or adopted by the assisted family, or legal guardianship, or right to custody, including temporary right to custody.
- Annual Income* inclusive of tips and meals, including income that is expressly excluded by regulation where the FHA is required verify.
- Assets and Asset Income*
- Deductions from Annual Income including but not limited to full-time student status, including students who are 18 or over, childcare expenses for children under 13 where such expenses allow an adult family member to be employed or to further his/her education or seek employment, total medical expenses of all family members in households whose Head or spouse is elderly or disabled, disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus which allow an adult family member to be employed, disability for determination of allowance or deductions.
- Social Security Numbers (SSN) of all family members when they have a SSN Certification of non-issuance for any family members who do not have Social

Security Numbers.

- Non-economic selection criteria used in applicant screening, inclusive of criminal history report, past landlord reports, credit reports, rent payment history.
- Citizenship or eligible immigration status, including date and place of birth.
- All members over 18 years of age.

*In the event that the family appears to be eligible for income that is not reported to be received (i.e. TANF, unemployment compensation, child support, etc.), the absence of such income will be verified.

Timeliness of Verifications

All verifications will be obtained prior to initial lease date to ensure that current and accurate data is being used in calculating rents and eligibility.

Certification by the appropriate staff member will be made when verification of all necessary items for each application is completed.

Verifications for the public housing program must be dated within 60 days from the date of the interview and not exceed 120 days in age, prior to admission to the unit. The family will be questioned prior to admission in regard to any change in status. If changes are reported, they will be verified to determine their effect on eligibility, preference rating (if any), rent, and unit size required.

The applicant file shall contain documentation of all verifications.

Systems of Verification

To assure that the data upon which determinations of eligibility, preference status (if any), rent to be paid, and size of dwelling unit required are based on full, true, and complete information to the best of staff's ability, the data on each applicant shall be verified and consist of the following types and systems of verification:

The FHA will verify information through the five methods of verification acceptable to HUD **in the following order:**

1. **Enterprise Income Verification (EIV) + current tenant-provided documents**
2. **Enterprise Income Verification (EIV) + current tenant-provided documents + 3rd party verification** (Required when tenant disputes EIV data or FHA requires additional information)

3. **Enterprise Income Verification (EIV):** The verification of income at admission or before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.
4. **Third-Party Written:** The FHA's next choice to supplement the EIV is a written third party verification to substantiate claims made by an applicant or resident.
5. **Third-Party Oral:** The FHA may also use telephone verifications.
6. **Tenant Supplied Documents:** The FHA will review documents, when relevant, to substantiate the claim of an applicant or resident.
7. **Self-Certification:** A self-certification statement will be accepted **only when extensive attempts have been made to obtain all of the other methods above and no other form of verification is available.**

If third party verification is not received directly from the source, FHA staff will document the file as to why third party verification was impossible to obtain and another method was used (such as reviewing documents families provide.)

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

For applicants, verifications used to determine adjusted income may not be more than 60 **days** old at the time of the original lease. For residents, they are valid for **120 days** from date of receipt. All documents supplied should be dated within the last 60 days of the interview.

Regardless of these timeframes, Criminal History Reports will be useable as a valid verification for no longer than **120** calendar days.

F. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, FHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by FHA, and the tenant suitability determination (see Chapter on Eligibility for Admission).

Because HUD can make changes in rules or regulations and family circumstances may have changed during the review process that affect an applicant's eligibility, it is necessary to make final eligibility determination.

The household is not actually eligible for a unit offer until this final determination has been made, even though they may have been listed on the waiting list.

Chapter 4

TENANT SELECTION AND ASSIGNMENT PLAN (Includes Preferences and Managing the Waiting List) [24 CFR 960.204]

INTRODUCTION

It is FHA's policy that each applicant shall be assigned an appropriate place on a jurisdiction-wide Waiting List unless the applicant has applied for a development subject to a Site-based Waiting List. Applicants will be listed in sequence based upon size and type of unit required, preference, date and time the application is received, and the Site in which they wish to reside for applicable designated developments. In filing actual or expected vacancies, FHA will offer the dwelling unit to an applicant in the appropriate sequence, with the goal of filling units timely, and accomplishing deconcentration of poverty and income-mixing objectives. FHA will offer the unit in the proper applicant sequence until it is accepted. This chapter describes FHA's policies with regard to the number of unit offers that will be made to applicants selected from the Waiting List.

FHA's Objectives

FHA policies will be followed consistently and will affirmatively further HUD's fair housing goals.

It is FHA's objective to ensure that families are placed in the proper order on the waiting list so that the offer of a unit is not delayed to any family unnecessarily or made to any family prematurely. This chapter explains the policies for the management of the waiting list.

When appropriate units are available, families will be selected from the waiting list in their preference-determined and date and time sequence.

By maintaining an accurate waiting list, FHA will be able to perform the activities that ensure that an adequate pool of qualified applicants will be available to fill unit vacancies in a timely manner. Based on the FHA's turnover and the availability of appropriate sized units, groups of families will be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on completion of verification.

Site-Based Waiting Lists

Per the Quality Housing and Work Responsibility Act of 1998, FHA is now allowed to implement site-based waiting lists upon approval of the Annual Plan or upon HUD's approval to the PHA's request before the submission of the Annual Plan.

FHA currently does not use site-based waiting lists.

A. MANAGEMENT OF THE WAITING LIST

FHA will administer its waiting list as required by 24 CFR Part 5, Subparts E and F, Part 945 and 960.201 through 960.215. The waiting list will be maintained in accordance with the following guidelines:

- The application will be a permanent part of the file.
- All applicants in the pool will be maintained in order of preference and in order of date and time of application receipt.
- Applications equal in preference will be maintained by date and time sequence.
- All applicants must meet applicable income and other eligibility requirements as established by HUD and FHA.

Opening and Closing the Waiting Lists

FHA, at its discretion, may restrict application intake, suspend application intake, and close waiting lists in whole or in part.

The decision to close the waiting list will be based on the number of applications available for a particular size and type of unit, and the ability of FHA to house an applicant in an appropriate unit within a reasonable period of time.

When FHA opens the waiting list, FHA will advertise through public notice in the following newspapers, minority publications and media entities. Location(s), and program(s) for which applications are being accepted in the local paper of record, "minority" newspapers, and other media including:

- The Farmville Enterprise
- The Daily Reflector
- Housing Authority Newsletter

To reach persons with disabilities, FHA will provide notice to local organizations representing the interests and needs of the disabled. Local organizations serving the disabled population include, but are not limited to, the following:

- Department of Social Services
- Greenville Housing Authority
- Hunter's Ridge Apartments
- All Area Churches
- Forest Village Apartments
- Area Council on Aging
- Farmville Benevolent Ministries

The notice at a minimum will contain:

- The dates, times, and the locations where families may apply.
- The programs for which applications will be taken.
- A brief description of the program.
- Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the FHA address and telephone number, how to submit an application, and information on eligibility requirements.

Upon request from a person with a disability, additional time, not to exceed 30 days, will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

When Application Taking is Suspended

FHA may suspend the acceptance of applications if there are enough applicants to fill anticipated openings for the next twelve (12) months.

The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

During the period when the waiting list is closed, FHA will not maintain a list of individuals who wish to be notified when the waiting list is open.

Suspension of application taking is announced in the same way as opening the waiting list.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover over the next twelve (12) months. FHA will give at least five (5) days' notice prior to closing the list. When the period for accepting applications is over, FHA will add the new applicants to the list by:

Unit size, local preferences priority and date and time of application receipt.

FHA will update the waiting list at least annually by removing the names of those families who are no longer interested, no longer qualify for housing, or cannot be reached by mail or telephone. At the time of initial intake, FHA will advise families of their responsibility and requirement to notify FHA when mailing address or telephone numbers change.

Reopening the List

If the waiting list is closed and FHA decides to open the waiting list, FHA will publicly announce the opening.

Any reopening of the list is done in accordance with the HUD requirements. The waiting list can also be open for specific bedroom sizes or to address special need or underserved populations.

Limits on Who May Apply

When the waiting list is open,

Any family asking to be placed on the waiting list for Public Housing rental assistance will be given the opportunity to complete an application.

When the application is submitted to FHA:

It establishes the family's date and time of application for placement order on the waiting list.

Multiple Families in Same Household

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

B. SITE BASED WAITING LISTS

FHA does not offer a system of site-based waiting lists. FHA does not have a system of preference for designated housing.

C. WAITING LIST PREFERENCES

A preference does not guarantee admission to the program. Preferences are used to establish the order of placement on the Waiting List. Every applicant must meet FHA's Selection Criteria as defined in this policy.

Broad Range of Income/Deconcentration of Poverty

FHA's preference system will work in combination with requirements to match the characteristics of the family to the type/size of unit available. Order of preference of applications on the Waiting List will be applied to selection as follows, except those persons requiring units with accessibility features for person with disabilities. (See Chapter 1, E, Other Accommodations.)

FHA shall assure a mixed range of incomes and deconcentration of its public housing units by selecting from the list of qualified applicants, households whose incomes would promote

deconcentration of poverty. As such, FHA shall select from the List of qualified applicants, those applicants whose income reflect a Broad Range of Income as defined by FHA's most current Broad Range of Income/Rent Range policy promoting deconcentration and income targeting requirements.

FHA shall admit to public housing in each fiscal year, at least forty percent (40%) of households whose income does not exceed 30% of the area median income.

Gross annual income is used for income limits at admission, income targeting, and for income-mixing purposes.

Skipping a family on the Waiting List specifically to reach another family with a lower or higher income is not to be considered an adverse action to the family. Such skipping will be uniformly applied until the target threshold is met.

Admission policies related to the deconcentration efforts do not impose specific quotas since Broad Range of Income imposes specific quotas aimed at maintaining a mix of incomes within each development in order to achieve budgetary viability.

Singles Preference and Designated Senior Units

Although no longer mandated by statute, FHA will continue to select applicants from the Waiting List in the following order in regard to single person households Preference for available units shall be given to:

A family whose Head or spouse or single member is an elderly or disabled person over a single person who is not elderly or disabled.

Furthermore, FHA shall not admit single person households consisting of non-elderly, non-disabled persons before other single person households in designated senior units within family public housing developments. A mixed population development is a public housing development, or portion of a development, that is reserved for elderly families and disabled families at its inception and has retained that character.) In accordance with a local preference, elderly families whose Head, spouse or sole member is at least 62 years of age, and disabled families whose Head, co-head, spouse, or sole member is a person with disabilities, will receive preference to such units.

FHA has the following properties that have been designated elderly only properties:

- none

Designated senior public housing developments and units are subject to HUD's definition of "senior" and may include (1) age-qualified elderly, and (2) disability qualified "elderly". In the designated elderly only developments, new admission priority shall be given to Elderly Families that qualify for the unit over non-elderly families. If no Elderly Families are on the

waiting list, then the FHA will prioritize the “near elderly” for the development in accordance with the elderly only designation plan.

D. DENIAL OF PREFERENCE

FHA shall not give preference and shall permanently deny admission to public housing units and other federally assisted housing programs, individuals convicted of manufacturing or producing methamphetamine (“speed”) as required by the Quality Housing and Work Responsibilities Act of 1998.

Furthermore, if FHA denied a preference, FHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. The applicant will have ten (10) working days to request the meeting in writing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the Waiting List without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If an applicant falsifies documents or makes false statements in order to qualify for a preference, they will be denied housing and withdrawn from the Waiting List with notification to the family.

E. INCOME TARGETING

FHA will monitor its admissions to ensure that at least 40 percent of families admitted to public housing in each fiscal year shall have incomes that do not exceed 30% of area median income of FHA’s jurisdiction.

Hereafter families whose incomes do not exceed 30% of area median income will be referred to as “extremely low income families.”

Very Low-Income Family Admissions

As long as FHA has met the 40% targeted income requirement for new admissions of extremely low-income families, FHA will fill the remainder of its new admission units with families whose incomes do not exceed 80% of the HUD approved area median income.

F. MIXED POPULATION UNITS

A mixed population development is a public housing development, or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character). In accordance with local preferences, elderly families whose head spouse or sole member is at least 62 years of age, and disabled families whose head, co-head or spouse or sole member is a person with disabilities, will receive equal preference to such units.

No limit will be established on the number of elderly or disabled families that may occupy a

mixed population property. FHA maintains no mixed population development:

- none

G. GENERAL OCCUPANCY UNITS

General occupancy units are designed to house all populations of eligible families. In accordance with FHA's occupancy standards, eligible families not needing units designed with special features or units designed for special populations will be admitted to FHA's general occupancy units.

All families with children, elderly families and disabled families, will have an admission preference over "Other Singles."

H. DECONCENTRATION OF POVERTY AND INCOME-MIXING

FHA's admission policy is designed to provide for deconcentration of poverty and income-mixing.

Gross annual income is used for income limits at admission, income targeting, and for income-mixing purposes.

Skipping of a family on the waiting list specifically to reach another family with a lower or higher income is not to be considered an adverse action to the family. Such skipping will be uniformly applied until the target threshold is met and in order to comply with FHA's Broad Range of Income policy.

Deconcentration and Income-Mixing Goals

FHA's deconcentration and income-mixing goal, in conjunction with the requirement to target at least 40 percent of new admissions to public housing in each fiscal year to "extremely low-income families", will be to admit higher income families to lower income developments, and lower income families to higher income developments.

Project Designation Methodology

FHA will determine and compare tenant incomes at all general occupancy developments. Skipping of families for deconcentration purposes will be applied uniformly to all families.

I. PROMOTION OF INTEGRATION

Beyond the basic requirement of nondiscrimination, FHA shall affirmatively further fair housing to reduce racial and national origin concentrations. FHA shall not require any specific income or racial quotas for any development or developments.

FHA shall not assign persons to a particular section of a community or to a development or

building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list and ranked without the Local Preference and given an opportunity for an informal review.

J. PREFERENCE DENIAL

If FHA denies a preference, FHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a review. The applicant will have ten (10) working days to request the meeting in writing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be denied housing and removed from the waiting list with notification to the family.

K. OFFER OF PLACEMENT ON THE SECTION 8 WAITING LIST

All programs owned, operated, managed by FHA maintain a common Waiting List. Applicants will be chosen and positioned by the programs priorities and preferences. When waiting lists are open, the FHA will encourage the applicant to apply for any housing that is available and that they qualify.

L. REMOVAL FROM WAITING LIST AND PURGING

The waiting list will be purged at least once a year by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

If an applicant fails to respond to the request for confirmation and continued interest, s/he will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply with the prescribed period and verification of such is received by FHA.

Notices will be made available in accessible format upon the request of a person with a disability. An extension to reply to the purge notification will be considered as an accommodation if requested by a person with a disability.

M. OFFER OF ACCESSIBLE UNITS

FHA has a limited number of units designed for persons with mobility, sight and hearing impairments, referred to as accessible units.

No non-mobility impaired families will be offered these units until all eligible mobility-impaired applicants have been considered.

Before offering a vacant accessible unit to a non-disabled applicant, FHA will offer such units:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;
- If there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with disabilities residing in another development under FHA's control, who has a disability that requires the special features of the vacant accessible unit;
- If there is no current resident who requires the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, vacant, accessible unit; .
- If there is not an eligible qualified resident or applicant with disabilities, needing the features of the vacant available unit on the waiting list who wishes to reside in the available accessible unit, then it will be offered to an applicant on the waiting list who does not need the accessible features of the unit. See 24 CFR 8.27. However, the FHA will require the applicant to execute the FHA public housing lease that requires to the resident to relocate to a vacant non-accessible unit within thirty (30) days of notice by the FHA that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit.

This requirement will be a provision of the lease agreement.

See "Leasing" chapter.

N. PLAN FOR UNIT OFFERS

The FHA plan for selection of applicants and assignment of dwelling units to assure equal opportunity and non-discrimination on grounds of race, color, sex, religion, or national origin is:

FHA shall select, assign and offer the first qualified applicant in sequence on the waiting list will be made three offers of a unit of the appropriate size.

If more than one unit of the appropriate type and size is available, the first unit to be offered will be the first unit that is ready for occupancy. If the unit is rejected, the applicant will be offered the second unit that is ready for occupancy. If the unit is rejected, the applicant will be offered the third unit that is ready for occupancy. Failure to accept the third offer will result in the application to be removed from the waiting list. The family will also lose any priority status.

FHA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

O. CHANGES PRIOR TO UNIT OFFER

Changes that occur during the period between certification of eligibility and an offer of a suitable unit may affect the family's eligibility or Total Tenant Payment and must be re-verified prior to making the offer. The family will be notified in writing of changes in their eligibility or level of benefits and offered their right to an informal review when applicable (See Chapter on Complaints, Grievances, and Appeals)

P. APPLICANT STATUS AFTER FINAL UNIT OFFER

When an applicant rejects the final unit offer FHA will:

Remove them from the waiting list.

Q. TIME-LIMIT FOR ACCEPTANCE OF UNIT

Applicant must accept a unit offer within two (2) working days of the date the offer is made.

Applicants Unable to Take Occupancy

If an applicant is willing to accept the unit offered, but is unable to take occupancy at the time of the offer for "good cause," the applicant will not be removed or repositioned on the waiting list.

Examples of "good cause" reasons for the refusal to take occupancy of a housing unit include, but are not limited to:

An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing. [24 CFR 945.303(d)]

Inaccessibility to source of employment or children's day care such that an adult household member must quit a job, drop out of an educational institution or a job training program;

The family demonstrates to FHA's satisfaction that accepting the offer will result in a situation where a family member's life, health or safety will be placed in jeopardy. The family must offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. The reasons offered must be specific to the family. Refusals due to the location of the unit alone are not considered to be good cause.

A qualified, knowledgeable, health professional verifies the temporary hospitalization or recovery from illness of the principal household member, other household members, or a live-in aide necessary to care for the principal household member.

The unit is inappropriate for the applicant's disabilities.

Applicants With a Change in Family Size or Status

Changes in family composition, status, or income between the time of the application and the offer of a unit will be processed. FHA shall not lease a unit to a family whose occupancy will overcrowd or underutilize the unit.

The family will take the appropriate place on the waiting list according to the date they first applied.

R. REFUSAL OF OFFER

If the unit offered is inappropriate for the applicant's disabilities, the family will retain their position on the waiting list.

If the unit offered is refused for other reasons, FHA will follow the applicable policy as listed in the "Plan for Unit Offers" section and the "Applicant Status After Final Offer" section.

Chapter 5

OCCUPANCY GUIDELINES

INTRODUCTION

The Occupancy Guidelines are established by FHA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from excessive wear and tear or underutilization. This Chapter explains the Occupancy Guidelines used to determine minimum and maximum unit sizes for various sized families when they are selected from the waiting list, or when a family's size changes, or when a family requests an exception to the occupancy guidelines.

A. DETERMINING UNIT SIZE

FHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom. FHA's Occupancy Guideline standards for determining unit size shall be applied in a manner consistent with Fair Housing guidelines.

For occupancy standards, an adult is a person 18 years or older, or an emancipated minor.

All guidelines in this section relate to the number of bedrooms in the unit. Dwelling units will be so assigned using the following guidelines:

Generally FHA will assign one bedroom to two people within the following guidelines:

Adults of different generations, persons of the opposite sex (other than spouses), and unrelated adults will not be required to share a bedroom.

Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship and children under 5).

Children of the same sex will share a bedroom.

Foster adults and/or foster children will not be required to share a bedroom.

Foster children will be included in determining unit size only if they will be in the unit for more than 6 months.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.

Space will not be provided for a family member who will be absent most of the time, such

as a member who is away in the military.

The living room will not be used as a bedroom except at the determination of the family and so long as it does not constitute an overcrowded unit.

GUIDELINES FOR DETERMINING BEDROOM SIZE

Bedroom Size	Persons in Household: (Minimum #)	Persons in Household: (Maximum #)
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	5	10

B. EXCEPTIONS TO OCCUPANCY STANDARDS

FHA will grant exceptions from the guidelines in cases where it is the family's request or the FHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances, and there is a vacant unit available. If an applicant requests to be listed on a smaller or larger bedroom size waiting list, the following guidelines will apply:

In all cases, where the family requests an exception to the general occupancy standards, FHA will evaluate the relationship and ages of all family members and the overall size of the unit.

The family may request to be placed on a larger bedroom size waiting list than indicated by the FHA's occupancy guidelines. The request must explain the need or justification for a larger bedroom size, and must be verified by FHA before the family is placed on the larger bedroom size list. FHA will consider these requests:

Person with Disability

FHA will grant an exception upon request as a reasonable accommodation for persons with disabilities if the need is appropriately verified.

Other Circumstances

Circumstances may dictate a larger size than the occupancy standards permit when:

Persons cannot share a bedroom because of a need for medical equipment due to its

size and/or function. Requests for a larger bedroom due to medical equipment must be verified by a doctor and will be processed similar to a reasonable accommodation.

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

FHA may house families in larger size units if there is not a need for the larger unit required by families currently in occupancy or from the waiting list. The smaller family is then required and agrees that they will move to another available unit after 30 days notice is given, should a family then qualify for the appropriate sized unit.

Larger units than required may be offered in order to improve the marketing of a development suffering a high vacancy or criminal activity rate.

All members of the family residing in the unit must be approved by FHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform FHA within 10 days.

C. ACCESSIBLE UNITS

FHA has a limited number of units designated for persons with mobility impairments. These units meet the needs of persons requiring the use of wheelchairs and persons requiring other modifications.

Preference for occupancy of these units will be given to families with disabled family members who require the modifications or facilities provided in the units.

No non-mobility-impaired families will be offered these units until all eligible mobility-impaired tenants and then applicants have been considered.

Accessible units will be offered and accepted by non-mobility impaired applicants only with the understanding that such applicants/tenants must accept a transfer to a non-accessible unit at a later date if a person with a mobility impairment requiring the unit applies for the accessible unit and is determined eligible.

D. FAMILY MOVES

When a change in the circumstances of a tenant family requires another unit size, the family's move depends upon the availability of a suitable size and type of unit. If the unit is not available at the time it is requested, the family will be placed on the Transfer List.

The unit considerations in this section should be used as a guide to determine whether and when the bedroom size should be changed. If an unusual situation occurs, which is not currently

covered in this policy, the case should be reviewed by the supervisor who will make determination after review of the situation, the individual circumstances, and the verification provided.

Transfers will be considered first, before referral of applicants from the Waiting List. However, due consideration shall be given to the number of vacant units prior to any transfer. If for any reason, the number of vacancies is significant to the extent that transfers would place FHA in a position of operational instability, restrictions such as a three to one (3:1) ratio of new move-ins from the Wait List to the number of transfers from within will be imposed in order to maintain the financial stability of the program and operations. The 3:1 ratio shall be maintained at either a site level or at a programmatic level, depending on the distribution of the vacancies and whether such vacancies are confined to a greater degree programmatically or within a specific site. The nature of transfers will also be considered even under these restrictions, as it is recognized that certain life-endangering conditions as may be cause for transfer cannot be restricted by operational objectives.

See chapter on Reexaminations for changes in unit size for existing residents.

Chapter 6

DETERMINATION OF TOTAL TENANT PAYMENT [24 CFR 5.609, 5.611, 5.613, 5.615]

INTRODUCTION

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

This Chapter defines the allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subpart F and further instructions set forth in HUD Notices, Memoranda and Addenda. However, the Quality Housing and Work Responsibility Act now give PHAs broader flexibility. FHA's policies in this Chapter address those areas that allow the PHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. MINIMUM RENT

The minimum rent for FHA is \$50. The minimum rent refers to a minimum total tenant payment and not a minimum tenant rent.

The Total Tenant Payment is the greater of:

30% of the adjusted monthly income

10% of the monthly income

The Minimum rent as established by FHA

The Total Tenant Payment does not include other charges.

FHA recognizes that in some instances even the minimum rent may create a financial hardship for families. FHA will review all relevant circumstances brought to the FHA's attention regarding financial hardship as it applies to minimum rent. The following section states the FHA's procedures and policies in regard to minimum rent financial hardship as set forth by the QHWRA.

FHA Procedures for Notification to Families of Hardship Exceptions

FHA will notify all participant families subject to a minimum rent of their right to request a minimum rent hardship exception under the law.

FHA notification will advise the family that hardship exception determinations are subject to FHA grievance procedures.

FHA will review all tenant requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent exception are required to be in writing.

Requests for minimum rent exception must state the family circumstances that qualify the family for an exception.

Exceptions to Minimum Rent

FHA will immediately grant the minimum rent exception to all families who request it.

The Minimum Rent will be suspended until FHA determines whether the hardship is:

Covered by statute

Temporary or long term

If FHA determines that the minimum rent is not covered by statute, FHA will impose a minimum rent including payment for minimum rent from the time of suspension.

FHA will use its standard verification procedures to verify circumstances that have resulted in financial hardship, such as loss of employment, death in the family, etc.

HUD Criteria for Hardship Exception

In order for a family to qualify for a hardship exception the family's circumstances must fall into one of the following criteria:

The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance;

The family would be evicted as a result of the imposition of the minimum rent requirement;

The income of the family has decreased because of changed circumstances, including:

Loss of employment

Death in the family

Other circumstances as determined by FHA or HUD

Temporary Hardship

If FHA determines that the hardship is temporary, a minimum rent will be imposed, including back payment from time of suspension, but the family will not be evicted for nonpayment of rent during the 90-day period commencing on the date of the family's request for exemption.

FHA defines temporary as less than 90 days.

Repayment Agreements for Temporary Hardship

FHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period.

If the family owes FHA money for rent arrears incurred during the minimum rent period, FHA will calculate the total amount owed and divide it by 3 to arrive at a reasonable payment increment that will be added to the family's regular monthly rent payment. The family will be required to pay the increased amount until the arrears are paid in full.

Minimum rent arrears that are less than \$50 will be required to be paid in full the first month following the end of the minimum rent period.

If the family goes into default on the repayment agreement for back rent incurred during a minimum rent period, FHA will reevaluate the family's ability to pay the increased rent amount and:

Determine whether the family has the means to meet the obligation and, if so determined, initiate eviction proceedings for nonpayment of rent; or

Determine that the repayment agreement is a financial hardship to the family and if so, restructure the existing repayment agreement.

FHA's policies regarding repayment agreements are further discussed in the chapter entitled "Family Debts to the PHA."

B. INCOME AND ALLOWANCES

Income: Includes all monetary and non-monetary income or benefit amounts that are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income that is not specifically excluded in the regulations is counted.

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual Income is used to determine whether or not applicants are within the

applicable income limits.

Adjusted Income is defined as the Annual Income minus any HUD allowable expenses and deductions.

HUD has six allowable deductions from Annual Income:

- A. \$480 for each dependent;
- B. \$400 for any elderly family or disabled family;
- C. For any family that is a disabled family, or has a member (other than the head or spouse) who is a person with a disability. A disability assistance expenses for unreimbursed amounts paid for attendant care, or auxiliary apparatus expenses for family members with disabilities, including the disabled member, where such expenses are necessary to permit an adult family member to be employed. The allowable expenses must be in excess of 3% of annual income. This allowance may not exceed the employment income received by the family members that is freed to go to work, who is at least 18 years of age.
- D. For any elderly or disabled family:
 - 1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
 - 2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
 - 3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- E. Childcare expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. (24 CFR 5.603(d)).
- F. The FHA does not provide for any optional deductions or allowances in the public housing program.

C. DISALLOWANCE OF EARNED INCOME FROM RENT (EID)

The annual income for qualified families may not be increased as a result of increases in earned income of a family member beginning on the date on which the increase in earned income begins and continuing for a cumulative 12-month period. For calculation purposes, the disallowance shall begin the first of the month after the employment begins. After the family receives 12 cumulative months of the full exclusion, annual income will include a phase-in of half the allowable earned income exclusion from annual income.

A family qualified for the earned income exclusion is a family that is receiving assistance under the public housing program; and

- Whose annual income increases as a result of employment of an adult family member and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by an adult family member 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 an adult family member during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality if it is higher than the federal minimum wage.

The HUD definition of economic self-sufficiency program is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member during participation in an economic self-sufficiency or job training program and may include increases that occur after participation provided the training provides assistance, placement, training or mentoring after the

training that leads to employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member. The incremental increase in income is calculated by comparing the amount of the family member's income before the beginning of qualifying employment (baseline) to the amount of such income after the employment.

Initial Twelve-Month Exclusion

During the cumulative 12-month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the FHA will exclude from annual income of a qualified family member any increase in income of the family member as a result of employment over the prior income of that family member (baseline).

Second Twelve-Month Exclusion and Phase-in

During the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, the FHA must exclude from Annual Income of a qualified family member, 50 percent of any increase in income of a family member who is a person with disabilities as a result of employment over the income of that family member prior to the beginning of such employment.

Maximum Four-Year Disallowance

The earned income disallowance is limited to a lifetime 48-month period for each family member. For each family member, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month phase-in exclusion).

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

Applicability to Child Care Expense Deductions

The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for childcare deduction in the case of the deduction that is allowed due to employment.

Applicability to Disability Expense Deductions

The amount deducted for disability expense deduction that is necessary to permit employment

shall not exceed the amount of employment income that is included in Annual Income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for the disability expense deduction.

Applicability to Families that Receive both Child Care Expense and Disability Deductions

The amount deducted for both childcare and disability expense deductions necessary to permit employment shall not exceed the amount of employment income that is included in Annual Income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for childcare deduction and disability expenses combined in the case of the deduction that is allowed due to employment.

Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

***Such documentation will include:**

- **Date the increase in earned income was reported by the family**
- **Name of the family member whose earned income increased**
- **Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income**
- **Amount of the increase in earned income (amount to be excluded)**
- **Date the increase in income is first excluded from annual income**
- **Date(s) earned income ended and resumed during the initial cumulative 12-month * period of exclusion (if any)**
- **Date the family member has received a total of 12 months of the initial exclusion**
- **Date the 12-month phase-in period began**
- **Date(s) earned income ended and resumed during the second cumulative 12-month period (phase-in) of exclusion (if any)**
- **Date the family member has received a total of 12 months of the phase-in exclusion**
- **Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)**

The FHA will maintain a tracking system to ensure correct application of the earned income disallowance.

It is a FHA policy decision to conduct an interim reexamination for income increases for the purpose of calculating the earned income disallowance.

Inapplicability to Admission

The earned income disallowance is only applied to determine the Annual Income of families who are participants in the public housing program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

D. INDIVIDUAL SAVINGS ACCOUNTS

FHA chooses not to establish a system of individual savings accounts for families who qualify for the disallowance of earned income.

E. TRAINING PROGRAMS FUNDED BY HUD

All training income from a HUD sponsored or HUD funded training program, whether incremental or not, is excluded from the resident's Annual Income while the resident is in training. Income from a Resident Services training program, which is funded by HUD, is excluded.

Upon employment with FHA, the full amount of employment income received by the person is counted, but subject to the earned income disallowance provisions.

F. AVERAGING INCOME

When Annual Income cannot be anticipated for a full twelve months, FHA will:

Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime that the employer cannot anticipate for the next twelve months, then the FHA will anticipate the income will include the bonuses and overtime received the previous year.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source, type of income and verification.

G. MINIMUM INCOME

There is no minimum income requirement. Families who report zero income or extremely low income are required to complete a written certification every 90 days that will be considered an interim recertification.

Families that report zero or extremely low income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

FHA may request credit checks for all adult members of families that report zero or extremely low income.

Where credit reports show credit accounts open and payments current, FHA will take action to investigate the possibility of unreported or underreported income, fraud or program abuse.

H. INCOME OF PERSON PERMANENTLY/TEMPORARILY CONFINED TO NURSING HOME

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, FHA will calculate the Total Tenant Payment by:

Excluding the income of the person permanently confined to the nursing home and not giving the family deductions for medical expenses of the confined family member.

If the family member is temporarily confined in a hospital or nursing home, FHA will calculate the TTP by:

Including the income of the person temporarily confined to the nursing home and giving the family the medical deductions allowable on behalf of the person in the nursing home, if they are an elderly or disabled family.

I. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609(a)(7)]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received on a consistent basis will be considered a "regular" contribution or gift regardless of the amount. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter on "Verification Procedures," for further definition.)

If the family's expenses exceed their known income, FHA will make inquiry of the family about regular contributions and gifts.

J. ALIMONY AND CHILD SUPPORT [24 CFR 5.609(a)(7)]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, FHA will use the amount that is determined to be received by the family.
FHA will accept as verification that the family is receiving an amount less than the award if:

FHA receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

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

K. LUMP-SUM RECEIPTS [24 CFR 5.609(b)(5), (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, are not included in income, but may be included in assets, if the amount has been invested in an allowable asset.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining that is invested will be considered an asset. Deferred periodic payments that have accumulated due to a dispute will be treated the same as periodic payments that are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

FHA uses a calculation method that calculates retroactively or prospectively depending on the circumstances.

FHA will calculate prospectively if the family reported the payment within 10 days and retroactively to date of receipt if the receipt was not reported within that time frame.

Prospective Calculation Methodology

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

The entire lump-sum payment will be added to the annual income at the time of the interim.

FHA will determine the percent of the year remaining until the next annual recertification as of the date of the interim (three months would be 25% of the year).

At the next annual recertification, FHA will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.

The lump sum will be added in the same way for any interims that occur prior to the next annual recertification.

Retroactive Calculation Methodology

FHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

FHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due FHA.

At FHA's option, FHA may enter into a Repayment Agreement with the family.

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

Attorney Fees

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

L. CONTRIBUTIONS TO RETIREMENT FUNDS – ASSETS

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

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum less the amount the employee contributed to the retirement.

M. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

FHA must count assets disposed of for less than fair market value during the two years preceding the date of divestiture. FHA will count the difference between the market value and the actual payment received for less than market value in calculating total assets.

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

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

FHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$5,000. If the total value of assets disposed of within the two-year period is less than \$5,000, they will not be considered an asset.

N. CHILD CARE EXPENSES

Child care expenses for children under 13 may be deducted from annual income, to determine adjusted income, if they enable an adult to work or attend school, or to actively seek employment.

In the case of a child attending private school, only after-hours care can be counted as child-care expenses.

Allowability of deductions for child care expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed cannot exceed the amount of earned income by the person enabled to work that is included in the family's annual income. **The "person enabled to work" will be the adult member of the household that is now released to perform work.**

Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school and study time, including reasonable travel time to and from school.

For determining reasonable child care expenses for education, training or seeking employment: The FHA will determine reasonable limits to be the amount determined by the state welfare agency. If the rate per child verified by the family exceeds the guideline, the FHA may use the state welfare agency's determination for the area to be the cap in order to calculate the allowance. Family's seeking employment shall be limited to 60 days of child care each year, and must provide additional documentation (verification) of where the family member has sought employment.

O. MEDICAL EXPENSES [24 CFR 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, or the amount that will be allowed, the current IRS Publication 502 will be used as a guide.

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnishes legible receipts with identification of the type of purchase.

Chiropractic services are included under IRS Publication 502 and will be considered allowable medical expenses.

P. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

An applicant mixed-family is entitled to prorated assistance. Tenant families that become mixed families by the addition of an ineligible member are entitled to prorated assistance.

Prorated Assistance Calculation

Prorated assistance will be calculated by subtracting the Total Tenant Payment from the applicable Maximum Rent for the unit the family occupies to determine the Family Maximum Subsidy. The specific method of prorating assistance for Public Housing covered programs is as follows:

1. Step 1. Determine total tenant payment in accordance with applicable public housing regulations, 24 CFR 960. (Annual Income includes income of all family members, including any family member who has not established eligible immigration status).
2. Step 2. Subtract the total tenant payment from a HUD-supplied "public housing maximum rent" applicable to the unit or the PHA. (This "maximum rent" is determined by HUD using the 95th percentile rent for the PHA. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").
3. Step 3. Divide the family's maximum subsidy by the number of persons in the family, all persons, to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ("eligible family member"). The subsidy, per eligible family member, is the "member maximum subsidy".
4. Step 4. Multiply the "member maximum subsidy" by the number of family members who have citizenship or eligible immigration status ("eligible family members").
5. Step 5. The product of steps 1 through 4, as set forth is the amount of subsidy for which the family is eligible ("eligible subsidy"). The family's rent is the "public housing maximum rent" minus the amount of the eligible subsidy.

Mixed families paying the flat rent shall not receive a prorated rent calculation. An adult member that is ineligible for assistance in a mixed family is also ineligible for an earned income disallowance.

Q. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

QHWRA revised the situations in which a PHA is required to reduce rent for special cases. In order to comply with the requirement, FHA will make income revisions for changes resulting from Welfare program requirements as follows:

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

- fraud by a family member in connection with the welfare program; or
- failure to participate in an economic self-sufficiency program; or
- noncompliance with a work activities requirement

However, the FHA will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with a general welfare agency requirements; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits; or
- A situation of an inadvertent overpayment.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income (new income) a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification Before Denying a Request to Reduce Rent

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

Cooperation Agreements

FHA has an unwritten cooperation agreement in place with the local welfare agency that assists the PHA in obtaining the necessary information regarding welfare sanctions.

R. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

If the cost of utilities (excluding telephone) is not included in the Tenant Rent, a utility allowance will be deducted from the total tenant payment. The Utility allowance is intended to help defray the cost of utilities not included in the rent. The allowances are based on the monthly cost of reasonable consumption utilities in an energy conservative household, not on a family's actual consumption.

When the Utility Allowance exceeds the family's Total Tenant Payment, FHA will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the utility company.

Resident-Paid Utilities

The following requirements apply to residents living in developments with resident-paid utilities or applicants being admitted to such developments:

If a resident or applicant is unable to get utilities connected because of a previous balance owed to the utility company, the resident/applicant will not be assigned a unit until the previous balance has been paid.

Paying the utility bill is the resident's obligation under the lease. Failure to pay utilities is grounds for eviction and is considered a health and safety violation. Utilities must be reinstated in 72 hours.

Reasonable Accommodations in Adjusting the Utility Allowances

It is the policy of the FHA to adjust the amount of tenant-paid utilities or PHA consumption levels for tenant allowances in documented situations when a qualified family is entitled to the adjustments. Such adjustments shall be made based on the qualification of the disabled individual's special need, and shall be no more than the difference of the usage of the reasonable cost of a reasonable increased consumption level for the additional required apparatus used to address the need.

S. FAMILY CHOICE IN RENTS

Authority for Family to Select

FHA shall provide for each family residing in a public housing unit to elect annually whether the rent paid by such family shall be 1) determined based on family income or 2) the flat rent. FHA may not at any time fail to provide both such rent options for any public housing unit owned, assisted or operated by FHA.

Annual choice: FHA shall provide for families residing in public housing units to elect annually whether to pay income-based or flat rent at the time of the annual recertification.

Allowable Rent Structures

Flat Rents

FHA has established, for each dwelling unit in public housing, a flat rental amount for the dwelling unit, which:

Is based on the rental value of the unit, as determined by FHA; and

Is designed so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

FHA shall review the income of families paying flat rent not less than once every three years.

Income-Based Rents

The monthly Total Tenant Payment amount for a family shall be an amount, as verified by the PHA, which does not exceed the greatest of the following amounts:

30 percent of the family's monthly adjusted income;

10 percent of the family's monthly income; or

FHA's Minimum TTP of \$50

Switching Rent Determination Methods Because of Hardship Circumstances

In the case of a family that has elected to pay FHA's flat rent, FHA shall immediately provide for the family to pay rent in the amount determined under income-based rent, during the period for which such choice was made, upon a determination that the family is unable to pay the flat rent because of financial hardship, including:

- Situations in which the income of the family has decreased because of changed circumstances, loss of or reduction of employment, death in the family, and

reduction in or loss of income or other assistance; or

- An increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; or
- Such other situations as may be determined by FHA.

All hardship situations will be verified.

Annual Reexamination

The family will be sent a form from FHA or provided a format at recertification, on which the family will indicate whether they choose flat rent or income-based rent. FHA form will state what the flat rent would be, and an estimate, based on current information, what the family's income-based rent would be.

The family's choice of the rent will be retained in the tenant file.

If the family indicates they choose income-based rent, a reexamination appointment will be scheduled according to FHA policy. The family during the reexamination will be provided information on the anticipated rent and may choose to pay flat rent prior to the new rent going into effect.

T. FHA'S FLAT RENT METHODOLOGY

FHA has set a flat rent for each public housing unit, based on an assessment of the unit and what the rent charge would be for a comparable unit in the unassisted market. The factors include location, size, amenities, utilities, services, age, building type, etc. The FHA shall review the flat rent schedule annually and make any adjustments to the schedule in the future.

Flat rents for public housing units are based on the market rent charged for comparable units in the private unassisted rental market. In other words, flat rent is the unsubsidized amount any landlord could charge and lease the unit promptly after preparation for occupancy.

Setting Flat Rents Properly (24 CFR 960.253(b))

To calculate a flat rent, FHA is required to take into consideration the following for each property:

- Location (this will include the value and quality of neighboring housing);
- Quality (need for rehabilitation);
- Unit size (both number of bedrooms and square footage);
- Unit type (Generally single-family units are valued the highest, with semi-detached and town-home next, then walk-up or garden-type apartments. Elevator buildings are usually considered the least popular for family housing, although that is not necessarily the case in mixed population housing.);

- Age of property;
- Amenities at the property and in immediate neighborhood (e.g. laundry facilities, child care, recreation room, play areas, open space, parking, public transportation, schools, shopping, etc.);
- Housing services provided;
- Maintenance provided by the FHA; and
- Utilities provided by the FHA.

In determining Flat Rent, FHA will use the following methods:

- FHA will use rent reasonableness data to establish flat rents for their units if they have Section 8 units located in the same neighborhoods as their public housing properties and they adjust for differences between the units
- FHA will have the rents established through other forms of market analysis using census data, surveys, and the expertise of market analysts or appraisers.
- Documentation on the method used to determine flat rents will be retained by the FHA
- There is no utility allowance or reimbursement with flat rents. Instead, the FHA takes the utility payment into consideration in setting the flat rents. In two otherwise identical properties, the flat rent would be higher for the property with FHA supplied utilities and lower for the property with tenant-paid utilities.

Annual Review of Flat Rents (24 CFR 960.253)

At least once each year the PHA is required to review flat rent levels and make adjustments as needed to ensure that flat rents continue to mirror market rent values. In some PHA neighborhoods, where private disinvestments are occurring, this could result in a reduction of flat rents. Conversely, if public and private investments are causing an increase in rental values near a public housing property, flat rents will rise.

Residents paying flat rents would not have their flat rents adjusted (up or down) until their annual reexamination, even if the re-determination of the flat rent amount is completed mid-year.

The Schedule of Flat Rents is posted at the public housing developments and designated posting areas within the FHA.

U. FHA'S CEILING RENT

FHA does not have ceiling rents.

Chapter 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230]

INTRODUCTION

The FHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The FHA must not pass on the cost of verification to the family.

The FHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary FHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the FHA.

PART I. GENERAL VERIFICATION REQUIREMENTS

A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the FHA or HUD determines is necessary to the administration of the program and must consent to FHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the FHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the FHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with FHA procedures.

B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy

HUD authorizes the FHA to use the following methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the FHA to use the most reliable form of verification that is available and to document the reasons when the FHA uses a lesser form of verification.

FHA Policy

Upfront Income Verification (UIV): The verification of income at admission or before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. HUD's **Enterprise Income Verification System (EIV)** is considered to be this method.

FHA will consult the EIV system on all applicants and participants. The EIV will be used to determine if the applicant/participant and members are in the HUD system, determine if they are being assisted by other programs in the HUD data-base, determine the income, and determine if they were previously being assisted by another PHA.

FHA shall use the streamlined verification system allowed by HUD whenever possible. The simplifying the income verification process is as follows:

- Tenant reports income and provides current documents
- FHA consults EIV system, and prints income details report (include in tenant file-except PHAs in Florida, who should print and maintain EIV ICN printout in the tenant file
- If additional information is not needed, the FHA uses the current tenant-provided documents to calculate anticipated annual income
- 3rd party verification is only required if:
 - The tenant disputes the EIV data
 - Additional information is required as determined by the FHA, such as
 - Effective dates of employment
 - Pay rate, number of hours worked, pay frequency for new jobs

- Confirmation of changes in circumstances (reduced hours, reduces rates of pay, etc.)

The FHA will use current tenant-provided documents or most current information to calculate anticipated annual income

In order of priority, the forms of verification that the FHA will use are:

1. **Enterprise Income Verification (EIV) + current tenant-provided documents**
2. **Enterprise Income Verification (EIV) + current tenant-provided documents + 3rd party verification** (Required when tenant disputes EIV data or FHA requires additional information)
3. **Enterprise Income Verification (EIV):** The verification of income at admission or before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.
4. **Third-Party Written:** The FHA's next choice to supplement the EIV is a written third party verification to substantiate claims made by an applicant or resident.
5. **Third-Party Oral:** The FHA may also use telephone verifications.
6. **Tenant Supplied Documents:** The FHA will review documents, when relevant, to substantiate the claim of an applicant or resident.
7. **Self-Certification:** A self-certification statement will be accepted **only when extensive attempts have been made to obtain all of the other methods above and no other form of verification is available.**

Each of the verification methods is discussed in subsequent sections below. The tables at the end of this chapter contain an excerpt from the notice that provides guidance with respect to how each method may be used.

Requirements for Acceptable Documents

FHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the FHA. The documents must not be damaged, altered or in any way illegible. All tenant supplied documents supplied should be dated within the last 60 days of the interview or reexamination. Pay stubs should be current and consecutive. For tenant supplied, the FHA requires at least 3 current consecutive pay stubs from the tenant for tenant supplied

earned income. An exception may be made for a new job in which the resident has not yet worked 3 pay periods.

The FHA will accept documents dated within 60 days from the date of the interview if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the FHA would accept the most recent report.

Printouts from web pages are considered original documents.

The FHA staff member who views the original document must make a photocopy and annotate the copy with the date the original was viewed.

Any family self-certifications must be made in a format acceptable to the FHA and must be signed in the presence of a FHA representative.

File Documentation

The FHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the FHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

C. ENTERPRISE INCOME VERIFICATION (EIV)

Enterprise income verification (EIV) refers to the FHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. EIV will be used to the extent that these systems are available to the FHA.

FHA Policy

The FHA will inform all applicants and participants of its use of the following EIV resources during the admission and reexamination process:

HUD's EIV System

Other 3rd Party Computer Matching

The FHA must restrict access to and safeguard EIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and EIV-generated information. In case of disputes, no adverse action can be taken against a family until the FHA has independently verified the EIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the FHA if requested.

Definition of Substantial Difference

EIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the EIV information. In "HUD Guidelines for Projecting Annual Income When EIV Data is Available" [HUD website, April 2004], HUD recommends using \$200 per month as the threshold for a substantial difference. The FHA will therefore use \$200 per month as the threshold for a substantial difference.

See Chapter 6 for the FHA's policy on the use of EIV to project annual income and for the FHA's threshold for substantial difference.

When No Substantial Difference Exists

If EIV information does not differ substantially from family information, the EIV documentation may serve as third-party written verification.

When a Substantial Difference Exists

When there is a substantial difference between the information provided by the EIV source and the family, the FHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

Use of HUD's Enterprise Income Verification (EIV) System

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the FHA to use the EIV system when available. The following policies will apply when the FHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and "exceeds threshold" reports.

Enterprise Income Verification (EIV) Reports

The data shown on EIV reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

FHA Policy

The FHA will obtain EIV reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular intake and reexamination process.

EIV reports will be compared to family-provided information as part of the annual reexamination process. EIV reports may be used in the calculation of annual income, as described in Chapter 6. EIV reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies

between EIV reports and family-provided information will be resolved as described in Chapter and in this chapter.

EIV reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits.

EIV reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the FHA determines through EIV reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

Exceeds Threshold Reports (ETRs)

The ETR is a tool for identifying families who may have concealed or under-reported income. Data in the ETR represents income for past reporting periods and may be between 6 months and 30 months old at the time ETRs are generated.

Families who have not concealed or under-reported income may appear on the ETR in some circumstances, such as loss of a job or addition of new family members.

FHA Policy

The FHA will generate and review ETRs on a monthly basis. The ETR threshold percentage will be adjusted as necessary based on the findings in the ETRs.

In reviewing ETRs, the FHA will begin with the largest discrepancies.

When the FHA determines that a participant appearing on the ETR has not concealed or under-reported income, the participant's name will be placed on a list of "false positive" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from ETR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the FHA will request third-party written verification of the income in question.

When the FHA determines through ETR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security Number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

FHA Policy

The FHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The FHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the FHA determines that discrepancies exist due to FHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the FHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

FHA Policy

The FHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The FHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The FHA will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 10 business days to respond in writing. If a response has not been received by the 11th business day, the FHA will request third-party oral verification.

The FHA will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, FHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the FHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, the FHA will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6th business day, the FHA will use any information provided orally in combination with reviewing family-provided documents.

When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, the FHA will use the information from documents on a provisional basis. If the FHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the FHA will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of the FHA's interim reexamination policy.

When Third-Party Verification is Not Required

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Certain Assets and Expenses

The FHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

The FHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification.

FHA Policy

The FHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$500 annually **and** the family has original documents that support the declared amount.

Certain Income, Asset and Expense Sources

The FHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification. For example, the FHA will rely upon review of documents when the FHA determines that a third party's privacy rules prohibit the source from disclosing information.

FHA Policy

The FHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense **and** the family has original documents that provide the necessary information.

If the family cannot provide original documents, the FHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost.

E. REVIEW OF DOCUMENTS

Using Review of Documents as Verification

FHA Policy

If the FHA has determined that third-party verification is not available or not required, the FHA will use documents provided by the family as verification.

The FHA may also review documents when necessary to help clarify information provided by third parties. In such cases the FHA will document in the file how the FHA arrived at a final conclusion about the income or expense to include in its calculations.

F. SELF-CERTIFICATION

FHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the FHA.

The FHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the FHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a FHA representative or FHA notary public.

PART II. VERIFYING FAMILY INFORMATION

G. VERIFICATION OF LEGAL IDENTITY

FHA Policy

The FHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) U.S. passport Employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the FHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the FHA and be signed in the presence of a FHA representative or FHA notary public.

Legal identity will be verified on an as needed basis.

H. SOCIAL SECURITY NUMBERS [24 CFR 5.216]

For every family member, the family must provide documentation of a valid social security number (SSN), or a self-certification stating that no SSN has been issued. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

FHA Policy

The FHA requires review of the original, however, FHA will also accept the following documents as evidence if the SSN is provided on the document:

Driver's license

Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union

Payroll stubs

Benefit award letters from government agencies; retirement benefit letters; life insurance policies

Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, the FHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The FHA will require documentation of the SSN within 60 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

FHA Policy

The FHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 60-day period, the FHA will grant an additional 60 calendar days to provide documentation.

Social Security Numbers must be verified only once during continuously-assisted occupancy.

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination. In addition, if a child reaches the age of 6 and has no SSN, the parent or guardian must execute a self-certification stating that the child has no SSN at the next regularly scheduled reexamination.

The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

I. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

FHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the FHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

J. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

FHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

FHA Policy

Certification by the head of household is normally sufficient verification. If the FHA has reasonable doubts about a marital relationship, the FHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

Separation or Divorce

FHA Policy

Certification by the head of household is normally sufficient verification. If the FHA has reasonable doubts about a separation or divorce, the FHA will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

FHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster Adults

FHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

K. VERIFICATION OF STUDENT STATUS

FHA Policy

The FHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or co-head, or

The family claims a child care deduction to enable a family member to further his or her education.

The family claims an income exclusion because the student is receiving earned income and only the first \$480 is included as income.

L. DOCUMENTATION OF DISABILITY

The FHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The FHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The FHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the FHA receives a verification document that provides such information, the FHA will not place this information in the tenant file. Under no circumstances will the FHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance

- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

FHA Policy

For family members claiming disability who receive disability benefits from the SSA, the FHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system when it is available. If documentation from HUD's EIV System is not available, the FHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the FHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the FHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603.

FHA Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

M. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and FHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. Verification of non-citizens having temporary status will need to be re-verified prior to the expiration date. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The FHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

FHA Policy

Family members who claim U.S. citizenship or national status will be required to provide additional documentation such as a birth certificate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible non-citizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

FHA Verification

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the FHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The FHA will follow all USCIS protocols for verification of eligible immigration status.

N. VERIFICATION OF PREFERENCE STATUS

Not Applicable to the FHA.

PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides FHA policies that supplement the general verification procedures specified in Part I of this chapter.

O. EARNED INCOME

Tips

FHA Policy

When paystubs or employer print-outs are used to verify earnings, three (3) consecutive current paystubs will be required to calculate annual income from earnings. This method will be used regardless of frequency (i.e. weekly, bi-weekly, semi-monthly, monthly). Income will be annualized using these paystubs or employer records. Exceptions to this method will be documented in the tenant file.

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

Interruption of employment due to temporary leave of absence (i.e. maternity leave, short-term disability): upon verification that earnings have stopped, an interim will be conducted to remove the income. The family may be required to complete a Zero/Extremely Low Income Questionnaire/Certification. The family is required to report any other income received in lieu of earnings. The family will be required to report when the income starts again. At that time an interim will be conducted to add the income back into the family budget.

P. BUSINESS AND SELF-EMPLOYMENT INCOME

FHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

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.

The FHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the FHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the FHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the FHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

Q. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

FHA Policy

To verify the SS/SSI benefits of applicants, the FHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the FHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to the FHA.

To verify the SS/SSI benefits of participants, the FHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems, the FHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the FHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to the FHA.

R. ALIMONY OR CHILD SUPPORT

FHA Policy

The way the FHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order.

If payments are made through a state or local entity, the FHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments

Verification of Child Support payments may be obtained electronically from the Child Support enforcement web site. The FHA must have the participants case number and along with entering the case number the last four digits of the participants Social Security number must be entered. This is only for court support payments in North Carolina.

Third-party verification from the person paying the support

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules

Copy of the latest check and/or payment stubs

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 the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

S. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The FHA needs to verify only those certifications that warrant documentation.

FHA Policy

The FHA will verify the value of assets disposed of only if:

The FHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the FHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The FHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the FHA will verify the value of this asset.

T. NET INCOME FROM RENTAL PROPERTY

FHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the FHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

W. RETIREMENT ACCOUNTS

FHA Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the FHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled

statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the FHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the FHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

X. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The FHA must obtain verification for income exclusions only if, without verification, the FHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the FHA will confirm that FHA records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

FHA Policy

The FHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, the FHA will report the amount to be excluded as indicated on documents provided by the family.

Y. ZERO ANNUAL INCOME STATUS

Families claiming to have no annual income will be required to execute verification forms or FHA executes an EIV search to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

PART IV. VERIFYING MANDATORY DEDUCTIONS

Z. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the FHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 for a full discussion of this deduction. The FHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. The FHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

AA. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

FHA Policy

The FHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the FHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The FHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the FHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The FHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 for the FHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

FHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

Expenses Incurred in Past Years

FHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the FHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

BB. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

FHA Policy

The FHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

FHA Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus

If third-party is not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the FHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described above).
- The expense permits a family member, or members, to work.
- The expense is not reimbursed from another source.
- The expense does not exceed the amount of the earned income of the individual freed for work.

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The FHA will verify that the expense is incurred for a person with disabilities .

Family Member(s) Permitted to Work

The FHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

FHA Policy

The FHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

FHA Policy

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

CC. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the FHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.

- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable if seeking employment or furthering education.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The FHA will verify that the child being cared for (including foster children) is under the age of 13.

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

FHA Policy

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

The FHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

FHA Policy

Information to be Gathered

The FHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the FHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the FHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the FHA any reports provided to the other agency.

In the event third-party verification is not available, the FHA will provide the family with a form on which the family member must record job search efforts. The FHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The FHA will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

Gainful Employment

The FHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

FHA Policy

The FHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6.

The FHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The FHA will verify the child care provider is not a family member residing in the household. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted for seeking employment or furthering education.

FHA Policy

The actual costs the family incurs will be compared with the FHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable. FHA will use local welfare agency guidelines.

If the family presents a justification for costs that exceed typical costs in the area, the FHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
Wages/Salaries	<p>Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.</p> <p>Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information.</p> <p>Use of HUD systems, when available.</p>	<p>The FHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.</p> <p>The FHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The FHA mails the form to SSA and the statement will be sent to the address the FHA specifies on the form.</p>	<p>In the event the independent source does not respond to the FHA's written request for information, the FHA may contact the independent source by phone or make an in person visit to obtain the requested information.</p>	<p>When neither form of third party verification can be obtained, the FHA may accept original documents such as consecutive pay stubs (HUD recommends the FHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>	<p>The FHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
<p>Verification of Employment Income: The FHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.</p> <p>Effective Date of Employment: The FHA should always confirm start and termination dates of employment.</p>					
Self-Employment	Not Available	<p>The FHA mails or faxes a verification form directly to sources identified by the family to obtain income information.</p> <p>Resident should still complete 9886 form.</p>	The FHA may call the source to obtain income information.	<p>The FHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income.</p> <p>Note: The FHA must document in the tenant file the reason third party verification was not obtained.</p>	<p>The FHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
<p>Verification of Self-Employment Income: Typically, it is a challenge for FHA to obtain third party verification of self-employment income. When third party verification is not available, the FHA should always request a notarized tenant declaration that includes a perjury statement.</p>					
<p>Social Security Benefits and Supplemental Security Income (SSI) Benefits</p>	<p>Use HUD EIV to obtain current benefit history and discrepancy reports.</p>	<p>The FHA mails or faxes a verification form directly to the local SSA office to obtain Social Security benefit information.</p> <p>(Not Available in some areas because SSA makes this data available through EIV SSA encourages FHA to use EIV.)</p>	<p>The FHA may call SSA, with the tenant on the line, to obtain current benefit amount.</p> <p>(Not Available in some areas because SSA makes this data available through EIV. SSA encourages FHA to use EIV.)</p>	<p>The FHA may accept an original SSA Notice from the tenant.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>	<p>The FHA may accept a notarized statement or affidavit from the tenant that declares monthly Social Security benefits.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
<p>Welfare Benefits</p>	<p>Use of Computer Matching Agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail, fax, or in person.</p>	<p>The FHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.</p>	<p>The FHA may call the local Social Services Agency to obtain current benefit amount.</p>	<p>The FHA may review an original award notice or printout from the local Social Services Agency provided by the tenant.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>	<p>The FHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
<p>Child Support</p>	<p>Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.</p>	<p>The FHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.</p>	<p>The FHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.</p>	<p>The FHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>	<p>The FHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
<p>Unemployment Benefits</p>	<p>Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person.</p> <p>Use of HUD systems, when available.</p>	<p>The FHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.</p>	<p>The FHA may call the State Wage Information Collection Agency to obtain current benefit amount.</p>	<p>The FHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>	<p>The FHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits.</p> <p>Note: The FHA must document in the tenant file, the reason third party verification was not available.</p>

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
Pensions	Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person.	The FHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information.	The FHA may call the pension provider to obtain current benefit amount.	The FHA may review an original benefit notice from the pension provider provided by the tenant. Note: The FHA must document in the tenant file, the reason third party verification was not available.	The FHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. Note: The FHA must document in the tenant file, the reason third party verification was not available.

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
Assets	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The FHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information.	The FHA may call the source to obtain asset and asset income information.	The FHA may review original documents provided by the tenant. Note: The FHA must document in the tenant file, the reason third party verification was not available.	The FHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. Note: The FHA must document in the tenant file, the reason third party verification was not available.

Income Type	Enterprise Income Verification Level 5	Written Third Party Level 4	Oral Third Party Level 3	Document Review Level 2	Tenant Declaration Level 1
Comments	Whenever HUD makes available wage, unemployment, and SSA information, the FHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review.	<p>Note: The independent source completes the form and returns the form directly to the FHA</p> <p>The tenant should not hand carry documents to or from the independent source.</p>	The FHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount.		<p>The FHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful.</p> <p>Notarized statement should include a perjury penalty statement.</p>
<p>Note: FHA will not pass verification costs along to the participant.</p>					
<p>Note: In cases where the FHA cannot reliably project annual income, the FHA may elect to complete regular interim reexaminations.</p>					

**EXHIBIT 7-2: SUMMARY OF DOCUMENTATION REQUIREMENTS
 FOR NONCITIZENS [PH GB, pp. 5-9 and 5-10]**

<ul style="list-style-type: none"> • All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the FHA. • Except for persons 62 or older, all noncitizens must sign a verification consent form • Additional documents are required based upon the person's status. 	
<p>Elderly Noncitizens</p> <ul style="list-style-type: none"> • A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits. 	
<p>All other Noncitizens</p> <ul style="list-style-type: none"> • Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below. 	
<ul style="list-style-type: none"> • Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> • “Admitted as a Refugee Pursuant to Section 207” • “Section 208” or “Asylum” • “Section 243(h)” or “Deportation stayed by Attorney General” • “Paroled Pursuant to Section 221 (d)(5) of the USCIS” 	<ul style="list-style-type: none"> • Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> • A final court decision granting asylum (but only if no appeal is taken); • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90); • A court decision granting withholding of deportation; or • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).
<ul style="list-style-type: none"> • Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”. 	<ul style="list-style-type: none"> • Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.
<ul style="list-style-type: none"> • A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or • Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the <i>Federal Register</i> 	

Chapter 8

TRANSFER POLICY

INTRODUCTION/GENERAL TRANSFER POLICY

It is the policy of FHA to permit a resident to transfer under certain conditions and to fulfill operational or regulatory requirements.

1. Transfers will be made without regard to race, color, national origin, sex, religion, or familial status. Residents can be transferred to accommodate a disability.
2. Residents will not be transferred to a dwelling unit of equal size except to alleviate hardship of the resident or other undesirable conditions as determined by the Executive Director or designee.
3. Residents will receive one offer of a transfer. Refusal of that offer without good cause will result in lease termination for mandatory transfers or the removal of the household from the transfer list for voluntary transfers.

FHA will always consider a request to transfer as a reasonable accommodation for a person with a disability. Except in emergency situations, Property Management may deny transfers when the **family is not in good standing with FHA due to serious or repeated lease violations**. This may include non-payment of rent, housekeeping, history of disturbances, destruction property, etc.

It is the policy of the FHA not to grant a unit transfer simply to accommodate neighbors who "cannot get along." Activities of the neighbors that impede the rights of others to the peaceful enjoyment of their unit will be treated as a lease violation and cause for termination of tenancy.

Whenever feasible, transfers will be made within a resident's area.

For purposes of this transfer policy the "sending development" refers to the unit the family is leaving and the "receiving development" refers to the unit to which the family is transferring.

Security Deposits

1. Families transferring to another development must have paid the security deposit in full at the sending development.
2. FHA will charge the families for any damages to the previous unit.
3. Security deposits will be transferred to the new account for the unit to be occupied.
4. The family is responsible to pay in full for all damages left in the previous unit.

A. TYPES OF TRANSFERS

The order in which families are transferred shall be subject to the hierarchy by category set forth below.

Emergency Transfers are **mandatory** when FHA determines that conditions pose an immediate threat to resident life, health or safety. Emergency transfers may be made to: permit repair of unit defects hazardous to life, health, or safety; alleviate verified disability problems of a life threatening nature; or protect members of the household from attack by the criminal element in a particular property or neighborhood.

FHA will authorize an emergency transfer for a participant family when the resident's unit has been damaged by fire, flood, or other cause to such degree that the unit is not habitable, provided that the damage was not the result of an intentional act on part of the resident, resident's family, or guests of the resident.

These transfers shall take priority over new admissions.

Category 1 Administrative transfers include **mandatory** transfers to: remove residents who are witnesses to crimes and may face reprisals; provide housing options to residents who are victims of hate crimes or extreme harassment; alleviate verified medical problems of a serious (but not life-threatening) nature; permit modernization or demolition of units; or permit a family that requires a unit with accessible features to occupy such a unit.

These transfers shall take priority over new admissions.

Requests for these transfers will be made to the FHA with necessary documentation to substantiate the need for such transfers. Transfers may also be initiated by FHA (e.g. moving a person with mobility problems to a unit with accessible features).

Category 2 Administrative transfers correct serious occupancy standards problems.

These transfers will take priority over new admissions.

Category 2 transfers will only be made if the family size is so small that it includes fewer persons than the number of bedrooms, or so large that the household members over age 5 would equal more than two persons per bedroom. **These transfers are mandatory.**

If a family's size is between the smallest and largest size permissible for the unit, the family may request a transfer, but it shall be considered a Category 3 transfer.

Category 3 Administrative transfers may be made to: avoid concentration of the most economically and socially deprived families, correct occupancy standards, or address situations that interfere with peaceful enjoyment of the premises.

These transfers will not take priority over new admissions.

They will be processed at the rate of not to impose an administrative or maintenance burden on FHA.

B. TRANSFER WAIT LIST MANAGEMENT

A staff person will be designated as the Transfer List Coordinator. This person will be responsible for maintaining the Transfer Wait List, communicating with Eligibility/Maintenance, initiating the offer process and assuring all of the necessary documentation is completed.

1. In certain circumstances, transfers will be considered first before referral for the waiting list. However, due consideration shall be given to the number of vacant units prior to any transfer.
2. If for any reason the number of vacancies is significant to the extent that the transfers would place the Authority in a position of operational instability, restrictions such as a three to one (3:1) ratio of new move-ins from the waiting list to transfer from within will be imposed to maintain financial stability of the program and operations (97-98% lease-up to be used as a guideline).
3. The nature of transfers will also be considered even under these restrictions, as it is recognized that certain life endangering conditions, as may be cause for transfer cannot be restricted by operational objectives.

C. TRANSFER REQUEST AND APPROVAL PROCEDURE

1. A centralized transfer waiting list will be administered by FHA's occupancy staff are responsible for submitting requests for transfer including necessary documentation, to the central transfer administrator.

2. Transfers will be sorted into their appropriate categories by FHA. Admissions will be made in the following order:

- First: Emergency transfers, then
- Category 1 Administrative Transfers,
- Category 2 Administrative Transfers,
- Category 3 Administrative Transfers

Within each category, transfer applications will be sorted by the date the completed file (including any verification needed) is received by FHA.

3. Category 2 transfers to correct occupancy standards may be recommended at time of re-examination or interim redetermination.

4. Residents in a Category 2 over/under housed status will be advised in writing that a transfer is recommended and that the family has been placed on the transfer list.

5. When a head of a household, originally housed in a bedroom by him/herself, has or adopts a child, the family will not be approved for a Category 2 transfer until the child is two (2) years of age. Exceptions: spouse or partner returns to the unit, marriage takes place, or family decides to remain in the unit and the unit is large enough (using the smallest-unit standard) to accommodate the number of persons now in the household.

6. The ratio of transfer to admission shall be determined based on the need and vacancies of the FHA, however as a general rule of thumb, the FHA will try and maintain a 3:1 ratio.

Transfer Processing Request Forms

1. Residents applying for a transfer will submit a **Transfer Request Form** to their Property Manager or designated person stating the reason a transfer is being requested. Forms are not to be submitted for possible future events such as birth of a child or may get a live-in aide. The Transfer Request Form will also be used to document requests initiated by the FHA.
2. The property manager will evaluate the request and obtain the proper verification to determine if a transfer is justified. (Refer to General Statement.) If the interview/verification process reveals that there is a problem at the family's present

site, the manager will address the problem and once solved to the manager's satisfaction, the request for transfer may be approved, otherwise the request will not be approved based on the criteria.

3. All transfer requests must be forwarded to the Transfer List Coordinator on a timely basis with the appropriate documentation attached. This will assure proper placement on the wait list. If documentation cannot be obtained within 30 calendar days of the request, a new request (date and time) must be submitted.
4. The approved transfer request form will be kept in a file arranged by rank order of Transfer List, date and time of the request, and then by bedroom size.
5. If the request is approved, the Transfer List Coordinator will send the family a Transfer List Notification stating that their name has been placed on the transfer list for the reason and/or bedroom size needed.
6. If the request is denied, the Transfer List Coordinator will send the family a Transfer List Notification stating the reason for denial, and offering the family an opportunity for an informal conference if they disagree with the decision.

D. GOOD RECORD REQUIREMENT FOR TRANSFERS

1. In general, and in all cases of all resident-requested transfers, residents will be considered for transfers only if the head of household and any other family members for the past two years:
 - have not engaged in criminal activity that threatens the health and safety of residents and staff;
 - do not owe back rent or other charges, or evidence a pattern of late payment;
 - meet reasonable housekeeping standards and have no housekeeping lease violations; and
 - can get utilities turned on in the name of the head of household (applicable only to those select properties with tenant-paid utilities).
2. Exceptions to the good record requirements may be made for emergency transfers or when it is to FHAs advantage to make the transfer. The exception to the good record requirement will be made by the FHA's Executive Director taking into account the recommendation of the Manager.

Absent a determination of exception, the following policy applies to transfers:

- If back rent is owed, the resident will not be transferred until a payment plan is established or, if prior payment plans have failed, back rent is paid in full.

- A resident with housekeeping standards violations will not be transferred until he/she passes a follow-up housekeeping inspection.

E. INCENTIVE TRANSFERS

(Not Applicable)

F. WAIT LIST MAINTENANCE AND OFFER PROCESS

The Transfer List Coordinator may request the resident's file for review, prior to making a decision on the requested transfer. (Refer to General Statement.)

ACCEPTING AN OFFER

- A. The Transfer List Coordinator will contact the receiving property manager or designated individual regarding the unit available for transfer. The Transfer List Coordinator will contact the resident and schedule an appointment for showing the unit. **The appointment should be scheduled within two (2) working days.**
- B. The Resident will be given **24 hours to accept the unit after the appointment.**
- C. The time frame between the “**appointment to show the unit**” and “**lease-up**” should be as short as possible, and keys for the former unit should be returned **within 72 hours of signing the new lease.**
- D. Efforts will be made to schedule the transfer over a weekend when possible, or to show the resident the unit when it becomes vacant (will allow more time to prepare for the move).

Example: Wednesday/Thursday – Appointment – Resident accepts the unit.

Friday – Resident signs lease for new unit and is given keys.

Monday – Keys for former unit returned and inspection completed.

1. If over 72 hours, the situation must be discussed with the Executive Director for an extension. If approved, the extension and reason must be documented.
 2. If not approved, the appropriate information must be documented and the proper action on the Transfer Wait List will be taken (see Refusing an Offer above).
- E. **All personal belongings must be removed from the unit**, the unit must be left in as close to move-in conditions, excepting normal wear and tear, and keys returned at the end of the 72 hour period, otherwise, charges will be assessed.

REFUSING AN OFFER

If a family is on the transfer list and refuses an offered unit, they will be removed from the transfer list unless FHA determines that the refusal was made for good cause. If so, the family will be allowed to remain in their unit and will remain on the transfer list until another unit is

offered. All offers will be documented and reason for refusal will be documented. If the family refuses a second offer, their name will be removed from the Transfer Wait List in accordance with Lease.

Good cause may be any of the following reasons:

- The new unit is more than 5 miles from the place of employment of at least one member of the family.
- The new unit is more than 5 miles from the school or job training program that at least one adult member of the family is attending.
- Travel to the doctor from the new unit would create a hardship for an elderly or disabled person.

The inconvenience or undesirability of changing schools for any minor child will not be considered good cause.

G. PROCESSING IN AND OUT OF DEVELOPMENTS

A transfer will require good coordination and communication between the developments. The developments must have a definite agreement as to when the receiving development will “transfer” the resident

A transfer between developments will not be considered a move-out.

- There will be no lapsed time between move-out and move-in. Effective dates must not overlap nor will both developments carry the resident on their books at the same time.
- The resident's records will show a continuous residence in public housing in one development or the other, but not in both developments at the same time.

The transferred resident, between public housing developments, does not have to meet the admission eligibility requirements pertaining to income or preference.

Rent Adjustments

FHA will notify the resident of the rent change by use of a new Lease. The rent will be pro-rated as outlined in Section 1 of the Lease Agreement.

Reexamination Date

The date of the transfer does not change the reexamination date.

H. GRIEVANCE RIGHTS

Families disagreeing with the determination may grieve the decision. See Chapter 13, Complaints, Grievances and Appeals.

I. EXTRAORDINARY CIRCUMSTANCES

Does not apply to FHA.

J. COST OF TRANSFERS

Residents shall bear the cost of transfers to correct occupancy standards, resident requested transfers, and voluntary transfers. Transfers requested or required by FHA will be paid for or made by FHA. Transfers required for reasonable accommodation will be paid for the FHA. The resident will pay all moving costs related to the transfer, except when the transfer is due to inhabitability, through no fault of the resident, or the need of FHA.

Chapter 9

LEASING [24 CFR 966.4]

INTRODUCTION

It is FHA's policy that all units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations [24 CFR Part 966]. This Chapter describes pre-leasing activities and the FHA's policies pertaining to lease execution, security deposits, other charges, and additions to the lease.

A. GENERAL LEASING POLICY

A. General Terms

1. All units must be occupied pursuant to a lease that complies with HUD's regulations.
2. The lease shall be signed by the head, spouse, and/or co-head of the household and by the Executive Director or other authorized representative of FHA, prior to actual admission.¹
3. If a resident transfers from one FHA unit to another, a new lease will be executed for the dwelling into which the family moves, except in the event of a temporary fire transfer.
4. If at any time during the life of the lease agreement, a change in the resident's status results in the need for changing or amending any provision of the lease, either:
 - (a) A new lease agreement will be executed, or
 - (b) A Notice of Rent Adjustment will be executed, or
 - (c) An appropriate rider will be prepared and made a part of the existing lease.

All copies of such riders or insertions are to be dated and signed by the Resident(s) and by the Executive Director or other authorized representative of FHA.

5. Residents must advise FHA if they will be absent from the unit for more than 14 days. Residents shall notify the manager, secure the unit and provide a means for FHA to contact the resident in an emergency. Failure to advise FHA of an extended absence is grounds for termination of the lease.

B. Showing Units Prior to Leasing

1. When offering units, FHA will provide the applicant with a brief property description and other information to help orient the applicant to the neighborhood and location in the property. If the offer of a unit is preliminarily accepted by the applicant, FHA will contact the applicant to set up a date to show the unit.
2. Once the unit is shown and the applicant accepts the unit, FHA will execute a lease. If the applicant refuses the unit, a signed reason for refusal should be obtained from the applicant. The form is then evaluated by FHA for a “good cause” determination.
3. No lease will have an effective date before the unit is ready for occupancy ².

C. Occupancy, Additions to the Household and Visitors

1. Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit ³.
 - Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.
 - Also included in requested approval would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support ⁴.
 - All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.
2. When a resident requests approval to add a new person to the lease, FHA will conduct pre-admission screening of any proposed new adult member to determine whether the FHA will grant such approval.

Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are still required to comply with the pre-admission screening process.

3. Examples of situations where the addition of a family or household **member is subject to screening** are:
 - Resident plans to be married and requests to add the new spouse to the lease;
 - Resident desires to add a new family member to the lease, requests a live-in aide, or take in a foster child(ren) over the age for which juvenile justice records are available;
 - A unit is occupied by a remaining family member(s) under age 18 (who is not an emancipated minor) and an adult, not a part of the original household, requests permission to take over as the head of the household;

4. Residents who fail to notify FHA of additions to the household or who permit persons to join the household without undergoing screening are violating of the lease. Persons added without FHA approval will be considered unauthorized occupants and the entire household will be subject to eviction ⁵.

5. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on FHA premises that would be a lease violation.

- Visits of less than seven days need not be reported to or approved by the Manager.
- Visits of more than seven days but less than fourteen days per calendar year are permitted, provided they are reported to the FHA within 72 hours and authorized by the FHA.
- Visits of more than 14 calendar days per calendar year shall be authorized only by the Executive Director with advance documentation of extenuating circumstances.
- Visitors remaining beyond this period shall be considered unauthorized occupants and the head of the household shall be guilty of a breach of the lease.

6. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is ground for termination of the lease ⁶.

7. Residents will not be given permission to allow a former resident of FHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is ground for termination of the lease.

8. Family members over age 17 or emancipated minors who move from the dwelling unit to establish new households shall be removed from the lease ⁷.

- The resident shall report the move-out within 10 calendar days of its occurrence.
- These individuals may not be readmitted to the unit and must apply as a new applicant household for placement on the waiting list.
- Medical hardship, or other extenuating circumstances shall be considered by FHA in making determinations under this area.

B. LEASE ORIENTATION

Prior to the occupancy of the unit and before the execution of the lease, a FHA representative will provide a lease orientation to the family head and spouse. The orientation may be conducted with more than one family.

Orientation Agenda

When families attend the lease orientation, they will be provided with:

- A copy of the Lease
- A copy of the FHA's grievance procedure
- A copy of the House Rules

Topics to be discussed will include, but are not limited to:

- Applicable deposits and other charges
- Provisions of the Lease
- Unit maintenance and work orders
- Terms of occupancy
- Community Service Requirements
- Pet Policy
- Lead-base paint provisions

C. LEASE REQUIREMENTS

The initial term of the lease will be for 12 months. The month-to-month lease will renew automatically for 12-month terms with the following exception:

FHA will not renew the lease if the family has violated the community service requirement (24 CFR 966.4).

Because the community service requirements and other provisions that change in the regulations, the lease does not automatically renews for terms of 12 months, and an annual signing process is required.

The lease further provides for termination and eviction at the end of any 12-month lease term for non-compliance with the community service requirements at 24 CFR Part 960, Subpart F and Chapter 15 of this Admissions and Continued Occupancy Policy.

D. EXECUTION OF LEASE

The lease shall be executed by the head of household, spouse, and by an authorized representative of FHA, prior to admission.

The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

An appointment will be scheduled for the parties to execute the lease. One executed copy of the lease will be given to the tenant, and FHA will retain one in the tenant's file. The lease is incorporated into this policy by reference. The lease document will reflect current FHA policies as well as applicable Federal, State and Local law.

The following provisions govern lease execution and amendments:

- A lease is executed at the time of admission for all new tenants.
- A new lease is executed at the time of the transfer of a tenant from one FHA unit to another (with no change in reexamination date).
- If, for any reason, any signer of the lease ceases to be a member of the household, the lease will be terminated and a new lease may be executed with the remaining members, so long as they meet the program requirements.
- Lease signers must be persons legally eligible to execute contracts.
- The names and date of birth of all household members are listed on the lease at initial occupancy and on the Application for Continued Occupancy each subsequent year. Only those persons listed on the most recent certification shall be permitted to occupy a dwelling unit.
- Changes to tenant rents are made upon the preparation and execution of a "Notice of Rent Adjustment" by FHA, which becomes an attachment to the lease. Documentation will be included in the tenant file to support proper notice.
- Households that include a Live-In Attendant will contain file documentation that the Live-In Attendant is not a party to the lease and is not entitled to FHA assistance, with the exception of occupancy while serving as the attendant for the disabled or qualified family member.

FHA may modify its form of lease from time to time, giving tenants an opportunity to comment on proposed changes and advance notice of the implementation of any changes. A tenant's refusal to accept permissible and reasonable lease modifications, or those modifications required by HUD, is grounds for termination of tenancy.

E. ADDITIONS TO THE LEASE

Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit⁸. This includes situations in which a tenant is granted custody of a child or children not previously listed on the application or lease and situations in which a person (often a relative) came to the unit as a visitor but stayed because the tenant needed support, for example, after a medical procedure. All persons listed on the most recent certification form and the lease must use the unit as their sole residence.

All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.

Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.

When a resident requests approval to add a new person to the lease, FHA will conduct pre-admission screening of any proposed new adult member to determine whether the FHA will grant such approval. **New household members must be approved by FHA, prior to the actual move-in by the proposed new member.**

Also included in requested approval would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support, for example, after a medical procedure⁹.

Following receipt of a family's request for approval, FHA will conduct a pre-admission screening, including the Criminal History Report, of the proposed new member. Only new members approved by FHA will be added to the household.

Children under the age at which juvenile justice records are available, or added through a formal custody award are still required to be added through a pre-admission screening process and the tenant still needs prior permission from FHA to add children other than those born to or adopted by family members. The exemption age specified in this paragraph is subject to change should the state modify its laws concerning the availability of police or court records for juvenile offenders.

Requests for the addition of a new member of the household must be approved by FHA, prior to the actual move-in by the proposed new member.

Following receipt of a family's request for approval, FHA will conduct a pre-admission screening, including the Criminal History Report, of the proposed new member. Only new members approved by FHA will be added to the household.

Factors determining household additions:

1. Household additions subject to screening:

- Resident plans to marry and requests to add the new spouse to the lease;
 - Resident is awarded custody of a child over the age for which juvenile justice records are available;
 - Resident desires to add a new family member to the lease, want authorization for a live-in aide, or take in a foster child(ren).
 - A unit is occupied by a remaining family member(s) under age 18 (not an emancipated minor) and an adult who was not a member of the original household requests permission to take over as the head of household.
2. Factors determining household additions which are not subject to screening:
- Children born to a family member or whom a family member legally adopts are exempt from the pre-screening process.
3. Residents who fail to notify FHA of additions to the household, or who permit persons to join the household without undergoing screening, are in violation of the lease. Such persons are considered to be unauthorized occupants by FHA, and the entire household will be subject to eviction [24 CFR 966.4(f)(3)].
4. Family members over 17 who move from the dwelling unit to establish new households shall be removed from the lease. The tenant must notify FHA of the move-out within 10 days of its occurrence.

These individuals may not be readmitted to the unit and must apply as a new applicant for placement on the waiting list.

FHA in making determinations under this paragraph will consider medical hardship or other extenuating circumstances.

Other compliance

1. Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are still required to comply with the pre-admission screening process.
2. Residents who fail to notify FHA of additions to the household or who permit persons to join the household without undergoing screening are violating of the lease. Persons added without FHA approval will be considered unauthorized occupants and the entire household will be subject to eviction ¹⁰ [24 CFR 966.4(f)(3)].

3. Visitors may be permitted in a unit so long as the visitors have no previous history of behavior that would be a lease violation. Visits are not to exceed 14 consecutive days, unless approved by FHA, with advance documentation of extenuating circumstances. FHA will consider visitors staying beyond this period to be unauthorized occupants and the entire family will be subject to eviction.
4. In accordance with the lease, roomers and lodgers will neither be permitted to occupy a unit, nor to move in with any tenant family. Violation of this provision is grounds for termination of the lease. (24 CFR §966.4(f)(2))
5. Tenants will not be given permission to allow a former tenant of FHA who has been evicted, or asked to leave, or owes FHA money, and persons who have been placed on the FHA “No Trespass” list to occupy or visit the unit for any period of time. Violation of this provision is grounds for termination of the lease.
6. Adult family members or emancipated minors who move from the unit to establish new households will be removed from the lease and the tenant is required to provide documentation. (24 CFR §§960.257(b), 966.4(a)) The tenant has the responsibility to report the move-out within 10 calendar days of its occurrence to the development’s management office.
7. These individuals may not be readmitted to the unit and must apply as new applicants for placement on the waiting lists (subject to applicable income limits, preferences, tenant selection, and screening requirements). Medical hardship, disability, or other extenuating circumstances will be considered by FHA in making determinations under this paragraph.
8. FHA in making determinations under this paragraph will consider:
 - a. Occupancy Standards to prevent overcrowding of a unit
 - b. Medical hardship or other extenuating circumstances
 - c. Reasonable Accommodation

Visitors and Absence from the unit

1. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on FHA premises that would be a lease violation. Refer to **Chapter 11** for details. Visitors remaining beyond the periods in this policy shall be considered unauthorized occupants and the head of the household shall be in violation of the lease.
2. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is ground for termination of the lease ¹¹.
3. Residents will not be given permission to allow a former resident of FHA who has been

evicted to occupy the unit for any period of time. Violation of this requirement is ground for termination of the lease.

4. Medical hardship, or other extenuating circumstances shall be considered by FHA in making determinations under this area. Temporary caretaker request must be provided by the resident and verified by a medical provider. The status must be updated every thirty (30) days. The FHA will review the request and verified reasons for the caretaker during an extended medical hardship. Approval of the caretaker to occupy the unit for a period beyond 2 weeks will require prior approval by the Executive Director. Caretakers are not live-in aides and therefore no additional bedroom is required. Caretakers must meet the approval of the FHA.
5. Residents must advise FHA if they will be absent from the unit for more than 7 days. Residents shall notify the manager, secure the unit and provide a means for FHA to contact the resident in an emergency. Failure to advise FHA of an extended absence is grounds for termination of the lease.

F. LEASING UNITS WITH ACCESSIBLE OR ADAPTABLE FEATURES

[24 CFR 8.27(a)(1)(2) and (b)]

Accessible units will be offered and accepted by non-mobility impaired applicants only with the understanding that such applicants must accept a transfer to a non-accessible unit at a later date if a person with a mobility impairment requiring the unit applies for housing and is determined eligible.

Before offering a vacant accessible unit to a non-disabled applicant, FHA will offer such units:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;
- If there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with disabilities residing in another development under FHA's control, who has a disability that requires the special features of the vacant accessible unit;
- If there is no current resident who requires the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, vacant, accessible unit; .
- If there is not an eligible qualified resident or applicant with disabilities, needing the

features of the vacant available unit on the waiting list who wishes to reside in the available accessible unit, then it will be offered to an applicant on the waiting list who does not need the accessible features of the unit. See 24 CFR 8.27. However, the FHA will require the applicant to execute the FHA public housing lease that requires to the resident to relocate to a vacant non-accessible unit within thirty (30) days of notice by the FHA that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit.

G. UTILITY SERVICES

Tenants responsible for direct payment of utilities must abide by any and all regulations of the specific utility company, including regulations pertaining to advance payments of deposits.

The Housing Authority will be guarantor for new residents to get utilities connected and will remain guarantor for a 12 month period; unless the resident had a poor history with the utility company; or if the tenant is charged a disconnect fee or has had 6 late payments within 12 months, at which time the Housing Authority will come off as guarantor and the utility company will charge the tenant a deposit.

Failure to maintain utility services during tenancy is a lease violation and grounds for eviction.

H. SECURITY DEPOSITS

Security Deposit

New tenants must pay a security deposit to FHA at the time of admission.

The amount of the security and/or pet deposit required is specified in the lease.

FHA may permit installment payments of security deposits when a new tenant demonstrates a financial hardship to the satisfaction of the FHA. However all security shall be paid in full by the fifth month. In case the family moves and the security deposit is greater for the second unit, the difference will be collected from the family. Conversely, if the security deposit is less and the tenant leaves no damages, the difference will be refunded to the family.

FHA will hold the security deposit for the period the tenant occupies the unit.

FHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid Rent;
- Damages listed on the Move-Out Inspection Report that exceeds normal wear and tear;

- Other charges under the Lease.

FHA will refund the Security Deposit less any amounts owed, within 30 days after move out and tenant's notification of new address.

FHA will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, upon removal of the pet or the owner from the unit. FHA will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.

FHA will provide the tenant or designee identified above with a written list of any charges against the security or pet deposits. If the tenant disagrees with the amount charged to the security or pet deposits, FHA will provide a meeting to discuss the charges.

The resident must leave the dwelling unit in a clean and undamaged (beyond normal wear and tear) condition and must furnish a forwarding address to FHA. All keys to the unit must be returned to the Management upon vacating the unit.

FHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

If the tenant transfers to another unit, the PHA will transfer the security deposit to the new unit. The tenant will be further billed for any maintenance or other charges.

Pet Deposit

(See chapter on Pet policy.)

I. RENT PAYMENTS

The tenant rent is due and payable at the FHA-designated location on the 1st of every month. All rents should be paid at the central office. Reasonable accommodations for this requirement will be made for persons with disabilities. No cash payments will be accepted.

If FHA does not receive payment by the close of the 5th business day of the month, a delinquent rent notice will be sent, and the resident will be assessed late fees.

If the resident is experiencing a hardship in the payment of the rent, the resident must provide written notification before the 5th business day of the month and the notification must include an explanation of the circumstances that will delay the tenant's payment, and indicate the date on which full payment will be made.

Tenant must pay “retroactive rent.” Retroactive rent is rent owed by Tenant, for example, when Tenant fails to provide adequate documentation, fails to report changes in income or family composition within FHA’s time limit, or misrepresents income or family circumstances to FHA. Tenant must pay all retroactive rent in the same month it is posted to Tenant’s rent account, unless an exception stated in the ACOP applies or FHA agrees to a payment plan. Tenant’s failure to pay retroactive rent on time is considered to be “non-payment of rent” and FHA then has the right to terminate this Lease and obtain possession of the premises using all available legal remedies.

J. FEES AND NONPAYMENT PENALTIES

If the tenant fails to make payment by the close of the 5th business day of the month, and FHA has not agreed to accept payment at a later date, a Notice to Vacate will be issued to the tenant with a 14-day notice period for failure to pay rent, demanding payment in full or the surrender of the premises.

If the tenant fails to make payment by the close of the 5th business day of the month, a late fee of \$15 will be charged.

A charge of \$25.00 will be assessed against the tenant for checks that are returned for non-sufficient funds (NSF), or checks written on a closed account. If the check is not redeemed and the rent satisfied by the close of business on the 5th of the month, the rent will be considered unpaid.

FHA will always consider the rent unpaid when a check is returned as NSF or a check is written on a closed account. Charges will be assessed for the NSF check. No payment by check will be accepted in the future after one NSF or other cashing problems occurs with a resident.

If FHA has not agreed to accept payment at a later date, a Notice to Vacate will be issued for failure to pay rent.

K. SCHEDULES OF SPECIAL CHARGES

Schedules of special charges for services, repairs, utilities and rules and regulations which are required to be incorporated into the lease by reference shall be publicly posted in a conspicuous manner in the project office, and they will be provided to applicants and tenants upon request.

L. MODIFICATIONS TO THE LEASE

Schedules of special charges and rules and regulations are subject to modification or revision. Tenants will be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and they will be given an opportunity to present written comments. Comments will be taken into consideration before any proposed modifications or revisions

become effective.

A copy of such notice shall be posted in the central office, and:

Posted in at least two conspicuous places within each structure or building in which tenants affected by the modifications or revisions are located.

Any modifications of the lease must be accomplished by a written addendum to the lease and signed by both parties.

M. CANCELLATION OF THE LEASE

Cancellation of the tenant's lease is to be in accordance with the provisions contained in the lease agreement, HUD regulations, state law, and as stated in this policy.

N. INSPECTIONS OF PUBLIC HOUSING UNITS

Initial Inspections

FHA and the family will inspect the premises prior to occupancy of the unit in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by FHA staff and the tenant, will be kept in the tenant file.

Vacate Inspections

Housing staff will perform a move-out inspection when the family vacates the unit, and will encourage the family to participate in the move-out inspection.

The purpose of this inspection is to determine necessary maintenance and whether there are damages that exceed normal wear and tear. FHA will determine if there are tenant caused damages to the unit. Tenant caused damages may affect part or all of the family's security deposit.

The move-out inspection also assists FHA in determining the time and extent of the preparation and repairs necessary to make the unit ready for the next tenant.

Annual Inspections

FHA will inspect all units annually using HUD's Uniform Physical Conditions Standards (UPCS).

Residents who "fail" the inspection due to housekeeping or tenant-caused damages will be given 7 calendar days to correct noted items. Another inspection will be conducted. Residents may be assessed an additional security deposit to potentially cover the cost of damages at the time of vacating the unit.

Residents will be issued a copy of the inspection report with required corrections.

If necessary to bring the unit into UPCS compliance, needed repairs will be completed by FHA.

All inspections will include a check of all smoke alarms to ensure proper working order.

Inspection report will indicate whether required corrections are to be charged to the resident or covered by FHA.

Required corrections will be repaired by FHA within 30 days of the inspection date.

Damages beyond "normal wear and tear" will be billed to the tenant.

Residents who repeatedly "fail" the inspection or cause excessive damage to the unit will be considered in violation of their lease.

Quality Control Inspections

The housing management staff will conduct periodic quality control inspections to determine the condition of the unit and to identify problems or issues in which FHA can be of service to the family.

FHA staff will conduct quality control inspections on at least 5% of units or the mandatory minimum per the HUD protocol.

The purpose of these quality control inspections is to assure that the inspections were performed properly and repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame.

Special Inspections

Housing management staff may conduct a special inspection for emergency conditions, housekeeping, unit condition, or suspected lease violation.

HUD representatives or local government officials may review FHA operations periodically and as a part of their monitoring may inspect a sampling of the FHA's inventory.

If a special inspection is conducted, the FHA will leave notice that they were in the unit and the reason for the special inspection.

Other Inspections

The FHA inspector will periodically conduct windshield and/or walk-through inspections to determine whether there may be lease violations, adverse conditions or local code violations. During routine, preventive, or requested maintenance, notations and violations will be noted for other corrective actions.

Emergency Inspections

Housing management staff may initiate an emergency inspection if they believe that an emergency exists in the unit or on a Public Housing site. (See Entry of Premises Notice in this chapter.) Repairs are to be completed within 24 hours from the time the work order is issued. If an emergency or after hours work order is called into the FHA, the head of household or an adult member must be present at the service time.

Emergency Repairs to be Completed in Less than 24 Hours

The following items are to be considered emergency in nature and require immediate (less than 24 hour) response:

1. Fires – Call the Fire Department at 911 before contacting Maintenance.
2. Air conditioning and cooling problems in the summer based on the current temperature and other configurations/conditions in the unit.
3. Heating problems in winter based on the current temperature.
4. Electrical failures (affecting more than just a lighting or outlet circuit)
5. Gas leaks.
6. Plumbing stoppages affecting ALL toilets.
7. Breaks in main water lines and major water leaks.
8. Lock-outs – Subject to the resident paying the cost for responding.
NOTE: REQUESTS FOR DUPLICATE KEYS AFTER WORKING HOURS MUST BE APPROVED AND ISSUED BY THE ON CALL PERSONNEL.

Residents who disengage smoke detectors for convenience purposes will be cited. (See "Housekeeping Citations" below)

Entry of Premises Notices

FHA will give prior written notice for non-emergency inspections. Non-emergency entries to the unit will be made during reasonable hours of the day.

FHA will provide the family with 48-hour notice prior to entering the unit for non-emergency reasons other than the annual inspection.

Reasons FHA will enter the unit are:

- Inspections and maintenance
- To make improvements and repairs
- To show the premises for leasing
- In cases of emergency

The family must call the FHA at least 24 hours prior to the scheduled date of inspection to reschedule the inspection, if necessary.

FHA will reschedule the inspection no more than once unless the resident has a verifiable medical reason that has hindered the inspection. FHA may request verification.

Repairs requested by the family will not require prior notice to the family. Residents are notified in the lease that resident-requested repairs presume permission for the FHA to enter.

Non-Inspection Emergency Entry

FHA staff will allow access to the unit to proper authorities when issues of health or safety of the tenant are concerned.

Family Responsibility to Allow Inspection

FHA must be allowed to inspect the unit at reasonable times with reasonable notice. Forty-eight hour written notice will be considered reasonable in all cases, except emergencies.

FHA will reschedule the inspection no more than once unless the resident has a verifiable medical reason that has hindered the inspection. FHA may request verification.

If the resident refuses to allow the inspection, the resident will be in violation of the lease and FHA will notify the family of its intended action.

Housekeeping Citations

Residents who "fail" an inspection due to housekeeping will be issued a Housekeeping Notice, and a reinspection will be conducted within 7 calendar days by housing management staff.

If the family fails to comply with the re-inspection, it can result in lease termination. If the family fails an inspection due to housekeeping, the family will be placed on monthly inspections and given the opportunity to correct. If the family fails 3 inspections, the family will be summoned for a lease violation, and if a 4th incident occurs, the lease shall be terminated.

Violation notices will be issued to residents who purposely disengage the unit's smoke detector.

Repeated notices will be considered a violation of the lease.

Tenant Damages

Serious or repeated failed inspections or damages to the unit beyond normal wear and tear may constitute a lease violations.

"Beyond normal wear and tear" is defined as items which could be charged against the tenant's security deposit under state law or court practice.

¹ 24 CFR § 966.4 (p)

² 24 CFR§ 966.4 (i)

³ 24 CFR §§ 960.205 (b) and 966.4(a)(1)(v)

⁴ 24 CFR § 966.4 (f)(3) & (c)(2)

⁵ 24 CFR § 966.4 (f)(3)

⁶ 24 CFR § 966.4 (f)(2)

⁷ 24 CFR § 966.4 (f)(3)

⁸ 24 CFR §§ 960.205 (b) and 966.4(a)(1)(v)

⁹ 24 CFR § 966.4 (f)(3) & (c)(2)

¹⁰ 24 CFR § 966.4 (f)(3)

¹¹ 24 CFR § 966.4 (f)(2)

Chapter 10

PET POLICY

[24 CFR 5.309]

A. INTRODUCTION

PHAs have discretion in the development of policies pertaining to the keeping of pets in public housing units. This Chapter explains FHA's policies on the keeping of pets and any criteria or standards pertaining to the policy. The rules adopted are reasonably related to the legitimate interest of FHA to provide a decent, safe and sanitary living environment for all tenants, to protecting and preserving the physical condition of the property, and to preserve the financial interest of FHA.

The purpose of this policy is to establish FHA's policy and procedures for ownership of pets in elderly and disabled units as well as in family units, and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. FHA also establishes reasonable rules governing the keeping of common household pets.

Nothing in this policy or the dwelling lease limits or impairs the right of persons with disabilities to own animals that are considered a disability service animal.

In accordance with Section 526 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), FHA hereby sets forth rules and regulations concerning pet ownership in its public housing units. Only "common household pets" as defined herein will be permitted in FHA owned properties.

A common household pet, for the purposes of FHA's conventional housing program: A domesticated animal, such as a dog, cat, bird, or fish that is traditionally kept in the home for pleasure rather than for commercial or breeding purposes. Common household pet does not include reptiles. This definition shall not include animals that are used to assist persons with disabilities.

Residents may own and keep fish or birds in accordance with the dwelling lease.

Residents may own only one four legged animal, either one dog or one cat. There restrictions on the numbers and containments of birds or fish are listed in the policy.

B. EXCLUSION FOR ANIMALS THAT ASSIST PERSONS WITH DISABILITIES

FHA's Pet Policy shall neither apply to animals that are used to assist persons with disabilities and their assistance animals, who visit FHA's developments and dwelling units. 24 CFR 5; 24 CFR 960.705. The exclusion applies to animals that reside in developments for the elderly or persons with disabilities. FHA must grant this exclusion if the following is provided:

- The resident or prospective resident verifies that they are persons with disabilities by completing FHA's reasonable accommodation process.
- The animal has been trained to assist persons with the specific disability (example, seeing eye dog); and
- The animal actually assists the person with a disability.

Companion Service Animal

FHA adopts the following language from **NOTICE PIH 2006-13 (HA)**, issued March 8, 2006:

"Pets: Regular PHA pet policies do not apply to animals that are used to assist persons with disabilities and are necessary as a reasonable accommodation. [An "Assistance Animal" is an animal that is needed as a reasonable accommodation for persons with disabilities. An assistance animal is not considered a "pet" and thus, is not subject to the PHA's pet policy. Assistance animals are animals that work, provide assistance, perform tasks for the benefit of a person with a disability or provide emotional support that alleviates one or more identified symptoms or effects of a person's disability.]

A PHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with a disability.

Assistance animals are exempt from a PHA's "pet" restrictions or a PHA's policy requiring pet deposits or monthly pet fees. However, all reasonable lease provisions relating to health and safety apply to assistance/service animals such as maintaining the premises in a clean and sanitary condition and ensuring that neighbors enjoy their premises in a safe and peaceful manner."

A "service animal" means any guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability. Service animals are equivalent to other "auxiliary aids" such as wheelchairs and eyeglasses, and as such must be permitted. 24 CFR 5.303; 28 CFR 36.104.

When an applicant or resident with a disability asserts and can verify that an animal is a companion or service animal for his/her disability, the applicant should make a request for a reasonable accommodation; specifically, to be allowed to keep the animal by completing FHA's reasonable accommodation process. (See FHA Exhibit "1").

FHA will require verification that the applicant is a "qualified individual with handicaps" as defined by 24 CFR 8.3, and that the animal is necessary in coping or assisting with the disability. (FHA Exhibit #3)

Upon receipt of verifications, FHA will approve the animal.

Residents requiring more than one pet as either a "companion animal" or "service animal" must request the animal by completing FHA's reasonable accommodation process. (FHA Exhibit "1").

C. MANDATORY RULES FOR RESIDENTS WITH PETS

In accordance with 24 CFR 960.707, FHA hereby sets forth the following rules for pet ownership in its conventional housing units:

Registration

1. The Resident must request and receive written formal approval from the FHA prior to bringing the common household pet, (hereinafter referred to as "pet") on the premises. The pet request shall be made on the standard form "Pet Occupancy Request/Registration Form" (FHA PM Form, Exhibit "5").
2. Registration of the pet shall include a photograph that is retained on file with FHA PM Form #78 on the left hand side of the resident's folder. The photograph will be utilized to confirm identity of the pet in case of emergency and to ensure that the same pet registered is the pet occupying the resident's dwelling unit.
3. Residents registering pets that are not fully-grown at the execution of the initial Pet Addendum will be required to report back to the development office at the first year anniversary of the agreement in order that the pet may be re-photographed for identification purposes.
4. At the time of registration, Resident must provide information sufficient to identify the pet and to demonstrate that it is a common household pet. See FHA PM Form #78.
5. The name, address, and phone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care

for the pet must be provided at the time of registration.

Dogs

1. If the pet is a dog, it shall not weigh more than 25 pounds (fully grown) and stand no more than 20 inches in height from the front shoulder of the animal.
2. Must adhere to the breed restrictions in this policy
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance
4. Doghouses located outside any dwelling unit are prohibited.

Cats

1. The weight of a cat cannot exceed ten (10) pounds (fully-grown).
2. The resident must provide waterproof and leak proof litter boxes for cat waste, which must be kept inside the dwelling unit. Litter boxes must be changed twice per week at a minimum. Cardboard boxes are not acceptable and will not be approved. The resident shall not permit refuse from litter boxes to accumulate, become odorous, to become unsightly, or unsanitary.
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.

Dog/Cat—Spaying and Neutering

If the pet is a dog or cat, it must be spayed/neutered by six months of age. Evidence of spaying/neutering can be proved by a statement/bill from a licensed veterinarian and/or staff of the Humane Society or by means of the veterinarian certification provided for on FHA PM Form 78, (Exhibit #5).

Birds

1. Maximum number: 2
2. Must be enclosed in a cage at all times.

Fish

If the pet is fish, the aquarium must be twenty gallons or less, and the container must be placed in a safe location in the unit. The resident is limited to one container for fish; however, there is no limit on the number of fish that can be maintained in the container as long as the container is maintained in a safe and non-hazardous manner. Residents shall be responsible for any damage caused by leakage or spillage from the aquarium or fish bowl. The aquariums must be on a provable stand that is stable and cannot be easily pushed over.

Rodents (Guinea pig, hamster, or gerbil ONLY; mice are not allowed.)

1. Maximum number 1
2. Must be enclosed in an acceptable cage at all times Must have any or all inoculations as specified now or in the future by State law or local ordinance.

Turtles

1. Maximum number 1
2. Must be enclosed in an acceptable cage/bowl at all times

Inoculations/Vaccinations

If the pet is a cat, dog, or other four-legged animal, it must have received rabies and distemper inoculations or boosters, as applicable. The resident shall provide the FHA with evidence of inoculations certified by a licensed veterinarian or a State or local authority empowered to inoculate animals (or designated agent of such an authority) stating that the pet has received all inoculations required by applicable State and local law. Said certification may be provided on the veterinarian's statement/bill or on FHA PM Form #78 (Exhibit 5).

Licensing

1. Licensing of all dogs shall be required in accordance with applicable State and local law on an annual basis. The dog must always wear a license with owner's name, address and telephone number.
2. In the event that applicable State or local law changes with reference to licensing of any and all pets, FHA will require its residents to comply upon appropriate notice.

Sanitary Conditions

The pet rules shall prescribe sanitary standards to govern the disposal of pet waste. These rules are as follows:

- Resident shall be responsible for immediately disposing of all animal waste excreted inside the development building or on the development grounds.
- Pet waste may be disposed in designated areas for the development (pet waste stations, trash can, or dumpsters).
- Waste must be placed in a plastic bag, tightly secured and deposited in a dumpster or properly disposed .
- Poorly disposed waste will not be tolerated and will be subject to a \$25.00 charge per incident.
- Each time a pet owner fails to remove pet waste in accordance with this rule, a \$25.00 charge will be levied to the resident's account.
- Conditions outlined in Cats #2, above, pertaining to cat waste shall also prevail.

General Provisions

1. All pets must be housed within the unit and no facilities can be constructed outside of the unit for any pet.
2. Costs incurred by FHA for **extermination of fleas, ticks, and other animal related pests**, will be deducted from the pet security deposit after either the pet is removed or the resident vacates. Residents are encouraged to use flea controls to get rid of fleas and other animal-related pests on an "as needed" basis.
3. Pet(s) shall not disturb, interfere or diminish the peaceful enjoyment of other residents. The terms, "disturb, interfere or diminish" shall include but is not limited to: barking, meowing, crying, howling, chirping, biting, scratching and other like activities. This includes any pets that make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one-half hour or more and therefore disturbs any person at any time of the day or night. The FHA will terminate this authorization if a pet disturbs other residents under this section of the lease addendum. The resident will be given one week to make other arrangements for the care of the pet or the dwelling lease will be terminated.

4. Each pet must be maintained responsibly and in accordance with this pet ownership lease addendum and in accordance with all applicable ordinances, state and local public health, animal control, and animal anti-cruelty laws and regulations governing pet ownership.
5. Pets may not be bred or used for any commercial purposes on FHA property.

D. CONTROL OF ANIMAL

1. No animal shall be permitted to be loose and if the pet is taken outside it must be taken outside on a chain leash **no longer than five (5') feet** and kept off lawns designated to other residents. Retractable leashes are prohibited.
2. All authorized pet(s) must be under the control of an adult leaseholder. An unleashed pet, or one tied to a fixed object, is not under the control of an adult. FHA staff will contact the local Humane Society or dog warden in the event pets are found to be unleashed, or leashed and unattended, on FHA property. It shall be the responsibility of the resident to reclaim the pet and at the expense of the resident.
3. The resident pet owner shall have canine pets restrained so that maintenance can be performed in the dwelling unit. The resident **shall** whenever an inspection or maintenance is scheduled, either be at home or shall have all animals restrained or caged. If a maintenance person enters an apartment where an animal is not restrained, maintenance shall not be performed, and the resident pet owner shall be charged a fee of \$25.00. If the situation again occurs, the pet shall be removed from the premises. Pets that are not caged or properly restrained will be impounded and reported to the local Humane Society for removal. It shall be the responsibility of the resident pet owner to reclaim the pet at the expense of the resident. The Housing Authority shall not be responsible if any animal escapes from the residence due to its maintenance, inspections, or other activities.

E. UNATTENDED PETS

Pet(s) may not be left unattended for more than ten (10) consecutive hours. If it is reported to FHA staff that a pet has been left unattended for more than a ten- (10) hour period, FHA staff may enter the unit and remove the pet and transfer the pet to the humane society. Any expense to remove and reclaim the pet from any facility will be the responsibility of the resident.

F. PROHIBITED PETS

1. FHA will forbid the following kinds of animals from being kept as pets on any of its properties: Pit bull, Rottweiler, German Shepherd, Chow, Doberman Pinscher or any species considered vicious, intimidating, or kept for the purpose of training for fighting or wagering of bets (i.e. roosters for “cockfighting”, etc.). FHA forbids the keeping of animals that have had their vocal cords cut, by a process commonly known as “debarking.”
2. Exotic pets or barnyard animals are prohibited. (Snakes and reptiles are considered exotic pets.)
3. Animals who would be allowed to produce offspring for sale.
4. Wild animals, feral animals, and any other animals that are unamenable to routine human handling.
5. Animals of species commonly used on farms.
6. Non-human primates.
7. Animals whose climatologically needs cannot be met in the unaltered environment of the individual dwelling unit.
8. Pot-bellied pigs, or goats.
9. Snakes, lizards, spiders, chickens.
10. The following restrictions apply to pets, based on weight, size and inherent dangerousness, including prohibitions against the keeping of:
 - Any animals whose weight could exceed 15 pounds by adulthood.
 - Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites and lacerations.
 - Hedgehogs or other animals whose protective instincts and natural body armor produce a risk to children of serious puncture injuries.
 - Chicks or other animals that pose a significant risk of salmonella infection to those who handle them.
 - Pigeons, doves, mynah birds, psittacoses birds, and birds of other species that are hosts to the organisms causing psittacosis in humans.

Tenants must adhere to the restrictions on numbers and types of pets.

G. PET POLICY VIOLATION PROCEDURES

FHA reserves the right to require residents to remove any pet from the premises whose conduct (noise, biting, breeding, etc.) or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants or pets of the development, neighbors, staff, or visitors. FHA reserves the right to remove such a pet in the event that the pet owner does not or cannot remove the pet.

Notice of Pet Policy Violation

If FHA determines on the basis of objective facts, supported by written statements, that a pet owner has violated a rule governing the owning or keeping of pets:

- FHA may serve a written notice of Pet Policy violation on the pet owner in accordance with the dwelling lease. The notice of pet rule violation must:
 1. Contain a brief statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
 2. State that the pet owner has five (5) days from the effective date of service of the notice to correct the violation (including, in appropriate circumstances, removal of the pet) or to make a written request for a meeting to discuss the violation;
 3. State that the pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and
 4. State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

Pet Policy Violation Private Conference

If the pet owner makes a timely request for a private conference to discuss an alleged Pet Policy violation, FHA shall establish a mutually agreeable time and place for the private conference but no later than three (3) days from the effective date of service of the notice of Pet Policy violation.

At the pet rule violation private conference, the pet owner and FHA representative shall discuss any alleged Pet Policy violation and attempt to correct it. FHA may, as a result of the meeting, give the pet owner additional time to correct the violation.

Notice for Pet Removal

If the pet owner and FHA are unable to resolve the Pet Policy violation at the pet rule violation private conference, or if a representative of FHA staff determines that the pet owner has failed to correct the Pet Policy violation within any additional time provided herein, the FHA may serve a written notice on the pet owner in accordance with Section of the Dwelling Lease or at the private conference, if appropriate, requiring the pet owner to remove the pet. The notice must:

1. Contain a brief statement of the factual basis for the determination and the Pet Policy or rules that have been violated;
2. State that the pet owner must remove the pet within five (5) days of the effective date of service of the notice of pet removal (or the private conference, if notice is served at the private conference); and
3. State that failure to remove the pet may result in initiation of procedures to terminate the pet owner's tenancy.

Initiation of Procedures to Remove a Pet or Terminate the Pet Owner's Tenancy

FHA may not initiate procedures to terminate a pet owner's tenancy based on a Pet Policy violation, unless:

1. The pet owner has failed to remove the pet or correct a pet rule violation within the applicable time period specified in this section (including any additional time permitted by the owner); and
2. The Pet Policy violation is sufficient to begin procedures to terminate the pet owner's tenancy under the terms of the lease and applicable regulations.

FHA may initiate procedures to remove a pet under 24 CFR 5.327 (threat to health and safety) at any time, in accordance with the provisions of applicable State or local law.

H. SCHEDULE OF PET FEES AND INITIAL DEPOSIT

FEE AND DEPOSIT SCHEDULE

(A Pet Fee and One Time Deposit is required for each pet at the time of registration)

Type of Pet	Fee	Deposit
Dog	\$100	\$150
Cat	\$100	\$150
Fish Aquarium	\$0	\$0
Fish Bowl (Requires no power and no larger than two gallons)	\$0	\$0
Caged Pets	\$0	\$0

Note: The above schedule is applicable for each pet; therefore, if a resident pet owner has more than one pet he or she must pay the applicable fee and deposit for each pet.

ALL PET AGREEMENTS SIGNED WITH RESIDENTS OF FHA PRIOR TO THE ADOPTION OF THIS POLICY ARE NOT SUBJECT TO PAYING ADDITIONAL DEPOSIT AMOUNTS OR FEE REQUIREMENTS. RESIDENTS SIGNING PET POLICY ADDENDUM'S FOLLOWING THE ADOPTION OF THIS POLICY WILL BE SUBJECT TO PAYING FEES FOR ANY NEW OR ADDITIONAL PETS.

The entire fee (subject to the exception listed below) must be paid prior to the execution of the Pet Policy Addendum or in accordance with this policy. No pet shall be allowed in the unit prior to the completion of the terms of this Pet Policy.

The Pet fee shall be paid at the time of approval of the pet and all proof of inoculations and other requirements shall be made available to the FHA at such time. The Pet Fee is not reimbursable nor will it be prorated in the event of move-out before the annual reexamination date. The pet deposit made shall be utilized to offset damages caused by the pet and/or tenant. Any balance, if any, from the deposit will be refunded to the tenant. THERE SHALL BE NO REFUND OF THE PET FEE.

Pet Deposits

FHA will allow lump sum payment of the deposit prior to the approval of the pet:

- FHA reserves the right to change or increase the required deposit by amendment to these rules.

- FHA will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, upon removal of the pet or the owner from the unit.
- FHA will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.
- FHA will provide the tenant or designee identified above with a written list of any charges against the pet deposit. If the tenant disagrees with the amount charged to the pet deposit, FHA will provide a meeting to discuss the charges.

All reasonable expenses incurred by FHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit;
- Fumigation of the dwelling unit;
- Common areas of the project.

Pet Deposits are not a part of rent payable by the resident.

Any damage to the apartment, building, grounds, flooring, walls, trim, finishes, tiles, carpeting, or stains thereon, will be the full responsibility of the resident and the resident agrees to pay any costs involved in restoring the apartment to its original condition.

If FHA finds a residual odor problem left in the apartment, the resident agrees to pay for the cost of any and all materials or chemicals needed to repair to remove the odor. If odor removal fails, the resident agrees to pay for replacement of carpeting, padding, wallboard, baseboard, etc., as is deemed necessary. The resident also agrees to abide by management's decision as to what is necessary.

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a violation of the lease (a serious violation) and the FHA will issue a termination notice in accordance with of the dwelling lease. The resident pet owner will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

I. FORMS

PET POLICY ADDENDUM

FHA

This Addendum is being executed in Accordance with the terms of the Dwelling Lease.

Section I. Pet Ownership

A resident may own one or more common household pets or have one or more common household pets present in the dwelling unit of such resident, subject to the following conditions:

1. Each head of household may own up to the limit of pets under the FHA policy. FHA shall only allow one 4 legged pet per household.
2. If the pet is a dog or cat, it must be neutered/spayed by the age of six (6) months. The evidence can be provided by a statement/bill from a veterinarian, certified on FHA Form #78, and/or staff of the local humane society. Evidence must be provided prior to the execution of this agreement and/or within 10 days of the pet becoming of the age to be neutered/spayed or declawed. Resident must provide waterproof and leak proof litter boxes for cat waste, which must be kept inside the dwelling unit. Cardboard boxes are not acceptable and will not be approved. The Resident shall not permit refuse from litter boxes to accumulate nor to become unsightly or unsanitary. Also, the weight of a cat cannot exceed ten (10) pounds (fully grown) and a dog may not exceed the limit of the policy in weight (fully-grown).
3. If the pet is a bird, it shall be housed in a birdcage and cannot be let out of the cage at any time.
4. If the pet is a fish, the aquarium must be twenty (20) gallons or less, and the container must be placed in a safe location in the unit. The Resident is limited to one container for the fish; however, there is no limit on the number of fish that can be maintained in the container as long as the container is maintained in a safe and non-hazardous manner.
5. If the pet is a cat or dog, it must have received rabies and distemper inoculations or boosters, as applicable. Evidence of inoculations can be provided by a statement/bill from veterinarian, certified on FHA Form #78, or by staff of the Humane Society and must be provided before the execution of the Pet Policy Addendum.

6. All pets must be housed within the unit and no facilities can be constructed outside of the unit for any pet. No animal shall be permitted to be loose and if the pet is taken outside it must be taken outside on a leash and kept off other Resident's lawns. Also, all pets must wear collars with identification and license at all times. Pets without a collar will be picked-up immediately by the Humane Society, county dog warden, or other appropriate agency.
7. All pet(s) must be under the control of an adult leaseholder. An unleashed pet, or one tied to a fixed object, is not considered to be under the control of an adult leaseholder. Pets, which are unleashed, or leashed and unattended, on housing authority property, may be impounded and reported to the local Humane Society, dog warden or other appropriate agency for pick-up. It shall be the responsibility of the Resident to reclaim the pet at the expense of the Resident.
8. Pet(s) may not be left unattended for more than ten (10) consecutive hours. If it is reported to FHA staff that a pet(s) has been left unattended for more than an eight (10) consecutive hour period, FHA staff may enter the unit with the humane society, dog warden or other appropriate agency to pick-up the animal. Any expense to remove and reclaim the pet from any facility will be the responsibility of the Resident. In the case of an emergency, FHA will work with the resident to allow no more than 24 hours for the resident to make accommodations for the pet.
9. Pet(s), as applicable, must be weighed by a veterinarian or staff of the Humane Society. A statement containing the weight of the pet must be provided to FHA prior to the execution of this agreement and upon request by the FHA at any time following the inception of the Pet Policy Addendum.
10. Responsible Pet Ownership: Each pet must be maintained responsibly and in accordance with this pet ownership lease addendum and in accordance with all applicable ordinances, state and local public health, animal control, and animal anti-cruelty laws and regulations governing pet ownership. Any waste generated by a pet must be properly and promptly disposed of by the tenant to avoid any unpleasant and unsanitary odor from being in the unit in accordance with the provisions of FHA's Pet Policy.
11. Prohibited Animals: Animals or breeds of animals that are considered by FHA to be vicious and/or intimidating will not be allowed. Some examples of animals that have a reputation of a vicious nature are: reptiles, Rottweiler, Doberman Pinscher, Pit Bulldog, German Shepherd, Chow, and/or any animal that displays vicious behavior. This determination will be made by a FHA representative prior to the execution of this lease addendum.

12. Pet(s) shall not disturb, interfere or diminish the peaceful enjoyment of other residents. The terms, “disturb, interfere or diminish” shall include but not be limited to barking, meowing, crying, howling, chirping, biting, scratching and other like activities. This includes any pets that make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one-half hour or more and therefore disturbs any person at any time of the day or night. The FHA will terminate this authorization if a pet disturbs other residents under this section of the lease addendum. The resident will be given one week to make other arrangements for the care of the pet or the dwelling lease will be terminated.
13. If the animal should become destructive, create a nuisance, represent a threat to the safety and security of other persons, or create a problem in the area of cleanliness and sanitation, the FHA will notify the tenant, in writing, that the animal must be removed from the development, within five (5) days of the date of the notice from FHA. The Resident may request a hearing, which will be handled according to FHA’s established grievance procedure. The pet may remain with the resident during the hearing process unless FHA has determined that the pet may be a danger or threat to the safety and security of other persons. If this determination has been made by FHA, the pet must be immediately removed from the unit upon receipt of the notice from FHA.
14. The Resident is solely responsible for cleaning up the waste of the pet within the dwelling and on the premises of the public housing development. If the pet is taken outside, it must be on a leash at all times. If there is any visible waste by the pet, it must be disposed of in a plastic bag, securely tied and placed in the garbage receptacle for their unit. If the Housing Authority staff is required to clean any waste left by a pet, the Resident will be charged \$25 for the removal of the waste.
15. The Resident shall have pets restrained so that maintenance can be performed in the apartment. The Resident shall, whenever an inspection or maintenance is scheduled, either be at home or shall have all animals restrained or caged. If a maintenance person enters an apartment where an animal is not restrained, maintenance shall not be performed, and the Resident shall be charged a fee of \$25.00. If this same situation again occurs, the pet shall be removed from the premises. Pets that are not caged or properly restrained may be impounded by animal control officers and taken to the local Humane Society or dog warden. It shall be the responsibility of the Resident to reclaim the pet at the expense of the Resident. The Housing Authority shall not be responsible if any animal escapes from the residence due to maintenance, inspections, or other activities of the landlord.
16. Pets may not be bred or used for any commercial purposes on FHA property.

Section II. SCHEDULE OF FEES AND DEPOSITS

FEE AND DEPOSIT SCHEDULE

(A Pet Fee and Deposit is required for each pet)

Type of Pet	Fee	Deposit
Dog	\$100	\$150
Cat	\$100	\$150
Fish Aquarium	\$0	\$0
Fish Bowl (Requires no power and no larger than two gallons)	\$0	\$0
Caged Pets	\$0	\$0

Note: The above schedule is applicable for each pet; therefore, if a resident has more than one pet he or she must pay the applicable annual fee and deposit for each pet. Annual fees will be due each year on the anniversary date of signing the Pet Addendum.

The entire fee (subject to the exception listed below) must be paid prior to the execution of the lease addendum. No pet shall be allowed in the unit prior to the completion of the terms of this pet policy.

The fee shall be paid at the time of the pet approval and all proof of inoculations and other requirements shall be made available to the Housing Authority at such time. The pet fee is not reimbursable. The deposit made shall be utilized to offset damages caused by the pet and/or tenant. Any balance, if any, from the deposit will be refunded to the tenant. **THERE SHALL BE NO REFUND OF THE PET FEE.**

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a serious violation of the lease and this Addendum and the Housing Authority will issue a termination notice. The resident will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

It is understood and agreed that FHA is not responsible for any damages caused by the pet including but not limited to: bites and scratches to residents, neighbors, visitors, staff, FHA contractors, and others who are lawfully on the FHA's premises or other pets or service animals.

RESIDENT ACKNOWLEDGMENT

After reading and/or having read to me this lease addendum I/we the undersigned, hereinafter "I," agree to the following:

I agree to abide by the requirements outlined in this lease addendum for pet ownership and to keep the pet(s) in accordance with this lease addendum.

I agree and understand that I am liable for any damage or injury whatsoever caused by pet(s) and shall pay FHA for any damages or injury caused by the pet(s). I also realize that I should obtain liability insurance for pet ownership and that paying for the insurance is my responsibility.

I agree to accept full responsibility and will indemnify and hold harmless FHA for any claims by or injuries to third parties or their property caused by my pet(s).

I agree to pay a non-refundable fee of \$_____ to cover some of the additional operating cost incurred by the FHA. I also understand that this fee is due and payable prior to the execution of this lease addendum.

I agree to pay a refundable pet deposit of \$_____ to FHA. The Fee and initial Deposit must be paid prior to the execution of this lease addendum. The pet deposit may be used by FHA at the termination of the lease toward payment of any rent or toward payment of any other costs made necessary because of my occupancy of the premises. Otherwise, the pet deposit, or any balance remaining after final inspection, will be returned to me after the premises are vacated and all keys have been returned.

I AGREE AND UNDERSTAND THAT ALL INFORMATION CONCERNING MY PET (S) MUST BE UPDATED ANNUALLY AND PROVIDED TO THE FHA AT THE ANNUAL REEXAMINATION.

I AGREE AND UNDERSTAND THAT VIOLATING THIS LEASE ADDENDUM MAY RESULT IN THE REMOVAL OF THE PET (S) FROM THE PROPERTY OF THE FHA AND/OR EVICTION. I, ALSO UNDERSTAND THAT I MAY NOT BE ALLOWED TO OWN ANY TYPE OF PET IN THE FUTURE WHILE BEING AN OCCUPANT OF THE FHA.

I ALSO UNDERSTAND THAT I MUST OBTAIN PRIOR APPROVAL FROM FHA BEFORE MAKING A CHANGE OF A PET FOR WHICH THIS POLICY WAS APPROVED OR ADDING A SECOND PET. ALSO, A PICTURE MAY BE TAKEN BY FHA STAFF OF THE PET (S) FOR DOCUMENTATION. THE PICTURE WILL BE MAINTAINED IN THE RESIDENT'S FILE WITH THE APPROPRIATE FHA MANAGEMENT OFFICE.

Head of Household (Undersigned)

Date

Housing Authority Representative

Date

Exhibit "1"

Preliminary Request for a Reasonable Accommodation

Leaseholder/Resident/Advocate Name: _____ S.S. #: _____

Current Address: _____ Move-In Date: _____

of Bedrooms: __ Member of Household Accommodation is requested for: _____

A reasonable accommodation is needed because:

The accommodation will:

- _____ Help you live in the housing or take part in FHA's program;
- _____ Help you meet the lease requirements of FHA's program;
- _____ Help you meet other requirements of FHA's program.

Do not tell the FHA the name of your disability or the nature or extent of your disability.

Physician/Health Care Provider name, address and telephone number:

Other comments you would like to make regarding this request: _____

By signing below you confirm the accuracy of the information submitted above. You will be mailed by the FHA an "Authorization for Release of Medical Information" which will be forwarded to your physician. Your physician will then be required to confirm your eligibility and justify your request for FHA.

Once this process has been completed, FHA will be in contact with you regarding the status of your request, which is based on medical reasons.

Leaseholder/Resident Signature

Phone Number

Date of Request

Do not write below line

For Office Use Only

FHA's Signature: _____

Date Received by FHA: _____

Date Authorization for Release of Medical Information sent to Leaseholder/Resident: _____

Date Medical Justification Letter sent to physician/health care provider: _____

FHA Form

01/06

Exhibit "2"

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

To: _____

(Name & Address of Medical Provider)

RE: _____

The undersigned hereby authorizes you to verify, to the FHA, whether the undersigned is an individual with handicaps as defined by 24 CFR 8.3. The undersigned also authorizes you to disclose to the FHA, the undersigned's need, if any, for an accessible feature (reasonable modification) to the undersigned's unit and/or a change in FHA's policies and/or procedures (reasonable accommodation) so that the undersigned may have an equal opportunity to use and enjoy his/her dwelling unit. The undersigned further authorizes you to disclose, to the FHA, exactly what is requested to accommodate the limitations imposed by the undersigned's handicaps, if any. However, you are not authorized to provide access to confidential medical records or disclose the specific handicaps to the FHA.

I hereby waive and release you from any restrictions imposed by law in disclosing any professional observation or communication to the FHA that is within the scope of this authorization.

This authorization is valid for ninety (90) days. A photocopy of this authorization shall be as effective as the original.

YOU MUST HAVE YOUR SIGNATURE NOTARIZED WHEN SENDING THE FORM BACK.

_____/_____

Date Signature

Date of Birth

Sworn to before me and subscribed in my presence this _____ day of _____, 20____,

_____Notary Public

Exhibit “3”

DEFINITIONS

To: Doctor/Other Qualified Person

Pursuant to 24 CFR 8.3, the definition of an individual with handicaps is provided below:

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. For purposes of employment, this term does not include: Any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from performing the duties of the job in question, or whose employment, by reason of current alcohol or drug abuse, would constitute a direct threat to property or the safety of others; or any individual who has a currently contagious disease or infection and who, by reason of such disease or infection, would constitute a direct threat to the health or safety of other individuals or who, by reason of the currently contagious disease or infection, is unable to perform the duties of the job. For purposes of other programs and activities, the term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(a) Physical or mental impairment includes:

(1) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(2) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(b) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(c) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(d) Is regarded as having an impairment means:

(1) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(2) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or (3) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment.

Exhibit "4"

FHA PM Form #78

Revised January 2006

PET OCCUPANCY REQUEST/REGISTRATION FORM

Resident Name: _____

Resident Address: _____

Resident Home Phone Number: _____

Resident Work Phone Number: _____

Alternate Pet Contact: _____

Address of alternate pet contact/care giver: _____

Home Phone Number: _____ Work Phone Number: _____

(List more than one, if applicable)

(To be completed by Veterinarian)

Description of Pet:

Name: _____ Breed: _____

Age: _____ Color: _____

Additional Markings/Information: _____

Height: _____ Weight: _____

Projected Weight at full growth: _____

Veterinarian's Signature

Date

“Exhibit “5”

PET OCCUPANCY REGISTRATION FORM

Resident Name: _____

Resident Address: _____

Resident Home Phone Number: _____

Resident Work Phone Number: _____

Alternate Pet Contact: _____

Address of alternate pet contact/care giver: _____

Home Phone Number: _____ Work Phone Number: _____

(List more than one, if applicable)

Description of Pet:

Name: _____ Breed: _____

Age: _____ Color: _____

Additional Markings/Information: _____

Height: _____ Weight: _____

Projected Weight at full growth: _____

License No.: _____

Copy of License/Tag obtained: ____ Yes ____ No

Picture of Pet is to be attached to this form.

Veterinarian Information/Certifications:

Name of Veterinarian: _____

Address: _____

Phone No.: _____

Certification of Inoculations: _____

Dated: _____

Date spayed or neutered: _____

How long has resident owned this pet? _____

Has your pet lived in rental housing before? _____ Yes _____ No

If so, fill in the following:

Name of apartment complex: _____

Manager's Name: _____

Phone No.: _____

Registration of all pets must be submitted to the Management Office before the pet is permitted on the premises.

Signature

Date

(For FHA use only)

Pet Photographed by: _____

FHA Staff

Date

Resident has paid the appropriate Pet Deposit and Annual fee for the pet(s) being registered.

_____ Yes _____ No

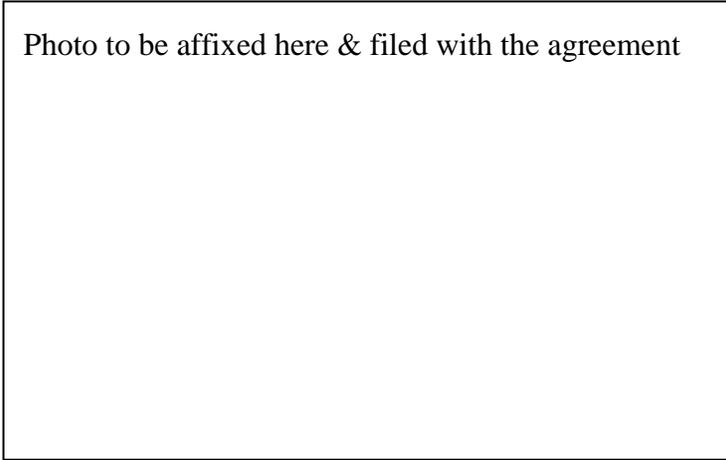
Pet identification sticker affixed to unit door/window:

By: _____

FHA Staff

Date

Photo to be affixed here & filed with the agreement



Chapter 11

REEXAMINATIONS

[24 CFR 5.613, 24 CFR 5.61524 CFR Part 960 Subpart C]

INTRODUCTION

HUD requires that FHA offers all families the choice of paying income-based rent or flat rent at least annually. Families who choose to pay flat rent are required to complete a reexamination of income, deductions and allowances at least once every three years. Flat rent families must still report family composition and community service requirements on an annual basis. To determine the amount of income-based rent, it is necessary for FHA to perform a reexamination of the family's income annually. At the annual reexamination, families who choose to pay income-based rent must report their current household composition, income, deductions and allowances. Between regular annual reexaminations, HUD requires that families report all changes in household composition, but FHA decides what other changes must be reported and the procedures for reporting them. This chapter defines FHA's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ELIGIBILITY FOR CONTINUED OCCUPANCY

Residents who meet the following criteria will be eligible for continued occupancy:

1. Qualify as a family as defined in this policy.
2. Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease.
3. Have provided Social Security numbers on all family members or have certifications on file indicating they have no Social Security Number.
4. Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent ¹.
5. Who are in compliance with the FHA's community service requirements.

Remaining Family Members and Prior Debt

1. Remaining family members age 18 years or older will be held responsible for arrearages incurred by the former head or spouse. FHA will not hold remaining family members (other than the head or spouse) responsible for any portion of the arrearage incurred before the remaining member attained age 18.
2. Remaining family members under age 18 shall not be held responsible for the rent arrearages incurred by the former head of household.

B. ANNUAL REEXAMINATION

1. Regular reexaminations: FHA shall, at least once a year, re-examine the family composition, incomes, and community service requirements of all resident families, except for families that are paying flat rent and elect to pay flat rent. Flat rent families shall have their incomes reexamined every three years². Flat rent families will have the family composition and community service requirements reexamined annually. **All FHA annual recertifications are processed to be in compliance with a twelve-month effective period.**
2. Special Reexaminations: When it is not possible to estimate family income accurately, a temporary determination will be made with respect to income and a special reexamination will be scheduled every 90 days until a reasonably accurate estimate of income can be made.
3. Special reexaminations shall be conducted when there is a change in the head of household that requires a remaining family member to take on the responsibilities of a leaseholder.
4. Special Reexamination Following Income Disallowance: When a family qualifies for an earned income disallowance, a special reexamination will occur at the end of the initial 12 month disallowance period and at the end of the phase-in period.
5. Zero/Extremely Low Income Families: Unless the family has income that is excluded from rent computation, families who report zero income or extremely low income will have the income re-verified through EIV every 90 days for income changes and are further required to complete a written no/low income checklist and worksheet/certification every 90 days and undergo an interim recertification every 90 day, i.e., expenses for food, cleaning, grooming, and paper products, transportation, entertainment, clothing, smoking, communications, shelter, medical and miscellaneous s. (See Other Interim Reporting Issues below).
6. Reexamination Procedures
 - (a) At the time of reexamination, all adult members of the household will be required to sign an application for continued occupancy and other forms required by HUD.

- (b) Income, allowances, Social Security Numbers, and such other data as is deemed necessary will be verified, and all documentation will be filed in the resident's folder.
- (c) An EIV report will be requested on each family at recertification to help detect unreported income, provide third-party verification, identify family members not reported on the lease, etc. ³.
- (d) Verified information will be analyzed and a determination made with respect to:
 - (i) Eligibility of the resident as a family or as the remaining member of a family;
 - (ii) Unit size required for the family (using the Occupancy Guidelines);
 - (iii) Rent the family should pay; and
 - (iv) Community Service requirements.
- (e) FHA will anticipate, based on tenants' past and anticipated future employment, the income of tenants with a history of regular employment whose regular reexamination takes place when they are not employed (e.g., school bus drivers). Residents with a history of employment whose reexamination occurs when they are not employed will have income anticipated based on past and anticipated employment. Residents with seasonal or part-time employment of a cyclical nature will be asked for third party documentation of their employment including start and ending dates.
- (f) Income shall be computed in accordance with the definitions and procedures set forth in Federal regulations and this policy ⁴.
- (g) Families failing to respond to the initial reexamination appointment will be issued a final appointment within the same month. FHA will send a notice of lease violation to families that fail to respond to the final notice for noncompliance with the lease. Failure to respond to the final request will result in the family being sent a notice of lease violation and for termination of the lease ⁵.

7. Action Following Reexamination

- (a) If there is any change in rent, the lease will be amended, a new lease will be executed, or a Notice of Rent Adjustment will be issued ⁶.
- (b) If any change in the unit size is required, the resident will be placed on a transfer list in accordance with the transfer criteria described within the policy and moved to an appropriate unit when one becomes available ⁷.
- (c) A tenant who has a criminal conviction that violates FHA or federal provisions, or any provisions of this policy, above, will be served with a lease termination notice.

The terms annual recertification and annual reexamination are synonymous.

For families who move in on the first of the month, the annual recertifications will be completed within 12 months of the anniversary of the move-in date. (Example: If family moves in August 1, the annual recertification will be conducted to be effective on August 1, the following year.)

For families who move in during the month, the annual recertifications will be completed no later than the first of the month in which the family moved in, the following year. (Example: If family moves in August 15, the effective date of the next annual recertification is August 1.)

When families move to another dwelling unit:

The annual recertification date will not change.

Reexamination Notice to the Family

All families will be notified of their obligation to recertify by hand delivery of the notice. The notification shall be sent at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, FHA will provide the notice in an accessible format. FHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they met the need presented by the disability.

The notification shall explain family choice of income-based or flat rent.

The family will indicate whether the family chooses income-based or flat rent by checking the appropriate box on the document, signing the document, and returning the document to the family's site office.

If the family chooses flat rent, an annual recertification is still required to verify community service requirements and family composition. Recertification of income is only required every three years.

Methodology

If the family chooses income-based rent, or if the family has paid the flat rent for three (3) years, FHA will use the following methodology for conducting annual recertifications:

Schedule a specific date and time of appointments in the written notification to the family.
Include information on the required documents that the tenant will need to supply.

Persons with Disabilities

If requested as an accommodation by a person with a disability, FHA will provide the notice in an accessible format. FHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they met the need presented by the disability.

Persons with disabilities, who are unable to come to the site office will be granted an accommodation of conducting the interview at the person's home, upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information

The FHA representative will interview the family and enter the information provided by the family on the recertification form.

The family is required to complete a Personal Declaration form prior to all annual and interim recertification interviews.

Requirements to Attend

The following family members will be required to attend the recertification interview and sign the application for continued occupancy:

- The head of household and spouse, and
- All adult household members, age 18 and older.

If the head of household is unable to attend the interview:

The spouse may recertify for the family, provided that the head of household comes in within 5 days to recertify.

Failure to Respond to Notification to Recertify

The written notification will explain which family members are required to attend the recertification interview. The family may call to request another appointment date up to 10 days prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with FHA, FHA will reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, FHA will:

Terminate tenancy for the family.

Exceptions to these policies may be made by the Executive Director if the family is able to document an emergency situation that prevented them from canceling or attending the appointment.

Documents Required From the Family

In the notification letter to the family, FHA will include instructions for the family to bring the following:

- Documentation of income for all family members
- Documentation of assets
- Documentation to substantiate any deductions or allowances
- Documentation of family composition
- Personal Declaration Form completed by head of household
- Documentation of community service requirements
- Other required documents on new family members, such as SSN or citizenship requirements
- Other required documentation required by HUD and FHA

Verification of Information

All information that affects the family's continued eligibility for the program, and the family's Total Tenant Payment (TTP) will be verified in accordance with the verification procedures and guidelines described in this Policy.

When the information has been verified, it will be analyzed to determine:

- the continued eligibility of the resident as a family or as the remaining member of a family;
- the unit size required by the family;
- the amount of rent the family should pay.

Changes In The Tenant Rent

Residents will be notified in writing of any rent adjustment including the effective date of the adjustment.

1. Rent decreases go into effect on the anniversary date and upon receipt of all verification.
2. Rent increases (except those due to misrepresentation) require 30 days notice and become effective the first of the second month.

If there is any change in rent, including change in family's choice in rent, the lease will be amended, or a new lease will be executed, or a Notice of Rent Adjustment will be issued [24 CFR 966.4(c)].

Tenant Rent Increases

If tenant rent changes, a thirty-day notice will be mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the second month following the thirty-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

Tenant Rent Decreases

Rent decreases go into effect the first of the month following receipt of all verification.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by FHA.

C. NOTICE of CHANGES and REPORTING INTERIM CHANGES

Families must report all changes in household composition to FHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain FHA approval prior to all other additions to the household.

When there is a change in head of household or a new adult family member is added, FHA will complete an application for continued occupancy and reverify, using the same procedures FHA staff would use for an annual reexamination, except for effective dates of changes. In such case, the Interim Reexamination Policy would be used.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified prior to the approval by the PHA of the family member being added to the lease.

Increases in Income to be Reported

Families paying flat rent are required to report any increases in income or assets between the recertification periods, but the change in income will not increase the rent.

Families paying an income-based rent are required to report increases in income/assets of household members to FHA between annual recertifications.

Families are required to report the following increases in income:

- Increases in income because a person with income joins the household;
- Increases in household income that come as a result of a new income source.
- Increases in household income that was not anticipated at the annual recertification period.

Increases In Income and Rent Adjustments

FHA will process rent adjustments for required income adjustment, which are reported between regularly scheduled recertifications.

Rent increases (except those due to misrepresentation) require 30 days notice.

Decreases in Income and Rent Adjustments

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions which would reduce the amount of the total tenant payment.

Rent decreases go into effect the first of the month following receipt of all verification.

FHA will process the rent adjustment unless FHA confirms that the decrease in income will last less than 30 calendar days.

Special Reexaminations

If a family's income is unstable and cannot be projected for twelve months, including families that temporarily have no income or a temporary decrease in income, the FHA may schedule a special reexamination every 30 days until the income stabilizes and an annual income can be determined.

D. OTHER INTERIM REPORTING ISSUES

Residents are required to report **all changes in family composition or status** to FHA within 10 calendar days of the occurrence. Failure to report within the 10 calendar days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report and verify income decreases promptly.

An interim reexamination will be scheduled for families with zero or extremely low-income every 90 days.

FHA will process interim adjustments in rent as follows:

1. When a decrease in income is reported, and the Authority receives confirmation that the decrease will last less than 30 days, an interim adjustment will not be processed.
2. Residents reporting decreases in income that are expected to last more than 30 days will have an interim adjustment processed.

PHA Errors

If FHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

E. REPORTING OF CHANGES IN FAMILY COMPOSITION

The members of the family residing in the unit must be approved by FHA. The family must inform FHA and request approval of additional family members other than additions due to birth, adoption, marriage, court-awarded custody before the new member occupies the unit.

All changes in family composition must be reported within 10 working days of the occurrence in writing.

If an adult family member is declared permanently absent by the head of household, the notice must contain a certification by the head of household that the member (who may be the head of household) removed is permanently absent.

Increase in Family Size

FHA will consider a unit transfer (if needed under the Occupancy Guidelines) for additions to the family in the following cases:

- Addition by marriage/or marital-type relation.
- Addition of a minor who is a member of the nuclear family who had been living elsewhere.

- Addition of a PHA-approved live-in attendant.

- Addition due to birth, adoption or court-awarded custody.

Definition of Temporarily/Permanently Absent

FHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. FHA will evaluate absences from the unit in accordance with this policy.

Absence of Entire Family

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

Families are required to notify FHA before they move out of a unit in accordance with the lease and to give FHA information about any family absence from the unit.

Families must notify FHA if they are going to be absent from the unit for more than fifteen consecutive days. A person with a disability may request an extension of time as a reasonable accommodation.

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

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for 30 consecutive days in a 12 month period except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, FHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent and removed from the lease. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remains current.

Absence due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 30 consecutive days. The rent and other charges must remain current during this period.

FHA will determine if the reason for incarceration is for drug-related or criminal activity that would threaten the health, safety and right to peaceful enjoyment of the dwelling unit by other residents. If the offense is drug related or criminal activity that violates the lease and policy, the lease will be terminated.

Foster Care and Absences of Children

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

If the time period is to be greater than 180 days from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the PHA's occupancy guidelines.

Absence of Adult

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

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the guardian, and the guardian qualifies under Tenant Suitability criteria, the lease will be transferred to the guardian.

If the court has not awarded custody or legal guardianship, but the action is in process, FHA will secure verification from social services staff or the attorney as to the status.

The guardian will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

FHA will transfer the lease to the guardian, in the absence of a court order, if the guardian qualifies under the Tenant Suitability criteria and has been in the unit for more than 30 days and it is reasonable to expect that custody will be granted.

When the FHA approves a person to reside in the unit as guardian for the child(ren), the income of the guardian should be counted pending a final disposition. FHA will work with the appropriate service agencies to provide a smooth transition in these cases.

If an adult child goes into the military and vacates the unit, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses is considered temporarily absent and the income is included for rent purposes. If the person will not return to the unit, that member is permanently absent and the income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of unit size.

Visitors (See Chapter on Leasing)

Absence of evidence of any other address will be considered verification that the visitor is an unauthorized household member.

Statements from neighbors and/or FHA staff will be considered in making the determination.

FHA will consider:

- Statements from neighbors and/or FHA staff
- Vehicle license plate verification
- Post Office records
- Drivers license verification
- Law enforcement reports
- Credit reports
- Other reliable documentation

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and FHA will terminate the family's lease since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 45 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member. **The family will not receive a \$480 dependent deduction for this minor.**

If both parents reside in Public Housing, only one parent would be able to claim the child for deductions and for determination for the occupancy standards.

F. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF UNIT

To be considered the remaining member of the tenant family, the person must have been previously approved by FHA to be living in the unit. In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor or is legally married; or
- FHA has verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a transfer to an appropriate unit size per the Occupancy Standards.

G. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members. Mixed families are eligible for prorated assistance in accordance with the mixed-family portion of the policy.

¹ 24 CFR § 5.5

² 24 CFR § 960.257

³ 24 CFR § 960.259(c)

⁴ 24 CFR § 5

⁵ 24 CFR § 966.4 (c)(2)

⁶ 24 CFR § 966.4 (c) & (o)

⁷ 24 CFR § 966.4 (c)(3)

Chapter 12

LEASE TERMINATIONS [24 CFR 966.4]

INTRODUCTION

FHA may terminate tenancy for a family because of the family's action or failure to act in accordance with HUD regulations [24 CFR 966.4 (1)(2)], and the terms of the lease. This Chapter describes FHA's policies for notification of lease termination and provisions of the lease.

A. TERMINATION BY TENANT

The tenant may terminate the lease by providing FHA with a written 15-day advance notice as defined in the lease agreement.

B. TERMINATION BY FHA

Termination of tenancy will be in accordance with FHA's lease, ACOP and house rules.

The public housing lease is automatically renewable, EXCEPT the public housing lease shall have a 12-month term for community service and will not be renewed in the case of noncompliance with the community service requirements. See Chapter 15 for Community Service.

The Violence against Women Reauthorization Act of 2005 explicitly prohibits PHAs from considering incidents of actual or threatened domestic violence, dating violence, or stalking as "other good cause" for terminating the tenancy or occupancy rights of the victim of such violence. (Refer to Chapter 12-D)

The lease may be terminated by FHA at any time by giving written notice for serious or repeated violation of material terms of the lease, such as, but not limited to the following:

- Nonpayment of rent or other charges due under the Lease, or repeated chronic late payment of rent;
- Failure to provide timely and accurate statements of income, assets, expenses and family composition at Admission, Interim, Special or Annual Rent Recertifications;
- Assignment or subleasing of the premises or providing accommodation for boarders or lodgers;
- Use of the premises for purposes other than solely as a dwelling unit for the Tenant and

Tenant's household as identified in this Lease, or permitting its use for any other purposes;

- Failure to abide by necessary and reasonable rules made by the Landlord for the benefit and well being of the housing project and the Tenants;
- Failure to abide by applicable building and housing codes materially affecting health or safety;
- Failure to dispose of garbage waste and rubbish in a safe and sanitary manner;
- Failure to use electrical, plumbing, sanitary, heating, ventilating, air conditioning and other equipment, including elevators, in a safe manner;
- Acts of destruction, defacement or removal of any part of the premises, or failure to cause guests to refrain from such acts;
- Failure to pay reasonable charges (other than for normal wear and tear) for the repair of damages to the premises, project buildings, facilities, equipment, or common areas; or
- The Tenant, any member of the Tenant's household, or a guest or other person under the Tenant's control shall not engage in criminal activity, including drug-related criminal activity, on or off public housing premises (as defined in the lease), while the Tenant is a Tenant in public housing, and such criminal activity shall be cause for termination of tenancy
- Inviting, allowing, or creating a situation that causes any person or persons who have been banned from FHA property to be present on the FHA property. An up-to-date banned list is maintained at the FHA's main office and is included in the FHA's newsletters.
- Alcohol abuse that FHA determines interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Non-compliance with Non-Citizen Rule requirements.
- Non-compliance with the restricted/banned persons from the developments
- Other good cause.

C. NOTIFICATION REQUIREMENTS

FHA's written Notice of Lease Termination will state the reason for the proposed termination, the

date that the termination will take place, and it will offer the resident all of the rights and protections afforded by the regulations and this policy. (See Chapter on Complaints, Grievances and Hearings.)

Notices of lease termination shall be in writing and delivered to tenant or adult member of the household or sent by first class mail properly addressed to tenant.

All notices of lease termination for cause of actions protected by VAWA for violent activity will include a statement of the protection against termination provided by VAWA for victims of domestic violence, dating violence, or stalking. Any family member who claims that the cause for termination involves (a) criminal acts of physical violence against family members or others or (b) incidents of domestic violence, dating violence, or stalking of which a family member is the victim will be given the opportunity to provide documentation in accordance with the policies in Chapter 12.

Timing of the Notice

If FHA terminates the lease, written notice will be given as follows:

At least 14 calendar days prior to termination in the case of failure to pay rent;

A reasonable time, defined in the lease as 3 calendar days, considering the seriousness of the situation when the health or safety of other residents or FHA employees is threatened;

At least thirty days prior to termination in all other cases.

FHA shall notify the Post Office that mail should no longer be delivered to the person who was evicted for criminal activity, including drug-related criminal activity.

Criminal Activity

FHA will immediately and permanently terminate tenancy of persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

FHA will terminate assistance of participants in cases where FHA determines there is reasonable cause to believe that the person is illegally using a controlled substance or engages in drug-related or other criminal activity. The same will apply if it is determined that the person abuses alcohol in a way that interferes with the health, safety or right to peaceful enjoyment of the premises by other residents. This includes cases where FHA determines that there is a pattern of illegal use of controlled substances or a pattern of alcohol abuse.

FHA will consider the use of a controlled substance or alcohol to be a pattern if there is more

than one incident during the previous 6 months.

"Engaged in or engaging in a recent history of" drug related criminal activity means any act within the past 7 years by applicants or participants, household members, or guests which involved drug-related criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

"Engaged in or engaging in a recent history of" criminal activity means any act within the past 7 years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the public housing premises by other residents or employees of FHA, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

In evaluating evidence of negative behavior, FHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future that could be supported by evidence of rehabilitation.

FHA will waive the requirement regarding drug-related criminal activity if:

The person demonstrates successful completion of a credible rehabilitation program approved by FHA, or

The individual involved in drug-related criminal activity is no longer in the household because the person is incarcerated.

D. PROHIBITION AGAINST TERMINATING TENANCY OF VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub.L. 109-162 and 109-271]

The Violence against Women Reauthorization Act of 2005 (VAWA), provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or immediate family member of the tenant's family is the victim or threatened victim of that abuse." VAWA further provides that incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed either as serious or repeated violations of the lease by the victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

VAWA does not limit the FHA's authority to terminate the tenancy of any tenant if the FHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property.

Victim Documentation

FHA Policy

When a tenant family is facing lease termination because of the actions of a tenant, household member, guest, or other person under the tenant's control and a tenant or immediate family member of the tenant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, the FHA will require the individual to submit documentation affirming that claim.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking.

One of the following:

A police or court record documenting the actual or threatened abuse; or

A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The required certification and supporting documentation must be submitted to the FHA within 14 business days after the FHA request is received by the victim. Upon written request from the tenant, the FHA will extend the 14-day deadline for an additional 10 business days as long as the extension request is submitted within the initial 14 business-day period.

If the individual does not provide the required certification and supporting documentation within 14 business days or the approved extension period, the FHA may proceed with termination of the family's lease.

If the FHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant's tenancy is not terminated, the FHA will bypass the standard process and proceed with the immediate termination of the family's lease.

Terminating or Evicting a Perpetrator of Domestic Violence

Although VAWA provides protection from termination for victims of domestic violence, it does not provide protection for perpetrators. In fact, VAWA gives the FHA the explicit authority to bifurcate a lease, or to remove a household member from a lease, “in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.” This authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance [Pub.L. 109-271].

PHA Policy

When the actions of a tenant or other family member result in a determination by the FHA to terminate the family’s lease and another family member claims that the actions involve criminal acts of physical violence against family members or others, the PHA will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame or any approved extension period, the FHA will bifurcate the lease and evict or terminate the occupancy rights of the perpetrator. If the victim does not provide the certification and supporting documentation, as required, the FHA will proceed with termination of the family’s lease.

If the FHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant’s tenancy is not terminated, the FHA will bypass the standard process and proceed with the immediate termination of the family.

FHA Confidentiality Requirements

All information provided to the FHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

E. RECORD KEEPING

A written record of every termination and/or eviction shall be maintained by FHA at the development where the family was residing, and shall contain the following information:

- Name of resident, number and identification of unit occupied;

- Date of the Notice of Lease Termination and any other notices required by State or local law; these notices may be on the same form and will run concurrently;
- Specific reason(s) for the Notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the Notices described in detail (other than the Criminal History Report);
- Date and method of notifying the resident;
- Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions.

F. TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS [24 CFR 5.514]

If FHA determines that a family member has knowingly permitted an ineligible individual to reside in the family's unit on a permanent basis, the family's assistance will be terminated for 24 months. This provision does not apply to a family if the eligibility of the ineligible individual was considered in calculating any proration of assistance provided for the family.

Chapter 13

COMPLAINTS, GRIEVANCES AND APPEALS [24 CFR 966.50-966.57]

INTRODUCTION

This document describes the policies to be used when families disagree with a decision by the FHA based on any action, decision, or inaction by FHA. It is the policy of FHA to ensure that all families have the benefit of all protections due to them under the law.

If a Complainant does not follow the procedures set forth in this policy and/or does not request a hearing, then the Authority's action, inaction, or decision shall be considered final on part of FHA. Failure of a Complainant to request a hearing does not constitute a waiver of his/her right to contest the Authority in an appropriate judicial proceeding.

For all aspects of the grievance and appeals process, a disabled person shall be provided reasonable accommodation to the extent necessary to provide the disabled person with an opportunity to use the grievance procedures equal to a non-disabled person.

The FHA has determined that it will use a hearing officer which means a person selected in accordance with 24 CFR 966.55 of the grievance regulations to hear the grievance and render a decision with respect thereto. The FHA may use either of the following methods to appoint a hearing officer

- A method approved by a majority of tenants (in any building, group of buildings or project, or group of projects to which the method is applicable) voting in a election or meeting of tenants held for the intended purpose
- Appointment of a person who will be the officer selected in a manner required by the grievance procedure.

This document is divided into four (4) main sections:

- A. Complaints:** This section covers how to report a complaint of a general nature and the appropriate staff member or Department to whom the complaint should be referred.
- B. Applicants:** This section covers how an applicant would file a grievance, such as to appeal withdrawal from a Wait List. This section also covers the process for appealing determinations of ineligibility based on HUD's Restrictions to Non-Citizens.

- C. **Tenants:** This section covers how a resident of FHA property would appeal a decision, action, or inaction. Such appeals may include, but are not limited to, appealing the action to evict or appeal of how the resident's portion of the rent was calculated.
- D. **Definitions:** This section covers definitions used in the document "Complaints, Grievances and Appeals."

A. COMPLAINTS

FHA will respond promptly to all complaints.

Complaints from Resident Families. If a resident family disagrees with an action or inaction of FHA, complaints will be referred to the central office, or FHA staff member as appropriate. Complaints regarding the physical condition of the units may be reported to the central office or FHA staff member. If the complaint cannot be resolved to the satisfaction of the resident, the resident shall have the right to appeal by following the grievance procedures outlined in Section C of this document.

Complaints from Staff. If a staff person reports a family is violating or has violated a lease provision or is not complying with program rules, the complaints will be referred to the Executive Director.

Complaints from the General Public. Complaints or referrals from persons in the community in regard to FHA or a family will be referred to the Executive Director, as appropriate.

Selecting the hearing officer or panel: [966.55(b)(2)(ii)]

A grievance hearing shall be conducted by an impartial person or persons appointed by the FHA after consultation with resident organizations, as described below:

- A. The FHA shall nominate a slate of impartial persons to sit as hearing officers or hearing panel members. Such persons may include FHA Board members, FHA staff members, professional arbitrators, or others. The FHA Hearing Panel shall consist of one person appointed by the Mayor, one Resident, and one person approved by the FHA Board.

The FHA will check with each nominee to determine whether there is interest in serving as a potential hearing officer or panel member, whether the nominee feels fully capable of impartiality, whether the nominee can serve without compensation, and what limitations on the nominee's time would affect such service.

Nominees will be informed that they will be expected to disqualify themselves from hearing grievances that involve personal friends, other residents of developments in which they work, reside, or grievances in which they have some personal interest.

Nominees who are not interested in serving as hearing officers or whose time is too limited to make service will be withdrawn.

- B. A slate of potential hearing officers or hearing panel members nominated by the FHA shall be submitted to the FHA's resident organizations, if one exists. Written comments from the organizations shall be considered by the FHA before the nominees are appointed as hearing officers or panel members.
- C. When the comments from resident organizations have been received and considered, the nominees will be informed that they are the FHA's official grievance hearing committee. The FHA will subsequently contact committee members in random order to request their participation as hearing panel members or hearing officers.

B. APPEALS BY APPLICANTS

Applicants who are determined ineligible, who do not meet FHA's admission standards, or where FHA does not have an appropriate size and type of unit in its inventory will be given written notification promptly, including the reason for the determination. The written notification will state that the applicant may seek an Informal Hearing.

Applicants must submit their request for an Informal Hearing **in writing** to FHA within 10 working days from the date of the notification of their ineligibility. FHA will then provide an Informal Hearing within 10 working days of receiving the applicant's request. FHA will notify the applicant of the place, date, and time of the hearing.

Informal Hearings will be conducted by an impartial Hearing Officer. The Housing Authority Director will be designated as the Hearing Officer, if an acceptable agreement cannot be met then the tenant/applicant may request a formal hearing with the Hearing panel.

The applicant may bring to the hearing any documentation or evidence s/he wishes. The applicant's information, along with data compiled by FHA, will be considered by the Hearing Officer. A determination will be made based upon the merits of the evidence presented by both sides.

Within 10 working days of the date of the Informal Hearing, the Hearing Officer will mail a written decision to the applicant and place a copy of the decision in the applicant's file.

SPECIAL HEARING AND APPEAL PROVISIONS FOR APPLICANTS NOTIFIED OF INELIGIBILITY BASED ON "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

Assistance to a family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on an Immigration and Naturalization Service (INS) appeal.

INS Determination of Ineligibility [24 CFR 912.9(e)]

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, FHA notifies the applicant within 10 working days of their right to appeal to the INS. The family will have 30 days from the date of FHA's notification to request an appeal of the INS results. The request for appeal shall be made by the family communicating in writing directly to the INS. The family must provide FHA a copy of the written request for appeal, and proof of mailing. For good cause shown, FHA shall grant the family an extension of the time within which to request an appeal.

Documentation to be submitted to the INS as apart of an appeal to the INS:

1. Copy of original Form G-845S received from INS annotated at the top center in bold print: **HUD APPEAL**.
2. Include two stamped envelopes, one addressed to the applicant and one addressed to FHA.
3. Attach any and all documentation available to support the reason or basis for the appeal. This should include legible copies of both sides of the Form G-845S.

The INS will issue the results of the appeal to the family, with a copy to FHA, within 30 days of its receipt. If, for any reason, the INS is unable to issue a response within the 30-day time period, the INS will inform the family and FHA of the reason for delay.

When FHA receives a copy of the INS response, FHA will notify the family of its right to request an Informal Hearing on FHA's ineligibility determination in accordance with the procedures outlined in "Section B. Appeals by Applicants."

If the Hearing Officer decides that the individual is not eligible, and there are no other eligible family members FHA will:

1. Deny the applicant family, or
2. Defer termination if the family is a participant and qualifies for deferral, or
3. Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, FHA will offer to prorate assistance or give the family

the option to remove the ineligible members.

A decision against an applicant under the INS appeal process or FHA's Informal Hearing, does not preclude the applicant from exercising the right to seek redress directly through judicial procedures [24 CFR 912.9(g)].

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide documentation and/or certification.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

C. TENANT GRIEVANCE POLICY AND PROCEDURES

FHA's Grievance Policy and Procedures, for 30-Day Notices (Two-Part Process) and for 3-Day Notices (Expedited Process), shall be applicable to all individual grievances between the Resident and FHA, *except* that it shall not apply to an order of eviction following a hearing in a court containing the elements of due process*. Denial of the hearing process does not preclude the resident from exercising the right to seek redress directly through judicial procedures.

* "Elements of Due Process" shall mean an eviction action or termination of tenancy in a state or local court in which the following procedural safeguards are required:

1. Adequate notice to the Resident of grounds for terminating the tenancy and for eviction.
2. Opportunity for the Resident to examine all relevant documents, records, and regulations of the Authority prior to the trial for the purpose of preparing a defense.
3. Right of the Resident to be represented by counsel.
4. Opportunity for the Resident to refute the evidence presented by FHA, including

the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have.

5. A decision on the merits.

Victims of domestic violence have access to the grievance process for an adverse action on admission to assisted housing, or termination of benefits of assisted housing. Only victims retain the right to the formal grievance process as provided under the Violence Against Women's Act (VAWA).

Furthermore, the grievance policy is not applicable to disputes between Residents not involving FHA, nor of class action grievances. The policy and procedures are not intended as a forum for initiating or negotiating policy changes between individual Residents or a group of residents and FHA's Board of Commissioners.

The Grievance Process for a 30-DAY NOTICE to a resident is a two-part process:

1. **Informal Settlement:** The resident first requests an Informal Settlement (an informal discussion of the problem) with the program staff and attempts to resolve the matter with the program staff. The request may be presented orally or in writing to the program staff. The request must be made within five (5) working days of the time the Resident was notified of an Authority action, or became aware of the condition, situation, or circumstance alleged in the grievance, in order that the grievance may be discussed informally and settled without a hearing if possible.

A summary of the discussion between the resident and program staff will be prepared within a reasonable time following the Informal Settlement, not to exceed five (5) working days, and one copy will be given to the Resident and one retained in FHA's Resident lease file. The summary will specify the following:

1. The names of the participants.
 2. The date of the meeting or meetings held between the participants.
 3. The nature of the disposition thereof and the reason therefore.
 4. The procedures by which a hearing under provisions of FHA's policy may be obtained if the resident is not satisfied.
2. **Hearing:** If the resident is not satisfied with the decision of the program staff, the resident may then file a written request for a Hearing with FHA's Hearing Officer within five (5) working days of receipt of the program staff member's written decision. The **written request** shall be hand delivered or mailed to the attention of FHA's Hearing Officer, at

FHA's Administrative Office.

The written request shall specify:

- The reasons for the grievance;
- The action of relief sought from the FHA; and
- Several dates and times in the following 5 days when the complainant can attend a grievance hearing.

The Hearing Officer will have five (5) working days from receipt of the request in which to schedule the time, place, and date of the Hearing. Once held, the Hearing Officer will prepare of summary of the Informal Hearing within five (5) working days of the Hearing, inclusive of the following:

- The names of the participants.
- The date of the meeting held between the participants.
- The nature of the disposition thereof and the reason therefore.

Hearing Process: Procedures governing the hearing: [966.56]

The hearing shall be held before a hearing panel or hearing officer. The complainant shall be afforded a fair hearing, which shall include:

- A. The opportunity to examine before the hearing FHA documents, including records and regulations that are directly relevant to the hearing. The Tenant shall be allowed to copy any such document at the Tenant's expense. If the FHA does not make the document available for examination upon request by the complainant, the FHA may not rely on such document at the grievance hearing.
- B. The right to be represented by counsel or other person chosen as the Tenant's representative and to have such person make statements on the Tenant's behalf.
- C. The right to a private hearing unless the complainant requests a public hearing. The right to present evidence and arguments in support of the Tenant's complaint to controvert evidence relied on by the FHA or project management, and to confront and cross examine all witnesses upon whose testimony or information the FHA or project management relies; and

- D. A decision based solely and exclusively upon the fact presented at the hearing. [966.56(b)]

The hearing panel or officer may render a decision without proceeding with the hearing if they determine that the issue has been previously decided in another proceeding. [966.56(c)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and, thereafter, the FHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed. [966.56(e)]

The hearing shall be conducted informally by the hearing panel or officer. Oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. [966.56(f)]

The hearing panel or officer shall require the FHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing panel or officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate. [966.56(f)]

The complainant or the FHA may arrange in advance, and at expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript. [966.56(g)]

The FHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the Tenant is visually impaired, any notice to the Tenant which is required under this procedure must be in an accessible format. [966.56(h)]

EXPEDITED GRIEVANCE PROCESS:

The Expedited Grievance Process for a 3-DAY NOTICE to a resident is a one-part process:

Because HUD has issued a due process determination that the law of the State of North Carolina requires the Tenant be given an opportunity for a hearing in the court which provides the basic elements of due process before eviction from the dwelling unit, the formal grievance procedure shall not be applicable to any termination of tenancy or eviction that involves:

1. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of FHA, or;
2. Any violent or drug-related criminal activity on or off the public housing premises, or

3. Any activity of an extreme nature that poses a threat to the health/safety of others.

Only an expedited hearing may be requested for the above activities.

The expedited hearing process shall be listed on all 3-Day Notices and the procedure is as follows:

1. An informal settlement of grievance is not applicable under this provision. When the resident receives a 3-Day Notice and they are subject to the Expedited Grievance Process, the resident may file a written request for a Hearing with their central office Manager within two (2) working days of receipt of the 3-Day Notice.
2. The Expedited Hearing will be conducted by the Executive Director and shall take place within three (3) working days from the date the request was received.
3. The Executive Director will schedule the hearing within three (3) working days from receipt of the request for the expedited hearing. The Executive Director will promptly notify the appropriate parties of the time, place and date of the review. The notice shall state that no postponements will be permitted and that failure to appear waives the right to the hearing.
4. A written decision shall be provided to all parties within **two (2) working days from the date of the hearing.**

DECISIONS

The decision of the Hearing Officer shall be binding on FHA which shall take all actions, or refrain from any actions, necessary to carry out the decision unless FHA's Board of Commissioners determines within a reasonable time, and promptly notifies the resident of its determination, that (a) the grievance does not concern FHA action or failure to act in accordance with or involving the resident's lease on FHA regulations, which adversely affect the resident's rights, duties, welfare or status; (b) the decision of the Hearing Officer is contrary to applicable Federal, State or local law, HUD regulations or requirements of the annual contributions contract between HUD and FHA.

A decision by the Hearing Officer or Board of Commissioners in favor of FHA or which denies the relief requested by the resident in whole or in part shall not constitute a waiver of, nor affect in any manner whatever, any rights the resident may have to a trial *de novo* or judicial review in any judicial proceedings, which may thereafter be brought in the matter.
[24 CFR 966.57]

Miscellaneous matters related to the Tenant Grievance Policy and Procedures:

1. Before a hearing is scheduled in any grievance involving the amount of rent which FHA claims is due, the resident shall pay to FHA an amount equal to the amount of rent due and payable as of the first of the month preceding the month in which the act took place. The resident shall thereafter deposit the same amount of rent monthly in an escrow account established and maintained by FHA, to be disbursed at the direction of the Hearing Officer at such time as the grievance is resolved by decision of the Hearing Officer.

If the resident fails to deposit the amount required, he or she shall have waived his or her right to a Hearing. However, FHA in extenuating circumstances may waive these requirements. Unless so waived, the failure to make such payment shall result in a termination of the grievance procedure, provided however, that failure to make payment shall not constitute a waiver of any right the resident may have to contest the Authority's disposition of his or her grievance in any appropriate judicial proceeding.

2. The Hearing Officer may render a decision without proceeding with the Hearing if the Hearing Officer determines that the issue has been previously decided in another proceeding.
3. If the resident or FHA fails to appear at a scheduled Hearing, the Hearing Officer, for good cause and in the interest of justice, may make a determination to postpone the Hearing for a period of time not to exceed five (5) working days (except for an expedited hearing), or may make a determination that the party has waived its right to a Hearing. Both the resident and FHA shall be notified of any such determination by the Hearing Officer, provided that determination that the resident has waived his or her right to a Hearing shall not constitute a waiver of any right the resident may have to contest the Authority's disposition of the grievance in an appropriate judicial proceeding.

Evidence

The FHA will use the concept of the preponderance of the evidence as the standard for making all admission, termination, and grievance decisions.

Preponderance of the evidence is defined as the greater weight of the evidence; that is, evidence that you believe because it outweighs or overbalances in your mind the evidence opposed to it. A preponderance means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may, or may not, be identical with quantity (the greater number of witnesses).

Consider all evidence. In determining whether an issue has been proved by a preponderance of the evidence, you should consider all of the evidence, regardless of who produced it.

Equally balanced. If the weight of the evidence is equally balanced, or if you are unable to determine which side of an issue has the preponderance, the party who has the burden of

proof has not established such issue by a preponderance of the evidence.

D. DEFINITIONS

“**Authority**” shall mean the Housing Authority abbreviated also as FHA.

“**Complainant**” shall mean any Tenant (as defined below) whose grievance is presented to the FHA in accordance with the requirements presented in this procedure.

“**Elements of due process**” shall mean an eviction action or a termination of tenancy in a State or local court in which the following procedural safeguards are required:

- (1) Adequate notice to the Tenant of the grounds for terminating the tenancy and for eviction;
- (2) Right of the Tenant to be represented by counsel;
- (3) Opportunity for the Tenant to refute the evidence presented by the PHA, including the right to confront and cross examine witnesses and to present any affirmative legal or equitable defense which the Tenant may have;
- (4) A decision on the merits.

“**Hearing Officer**” shall mean a person selected in accordance with 24 CFR Section 966.55 and this procedure to hear grievances and render a decision with respect thereto.

“**Hearing Panel**” shall mean a panel selected in accordance with 24 CFR Section 966.55 and this procedure to hear grievances and render a decision with respect thereto or a system adopted by the FHA.

“**Tenant**” shall mean the adult person (or persons)(other than a Live-in aide): (1) Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) Who resides in the unit, and who is the remaining head of the household of the Tenant family residing in the dwelling unit.

“**Grievance**” shall mean any dispute that a Resident may have with respect to any FHA action, or failure to act, in accordance with the Resident’s lease or FHA regulations, policies, or procedures that adversely affect the Resident’s rights, duties, welfare, or status with FHA

“**Request for Hearing**” shall mean a written request filed in accordance with the provisions of the FHA’s Grievance Policy and Procedures. The Request for Hearing should state the reason for the grievance, and the action or relief sought.

Chapter 14

FAMILY DEBTS TO THE PHA

INTRODUCTION

This Chapter describes FHA's policies for the recovery of monies that have been underpaid by families. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is FHA's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support FHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

When families owe money to the FHA, we will make every effort to collect it. FHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Payment agreements
- Collection agencies
- Credit bureaus

A. PAYMENT AGREEMENT FOR FAMILIES

For payment of the charges, FHA may:

- Request the family to attempt to pay in full by seeking a loan for the full amount.
- Request the family to pay one-half (1/2) of the full amount and enter into a repayment agreement for the balance, or
- If the family is unable to comply with payment under (a) or (b), a repayment agreement may be considered as follows:
 - o If the full amount is under \$300, a repayment agreement for payments of not less than \$25 per month,

- If the full amount is over \$300, a repayment agreement for payment in the amount of one-sixth (1/6) of the full amount per month, or
- Repayment agreements for large retroactive charges shall be at the discretion of the Executive Director or authorized designee.

With exception of extreme circumstances, all repayment agreements must be paid within a maximum of six (6) months.

Late Payments

A payment will be considered to be in arrears if:

The payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's payment agreement is in arrears, FHA will:

Terminate tenancy

If the family requests a transfer to another unit and has a payment agreement in place and the payment agreement is not in arrears:

The family will be required to pay the balance in full prior to the unit transfer.

Payment Schedule for Monies Owed to the PHA

There are some circumstances in which the PHA will not enter into a payment agreement.

They are:

- If the family already has a payment agreement in place.
- If FHA determines that the family has committed program fraud.

Guidelines for Payment Agreements

Payment agreements will be executed between FHA and the head of household only.

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

No transfer will be approved until the debt is paid in full unless the transfer is the result of the following causes, and the payment agreement is current:

Family size exceeds the maximum occupancy guidelines

A natural disaster

Additional Monies Owed

If the family has a payment agreement in place and incurs an additional debt to FHA:

FHA will not enter into more than one payment agreement at a time with the same family.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

Family Error/Late Reporting

Families who owe money to FHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Payment Section of this Chapter.

Families who owe money to FHA due to the family's failure to report increases in income will be required to repay in accordance with the payment procedures for program fraud, below.

Program Fraud

Families who owe money to any PHA due to program fraud will be required to repay it in accordance with the payment procedures for program fraud, below.

Families who owe money to FHA due to program fraud will be required to repay the amount in full within 6 months. If the full amount is paid within this time period, and the family is still eligible, FHA will continue assistance to the family.

If a family owes an amount which equals or exceeds \$4,000 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, FHA will refer the case for criminal prosecution.

Payment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

- The family will be required to pre-pay ½ of the amount owed prior to or upon execution of the payment agreement.
- The amount of the monthly payment will be determined in accordance with the family's current income.

- Repeated fraud or untimely reporting increases in income will result in a lease termination.

C. WRITING OFF DEBTS

Debts will be written off if:

- A determination is made that the debtor is judgment proof.
- The debtor is deceased.

Chapter 15

COMMUNITY SERVICE POLICY/SELF SUFFICIENCY

A. INTRODUCTION

The Quality Housing and Work Responsibility Act of 1998 requires that all non-exempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes and other activities which help an individual toward self-sufficiency and economic independence. This is a requirement of the dwelling lease signed with all residents of FHA.

FHA requires residents to verify compliance annually, at least 30 days before the expiration of the lease term. Self-certification by residents is not acceptable; third party certification must be provided by the entity where the resident is performing the service.

B. DEFINITIONS

Community Service – volunteer service that includes, but is not limited to:

- Service at a local school, church, hospital, recreation center, senior center, service organization, or child care center
- Service with youth or senior organizations, including Police Athletic League (PAL) events and functions
- Working through the Resident Council or individual development Resident Council's or Senior Club to help other residents with problems
- Caring for the children of other residents so they may volunteer
- Service on the Resident Advisory Board
- Other volunteer service with non-profits, for example, 501(C)(3) organizations, providing community service programs.

NOTE: Political activity is excluded. This would include but is not limited to: voter registration; campaign worker; and poll worker assignments.

Self-Sufficiency Activities – activities that include, but are not limited to:

- Employment and Training programs
- Job training programs
- GED classes
- Substance abuse or mental health counseling
- English proficiency or literacy (reading) classes
- Budgeting and credit counseling
- Homeownership educational programs or seminars (offered by FHA and other community organizations)
- Any kind of class that helps a person move toward economic independence

Exempt Adult – an adult member of the family who

- Is 62 years of age or older
- Has a disability that prevents him/her from being gainfully employed
- Is the caretaker of a disabled person
- Is working at least 20 hours per week
- Is participating in a welfare to work program
- Is receiving assistance from TANF and is in compliance with job training and work activities requirements of the program
- Each adult member of the household must sign a Community Service Exemption Certification at each annual recertification or if they become an “exempt adult” at any time between recertifications that the status should change. (See “Exhibit 1” attached; FHA Form #1)

C. REQUIREMENTS OF THE PROGRAM

1. The eight- (8) hours per month may be either volunteer service or self-sufficiency program activity or a combination of the two.
2. At least eight (8) hours of activity must be performed each month. An individual may not skip a month and then double up the following month, unless special circumstances warrant consideration. The Executive Director, or their designee will make the determination of whether to allow or disallow a deviation from the schedule. (See Exhibit #3, FHA Form #2).
3. Activities must be performed within the community and not outside the jurisdictional area of FHA.
4. Family obligations
 - At least execution or re-examination after October 1, 2003, all adult members (18 or older) of a public housing resident family must

- 1) Provide documentation that they are exempt from Community Service requirement if they qualify for an exemption, and;
 - 2) Sign a certification that they have received and read this policy and understand that if they are not exempt, failure to comply with the Community Service requirement will result in non-renewal of their lease.
- At each annual re-examination, non-exempt family members must present a completed documentation form (to be provided by FHA's recertification area) of activities performed over the previous twelve (12) months. This form will include places for signatures of supervisors, instructors, or counselors certifying to the number of hours contributed.
 - If a family member is found to be noncompliant at re-examination, he/she and the Head of Household will sign an agreement with FHA to make up the deficient hours over the next twelve- (12) month period.
5. Change in exempt status:
- If, during the twelve- (12) month period, a non-exempt person becomes exempt, it is his/her responsibility to report this to the management office and provide documentation of such.
 - If, during the twelve- (12) month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to the management office. FHA will provide the person with the Recording/Certification documentation form and a list of agencies in the community that provide volunteer and/or training opportunities.

D. FHA OBLIGATIONS

1. To the greatest extent possible and practicable, FHA will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including disabled, to fulfill their Community Service obligations. (According to the Quality Housing and Work Responsibility Act, a disabled person who is otherwise able to perform community service is not necessarily exempt from the Community Service requirement).
 - Provide opportunities for volunteer service or self-sufficiency programs.
2. FHA offices will provide the family with: Community Service Exemption Certification Form (See FHA Form #115; "Exhibit 1"); Community Service Compliance Certification Form (See FHA Form #109; "Exhibit 2"); Record and

Certification of Community Service and Self-Sufficiency Activities Form (See FHA Form # 110; "Exhibit 3"); and Caretaker Verification for Community Service Exemption Form (See FHA Form # 141; "Exhibit "6"), attached, and a copy of this policy at initial application and at lease execution.

3. FHA's Executive Director or their designee will make the final determination as to whether or not a family member is exempt from the Community Service requirement. Residents may use the Grievance Procedure if they disagree with FHA's determination.
4. Non-compliance of family member. The responsibility for enforcement will be with the FHA.
 - At least thirty (30) days prior to annual re-examination and/or lease expiration, FHA will begin reviewing the exempt or non-exempt status and compliance of family members.
 - If FHA finds a family member to be non-compliant, the FHA will enter into an agreement with the non-compliant member and the head of household to make up the deficient hours over the next twelve- (12) month period. (FHA Form #116; "Exhibit 4" and FHA Form #114 "Exhibit 5" attached).
 - If, at the next annual reexamination, the family member still is not compliant, the lease will not be renewed and the entire family would be issued a 30-day notice to vacate by the FHA, unless the non-compliant member agrees to move out of the unit and a new lease is signed with the family amending its composition accordingly.
 - The family may use the Grievance Procedure to appeal the lease termination, after attending a private conference with the FHA representative.

E. FORMS

The following forms shall be used to process and account for community service requirements.

FHA Form #115
01/06

Exhibit 1

COMMUNITY SERVICE EXEMPTION CERTIFICATION¹

I certify that I am eligible for an exemption from the Community Service requirement for the following reason:

- I am 62 or older
- I receive Supplemental Security Income (SSI) or Social Security Disability (SSD) benefits for a disability recognized by the Social Security Administration (SSA). And, because of such disability, I cannot perform voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency or increase resident self-responsibility in the community.
- I am the primary caretaker of a person who satisfies the above criteria and I am submitting FHA Form #141 for verification.
- I am working
(Employment Verification form will serve as documentation)
- I am participating in a Welfare to Work Program
(Must provide verification letter from agency)
- I am receiving TANF and am participating in a required economic self-sufficiency program or work activity

***Must provide verification from the funding agency that you are complying with job training or work requirements. A certification form must be signed by each adult member of the household.**

Resident

Address

Date

¹ This certification applies only to the Community Service Exemption per 24 CFR 960.601 and no other FHA program requirements.

FHA Form #109
01/06

“Exhibit 2”

COMMUNITY SERVICE COMPLIANCE CERTIFICATION

I/We have received a copy of, have read and understand the contents of the Authority’s Community Service/Self Sufficiency Policy.

I/We understand that this is a requirement of the Quality Housing and Work Responsibility Act of 1998 and that if we do not comply with this requirement, our lease will not be renewed.

Resident _____ Date _____

Resident _____ Date _____

Resident _____ Date _____

FHA PM Form #110
 02/05

“Exhibit 3”

RECORD AND CERTIFICATION OF COMMUNITY SERVICE AND SELF-SUFFICIENCY ACTIVITIES

Resident Name: _____ **Address** _____ **SSN#** _____

Date of Activity: Mo/Day/Yr	Type of Service Activity	Type of Training Program	Type of Educational Program	# of Hours	Name of Company or Organization	Signature of Supervising Official
			Total Hours Must equal 96 per year			

FHA Form #116
01/06

“Exhibit 4”

AGREEMENT

In accordance with the provisions of FHA’s Community Service/Self-Sufficiency Policy, I/We agree to complete all deficient service hours over the next 12-month period. Deficient service hours are for the review year _____ and will be completed by _____.

I/We understand that FHA may issue a 30-day notice if the service hour requirements of your lease are not brought into compliance by _____. I/we understand what volunteer work qualifies as community service and what types of programs qualify for self-sufficiency participation.

Head of Household

Date

Other Adult Resident

Date

FHA USE ONLY

APPROVED BY: _____
Executive Director

Date

FHA PM Form #114
01/06

Exhibit "5"

(Date)

Dear _____:

Please be advised that FHA has not received documentation evidencing completion of 96 hours of community service for the following members of your family:

All non-exempt adult members of the family must complete the community service hours as a part of the annual recertification process. If you feel one or more of the above listed family members may be eligible for an exemption, please see your management office.

You may also be eligible to enter into an agreement to complete deficient service hours.

In the event service hours have not been completed for all adult members, you can be issued a 30-day notice to vacate. Your cooperation in this matter is needed to assist in preserving your housing opportunity.

Sincerely,

Executive Director

FHA Form #141
01/06

Exhibit 6

Caretaker Verification for Community Service Exemption

- () I certify that I receive Supplemental Security Income (SSI) or Social Security Disability (SSD) benefits for a disability recognized by the Social Security Administration (SSA). I am attaching verification of receipt of benefits from the SSA. I understand that FHA will keep this information strictly confidential.
- () And, because of such disability, I cannot perform voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency or increase resident self-responsibility in the community.
- () I certify that _____ is my primary caretaker.

(Signature of Person Certifying
About her/his Caretaker)

Date

Address

Chapter 16

PROGRAM INTEGRITY

INTRODUCTION

FHA is committed to assure that the proper level of benefits is received by all tenants, and that housing resources reach only income-eligible families so that program integrity can be maintained.

FHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines the FHA's policies for the prevention, detection and investigation of program abuse and tenant fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will FHA undertake an inquiry or an audit of a tenant family arbitrarily or retaliatory. FHA's expectation is that tenant families will comply with HUD requirements, provisions of the lease, and other program rules. FHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, FHA has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor tenants' lease obligations for compliance and, when indicators of possible abuse come to FHA's attention, to investigate such claims.

FHA will initiate an investigation of a tenant family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips. FHA will follow up on referrals from other agencies, companies or persons which are received by mail, or in person, which allege that a tenant family is in non-compliance with, or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the tenant file.

Internal File Review. A follow-up will be made if FHA staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, FHA's knowledge of the family, or is discrepant with statements made by the family.

Verification or Documentation. A follow-up will be made if FHA receives independent verification or documentation which conflicts with representations in the tenant file (such as public record information or credit bureau reports, reports from other agencies).

B. STEPS FHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The management and occupancy staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and tenant families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by tenant families.

Things You Should Know. The program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the PHA's expectations for cooperation and compliance.

Program Orientation Session. Mandatory orientation sessions will be conducted at the time of lease-up for all households at the time of initial occupancy. At the conclusion of the session, the family will confirm that all rules and pertinent regulations were explained to them.

Resident Counseling. FHA will routinely provide tenant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and explanation of Forms. FHA will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Third-Party Verifications. FHA will use third party verification whenever possible, and if using tenant supplied or other documents for verification purposes, FHA will document the attempts to obtain third party verification.

C. STEPS FHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

FHA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews. Prior to initial certification, and at the completion of all subsequent recertifications, each tenant file will be reviewed. Such reviews shall include,

but are not limited to:

- Changes in reported Social Security Numbers or dates of birth.
- Authenticity of file Documents.
- Third party and other verifications
- Differences between reported income and expenditures.
- Review of signatures for consistency with previously signed file documents.

Observation. FHA Management and Occupancy Staff (to include maintenance personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Public Record Bulletins may be reviewed by Management and Staff.

Use of EIV and Third-Party Computer Matching Verification. FHA shall use the Enterprise Income Verification and other computer matching systems for the determination of income, and other information that is available through computer matching.

Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:

At the time of final eligibility determination

When a tenant's expenditures exceed his/her reported income, and no plausible explanation is given.

D. FHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

FHA staff will encourage all tenant families to report suspected abuse. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the tenant file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The Property Manager or other FHA staff will not follow up on allegations that are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

File Review. An internal file review will be conducted to determine:

If the subject of the allegation is a tenant of FHA and, if so, to determine whether or not the information reported has been previously disclosed by the family.

It will then be determined if FHA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the Property Manager, Eligibility Specialist, or other appropriate personnel will initiate an investigation to determine if the allegation is true or false.

E. HOW FHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If FHA determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, FHA will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity which conflicts with the reported income of the family.

Verification of Credit. In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to FHA's review.

Other Agencies. Investigators, caseworkers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, FHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members. FHA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an

appointment at the appropriate PHA office. A high standard of courtesy and professionalism will be maintained by the FHA Staff Person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY FHA

Documents and other evidence obtained by FHA during the course of an investigation will be considered "work product" and will either be kept in the tenant file, or in a separate "work file." In either case, the tenant file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among FHA Staff unless they are involved in the process, or have information that may assist in the investigation.

G. CONCLUSION OF FHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to his/her supervisor or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

H. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, FHA will review the facts to determine:

- The type of violation (Procedural, non-compliance, fraud).
- Whether the violation was intentional or unintentional.
- What amount of money (if any) is owed by the tenant.
- Is the family eligible for continued occupancy.

I. ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED

Once a program violation has been documented, FHA will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Non-compliance

This category applies when the tenant "fails to" observe a procedure or requirement of FHA, but does not misrepresent a material fact, and there is no retroactive rent owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a pre-scheduled appointment.
- Failure to return verification in time period specified by FHA.

Warning Notice to the Family. In such cases a notice will be sent to the family which contains the following:

- A description of the non-compliance and the procedure, policy or obligation which was violated.
- The date by which the violation must be corrected, or the procedure complied with.
- The action that will be taken by FHA if the procedure or obligation is not complied with by the date specified by FHA.
- The consequences of repeated (similar) violations.

Procedural Non-compliance - Retroactive Rent

When the tenant owes money to FHA for failure to report changes in income or assets, FHA will issue a Notification of Underpaid Rent. This Notice will contain the following:

- A description of the violation and the date(s).
- Any amounts owed to the FHA.
- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Tenant Fails to Comply with FHA's Notice. If the Tenant fails to comply with FHA's notice, and a material provision of the lease has been violated, FHA will initiate termination of tenancy.

Tenant Complies with FHA's Notice. When a tenant complies with FHA's notice, the staff person responsible will meet with him/her to discuss and explain the obligation or lease provision which was violated. The staff person will document to the tenant file that the tenant has complied.

Intentional Misrepresentations

When a tenant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an underpayment of rent by the tenant, FHA will evaluate whether or not:

- the tenant had knowledge that his/her actions were wrong, and
- that the tenant willfully violated the lease or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the tenant was made aware of program requirements and prohibitions. The tenant's signature on various certification, briefing certificate, Personal Declaration and *Things You Should Know* are adequate to establish knowledge of wrong-doing.

The tenant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the tenant of the misrepresentation.
- That the act was done repeatedly.
- If a false name or Social Security Number was used.
- If there were admissions to others of the illegal action or omission.
- That the tenant omitted material facts which were known to them (e.g., employment of self or other household member).
- That the tenant falsified, forged or altered documents.
- That the tenant uttered and certified to statements at a rent (re)determination which were later independently verified to be false.

The Tenant Conference for Serious Violations and Misrepresentations

When FHA has established that material misrepresentation(s) have occurred, a Tenant Conference will be scheduled with the family representative and the FHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by FHA. The purpose of such conference is to review the information and evidence obtained by FHA with the tenant, and to provide the tenant an opportunity to explain any document findings which conflict with representations in the tenant file. Any documents or mitigating circumstances presented by the tenant will be taken into consideration by FHA. The tenant will be given 5 days to furnish any mitigating evidence.

A secondary purpose of the Tenant Conference is to assist FHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, FHA will consider:

- The duration of the violation and number of false statements.
- The tenant's ability to understand the rules.
- The tenant's willingness to cooperate, and to accept responsibility for his/her actions.
- The amount of money involved.
- The tenant's past history.
- Whether or not criminal intent has been established.
- The number of false statements.

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, FHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution: If FHA has established criminal intent, and the case meets the criteria for prosecution, FHA may:

Refer the case to HUD's OIG, and terminate rental assistance.

Administrative Remedies: FHA may:

- Terminate tenancy and demand payment of restitution in full.
- Terminate tenancy and execute an administrative repayment agreement in accordance with the FHA's Repayment Policy.
- Permit continued occupancy at the correct rent and execute an administrative repayment agreement in accordance with FHA's Repayment Policy.

Notification to Tenant of Proposed Action

FHA will notify the tenant of the proposed action no later than 10 days after the tenant conference by mail.

Chapter 17

CRIMINAL RECORDS MANAGEMENT POLICY

A. INTRODUCTION

In the course of its regular operations, FHA comes into possession of criminal records, as well as other documents related to criminal offenses of applicants (i.e. drug and alcohol abuse treatment documentation). While necessary to accomplish Housing Authority business, these records must be maintained securely and kept from improper use.

The FHA may also be called upon to perform criminal record checks regarding applicants or tenants for housing that receives federal assistance from FHA. FHA shall maintain the records received for these residents or applicants in the manner prescribed in this policy.

B. ACQUISITION

All adult applicants shall complete the Dissemination Form authorizing the release of criminal record history to the Authority upon applying for housing, or at any time an existing resident household wishes to add an adult member to the lease. Through its cooperative agreement with the Police Department, a check of police records will be made. This check is done for the purpose of screening adult applicants for housing.

All requests for criminal records and records relating to criminal history shall be sent to the program staff. Only the designated program staff, appropriate personnel, and the Hearing Officer, shall have access to these records (the Human Resources Manager has access to criminal records only for the purpose of screening employees/potential employees of the Housing Authority, and does not have access to criminal background checks conducted for the purpose of applicant screening). The program staff, appropriate personnel, and Hearing Officer shall discuss the records with other Authority employees only as required to make a housing decision.

C. MAINTENANCE

The Authority will keep all criminal records or records relating to criminal history that are received confidential. These records will be used only to screen applicants for housing or to pursue evictions. The records will not be disclosed to any person or entity except for official use in the application process, hearing process, in accordance with the regulations, and/or in court proceedings. No copies will be made of the records except as required for official or court proceedings.

Criminal records or records relating to criminal history status are maintained in the applicant or resident file in a secured area, or will be maintained in a separate file in a secured area. These files are maintained in locked cabinetry in a secured office with limited access. The program staff and appropriate personnel are the only employees having access to the cabinet or to the office.

D. DISPOSITION

The records shall be disposed of within the policies of the FHA. If contested, the records shall be retained until all issues are resolved.

Chapter 18

SECURITY DEPOSITS

A. INTRODUCTION

Tenant security deposits are required to minimize collection losses and to encourage tenants to leave their apartments clean and in good condition when they vacate.

B. SECURITY DEPOSIT AMOUNT

The security deposit for FHA shall be \$250.00.

C. PAYMENT AGREEMENT

Security deposits are due and payable at the time of move-in. In cases of documented extreme hardships, arrangements may be made to pay the security deposit in more than one payment. The resident must sign a payment agreement if the entire amount is not paid at the time of move-in. In documented cases of extreme hardship, the security deposit may be paid in equal installments not to exceed a 5-month period, beginning with the first installment payment made at the time of move-in. The payments thereafter shall be made when the rent is paid.

D. ADDITIONAL SECURITY DEPOSIT COLLECTION PROCEDURES

Security Deposits are governed by the terms of the lease, 24CFR's and state statutes. The FHA reserves the right to bill a resident's account additional charges if any of the situations below exist or take place within a resident's apartment. These additional security deposits may exceed the flat rent. This money will be added to the resident's current security deposit. Such deposits may be collected for the following:

- 1) Unauthorized wallpapering.
- 2) Painting walls any color other than the original color upon move-in.
- 3) If the resident fails a housing inspection due to unsanitary housekeeping or excessive damage to the unit that is beyond normal wear and tear.

If any of the above items are found within a household the resident will be immediately billed thirty dollars (\$30) per room. The FHA has enacted this change to protect the interest of our housing stock and to reduce the billable charges due by the resident once they have moved out of FHA housing. Management will place additional security deposit charges on the monthly charge/credit form.

The security deposit amount will be held by FHA until the termination of the resident's lease and vacate of the unit by the resident. After vacate and inspection, the security deposit may be returned to the resident if:

- 1) There is no unpaid rent or other charges.
- 2) The unit, exterior surroundings, and all equipment therein is left clean.
- 3) There is no breakage or damage that is not due to normal wear and tear.
- 4) There is no equipment missing.
- 5) The security deposit for cases of unauthorized wallpapering or painting will be fully refundable should the resident restore the unit back to original condition with normal wear and tear accepted.
- 6) A fifteen (15) day written notice is provided to FHA and the keys to the dwelling are surrendered to the management office.

E. TRANSFER OF SECURITY DEPOSIT

If a resident transfers, the original security deposit transfers. The resident will pay for all the damages from the previous unit.

Chapter 19

EVICTION POLICY AND PROCEDURES

A. OVERVIEW

The eviction of a resident from Public Housing, Section 202/8, or affordable housing program as operated by the FHA is a serious matter. Eviction is not the preferred method of resolving agency or resident problems. However, when all other reasonable efforts have failed, resident eviction becomes necessary to enforce reasonable rules and regulations of the agency and to ensure that the individual rights of the resident population as a whole are protected.

This eviction policy and procedure IS IN ADDITION TO AND INTENDED TO SUPPLEMENT AND CLARIFY THE ALLOWED GROUNDS FOR EVICTION UNDER THE LEASE(S) and the Admission and Occupancy Policies.

B. CAUSES FOR EVICTION

Tenancy may be terminated for **serious and/or repeated** violation of material terms of the lease agreement. The most common causes of lease termination are as follows:

1. Failure to pay rent
2. Failure to pay charges other than rent (utilities, maintenance repair costs, late fees, repayment agreements, or other charges as applicable)
3. Drug-related criminal activity on or off FHA premises
4. Disruptive, violent, or criminal behavior that threatens the health, safety or right to peaceful enjoyment of the premises
5. Unit damage/destruction
6. Failure to maintain the unit in a decent, safe and sanitary condition
7. Assignment of lease, subletting of premises, or providing accommodations for persons not on the lease
8. Failure to appear for scheduled appointments or failure to provide information to management for continued occupancy recertifications (“family obligations”)
9. Permitting individuals that are banned from the property to visit, or reside on the property.

Note: The above listing is not all inclusive of evictable violations. Violation of any material term of the lease agreement may be grounds for lease termination/eviction.

Evictions are to be based solely upon documented facts.

C. DOCUMENTATION AND PROCESSING THE REQUEST FOR EVICTION

Documentation Sources

The program staff person prior to filing any action with the Courts shall present all documentation regarding the tenant(s) failure to uphold the material terms of the lease to his/her Supervisor. Documentation must clearly support the need for eviction. Documentation must show that all other reasonable efforts to resolve the problem and to enforce the rules and regulations have been made by the program staff, and/or other FHA staff as applicable (i.e. Inspectors, Hearing Officers, Resident Services), **or** that the seriousness of such offense requires immediate action. Documentation may consist of one or more of the following items:

- Proof of arrest or a preponderance of evidence (Note: Conviction of crime is not necessary for eviction)
- Incident Report or other written statement from law enforcement
- Written statements from credible neighbors and/or residents
- Written statements from FHA staff acting as eye-witnesses
- Photographic evidence
- UPCS Inspection Report, maintenance inspection, maintenance work order
- Prior written warnings from Property Manager (Written warnings must quote the applicable lease provision violated).

CAUTION: Attention should be given to the Witness's/Complainant's credibility, motivation, and source(s) of documentation provided.

Note: In the event that the eviction is for violation of health/safety (commonly referred to as "housekeeping") or for tenant damages, tenants must have been afforded the opportunity to pay the costs for repairs and failed to do so or other follow-up procedures (re-inspections, referral of tenant to outside service agencies for assistance) have failed to remedy the deficiency.

Presentation of Documentation

In "packaging" the documentation for presentation to the Supervisor, the program staff Manager shall prepare a statement requesting review of documents for eviction and summarizing the documentation available supporting his/her request to evict setting forth the reason for the proposed eviction, outlining relevant supporting documentation including dates/times as applicable. The statement shall be attached to the supporting documentation (photographs, Incident Reports, etc.).

The complete tenant file shall be delivered for presentation to the Supervisor with the packaged documents securely placed as the top item on the right-hand side of the tenant file. The Supervisor will review the documentation and the file and will return the file to the program staff with authorization to proceed to evict or will disapprove the file and provide rationale (based on regulation, policy, or current FHA procedure) for the disapproval and provide to the program staff any recommendation for follow-up or for additional documentation as may be needed.

In no event shall a supervisor approve a request to evict without the packaged documentation (proof of need) or without the complete tenant file (in order to provide opportunity to review past tenant history and past management action).

D. TYPES OF EVICTION NOTICES AND FILING PROCEDURES

Non-Payment of Rent

Notice (*Notice of Charges Due*) shall be served for delinquency of rent. Notice may be served by (a) Personal Service (with Notice delivered personally to Head of Household and witnessed by other FHA personnel), (b) Substitute Service (with Notice delivered personally to family member over the age of 18 years), or (c) Conspicuous Service (with Notice adhered to premise door). Although not required by State law in the event of Personal Service, copies of the Notice will be mailed to the Head of Household regardless of type of service. The Certificate of Mailing shall be retained as proof of service.

14-Day Notice All Conventional Public Housing

Lockout paperwork (*Affidavit of Complaint for Summary Eviction*) shall be filed with the appropriate jurisdictional Court and with the Constable in the event payment is not received in full prior to the Notice deadline.

30-Day Notice for Lease Violations

For general lease violations not inclusive of drug or criminal activity or activity posing an extreme threat to health/safety, a 30-Day Notice is served to the resident household (*30-Day Notice of Violation of Lease and Intent to Terminate*) citing the provision(s) of the Lease violated.

The 30-Day Notice must be served with the applicable programmatic Grievance Procedure securely attached to the Notice.

The Notice and Grievance Procedure may be served by (a) Personal Service, (b) Substitute Service, or (c) Conspicuous Service. A copy of the Notice and

Grievance Procedure shall be mailed to the Head of Household regardless of how the Notice is served. The Certificate of Mailing shall be retained as proof of service.

In the event the resident grieves the action (in compliance with the Grievance Procedure or Court), the Eviction is stayed until such time as a decision is rendered.

In the event the resident does not grieve the action and the Notice period elapses, or, in the event the resident grieves the action and the Hearing or Court results in a recommendation to proceed with the Eviction and the Notice period has elapsed, the Property Manager shall file action with the Court requesting removal of the family and release of the unit (*5 Day Unlawful Detainer*).

In the event the resident does not vacate once the five (5) days have elapsed, the Property Manager shall file for lockout with the appropriate jurisdictional Court.

3-Day Expedited Notice

3-Day Expedited Notice (*Notice of Violation of Lease with Intent to Terminate*) is served in cases of drug-related criminal activity, criminal activity, or any activity of an extreme nature that pose a threat to the health/safety of others including but not limited to a threat to the safety of staff.

The 3-Day Expedited Notice must be served with the applicable programmatic Grievance Procedure securely attached to the Notice. The Grievance Procedure states that for lease violations involving drug related criminal activity, criminal activity, or any activity of an extreme nature, there is no FHA formal grievance hearing process granted by a Hearing Officer. Any response the resident shall make in regard to such Notice shall be made to the court of law in the jurisdiction in which the Notice was issued.

The Notice and Grievance Procedure may be served by (a) Personal Service, (b) Substitute Service, or (c) Conspicuous Service. Regardless of type of service, a copy of the 3-Day Notice of Violation of Lease with Intent to Terminate shall be mailed to the Head of Household. The Certificate of Mailing shall be retained as proof of service.

In the event the resident does not vacate the unit within the 3-Day Notice period, the program staff shall file action with the Court requesting removal of the family and release of the unit (*3-Day Unlawful Detainer*).

In the event the resident does not vacate the premises once the three (3) days have elapsed under the *Unlawful Detainer*, the program staff shall file for lockout with the appropriate jurisdictional Court.

E. ACCEPTANCE OF PAYMENTS DUE WHILE UNDER EVICTION

Evictions for Non-Payment: No payments may be accepted by FHA, its agents or employees, for charges due under the lease agreement (including rent, late fees, maintenance charges, etc.) *except* when payment is for charges in full*. Utility Allowances will be withheld if notice of eviction has been given, this allowance will be held on tenants account until move out process has been completed and will be sent to utility company where balances are owed, if no balances are owed this money will be returned to tenant. Acceptance of funds, whether payment in full or partial payment, negates the eviction and halts all eviction actions and process.

*FHA will not accept personal or private third party checks in matters of eviction for non-payment. If the resident desires to cease the eviction action through payment of all charges, payment must be made by cash or money order. (Third party checks are acceptable from known social service agencies.)

Evictions for Other than Non-Payment: No payments may be accepted by FHA, its agents or employees, for charges due under the lease agreement (including rent, late fees, maintenance charges, etc.) *including* when payment is for full charges. *However*, such payment may be requested to be paid to the Court by either the Court or the lessee, and held in escrow pending the outcome of the Court's decision.

F. DECISIONS OF THE COURT

In matters of eviction, all evictions pursued by FHA are subject to civil law including evictions for drug-related or criminal activity.

The decisions of the presiding Court shall be considered final in all matters of eviction unless through Administrative Review it is found that staff has erred or other similar mitigating circumstances prevail. In cases wherein the decision of the Court is subject to reversal, the complete file (hardcopy of tenant file, all eviction documentation) shall be presented to the Executive Director for review and decision. Only the Executive Director may reverse a decision of the Court and reinstate an evicted household.

G. TERMINATIONS PROTECTED BY VAWA

Criminal Activity directly relating to domestic violence, dating or stalking engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be cause for termination of the tenancy or occupancy rights, if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, or stalking.

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

Chapter 20

GLOSSARY of TERMS

1. Accessible dwelling units - When used with respect to the design, construction or alteration of an individual dwelling unit, means that the unit is located on an accessible route and when designed, constructed, altered, or adapted can be approached, entered, and used by individuals with physical disabilities. A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in the Uniform Federal Accessibility Standards is “accessible” within the meaning of this paragraph. When an individual dwelling unit in an existing facility is being modified for use by a specific individual, the unit will not be deemed accessible, even though it meets the standards that address the impairment of that individual, unless it also meets the UFAS standards ¹.
2. Accessible Facility - means all or any portion of a facility other than an individual dwelling unit used by individuals with physical disabilities ².
3. Accessible Route - For persons with a mobility impairment, a continuous unobstructed path that complies with space and reach requirements of the Uniform Federal Accessibility Standards. For persons with hearing or vision impairments, the route need not comply with requirements specific to mobility ³.
4. Adaptability - Ability to change certain elements in a dwelling unit to accommodate the needs of disabled and non-disabled persons; or ability to meet the needs of persons with different types & degrees of disability ⁴.
5. Adjusted Income-
Annual income, less allowable HUD deductions. HUD allowable deductions include
 - Child Care Expenses: A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which the Annual Income is computed. Childcare expenses are only allowable when such care is necessary to enable a family member to be gainfully employed, to further his/her education, or seek employment. Amounts deducted must be unreimbursed expenses and shall not exceed: (1) For gainfully employed, the amount of income earned by the family member released to work, or (2) for education or seeking employment, the amount determined to be reasonable by the PHA when the expense is incurred to permit education or seek employment.
 - Dependent Deduction. An exemption of \$480 for each member of the family residing in the household (other than the head or spouse, live-in aide, foster child) who is under eighteen years of age, or who is eighteen years of age or older and disabled, handicapped, or a full-time student.

- Handicapped Expenses. A deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for handicapped family members where such expenses are necessary to permit a family member(s), including the handicapped/disabled member to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work.
 - Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for visually handicapped, and equipment added to cars and vans to permit use by the handicapped or disabled family member.
 - For non-elderly families and elderly families without medical expense: The amount of the deduction equals the cost of all unreimbursed expenses for handicapped care and equipment less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.
 - For elderly families with medical expenses: The amount of the deduction equals the cost of all unreimbursed expenses for handicapped care and equipment less three percent of Annual Income, (provided the amount does not exceed earnings) plus medical expenses as defined below.
- Medical Expense For Elderly and Disabled Families Only:
 - Medical Expenses: A deduction of unreimbursed medical expenses, including insurance premiums anticipated for the period for which Annual Income is computed.
 - Medical expenses include, but are not limited to: services of physicians and other health care professionals, services of health care facilities; insurance premiums, including the cost of Medicare), prescription and non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by the PHA for the purpose of determining a deduction from the income, the expenses claimed must be verifiable.
 - For elderly families without handicapped expenses: The amount of the deduction shall equal total medical expenses less 3% of annual income.
 - For elderly families with both handicapped and medical expenses: The amount of handicapped assistance is calculated first, then medical expenses are added.

- For an Elderly/Disabled Family: An exemption of \$400 per household.
 - The FHA does not have any optional deductions
6. Adult: A Person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State or tribal law.
7. Alteration - any change in a facility or its permanent fixtures or equipment. It does not include: normal maintenance or repairs, re-roofing, interior decoration or changes to mechanical systems ⁵.
8. Annual Income Includes:
- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from 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;
- (3) 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 a deduction in determining net income. An allowance for depreciation is permitted only as authorized within 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 \$5,000, annual income shall include the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (but see No. 13 under Income Exclusions);
- (5) Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay (but see No. 3 under Income Exclusions);
- (6) Welfare Assistance.
- a. Welfare assistance received by the household.
 - b. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or

work activities requirement.

- c. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare income to be included as income shall consist of:
 - (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - (ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and

(8) All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph (7)) under Income Exclusions.

(9) For the section 8 programs only and as provided under the restrictions on assistance to students enrolled in an institution of higher education, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education, shall be considered income to the individual, except that financial assistance described in this income inclusion is not considered income for persons over the age of 23 with dependent children. Financial assistance does not include loan proceeds for determining income.

9. Annual Income Excludes:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) 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);

(3) 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 (but see No. 5 under Income Inclusions);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide (as defined by regulation);

- (6) Except for the required income inclusions in the Section 8 Program as stated income inclusions #9, the full amount of student financial assistance paid directly to the student or to the educational institution; The housing portion of an athletic scholarship is included as income;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) Certain amounts received that are related to participation in the following programs
- (a) Amounts received under training programs funded by HUD;
 - (b) Amounts received by a person with disabilities 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);
 - (c) 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;
 - (d) A resident service stipend. This is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time; or
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
- (9) Temporary, nonrecurring, or sporadic income (including gifts). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days (Notice PIH 2000-1).

- (10) Reparations 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;
- (11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) Deferred periodic payments of supplemental security income, social security benefits and VA benefits that are received in a lump-sum payment or in prospective monthly payments;
- (14) 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;
- (15) 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; and.
- (16) 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. A notice will be published in the *Federal Register* and distributed to PHAs identifying the benefits that qualify for this exclusion. Updates will be distributed when necessary. The following is a list of income sources that qualify for that exclusion:
- a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
 - b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
 - c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
 - d) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
 - e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
 - 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);
- g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L- 94-540, 90 Stat. 2503-04);
- h) The first \$2000 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 \$2000 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);
- i) 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. 1087uu);
- j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
- k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- m) 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);
- n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
- o) 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);
- p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
- q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spinal bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
- r) 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);

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

t) Medicare Discount Program Reimbursements or Incentive Payments

(17) Earned Income Disallowance

(a) Initial Twelve Month Exclusion

(b) Second Twelve Month Exclusion and Phase-In

(c) Maximum Four Year Disallowance

(18) Kinship guardian payments, Kin-Gap, guardianship care payments, or kinship care payments received by the state.

(19) Temporary income payments from the U.S. Census Bureau. Pursuant to Section 24 CFR 5.609 (c)(9), PHAs are to exclude **temporary** income payments from the U.S. Census Bureau, defined as employment lasting no longer than 180 days and not culminating in permanent employment. Employer verification of both the employment dates and income amount is to be maintained in the tenant file.

(20) IRS one-time economic stimulus package payments

10. Applicant - a person or a family that has applied for admission to housing.

11. Area of Operation - The jurisdiction of the FHA as described in applicable State law and the FHA's Articles of Incorporation.

12. Assets - Assets means "cash (including checking accounts), stocks, bonds, savings, equity in real property, or the cash value of life insurance policies. Assets do not include the value of personal property such as furniture, automobiles and household effects or the value of business assets." IMPORTANT: See the definition of Net Family Assets, for assets used to compute annual income⁶.

13. Assets Include:

- Amounts in savings and checking accounts.
- Stocks, bonds, savings certificates, money market funds and other investment accounts.

- Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the assets and reasonable costs (such as broker fees) that would be incurred in selling the assets.
- The cash value of trusts that may be withdrawn by the family.
- IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
- Some contributions to company retirement/ pension funds. Note the discussion below on accessibility of the funds.
- Assets, which although owned by more than one person, allow unrestricted access by the applicant.
- Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
- Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
- Cash value of life insurance policies.
- Assets disposed of for less than fair market value during the two years preceding certification or re-certification.

14. Assets Exclude-

- Necessary personal property, except as noted in assets inclusions.
- Interest on Indian trust lands.
- Assets that are part of an active business or farming operation.
- *NOTE:* Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's/tenant's main occupation.
- Assets not controlled by or accessible to the family and which provide no income for the family
- Vehicles especially equipped for the disabled.

- Equity in owner-occupied cooperatives, a HCV Homeownership unit, and manufactured homes in which the family lives.
 - NOTE: A key factor in whether or not to include an asset in the calculation of annual income is whether any member of the family has access to the asset
15. Auxiliary Aids - means services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in and enjoy the benefits of programs or activities ⁷.
 16. Care attendant - a person who regularly visits the unit of a FHA resident to provide supportive or medical services. Care attendants are not live-in aides, since they have their own place of residence (and if requested by FHA must demonstrate separate residence) and do not live in the public housing unit.
 17. Co-head of household - One of the two people in a household where two persons are held responsible and accountable for the family, and where each co-head contributes to the rent.
 18. Covered Person – For the purposes of screening and terminating tenancy for criminal activity, a tenant, any member of the tenant’s household, a guest, or another person under the tenant’s control.
 19. Dependent - A member of the household, other than head, spouse, sole member, foster child, or Live-in Aide, who is under 18 years of age, or 18 years of age or older and disabled, or a full-time student, and qualifies for a \$480 deduction when computing income-based rent ⁸.
 20. Designated Family - means the category of family for whom FHA elects (subject to HUD approval) to designate a project (e.g. elderly family in a project designated for elderly families) in accordance with the 1992 Housing Act.
 21. Designated housing (or designated project) - a project(s), or portion of a project(s) designated for elderly only or for disabled families only in accordance with HUD requirements.
 22. Disabled Family - A family whose head, spouse or sole member is a person with disabilities. (Person with disabilities is defined later in this section.) The term includes two or more persons with disabilities living together, and one or more such persons living with one or more persons including live-in aides determined to be essential to the care and well-being of the person or persons with disabilities. A disabled family may include persons with disabilities who are elderly ⁹.
 23. Displaced Person - A person displaced by government action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise recognized pursuant to Federal disaster relief laws. This definition is used for eligibility determinations only. It should not be confused with the former Federal preference for involuntary displacement ¹⁰.
 24. Divestiture Income - Imputed income from assets, including business assets, disposed of by applicant or resident in the last two years at less than fair market value
 25. Drug – A controlled substance as defined in the Controlled Substances Act ¹¹.

26. Drug-related Criminal Activity – The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell distribute or use the drug ¹².
27. Elderly Family - A family whose head or spouse (or sole member) is at least 62 years of age. It may include two or more elderly persons living together, and one or more such persons living with one or more persons, including live-in aides, determined to be essential to the care and well-being of the elderly person or persons. An elderly family may include elderly persons with disabilities and other family members who are not elderly ¹³.
28. Elderly Person - A person who is at least 62 years of age.
29. Extremely Low Income Family– A Family who’s Annual Income is equal to or less than 30% of Area Median Income, as published by HUD.

30. Family –

Two or more persons (with or without children) regularly living together, related by blood, marriage, adoption, guardianship or operation of law who will live together in FHA housing; OR

Two or more persons who are not so related, but are regularly living together or intend to regularly live together, can verify shared income or resources, and who will live together in FHA housing.

The term family also includes the following terms defined in this Section:

Elderly family;

Near elderly family;

Disabled family;

Displaced person;

Single person;

Remaining member of a tenant family; or

Other persons, including members temporarily absent (e.g. a child temporarily placed in foster care or a student temporarily away at college), may be considered a part of the applicant family's household if they are living or will live regularly with the family ¹⁴.

Live-in Aides may also be considered part of the applicant family's household. However, live-in aides are not family members and have no rights of tenancy or continued occupancy.

Foster Care Arrangements include situations in which the family is caring for a foster adult, child or children in their home who have been placed there by a public child placement agency, or a foster adult or adults placed in the home by a public adult placement agency.

For purposes of continued occupancy: the term family also includes the remaining member of a resident family with the capacity to execute a lease.

31. 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.

Educational institution shall include but not be limited to: college, university, secondary school, vocational school or trade school ¹⁵.

32. Guest – For the purposes of determining whether an individual's criminal activity is the responsibility of the tenant, a guest is a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of the lease apply to a guest as so defined.

33. Head of the Household - The family member (identified by the family) who is held responsible and accountable for the family.

34. Household – The family, FHA-approved foster child or children and a FHA-approved Live-in Aide

35. Individual with Disabilities, Section 504 definition ¹⁶

- (a) Section 504 definitions of Individual with Disabilities and Qualified Individual with Disabilities are not the definitions used to determine program eligibility. Instead, use the definition of person with disabilities as defined later in this section. Note: the Section 504, Fair Housing, and Americans with Disabilities Act (ADA) definitions are similar. ADA uses the term “individual with a disability”. Individual with disabilities means any person who has:
 - (a) substantially limits one or more major life activities;
 - (b) has a record of such an impairment;
 - (c) or is regarded as having such an impairment.
- (b) A physical, mental or emotional impairment that:
 - (a) substantially limits one or more major life activities;
 - (b) has a record of such an impairment;
 - (c) or is regarded as having such an impairment.
- (c) For purposes of housing programs, the term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.
- (d) Definitional elements:
 - (a) “physical or mental impairment” means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
 - (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
 - (c) “Major life activities” means functions such as caring for one’s self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
 - (d) “Has a record of such an impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
 - (e) “Is regarded as having an impairment” means has a physical or

- mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation; or
- (f) Has a physical or mental impairment that substantially limits one or more major life activities only as result of the attitudes of others toward such impairment; or
 - (g) Has none of the impairments defined in this section but is treated by a recipient as having such an impairment.
 - (h) NOTE: A person would be covered under the first item if FHA refused to serve the person because of a perceived impairment and thus “treats” the person in accordance with this perception. The last two items cover persons who are denied the services or benefits of FHA’s housing program because of myths, fears, and stereotypes associated with the disability or perceived disability.
- (e) The 504 definition of individual with disabilities is a civil rights definition. To be considered for admission to public housing a person must meet the program definition of person with disabilities found in this section.
36. Kinship care - an arrangement in which a relative or non-relative becomes the primary caregiver for a child or children but is not the biological parent of the child or children. The primary caregiver need not have legal custody of such child or children to be a kinship caregiver under this definition. (Definition provided by the Kinship Care Project, National Association for Public Interest Law)
37. Live-in Aide - A person who resides with an elderly person(s), near elderly person(s) or person(s) with disabilities and who: (a) is determined by FHA to be essential to the care and well being of the person(s); (b) is not obligated to support the family member; and (c) would not be living in the unit except to provide the necessary supportive services¹⁷.
38. FHA policy on Live-in Aides stipulates that:
- (a) Before a Live-in Aide may be moved into a unit, a third-party verification must be supplied that establishes the need for such care and the fact that the live-in aide is qualified to provide such care;
 - (b) Move-in of a Live-in Aide must not result in overcrowding of the existing unit according to the maximum-number-of-persons-per-unit standard (although, a reasonable accommodation for a resident with a disability may be to move the family to a larger unit);
 - (c) Live-in Aides have no right to the unit as a remaining member of a resident family;
 - (d) Relatives who satisfy the definitions and stipulations above may qualify as Live-in Aides, but only if they sign a statement prior to moving in relinquishing all rights to the unit as the remaining member of a resident family.

- (e) A Live-in aide is a single person.
 - (f) A Live-in Aide will be required to meet FHA's screening requirements with respect to past behavior especially:
 - * A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at present or prior residences that may adversely affect the health, safety, or welfare of other tenants or neighbors;
 - * Criminal activity such as crimes of physical violence to persons or property and other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or the development; and
 - * A record of eviction from housing or termination from residential programs.
39. Low-Income Household - A family whose annual income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller and larger families¹⁸
40. Medical Expense Allowance - For purposes of calculating adjusted income for elderly or disabled families only, medical expenses mean the medical expense in excess of 3% of Annual Income, where these expenses are not compensated for or covered by insurance¹⁹.
41. Minor - A minor is a person less than 18 years of age. An unborn child will not be considered as a minor. (See definition of dependent.) Some minors are permitted to execute contracts, provided a court declares them "emancipated".
42. Mixed Population Project - means a public housing project for elderly and disabled families. The FHA is not required to designate this type of project under the Extension Act. (PIH Notice 97-12)
43. Multifamily housing project - For purposes of Section 504, means a project containing five or more dwelling units²⁰.
44. Near-elderly family - means a family whose head, spouse, or sole member is a near-elderly person (at least 50 but less than 62 years of age), who may be a person with a disability. The term includes two or more near-elderly persons living together, and one or more such persons living with one or more persons who are determined to be essential to the care or well-being of the near-elderly person or persons. A near-elderly family may include other family members who are not near-elderly²¹.
45. Near-elderly person - means a person who is at least 50 years of age but below 62, who may be a person with a disability
46. Net Family Assets - The net cash value, after deducting reasonable costs that would be incurred in disposing of²²:
- a. Real property (land, houses, mobile homes)
 - b. Savings (CDs, IRA or KEOGH accounts, checking and savings accounts, precious metals)

- c. Cash value of whole life insurance policies
 - d. Stocks and bonds (mutual funds, corporate bonds, savings bonds)
 - e. Other forms of capital investments (business equipment)
- Net cash value is determined by subtracting the reasonable costs likely to be incurred in selling or disposing of an asset from the market value of the asset. Examples of such costs are: brokerage or legal fees, settlement costs for real property, or penalties for withdrawing saving funds before maturity.
 - Net Family assets also include the amount in excess of any consideration received for assets disposed of by an applicant or resident for less than fair market value during the two years preceding the date of the initial certification or reexamination. This does not apply to assets transferred as the result of a foreclosure or bankruptcy sale.
 - In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the applicant or resident receives important considerations not measurable in dollar terms.
47. Other person under the tenant's control – The person, although not staying as a guest in the unit is or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control (e.g. the Pizza Delivery person).
48. Person with disabilities¹ means a person² who ²³—
- (a) Has a disability as defined in Section 223 of the Social Security Act ²⁴; or,
 - (b) Has a physical, mental or emotional impairment that:
 - 1. Is expected to be of long continued and indefinite duration;
 - Substantially impedes his/her ability to live independently; and,
 - Is of such nature that such disability could be improved by more suitable housing conditions; or,
 - Has a developmental disability as defined in Section 102 (5) (b) of the Developmental Disabilities Assistance and Bill of Rights Act ²⁵
49. Portion of project - includes, one or more buildings in a multi-building project; one or more floors of a project or projects; a certain number of dwelling units in a project or projects.
50. Project, Section 504 - means the whole of one or more residential structures & appurtenant structures, equipment, roads, walks, & parking lots that are covered by a single contract for Federal financial assistance or application for assistance, or are treated as a whole for processing purposes, whether or not located on a common site.

1 NOTE: this is the program definition for public housing. The 504 definition does not supersede this definition for eligibility or admission. [24 CFR 8.4 (c) (2)]

2 A person with disabilities may be a child.

51. Premises – The building or complex or development in which the public housing dwelling is located, including common areas and grounds.
52. Qualified Individual with disabilities, Section 504²⁶ - means an individual with disabilities who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the FHA can demonstrate would result in a fundamental alteration in its nature.
- a. Essential eligibility requirements include: ...stated eligibility requirements such as income as well as other explicit or implicit requirements inherent in the nature of the program or activity, such as requirements that an occupant of multifamily housing be capable of meeting the recipient's selection criteria and be capable of complying with all obligations of occupancy with or without supportive services provided by persons other than the FHA.
 - b. For example, a chronically mentally ill person whose particular condition poses a significant risk of substantial interference with the safety or enjoyment of others or with his or her own health or safety in the absence of necessary supportive services may be "qualified" for occupancy in a project where such supportive services are provided by the FHA as a part of the assisted program. The person may not be 'qualified' for a project lacking such services.
53. Single Person - A person who is not an elderly person, a person with disabilities, a displaced person, or the remaining member of a resident family.
54. Spouse - Spouse means the husband or wife of the head of the household.
55. Tenant Rent²⁷ - The amount payable monthly by the Family as rent to FHA. When all utilities (except telephone) and other essential housing services are supplied by the Authority; Tenant Rent equals Total Tenant Payment. Where some or all utilities (except telephone) and other essential housing services are not supplied by the FHA and the cost thereof is not included in the amount paid as rent, Tenant Rent equals Total Tenant Payment less the Utility Allowance
56. Total Tenant Payment (TTP) - The TTP, or income-based rent, is calculated using the following formula:
- a. The greatest of 30% of the monthly Adjusted Income (as defined in these policies) or 10% of the monthly Annual Income (as defined in these policies), or the Welfare Rent if applicable, but never less than the Minimum Rent. If the Resident pays for the utilities directly to the utility supplier, the amount of the Utility Allowance is deducted from the TTP²⁸. See the definition for Tenant Rent.
57. Uniform Federal Accessibility Standards - Standards for the design, construction, and alteration of publicly owned residential structures to insure that physically disabled persons will have ready access to and use of such structures. The standards are set forth in **Appendix A to 24 CFR Part 40. See cross reference to UFAS in 504 regulations, 24 CFR § 8.32 a.**

58. Utilities - Utilities means water, electricity, gas, other heating, refrigeration and cooking fuels, trash collection, and sewerage services. Telephone service is not included as a utility²⁹.
59. Utility Reimbursement - Funds that are reimbursed to the resident or the utility company on the resident's behalf if the utility allowance exceeds the Total Tenant Payment.
60. Very Low-Income Family - Very low-income family means a family whose Annual Income does not exceed 50 percent of the median Annual Income for the area, with adjustments for smaller and larger families, as determined by the Secretary of Housing and Urban Development³⁰
61. Violent Criminal Activity – Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause serious bodily injury or property damage. The Violence Against Women Act (VAWA) prohibits the eviction of, and removal of assistance from, certain persons living in public or Section 8- assisted housing if the asserted grounds for such action is an instance of domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in Section 3 of the United States Act of 1937 as amended by VAWA (42 U.S.C. 13925)

¹ 24 CFR § 8.32 & § 40

² 24 CFR § 8.21

³ 24 CFR § 8.3 & § 40.3.5

⁴ 24 CFR § 8.3 & § 40.3.5

⁵ 24 CFR § 8.3 & § 8.23 (b)

⁶ 24 CFR § 5.603

⁷ 24 CFR § 8.3

⁸ 24 CFR § 5.603

⁹ 24 CFR § 5.403

¹⁰ (42 USC 1437a(b)(3))

¹¹ 24 CFR § 5.100

¹² 24 CFR § 5.100

¹³ 24 CFR § 5.403

¹⁴ 24 CFR §§ 5 and 960

¹⁵ 24 CFR 5.603

¹⁶ 24 CFR § 8.3

¹⁷ 24 CFR 5.403

¹⁸ 42 USC 1437a(b)

¹⁹ 24 CFR § 5.603

²⁰ 24 CFR § 8.3

²¹ 24 CFR § 5.403

²² 24 CFR § 5.603

²³ 42 USC 1437a(b)(3)

²⁴ 42 USC 423

²⁵ 42 USC 6001 (5).

²⁶ 24 CFR § 8.3

²⁷ 24 CFR § 5.603.

²⁸ 24 CFR §5.613

²⁹ 24 CFR § 965.473

³⁰ 42 USC 1437a(b).