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PARTNERSHIP
COASTAL COMMUNITY ACTION, INC.

HCV ADMINISTRATIVE PLAN

Coastal Community Action, Inc.

nma
Nan McKay
AND ASSOCIATES, INC.

HCV Administrative Plan

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Introduction

ABOUT THE REFERENCES CITED IN THE ADMINISTRATIVE PLAN

Authorities For Policies in the Administrative Plan

The authority for PHA policies is derived from many sources. Primary among these sources are federal statutes, federal regulations, and guidance issued by HUD. State law also directs PHA policy. State law must be followed where such law exists and does not conflict with federal regulations. Industry practice may also be used to develop policy if it does not conflict with federal requirements or prohibitions.

HUD

HUD provides the primary source of PHA policy through federal regulations, HUD notices, and handbooks. Compliance with federal regulations, current HUD notices, and current HUD handbooks is mandatory.

HUD also provides guidance to PHAs through other means such as HUD-published guidebooks, expired HUD notices, and expired handbooks. Basing PHA policy on HUD guidance is optional, as long as PHA policies comply with federal law, federal regulations, and mandatory policy. Because HUD has already determined that the guidance it provides is consistent with mandatory policies, PHA reliance on HUD guidance provides the PHA with a "safe harbor."

Material posted on the HUD website can provide further clarification of HUD policies. For example, FAQs on the HUD website can provide direction on the application of federal regulations in various aspects of the program.

State Law

Where there is no mandatory federal guidance, PHAs must comply with state law, if it exists. Where state law is more restrictive than federal law, but does not conflict with it, the PHA should follow the state law.

Industry Practice

Where no law or HUD authority exists on a particular subject, industry practice may support PHA policy. Industry practice refers to a way of doing things or a policy that has been adopted by a majority of PHAs.

Resources Cited in The Administrative Plan

The administrative plan cites several documents. Where a document or resource is cited frequently, it may be abbreviated. Where it is cited only once or twice, the plan may contain the entire name of the document or resource. The following is a key to abbreviations used for various sources that are frequently cited in the administrative plan and a list of references and document locations that are referenced in the administrative plan or that may be helpful to the reader.

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HUD HCV Guidebook

In November 2019 HUD began issuing a new version of the HCV Guidebook chapter-by-chapter. Unlike the previous version of the HCV Guidebook in which chapters were numbered, the new version of the guidebook includes chapter names, but no numbers. As the new version of the guidebook has not yet been fully released, and since the previous version of the guidebook contains guidance not found in the new version, the policy cites both versions of the guidebook.

Where the HCV Guidebook is cited in the policy, the citation will make a distinction between the "old" and "new" versions of the guidebook. The "old" version of the guidebook will continue to be cited as *HCV GB* with a chapter/page reference (example: HCV GB, p. 5-4). If HUD has also released a new chapter on the same topic with information that either adds new information or updates existing information from the previous guidebook, the new guidebook will be cited as *New HCV GB* with a chapter title and page reference (example: New HCV GB, Payment Standards, p. 11).

On September 29, 2023, HUD issued Notice PIH 2023-27 to implement sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). The notice supersedes relevant portions of the guidebook, specifically the chapters on eligibility, denials, and annual reexaminations and interim reexaminations. Where chapters have not been altered by the HOTMA implementation notice, the model policy continues to cite the HCV Guidebook.

Abbreviations

Throughout the model administrative plan, abbreviations are used to designate certain documents in citations. The following is a table of abbreviations of documents cited in the model administrative plan.

Abbreviation	Document
CFR	Code of Federal Regulations
HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), April 2001.
New HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), Various dates of release
HUD-50058 IB	HUD-50058 Instruction Booklet
RHIIP FAQs	Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions.
VG	PIH Notice 2004-01 Verification Guidance, March 9, 2004.
HB 4350.3	Occupancy Requirements of Subsidized Multifamily Housing Programs

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Resources and Where to Find Them

The following is a list of resources helpful to the PHA and the online location of each. The HUD website is https://www.hud.gov/.

Guidebooks, handbooks, and other HUD resources may be found at the HUDClips website: https://www.hud.gov/program_offices/administration/hudclips.

The new HCV Guidebook may be found at: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook

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Document and Location
Code of Federal Regulations https://www.ecfr.gov/
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Final Rule http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf
Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data https://www.hud.gov/sites/documents/EIVSECGUIDEPHA.PDF
Executive Order 11063 https://www.archives.gov/federal-register/codification/executive-order/11063.html
Federal Register https://www.federalregister.gov/
Housing Choice Voucher Program Guidebook (7420.10G), Updated Chapters https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook
HOTMA Final Rule https://www.federalregister.gov/documents/2023/02/14/2023-01617/housing-opportunity-through-modernization-act-of-2016-implementation-of-sections-102-103-and-104?utm_campaign=subscription+mailing+list&utm_source=federalregister.gov&utm_medium=email
HOTMA Implementation Notice, PIH 2023-27 https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf
Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004 https://www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_ra.pdf
Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007 https://www.lep.gov/guidance/HUD_guidance_Jan07.pdf
Notice PIH 2010-26 (HA), Nondiscrimination and Accessibility Notice https://www.hud.gov/sites/documents/DOC_8993.PDF
Notice PIH 2017-12, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System https://www.hud.gov/sites/documents/PIH2017-12EIVNOTICE.PDF
VAWA Resources https://www.hud.gov/vawa

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Chapter 1: OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The PHA receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development. The PHA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA enters an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The PHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the PHA and its programs with emphasis on the HCV program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE PHA

1-I.A. OVERVIEW

In 1964 the Economic Opportunity Act passed with a singular mandate — "to mobilize the human and economic resources of the nation to combat poverty in the United States." As a result of that Act, Community Action Agencies (CAAs) were born. The Civil Rights Act of 1968 established a provision for Section 8 Housing Vouchers. That year CAAs were awarded funds through the Dept. of Housing and Urban Development, starting a continued history of CAA funding from multiple Federal agencies.

Coastal Community Action (CCA) began operating the Section 8 Housing Choice Voucher program for the Carteret County community in 1979 and currently provides tenant-based rental assistance (TBRA) for over 350 families in Carteret County. Throughout this Administrative Plan, CCA may be referred to as "the PHA" or "the agency". A PHA is a Public Housing Authority and CCA has the role and responsibility of a PHA due to its award of Housing Choice Vouchers for the community.

1-I.B. ORGANIZATION AND STRUCTURE OF THE PHA

The Section 8 tenant-based Housing Choice Voucher (HCV) rental assistance program is funded by the federal government and administered by the **Coastal Community Action, Inc (CCA)** for the **Carteret County North Carolina**.

The Coastal Community Action (CCA) Board of Directors (the Board) serves as the board of commissioners for the purpose of the HUD funded program. CCA's fifteen-member board of directors has a tripartite structure, which is a requirement for all community action agencies nationwide. One third of the members of the board are elected public officials currently holding office or their representative, at least one third are elected to represent low-income individuals and families in the communities served, and the remainder shall be a representative from the private sector, which includes representatives of business, industry, labor, and other major groups and interests in the community. A participant of the HCV program is selected by CCA's Resident Advisory Board (RAB) to serve on CCA's Board.

The Board establishes policies under which CCA conducts business, ensuring that policies are followed by CCA staff and ensuring that CCA is successful in its mission. The Board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of the PHA are taken through written resolutions and recommendations, adopted by the Board, and entered into the official records of the agency.

The principal staff member of CCA is the Executive Director (ED), hired and appointed by the board of commissioners. The Executive Director is directly responsible for carrying out the policies established by the Board and delegates the responsibility for hiring, training, and supervising the Housing Program staff to the HUD Housing Program Director to manage the day-to-day operations of the Section 8 Housing Choice Voucher program. The Executive Director is ultimately responsible for ensuring compliance with federal and state laws and directives for the programs CCA manages. The Executive Director's duties also include budgeting and financial planning for the agency.

1-I.C. PHA MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

CCA's Mission Statement:

Through advocacy, education, support, and services, we will empower individuals, families, and communities toward a better quality of life. The HUD Housing Program's specific mission is to promote access to adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination.

1-I.D. THE PHA'S PROGRAMS

CCA's administrative plan is applicable to the operation of the Housing Choice Voucher program that provides tenant-based rental assistance to the Carteret County community.

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1-I.E. THE PHA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the PHA is committed to providing excellent service to HCV program participants, owners, and to the community. The PHA's standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide safe, habitable housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational, and other human services needs.
- Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the PHA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.

Administer an efficient, high-performing agency through continuous improvement of the PHA's support systems and a high level of commitment to our employees and their development.

CCA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

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PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the reader to better understand the program.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. If the housing met certain basic physical standards of quality ("housing quality standards") and was within certain HUD-established rent limitations ("fair market rents"), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family's adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as "conforming" rules, to combine and align the two similar housing programs, to the extent permitted by the law more closely.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs. The Final Rule implementing broad changes to income and asset in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the Federal Register on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule.

HUD issued a revised version of the notice on February 2, 2024. The Final Rule implementing streamlining changes to the HCV and PBV programs was published on May 7, 2024, and codified certain provisions in Sections 101, 105, 106, and 112 of HOTMA as well as incorporating changes from the NSPIRE final rule. Technical amendments to the rule were published December 8, 2025.

1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. The PHA makes choices in the operation of the program which are included in the PHA's administrative plan, a document approved by the board of commissioners of the PHA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in the PHA's jurisdiction and may also be eligible to move under portability to other PHAs' jurisdictions.

When a family is determined to be eligible for the program and funding is available, the PHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, the PHA enters a contract with the owner and the family enters a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

The voucher, the contract between the PHA and the landlord and the lease work together to create the relationship and performance requirements for all three parties.

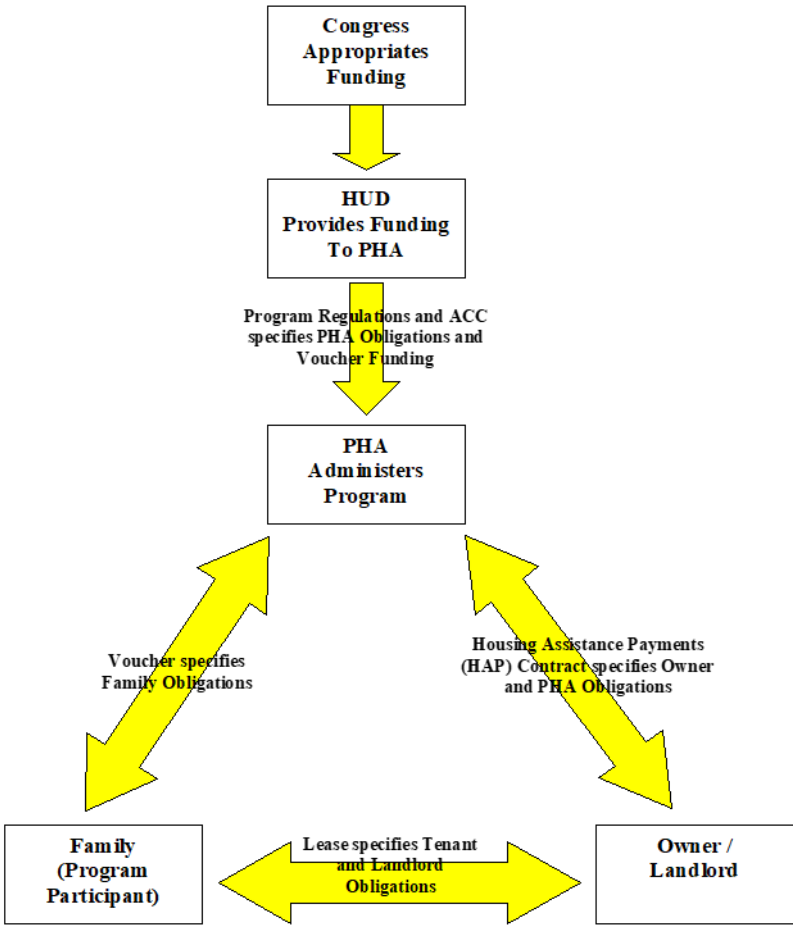
The PHA determines family eligibility for the program. The owner/landlord is responsible for approving the family as a suitable renter. The PHA makes payments to the owner if the family is eligible, and the housing unit continues to qualify under the program.

1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, each PHA enters a contractual relationship with HUD (*Consolidated Annual Contributions Contract or ACC*). PHAs also enters contractual relationships with the assisted family (*the Voucher*) and the owner/landlord of the housing unit (*the Housing Assistance Payment or "HAP" Contract*).

For the HCV program to work successfully, all parties involved – HUD, the PHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

The chart below illustrates key aspects of these relationships:



What Does HUD Do? HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices, and other guidance to implement HCV housing program legislation passed by Congress,
- Allocate HCV program funds to PHAs,
- Provide technical assistance to PHAs on interpreting and applying HCV program requirements,
- Monitor PHA compliance with HCV program requirements and PHA performance in program administration.

What Does the PHA Do? The PHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies to administer the program,
- Review applications from interested applicants to determine whether they are eligible for the program,
- Maintain a waiting list and select families for admission,
- Issue vouchers to eligible families and provide information on how to lease a unit,
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration,
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy,
- Make housing assistance payments to the owner in a timely manner,
- Recertify families for continued eligibility under the program,
- Ensure that owners and families comply with their contractual obligations,
- Provide families and owners with prompt, professional service,
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the ACC, HUD-approved applications for funding, the PHA's administrative plan, and other applicable federal, state, and local laws.

What Does the Owner Do? The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine suitability as renters.
  - The PHA may provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
  - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the criminal activity might threaten others.
- Comply with the terms of the Housing Assistance Payments contract executed with the PHA,
- Comply with all applicable fair housing laws and do not discriminate against anyone,

- Maintain the housing unit in accordance with National Standards for the Physical Inspection of Real Estate (NSPIRE) and make necessary repairs in a timely manner,
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What Does the Family Do? The family has the following responsibilities:

- Provide the PHA with complete and accurate information as determined by the PHA to be necessary for administration of the program,
- Make their best and most timely efforts to locate qualified and suitable housing,
- Attend all appointments scheduled by the PHA,
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice,
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family,
- Comply with the terms of the lease with the owner,
- Comply with the family obligations of the voucher,
- Not commit serious or repeated violations of the lease,
- Not engage in drug-related or violent criminal activity,
- Notify the PHA and the owner before moving or terminating the lease,
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit,
- Promptly notify the PHA of any changes in family composition,
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

PART III: THE HCV ADMINISTRATIVE

PLAN 1-III.A. OVERVIEW AND PURPOSE OF THE PLAN

The administrative plan is required by HUD. Its purpose is to establish policies for carrying out the programs in a manner consistent with HUD requirements as well as local goals and objectives contained in the PHA's agency plan. This administrative plan is a supporting document to the PHA agency plan and is available for public review as required by CFR 24 Part 903.

The administrative plan defines the PHA's local policies for operation of the housing programs in accordance with federal laws and regulations. Issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable law. The policies in this administrative plan are designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations take precedence.

Administration of the HCV program as well as the functions and responsibilities of PHA staff will follow CCA's personnel policy and HUD regulations as well as all federal, state, and local fair housing laws and regulations.

1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54 and 24 CFR 983.10]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan for the HCV program. They are as follows:

- Selection and admission of applicants from the PHA waiting list, including any admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4),
- Issuing or denying vouchers, including PHA policies governing the voucher term and extensions of the voucher term. If the PHA decides to allow extensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions, and how the PHA determines the length of any extension (Chapter 5),
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4),
- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is 'continuously assisted', standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 or other factors in accordance with 982.552, 982.554, and 982.555; and policies concerning residency by a foster child, foster adult, or live-in aide, including defining when PHA consent for occupancy by a foster child, foster adult, or live-in aide must be given or may be denied (Chapters 3 and 12),
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13),

- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2),
- Providing information about a family to prospective owners (Chapters 3 and 9),
- Disapproval of owners (Chapter 13),
- Subsidy standards (Chapter 5),
- Family absence from the dwelling unit (Chapter 12),
- How to determine who remains in the program if a family breaks up (Chapter 3),
- Informal review procedures for applicants (Chapter 16),
- Informal hearing procedures for participants (Chapter 16),
- The process for establishing and revising voucher payment standards, including policies on administering decreases in the payment standard during the HAP contract term, including whether the PHA has voluntarily adopted the use of Small Area Fair Market Rents (SAFMRs) (Chapter 16),
- If the PHA establishes different payment standard amounts for designated areas within its jurisdiction, including exception areas, the criteria used to determine the designated areas and the payment standard amounts for those designated areas (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8),
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15),
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 16),
- Interim redeterminations of family income and composition, the frequency of determinations of family income, and income-determination practices, including whether the PHA will accept a family declaration of assets (Chapter 11),
- Restrictions, if any, on the number of moves by a participant family (Chapter 10),
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16),
- Procedural guidelines and performance standards for conducting required housing quality standards inspections, including any deficiency that the PHA has adopted as a life-threatening deficiency that is not a HUD-required life-threatening deficiency (Chapter 8),
- For PHAs that adopt the initial inspection non-life-threatening deficiency option, the PHA's policy on whether the provision will apply to all initial inspections or a portion of initial inspections, the PHA's policy on whether the provision will be applied to only some inspections and how the units will be selected, and the PHA's policy on using withheld HAP funds to repay an owner once the unit is in compliance with housing qualify standards (Chapter 8);

- For PHAs that adopt the alternative inspection provision, the PHA's policy on how it will apply the provision to initial and periodic inspections; the specific alternative inspection method used by the PHA; the specific properties or types of properties where the alternative inspection method will be employed; and, for initial inspections, the maximum amount of time the PHA will withhold HAP if the owner does not correct the HQS deficiencies within the cure period, and the period of time after which the PHA will terminate the HAP contract for the owner's failure to correct the deficiencies, which may not exceed 180 days from the effective date of the HAP contract (Chapter 8);
- The PHA's policy for charging a reinspection fee to owners (Chapter 8);
- The PHA's policy for withholding HAP for units that do not meet housing quality standards (Chapter 8);
- The PHA's policy on assisting families with relocating and finding a new unit (Chapter 10);
- PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).
- Whether the PHA will allow the family to submit more than one Request for Tenancy Approval at a time (Chapter 9);
- In the event of insufficient funding, taking into account any cost-savings measures taken by the PHA, a description of the factors the PHA will consider when determining which HAP contracts to terminate first (e.g., prioritization of PBV HAP contracts over tenant-based HAP contracts or prioritization of contracts that serve vulnerable families or individuals) (Chapter 12); and
- Special policies governing any special purpose vouchers issued by the PHA (Chapter 19).

If a PHA exercises its discretion to operate a PBV program, the PHA's administrative must also include the PHA's local policies on PBV-related matters over which the PHA is exercising its policymaking discretion. At a minimum, the administrative plan must include the following PHA policies related to PBV, as applicable. All policies listed below may be found in Chapter 17.

- The definition of project;
- The program cap, including a description of the types and availability of services that will qualify units under the supportive services exception and the PHA's policy limiting Family Unification Program (FUP) assistance normally available for eligible families and youth;
- A description of the circumstances under which the PHA will use the competitive and noncompetitive selection methods and the procedures for submission and selection of PBV proposals;
- The project cap, including the PHA's policy limiting FUP assistance normally available for eligible families and youth, and a description of the types and availability of services that will qualify units under the supportive services exception from the project cap;
- Site selection standards, including the PHA's standards for deconcentrating poverty and expanding housing and economic opportunities, and the PHA's site selection policy;

- PHA PBV inspection policies, including the timing of an initial inspection of existing housing; whether the PHA adopts for initial inspection of PBV existing housing the non-life-threatening deficiencies option, the alternative inspection option, or both, and whether the PHA adopts for periodic inspection of PBV housing the alternative inspection option; the frequency of periodic inspections; and any verification methods other than on-site inspection for different inspection types or for different deficiencies;
- A description of the circumstances (if any) under which the PHA will establish additional requirements for quality, architecture, or design of PBV housing at the time of initial rehabilitation or new construction;
- A description of the circumstances (if any) under which the PHA will enter into a PBV HAP contract for newly constructed and rehabilitated housing without first entering into an Agreement or execute an Agreement after construction or rehabilitation that complied with applicable requirements;
- The PHA's policy on the form and manner in which the owner must submit evidence and certify that work has been completed;
- For rehabilitated housing developed after HAP contract execution, a description of the circumstances (if any) under which the PHA will enter a PBV HAP contract for rehabilitated housing that allows for development activity to occur after HAP contract execution; the timing of the initial inspection; the form and manner of owner notifications of changes in the status of contract units; and the period for compliance (if any) for development activity that has not been completed by the deadline;
- The PHA's policy on amending PBV HAP contracts to substitute or add contract units;
- The PHA's housing quality policies, including a description of the circumstances (if any) under which the PHA will establish additional requirements for continued compliance with quality, architecture, or design of PBV housing during the term of the HAP contract; the PHA's policy on the conditions under which it will withhold HAP and the conditions under which it will abate HAP or terminate the contract for units other than the unit with housing quality standards deficiencies; and the PHA's policy on assisting families with relocating and finding a new unit;
- A description of the PHA's waiting list policies for admission to PBV units, including any information on the owner waiting list policy;
- A description of the PHA's policy on whether to conduct tenant screening and offer information to an owner;
- The PHA's policy on continued housing assistance for a family that occupies a wrong-sized unit or a unit with accessibility features that the family does not require;
- The PHA's policy on a family's right to move, including the form of tenant-based rental assistance that the PHA will offer families, and the procedures for tenants to request tenant-based rental assistance to move;
- The PHA's policy regarding which options it will take if a unit is no longer qualified for excepted status or the increased program cap;

- The PHA's policy regarding continued occupancy of a unit under the increased program cap for supportive housing for persons with disabilities or elderly persons and units excepted based on elderly or disabled family status after a change in family composition removing the elderly family member or family member with a disability;
- The PHA's policy regarding the PHA-determined amount it will use to calculate rent to owner;
- The PHA's policy on the required timing and form of owner requests for a rent increase;
- The PHA's policy on providing vacancy payments, including the required form and manner of requests for vacancy payments;
- The PHA's policy on utility reimbursements; and
- The PHA's policy on applying SAFMRs to its PBVs.

Mandatory vs. Discretionary Policy

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the PHA discretion. The PHA's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory but provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. Should CCA determine that reasons for adopting a policy or procedure that varies from HUD's safe harbor exist, CCA will document the how the decision was made including information that was considered, and the process used to make and adopt the variance.

1-III.C. ORGANIZATION OF THE PLAN

The plan is organized based on areas of operation and policy choices approved by the CCA Board of Directors.

1-III.D. UPDATING AND REVISING THE PLAN

CCA will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and policy changes must be approved by the CCA Board of Directors, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

CCA will review and update the plan as needed, to reflect changes in regulations, internal operations, or when otherwise needed to ensure staff consistency in operation. CCA will post a copy of the draft with proposed revisions to a public facing website prior to Board approval. Once approved by the Board, CCA will post a final, approved version to the website for the public and community stakeholders.

Corrections related to editing, such as spelling and grammar, that are not policy changes may be made when identified by CCA staff and the corrected document provided to all stakeholders and made available to the public without a specific announcement and without the need for Board approval.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing in all federally assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility for furthering nondiscrimination impacts all areas of the PHA's housing choice voucher (HCV) operations.

This chapter describes HUD regulations and THE PHA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the PHA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the housing choice voucher program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973 and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Limited English Proficiency Persons. This part details current requirements related to persons with limited English proficiency (LEP).

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PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing based on race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. THE PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Orders 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2022 (VAWA)

When more than one civil rights law applies to a situation, the laws will be read and applied together.

In North Carolina, the North Carolina Fair Housing Act makes it illegal to discriminate in housing because of race, color, religion, sex, national origin, physical or mental handicaps, or family status (families with children). The law applies to the sale, rental, and financing of residential housing.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

THE PHA will not discriminate because of race, color, sex, religion, familial status, age, disability, or national origin (called “protected classes”). Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

THE PHA will not discriminate based on marital status, gender identity, or sexual orientation [24 CFR 5.105(a)(2)] . Enforcement of the Equal Access to Housing in HUD Program Regardless of Sexual Orientation or Gender Identity Final Rule has been halted.

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HUD has proposed the elimination of the Equal Access Rule regulation at 24 CFR 5.105(a)(2) to harmonize HUD regulations with Executive Order 14168. HUD has already rescinded Notice PIH 2014-20 regarding Equal Access Rule enforcement and has removed references to the rule from the HCV Guidebook. As of Spring 2026, elimination of the regulation is currently under review by OMB.

The PHA will not use any of the factors above to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program,
- Provide housing that is different from that provided to others,
- Subject anyone to segregation or disparate treatment,
- Subject anyone to sexual harassment,
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program,
- Treat a person differently in determining eligibility or other requirements for admission,
- Steer an applicant or participant toward or away from a particular area based any of these factors,
- Deny anyone access to the same level of services,
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program,
- Discriminate in the provision of residential real estate transactions,
- Discriminate against someone because they are related to or associated with a member of a protected class, or
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

Providing Information to Families and Owners

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

In addition, the fair housing poster will be posted in conspicuous and accessible locations in THE PHA's lobby and will reference how to file a complaint with FHEO along with other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

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2-I.C. DISCRIMINATION COMPLIANTS

General Housing Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by THE PHA or an owner, the family should advise the PHA. The PHA will make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take appropriate corrective action.

In all cases, the PHA will advise the family that they may file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

Upon receipt of a housing discrimination complaint, a PHA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made,
- Investigate the allegations, provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted,
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

CCA Policy

Applicants or participants who believe they have been subject to unlawful discrimination may notify CCA either orally or in writing. E-mail is an acceptable method of notification.

Within 10 business days of receiving the complaint, CCA will provide a written notice to those alleged to have violated the rule as well as send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule. The notice to the complainant will include information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

CCA will investigate all allegations of discrimination and will attempt to remedy discrimination complaints made against the PHA. Within 10 business days of concluding the investigation, CCA will provide the complainant and those alleged to have violated the rule with findings and either propose a corrective action plan or provide an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

VAWA Complaint Processing [Notice FHEO 2023-01]

A complainant may, within one year after an alleged VAWA violation has occurred or terminated, file a complaint with FHEO alleging a violation. If there is a violation that began prior to a year before the complaint is filed, but it continues into the one-year time period, HUD will accept the complaint.

FHEO will investigate the complaint if it is timely and FHEO otherwise has jurisdiction.

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If a complaint is filed more than one year after the alleged violation occurred or terminated, FHEO may, but is not required to, investigate the allegations under the additional authority and procedures described in FHEO 2023-01.

Complaints do not need to allege a violation of the Fair Housing Act for FHEO to accept and investigate the complaint.

CCA Policy

Applicants or participants who wish to file a VAWA complaint against CCA may notify the agency either orally or in writing.

CCA will advise families of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO) and will include a notice that families have up to one year, after an alleged VAWA violation has occurred or terminated, to file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

CCA will attempt to remedy complaints made against CCA or CCA staff and will conduct an investigation into all allegations of discrimination. The agency will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

The Fair Housing Act prohibits disability discrimination by refusing to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

CCA Policy

CCA will ask applicants and participants if they require any type of accommodation, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

> "***If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact CCA***."

Each Housing Specialist can process routine requests for accommodation in accordance with CCA written policies and under the program director's guidance. The program director's name and phone will also be provided to ensure requests for accommodation are processed.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable

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accommodation may include making home visits, extending the voucher term, or approving an exception payment standard for a participant to lease an accessible dwelling unit.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "*undue financial and administrative burden*" for the PHA or result in a "*fundamental alteration*" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

Types of Reasonable Accommodations

When needed, the PHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail,
- Conducting home visits,
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit,
- Providing time extensions for locating a unit, when necessary, because of lack of availability of accessible units or special challenges of the family in seeking a unit,
- Permitting an authorized representative or advocate to participate in the application or certification process and any other meetings with PHA staff.

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that PHAs treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide full access to the PHA's programs and services. If the need for the accommodation is not readily apparent or known to THE PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection between the requested accommodation and the individual's disability.

CCA Policy

CCA will encourage the family to make its request in writing using a reasonable accommodation request form. However, CCA will consider accommodation requests any time a family indicates that accommodation is needed regardless of how the request is made by the family, including verbal requests made in person or by phone.

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2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining reasonable accommodation is broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing accommodation, PHAs must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to a PHA, the agency must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other knowledgeable medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- THE PHA will request only information that is necessary to evaluate the disability-related need for the accommodation. THE PHA will not inquire about the nature or extent of any disability.
- **Medical records will not be accepted.** Medical diagnostic information will **not** be retained in the participant file.
- If THE PHA receives confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the agency will redact the information if possible or dispose of the documentation if not. In the case that information must be disposed of, THE PHA staff will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information including his/her contact information and license number [Notice PIH 2010-26].

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2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION

[Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26].

A PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on THE PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, considering factors such as the overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before deciding whether to approve the request, THE PHA may discuss and negotiate with the family, request more information from the family, or require the family to sign a consent form so that the agency may verify the need for the requested accommodation.

CCA Policy

CCA will respond to a request for accommodation in writing within 10 business days of receipt.

If the request is denied because there is no relationship found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the PHA's decision through an informal review (if applicable) or informal hearing (see Chapter 16).

If CCA denies the request because it is not reasonable, CCA will discuss with the family whether an alternative accommodation could address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If CCA believes the family has failed to identify a reasonable alternative accommodation after discussion and negotiation, CCA will notify the family in writing of its determination within 10 business days from the date of the most recent discussion or communication with the family.

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require PHAs to ensure that persons with disabilities related to hearing and vision have reasonable access to each PHA's programs and services [24 CFR 8.6].

At the initial contact with each applicant, THE PHA will inform applicants of alternative forms of communication that can be used other than plain language paperwork.

CCA Policy

CCA will utilize community-based resources, when available, to assist in meeting the needs of families with visual or hearing impairments.

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To meet the needs of people with hearing impairments, staff can work with families by text and by TTDY systems as well as by e-mail. Sign language interpreters are available through Carteret Community College and through private sources, when needed.

To meet the needs of people with vision impairments, large-print or audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with CCA staff, one-on-one assistance will be provided upon request.

Online programs and applications are also available to provide access to people with visual and hearing impairments and will be utilized by staff when needed.

In addition, CCA will accommodate families by having material explained orally by staff; or having a third-party representative (a friend, relative or advocate, but not minors/children, named by the applicant) receive, interpret, and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY

PHAs must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants and are found in three key documents:

- This plan describes the key policies that govern THE PHA's responsibilities regarding physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The PHA's main office conforms to the Uniform Federal Accessibility Standards (UFAS). Any future constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. If needed, alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, the PHA will include a current list of available accessible units, if any are known, and will assist the family in locating an available accessible unit, when possible.

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In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

THE PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

Applicants: When applicants with disabilities are denied assistance, the notice of denial must inform them of THE PHA's informal review process and their right to request an informal review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

Participants: When a participant family's assistance is terminated, the notice of termination must inform them of THE PHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, THE PHA must consider whether mitigating circumstances can be verified to explain and overcome the problem that led to the decision to deny or terminate assistance. If granting a reasonable accommodation will allow the family to meet the requirements, THE PHA must make the accommodation.

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW

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

THE PHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons are referred to as Persons with Limited English Proficiency (LEP). LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and family members of applicants and participants.

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

2-III.B. ORAL INTERPRETATION

The PHA will offer competent interpretation services free of charge, upon request, to the LEP person.

CCA Policy

When exercising the option to conduct remote briefings, informal reviews, or hearings, CCA will coordinate with a remote interpretation service or with Carteret Community College if available, to use video conferencing technology rather than voice-only interpretation. CCA will use Language Line for telephone interpreter services as needed for voice-only interpretation.

LEP people are permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by CCA. CCA, at its discretion, may choose to use the language services even when a LEP person desires to use an interpreter of their choosing. The interpreter may be a family member or friend. If the interpreter chosen by the family is a minor, CCA will not rely on the minor to serve as the interpreter.

CCA will periodically analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken if changes in current practice are needed. "Reasonable steps" may not be reasonable when the cost of the steps substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), CCA will hire and train bilingual staff to be available to act as interpreters and translators. When a bilingual staff member is not available, CCA will use locally available resources such as Carteret Community College. As feasible and reasonable, CCA will standardize documents.

2-III.C. WRITTEN TRANSLATION

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

CCA Policy

To comply with written-translation obligations, CCA will:

- Provide written translations of vital documents for each eligible LEP language group that constitutes at least 5% or at least 50 persons of those eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, may be provided orally; or

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

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the PHA will determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

The absence of a written plan does not eliminate the underlying obligation to ensure meaningful access by LEP persons to the Housing Choice Voucher program and services.

CCA Policy

Currently, CCA serves very few LEP persons, and has very limited resources. CCA does not have a written LEP plan. However, at least biennially CCA will review changes in the population of people it serves to determine the necessity for a written LEP plan. Until the population changes, CCA will consider alternative ways to provide meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If CCA determines it is appropriate to develop a written LEP plan, the following five steps will be taken:

1. Identifying LEP individuals who need language assistance,
2. identifying language assistance measures,
3. training staff,
4. providing notice to LEP persons, and
5. monitoring and updating the LEP plan.

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Chapter 3 ELIGIBILITY

INTRODUCTION

CCA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by CCA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- Applicant families must:
  - Qualify as a family as defined by HUD and the PHA,
  - Have income at or below HUD-specified income limits,
  - Qualify based on citizenship or the eligible immigrant status of family members,
  - Provide social security number information for household members as required,
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms,
  - Not currently receiving a duplicative subsidy,
  - Upon the full implementation of HOTMA, meet net asset and property ownership restriction requirements.
- CCA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny assistance.

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PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individuals who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); 24 CFR 5.100; and FR Notice 2/14/23]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.
Sexual orientation means homosexuality, heterosexuality, or bisexuality.

CCA Policy

CCA defines a family as a household of one person or multiple people that identify as a family. Families may include two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate they have lived together previously or certify each individual's income and other resources will be available to meet the needs of the family. Each family must identify the individuals to be included in the family at the time of application and must notify CCA if the family's composition changes.

Household

Household is a broader term that includes additional people who, with CCA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults. CCA may use the terms family and household interchangeably conversationally, but that does not alter the status of live-in aides, foster children, and foster adults.

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3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup [24 CFR 982.315; Notice PIH 2017-08]

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see section 16-IX.D of this plan.)
- In accordance with Notice PIH 2017-08, for HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, or stalking, the victim must continue to be assisted. Upon termination of the perpetrator's HUD–VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator's HUD–VASH voucher should be used to serve another eligible family. If a regular HCV is not available, the victim will continue to use the HUD–VASH voucher, which must be issued to another eligible family upon the voucher's turnover.
- If a court determines the disposition of property between members of the assisted family, the PHA is bound by the court's determination of which family members continue to receive assistance.

CCA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

Absent a judicial decision or an agreement among the original family members, CCA will determine which family members will retain their placement on the waiting list or continue to receive assistance considering the following factors:

(1) the interest of any minor children, including custody arrangements;

(2) the interest of any ill, elderly, or disabled family members;

(3) the interest of a family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, or human trafficking, including those who were forced to leave an assisted unit as a result of actual or threatened abuse;

(4) any possible risks to family members as a result of criminal activity; and

(5) the recommendations of social service professionals.

CCA will work with families to obtain consensus about retention of the initial application date or on-going assistance.

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When consensus is not possible or abuse/criminal activity play a role in the breakup of the family, CCA will consider the interests of minor children and victims of domestic violence (including elder abuse) in the family above the interests of other members of the household.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of an assisted family who remains in the unit when other members of the family have left the unit. *Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.*

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

CCA Policy

CCA accepts the family's designation of any qualified family member as the head of household. Generally, the Head of household is the person who completes paperwork on behalf of the family and is listed first on the application and is legally authorized to conduct business on behalf of any minor children in the household.

The head of household must have the legal capacity to enter into a lease under state and local law. In North Carolina, a minor, age 16 or older, may seek emancipation through the court pursuant to NC General Statute 7B-3500. A minor must be emancipated to be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

Spouse means the marriage partner of the head of household. A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family may have a spouse or cohead but not both [HUD-50058 IB, p. 13].

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CCA Policy

The State of North Carolina does not recognize "Common Law" marriage. To be recognized as "marriage partners" in the state, couples must go through the process of getting a marriage license from the county register of deeds. Marriage documents from other states are acceptable.

The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

CCA Policy

Minors who are emancipated by the court may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults nor are they considered family members for the purposes of the program.

3-I.F. DEPENDENTS AND MINORS [24 CFR 5.603]

A *minor* is a member of the family, other than the head of family or spouse, who is under 18 years of age.

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a dependent allowance as described in Chapter 6.

Joint Custody of Dependents

CCA Policy

Whether a minor subject to a joint custody arrangement is a dependent of the family is determined based on:

- The custody order when it designates primary physical custody of the minor child(ren), or
- They live with the applicant or participant family 51 percent or more of the time during a 12-month period.

When more than one applicant or participant family claims the same dependent(s) as family members, and there is no clear documentation for CCA to rely on to determine custody, the family with primary custody at the time of the initial examination or reexamination may claim the dependent(s).

If there is a dispute about which family should claim them, CCA will make the determination based on available documents such school registration information or the most recently filed IRS tax return showing which family has claimed the child for income tax purposes.

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3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) family members that are FTS (other than the head, spouse, or cohead) qualifies the family for a dependent allowance, and (2) the earned income of a FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the HCV program, special rules apply to people with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definition of individuals with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for multiple purposes including ensuring that people with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

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CCA Policy

CCA uses a low barrier approach to assisting families who may be in active addiction or in recovery. CCA will respect and respond to the needs of landlords and families when providing services and ensuring safe, healthy environments for all families in our community.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent.

CCA Policy

A guest can remain in the assisted unit no longer than 15 consecutive days or a total of 45 cumulative calendar days during any 12-month period unless the lease is more restrictive. A more restrictive lease overrides CCA's written policy.

Children who are subject to a joint custody arrangement, or for whom a family has visitation privileges but live outside the assisted household more than 50 percent of the time, are not guests and are not subject to the time limitations of guests as described above.

A family may request an exception to this policy, such as the need to care for a relative recovering from a medical procedure. An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]

Foster children or adults are permitted to live in an assisted unit with the PHA's permission. A PHA refusal to allow a family to have a foster child or foster children may constitute a violation of the familial status provisions of the Fair Housing Act.

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a *foster adult* under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A *foster child* is a member of the household who meets the definition of a *foster child* under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults who are living with an applicant or who have been approved by CCA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction.

The administrative plan must include policies concerning residency by a foster child or foster adult, including defining when PHA consent for occupancy by a foster child or foster adult must be given or may be denied [24 CFR 982.54].

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CCA Policy

A foster child or foster adult may reside in the unit if their presence would not result in a violation of space standards as described in Chapter 8, section 8-I.F. of this plan and is approved by both the landlord and CCA.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L below.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

CCA Policy

An individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member.

Generally, an individual who is or is expected to be absent from the assisted unit for 181 consecutive days or more is considered permanently absent and no longer a family member. Except as discussed below.

Absent Students

CCA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

CCA Policy

If a child has been placed in foster care, CCA will verify with the County's Child Protective Service (CPS) unit whether and when the child is expected to be returned to the home. Unless the agency confirms the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

CCA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment or deployment as active-duty military will continue to be considered a family member.

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Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

CCA Policy

An individual permanently confined to a nursing home or hospital is not considered a family member.

CCA will attempt to verify the family member's permanent absence from a responsible medical professional. The family may also certify the family member is confined permanently in a nursing home or hospital by providing a written certification along with documentary evidence. However, if the responsible medical professional cannot provide a determination or the family's certification is insufficient to document permanent placement, the person will be considered temporarily absent from the household.

Return of Permanently Absent Family Members

CCA Policy

The family must request CCA approval to return any adult family member(s) that CCA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter. CCA reserves the right not to approve the return of such a household member based on the circumstances of the person's original departure from the household.

3-I.M. LIVE-IN AIDE

A *live-in aide* is a person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who:

(1) is determined to be essential to the care and well-being of the persons,

(2) is not obligated for the support of the persons, and

(3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

PHAs must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities. The landlord is also permitted prior approval of a live-in aide who is an individual and not provided through a bona fide home care agency.

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609 (b)].

Relatives may be approved as live-in aides if they meet **all** of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family and has no hold-over rights for the voucher or the assisted unit.

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CCA Policy

A family's request for a live-in aide must be made in writing. Written verification is required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near elderly, or disabled family member and must verify the need for a live-in aide versus in-home assistance, which may not require someone to live in the unit with the family. For continued approval of a live-in aide, the family may be required to submit a renewal, written request, subject to CCA verification, at each annual reexamination.
In addition, the family and live-in aide are required to submit a certification stating the live-in aide is:

(1) not obligated for the support of the person(s) needing the care, and

(2) would not be living in the unit except to provide the necessary supportive services.

CCA will not approve a person as a live-in aide, and/or may withdraw such approval if [24 CFR 982.316(b)] the person:

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

CCA will notify the family of its decision in writing within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. Income limits based upon estimates of area median income (AMI) is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603 (b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

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Using Income Limits for Eligibility [24 CFR 982.201 and Notice PIH 2023-27]

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. In order to be income eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4; 24 CFR 982.201(b)]

CCA Policy

The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program (Public Housing or MF Section 8 Project) at the time they were selected from the PHA's waiting list. Verification of occupancy is required. Low-income families are those earning up to 80% of AMI for Carteret County.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits PHAs to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plan(s) for local governments within the PHA's jurisdiction.

CCA Policy

CCA will accept portable VASH vouchers and issue VASH vouchers for eligible low-income VASH families who port into our area and whose income is up to but does not exceed 80% AMI for Carteret County.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the CCA's program during a fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

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3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families will be notified of the requirement to submit evidence of their citizenship status when they apply.

Declaration of Residency Status [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who will not contend that they have eligible immigration status.

Those who elect not to contend their status are considered to be ineligible noncitizens.

For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

U.S. citizens or U.S. nationals (or the parent/guardian for family members under age 18) must sign a declaration of their status, under penalty of perjury. In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit PHAs to request additional documentation of their status, such as a passport. HUD strongly encourages PHAs to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation [HUD Secretary Letter 12/16/25].

CCA Policy

Family members who declare citizenship or national status are asked to provide documentation such as a Birth Certificate, Passport, Green Card, or other documentation of their status. If CCA receives information indicating an individual's declaration may not be accurate, CCA will conduct a follow up review of the information, including contacting USCIS, if determined to be necessary.

Eligible Noncitizens

Eligible noncitizens (or the parent/guardian for family members under age 18) must sign a declaration of their status, under penalty of perjury. In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

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Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance.

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

When reviewing applicants for assistance, if a PHA formally makes a finding of fact or conclusion of law, supported by a determination from the Department of Homeland Security (DHS) or the Executive Office of Immigration Review (e.g., a Final Order of Deportation), that an individual is not lawfully present in the United States, then the PHA must provide to DHS a report of the person's name, address, and other identifying information that the PHA has. Note that a SAVE response of no service record or verification of an immigration status that makes the individual ineligible for housing assistance is not a finding of fact or conclusion of law that the individual is not lawfully present. At least four times annually, PHAs must provide such information to DHS. If a PHA has knowledge of an individual who is not lawfully present in the United States, they must provide a report to DHS within 45 days after the close of the appropriate calendar year quarter [HUD Secretary Letter 12/16/25].

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

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CCA Policy

CCA may not provide assistance to a family before verifying at least one family member is eligible for assistance.

If CCA determines an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with CCA.

The informal hearing with CCA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only once during continuous occupancy.

CCA Policy

CCA will verify the citizenship status of applicants prior to issuing a voucher and at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

These requirements do not apply to noncitizens who do not contend eligible immigration status.

Participants who were admitted to the program prior to 2010 and

- has not previously disclosed an SSN, or
- had previously disclosed an SSN that HUD or SSA determined was invalid, or

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- has since been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification.

Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

PHAs must deny assistance to any applicant family that does not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

CCA Policy

If a child under age 6 has been added to an applicant family prior to voucher issuance, CCA requires the disclosure of and documentation for the child's SSN prior to lease and HAP Contract execution.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232; HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]

CCA Policy

CCA will deny admission to applicants who do not grant or later revoke consent to access the family's financial records.

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/16]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education. A student enrolled at an institution of higher education is subject to additional eligibility review if the student is:

- under the age of 24,
- not a veteran,

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- not married,
- does not have a dependent child, and
- not a person with disabilities receiving HCV assistance as of November 30, 2005.

Under these conditions, a student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents in accordance with CCA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, CCA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

Dependent Child

In the context of the student eligibility restrictions*, dependent child* means a child who is the dependent of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family (other than the head of household or spouse) who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

CCA Policy

CCA will consider a student "independent" from their parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

1. The individual is of legal contract age under state law.
2. The individual has established a household separate from their parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student meeting one or more of the following criteria:
    - The individual is at least 24 years old by December 31 of the award year for which aid is sought
    - The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
    - The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence

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- The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes
- The individual is a graduate or professional student
- The individual is married
- The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
    - A local educational agency homeless liaison
    - The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
    - A financial aid administrator
- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

3. The individual was not claimed as a dependent by their parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.
4. The individual provides a certification of the amount of financial assistance that will be provided by their parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If CCA determines that an individual meets the definition of a *vulnerable youth,* that determination is all that is necessary to determine that the person is an *independent student* for the purposes of using only the student's income for determining eligibility for assistance.

CCA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

CCA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

CCA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc.).

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Person with Disabilities

The PHA uses the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

Veteran

CCA Policy

A *veteran* is a person who served in the active military service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

CCA Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of

independent student in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

- The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older,
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence.
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
    - A local educational agency homeless person/family liaison,
    - The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director,
    - A financial aid administrator.

Determining Student Eligibility

If a student is applying for assistance on their own, apart from their parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that:

(1) the student is individually eligible for the program,

(2) either the student is independent from their parents or the student's parents are income-eligible for the program, and

(3) the "family" with which the student is applying is collectively eligible for the program.

CCA Policy

For any student who is subject to the 5.612 restrictions, CCA will:

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- Follow its policies in determining whether the student individually and the student's "family" collectively are eligible for the program,
- Determine whether the student is independent from their parents in accordance with the definition of *independent student* in this section,
- Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program.

If CCA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, CCA will send a notice of denial in accordance with the policies in Section 3-III.F and inform the applicant family of their right to request an informal review according to CCA's policies in Section 16- III.B.

Determining Parental Income Eligibility

CCA Policy

For any student who is subject to the 5.612 restrictions and do not satisfy the definition of *independent student* in this section, CCA will determine the income eligibility of the student's parents as follows:

- If the student's parents are married and living together, CCA will obtain a joint income declaration and certification of joint income from the parents.
- If the student's parent is widowed or single, CCA will obtain an income declaration and certification of income from that parent.
- If the student's parents are divorced or separated, CCA will obtain an income declaration and certification of income from each parent.
- If the student lives with one of their parents and has not had contact with or does not know where to contact their other parent, CCA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. CCA will obtain an income declaration and certification of income from the parent with whom the student lives or has contact.

In determining the income eligibility of the student's parents, CCA will use the income limits for the jurisdiction in which the parents live.

3-II.F. EIV SYSTEM SEARCHES [Notice PIH 2018-18; EIV FAQs; EIV System Training 9/30/20; and Notice PIH 2023-27]

Existing Tenant Search

Prior to admission to the program, PHAs must search for all household members using the EIV Existing Tenant Search module, review the reports for any SSA matches involving another PHA or a multifamily entity, and follow up on any issues identified. The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit.

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CCA Policy

CCA will contact other PHAs or owners identified in the report to confirm the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. CCA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Debts Owed to PHAs and Terminations

Adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Prior to admission to the program, the PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant is responsible for contacting the PHA directly in writing to dispute the information and provide any/all documentation that supports the dispute.

If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for up to three years from the end of participation date in the program.

CCA Policy

CCA requires each adult household member sign the form HUD-52675 at the eligibility determination and prior to voucher issuance. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

CCA will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for new household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, CCA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

Income and Income Validation Tool (IVT) Reports

For each new admission, CCA will review the EIV Income and IVT Reports to confirm and validate family reported income within **120** days of the IMS/PIC submission date of the new admission. CCA will retain copies of the EIV Income and IVT reports in the tenant file, which may be kept electronically, and resolve any discrepancies with the family within **60 days** of the EIV Income or IVT report dates.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria outlined in Parts I and II must be denied assistance. CCA may deny assistance for an applicant because of the family's action or inaction as described in 24 CFR 982.552 or 982.553. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional.

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The regulations state that the PHA must prohibit admission for certain types of criminal activity and gives the PHA the option to deny for other types of previous criminal history. HUD does not require the adoption of "One Strike" policies. PHAs should safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list,
- Denying or withdrawing a voucher,
- Not approving a request for tenancy or refusing to enter into a HAP contract, and/or
- Refusing to process a request for or to provide assistance under portability procedures.

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin *(See Chapter 2 for additional information about fair housing and equal opportunity requirements),*
- Where a family lives prior to admission to the program,
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability, (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock,
- Whether the family includes children,
- Whether a family decides to participate in a family self-sufficiency program,
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant is otherwise qualified for assistance (See section 3-III.G.).

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a) and 24 CFR 982.552(b)(6)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the last three years for drug-related criminal activity.

HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

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CCA Policy

CCA will admit an otherwise-eligible family who was evicted from federally assisted housing within the past three years for drug-related criminal activity if CCA can verify the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program acceptable to CCA, or the person who committed the crime is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

CCA Policy

Currently engaged in is defined as any use of illegal drugs during the previous three months. However, CCA will consider all factor's related to the household's situation and will use a low barrier approach to working with families who meet the HUD definition of chronically homelessness so as to lower the barriers to housing and reduce housing instability.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

CCA Policy

In determining reasonable cause, CCA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A record or records of arrest will not be used as the sole basis of determining reasonable cause. CCA will also consider evidence from treatment providers or community-based organizations providing services to household members and weigh the benefit of housing for persons who meet the criteria of chronic homelessness.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.
- Any member of the family fails to sign and submit consent forms for obtaining information.
- The family does not meet the restrictions on net assets and real property ownership as required by 24 CFR 5.618.

3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24 CFR 5.618]

There are two circumstances under which a family is ineligible to receive assistance based on asset ownership.

First, assistance may not be provided to any family if the family's net assets exceed the amount listed in HUD's current year Inflation-Adjusted Values table.

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Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:

- A present ownership interest in the real property; and
- A legal right to reside in the real property; and
- The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.

However, the real property restriction does not apply in the following circumstances:

- Property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program,
- Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property,
- The family that is offering the property for sale; or
- Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.

- When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.

A property is considered *suitable for occupancy* unless the family demonstrates that it:

- Does not meet the disability-related needs for all members of the family (*e.g.,* physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.),
- Is not sufficient for the size of the family, CCA Policy

CCA defines *not sufficient for the size of the family* as being overcrowded based on the two-heart beats per bedroom/sleeping room, unless there is an extenuating medical condition, and the disability related waiver above applies. Space standards are defined in Chapter 8 of the plan.

- Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA or owner);
- Is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- Is not a property that a family may reside in under the state or local laws of the jurisdiction where the property is located.

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3-III.D. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, PHAs to deny assistance if a PHA determines that a household member is currently engaged in or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

CCA Policy

If a household member is currently engaged in or has engaged in any of the following criminal activities, the family may be denied assistance. CCA will consider the totality of the family's situation and that of members involved in the criminal activity. A record or records of arrest will not be used as the sole basis for denial of assistance or proof that the participant engaged in disqualifying criminal activity but will be considered as part of the available evidence when CCA reviews an allegation.

- *Drug-related criminal activity*, defined by HUD as 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 [24 CFR 5.100], excepting misdemeanor possession for personal use when there is no other criminal history for drugs within the last three years.
- *Violent criminal activity*, defined by HUD as 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 [24 CFR 5.100].
- Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity,
- Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse, (excepting that those required to register as a sex offender for life are denied as required by federal statute) or
- Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).
- *"Immediate vicinity"* means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

- Any convictions for drug-related or violent criminal activity within the past three years,
- Records of arrests for on-going criminal offenses within the last three years that indicate a pattern of behavior that may negatively impact the community. A record of arrests will not be used as the sole basis for the denial of assistance or proof that the applicant engaged in disqualifying criminal activity. CCA will consider the totality of the information that is available to make a determination based on a preponderance of evidence.

In making a decision to deny assistance, CCA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, CCA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

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HUD authorizes PHAs to deny assistance based on a family's previous behavior in assisted housing, excepting that PHAs are not permitted to deny assistance to a family that previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [24 CFR 984.101(d)].

CCA Policy

CCA will deny assistance to an applicant family if the family:

- does not provide information required by CCA or HUD as necessary in the administration of the program.
- does not provide complete and true information to CCA.
- includes a family member who has been evicted from federally assisted housing in the last three years.
- includes a family member who has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- includes families who seriously and/or repeatedly violated family obligations previously while residing in assisted housing. owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act. Families who owe a debt may be considered ineligible but may become eligible by paying the debt in full.
- is not in good standing with any PHA for amounts the PHA paid to an owner under a HAP contract for rent or other amounts owed by the family pursuant to the terms of the lease. Families who owe back rent, etc. may be considered ineligible until the family repays the full amount of the debt in full.
- has breached the terms of a repayment agreement entered into with another PHA. The family is considered ineligible, until the family repays the debt in full.

When denying admission due to family debts as shown in HUD's EIV system, CCA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report. If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in the EIV system in writing, explaining why the information is disputed. The family must also provide a copy of the letter and all applicable verification to CCA to support the family's claim. CCA will consider the information provided by the family prior to issuing a notice of denial.

- A family member has engaged in or threatened violent or abusive behavior toward CCA personnel.

Abusive or violent behavior towards CCA personnel includes verbal as well as physical abuse, threats, and/or violence. Use of racial epithets, or similar derogatory language, written or oral, that is customarily used to intimidate is considered abusive behavior.

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Threats include, but are not limited to, oral and written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, CCA will consider the factors discussed in Section 3-III.E. CCA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists PHAs in complying with HUD requirements and internal policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records CCA will require every applicant family to submit a signed consent form by each adult household member [24 CFR 5.903].

CCA Policy

CCA will perform a nationwide national criminal background check using a reputable service or law enforcement agency for every adult household member. If the results of the criminal background check indicate there may be past criminal activity, but the results are inconclusive, CCA will use reasonable measures to follow up such as requiring the family member to provide more in-depth information.

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs may not use records for this purpose.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime 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 982.553(a)(2)(i)].

CCA Policy

CCA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

CCA must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If a PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and provide both 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)].

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Screening for Suitability as a Tenant [24 CFR 982.307]

PHAs have no liability or responsibility to an owner or landlord for the family's behavior or suitability for tenancy. While PHAs have the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant, they are not obligated to do so.

CCA Policy

CCA does not conduct screening to determine an applicant family's suitability for tenancy. Such screening is the landlord's responsibility.

The owner is responsible for screening and selection of a family to occupy his/her unit. PHAs must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires PHAs to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits PHAs to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.PHAs may not disclose any confidential information to the owner that is provided to the PHA by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

CCA Policy

CCA will inform owners of their responsibility to screen prospective tenants. Upon request, CCA will provide owners with the name and address information of current and previous landlords based on CCA's records. If requested, CCA will compare information provided to an owner on a rental application to its records to determine if the information provided to both is consistent. CCA does not provide confidential information to the owner, such as criminal history, disability information, etc.

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

CCA Policy

CCA uses the concept of "the preponderance of the evidence" as the standard for making all admission decisions. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

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Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes PHAs to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

CCA Policy

CCA will consider the facts and circumstances prior to making a decision to deny assistance, except when denial is mandatory. Considerations include, but may not be limited to:

- Seriousness of a case, especially with respect to how it may affect other residents' safety or property,
- The effects denial of assistance may have on family members who were not involved in the activity,
- The of extent culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, sexual assault, or stalking,
- The extent of participation of one or more family members, including whether the family members were at the time or are minors or persons with disabilities, or (as discussed further in section 3-III.G) whether one or more were victims of domestic violence, dating violence, sexual assault, or stalking,
- The length of time since the violation occurred as well as the family's recent history and how providing housing may impact the family member's conduct in the future.

While arrest records will not be used as the sole basis for denial, CCA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. CCA may also consider:

- Statements made by witnesses, or the applicant not included in the police report,
- Whether criminal charges were filed and, if filed, whether criminal charges were abandoned, dismissed, not prosecuted, or resulted in an acquittal,
- Any other evidence relevant to determining whether the applicant engaged in a disqualifying activity.

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property. In the case of drug or alcohol abuse, CCA may require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or other relevant information that may be used in decision making such as enrollment in case management, health care, mental health counseling or similar activities.

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Removal of a Family Member's Name from the Application

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family member(s) as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

CCA Policy

As a condition of receiving assistance, CCA may request a family remove the culpable family member from the application *and the household*. If the applicant chooses to remove the family member, the head of household must certify the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit. After admission to the program, the family may be required to provide evidence of the former family member's current address.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

When a family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

CCA Policy

If a family indicates the reason for denial of assistance is related to the behavior of a family member with a disability, CCA will request documentation to analyze whether the behavior is related to the stated disability. If CCA confirms a relationship between a behavior and a disability, upon the family's request, CCA will determine whether admitting the family as a reasonable accommodation is appropriate. CCA will consider accommodations that can reasonably be expected to address the behavior responsible for the denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a briefing, as discussed in Chapter 5. If the PHA determines that a family is not eligible for the program for any reason, it will notify the family promptly and in writing. The notice will include:

- the reason(s) for which assistance has been denied,
- the family's right to an informal review, and
- the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16.

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CCA Policy

CCA will notify a family of a decision to deny assistance in writing within 10 business days of the determination.

If using a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as a basis of denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy/relevance of the information before the PHA can move to deny the application.

In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

CCA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible, CCA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will have 10 business days to dispute the accuracy and relevance of the information. If the family does not contact CCA to dispute the information within that 10-day period, CCA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information will still be given an opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault or stalking are contained in Section 3-III.G.

3-III.H. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING, AND HUMAN TRAFFICKING

The Violence against Women Act (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for assistance or admission.

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

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Notification

VAWA requires PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD–5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

CCA Policy

CCA acknowledges that a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to factors that may warrant denial under CCA's policies. While CCA is not required to identify whether adverse factors related to the applicant's victimization resulted in the denial, applicants may inform CCA that their status as a victim is directly related to the grounds for the denial.

CCA will request the applicant provide enough information to allow the PHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

CCA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan and will provide the form HUD-5382 on its website and in any other manner an applicant may request. The denial notice will include written notification that an applicant wishing to claim protection under VAWA must notify CCA of the claim within 14 business days of the date on the denial letter.

Documentation

Victim Documentation [24 CFR 5.2007]

CCA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking, CCA will request documentation supporting the claim (in accordance with section 16-IX.D of this plan) from the applicant in writing.

Perpetrator Documentation

CCA Policy

If the perpetrator/abuser is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- A signed statement requesting the perpetrator be removed from the application and certifying the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit, or
- Evidence the perpetrator successfully completed rehabilitation or treatment.

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Documentary evidence must be signed by a professional staff member of a domestic violence service provider, knowledgeable medical or counseling professional, social worker, or a clinician who provided or supervised treatment. The professional must attest, under penalty of perjury, to their belief that rehabilitation was successfully completed. The victim and perpetrator must also attest in writing.

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CCA will not consider a perpetrator until documentation is provided that he/she successfully completed treatment or a rehabilitative program.

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Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

Families wishing to receive assistance under the HCV program must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires PHAs to place all families that apply for assistance on a waiting list unless the PHA determines from the initial application that the family is ineligible for the program. When HCV assistance becomes available, the PHA must select families from the waiting list according to HUD requirements and PHA policies as stated in the administrative plan and the annual plan.

PHAs are required to adopt policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that CCA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the PHA will comply with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and the PHA policies for taking applications, managing the waiting list, and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections:

> Part I: The Application Process. This part provides an overview of the application process and discusses how applicants can obtain and submit applications. It also specifies how CCA will handle the applications it receives.
>
> Part II: Managing the Waiting List. This part presents the policies that govern how a PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process CCA will use to keep the waiting list current.
>
> Part III: Selection for HCV Assistance. This part describes the policies that guide CCA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews ensure that CCA has the information needed to make a final eligibility determination.

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PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

The PHA's policies for making applications available, accepting applications, making preliminary determinations of eligibility, and the placement of applicants on the waiting list are below. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

HUD allows PHAs to determine the format and content of HCV applications, how applications will be made available to interested families and how applications will be accepted. PHA's must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

CCA Policy

CCA uses a two-step application process, initially requiring families to provide basic information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list.

CCA makes applications available 24/7 both through its website and by providing paper applications in a box outside its main office. Families may also request that an application be mailed to them via first class mail or sent to them by email.

Completed applications may be returned to CCA by mail, e-mail, or in person either by turning them in directly during normal business hours or dropping them in the drop box outside the office outside of normal business hours. Applications must be complete to be accepted for processing. If an application is incomplete, CCA will notify the family of the additional information required. Families are given up to 30 days to provide missing required information. After 30 days, incomplete applications are denied, though families may reapply with a new application.

Families are required to provide more information at the time they reach the top of the waiting list. Additional information is required to both ensure family eligibility for the program and determine the level of assistance for eligible families.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

PHAs must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard application process. This could include people with disabilities, elderly individuals, and people with limited English proficiency (LEP). CCA provides reasonable accommodation to meet the needs of individuals with disabilities.

The PHA's main office is accessible, and we provide a variety of alternatives for applying to ensure potential applicants have full access to the application process. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

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4-I.D. PLACEMENT ON THE WAITING LIST

The PHA reviews each complete application received and makes a preliminary assessment of the family's eligibility. The PHA will accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for grounds stated in the regulations [24 CFR 982.206(b)(2)]. If a family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Eligible families will be placed on a waiting list of applicants.

No applicant has a right or is entitled to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

CCA Policy

If CCA determines, from the information provided on the application, a family is ineligible for the program, the family will not be placed on the waiting list. CCA will send written notification of the ineligibility determination within 10 business days of receiving a complete application. The notice will state the reasons for ineligibility, inform the family of its right to request an informal review and describe the process for doing so (see Chapter 16).

Eligible for Placement on the Waiting List

CCA Policy

CCA will send written notice that the application has been accepted, and the family has been placed on the waiting list within 15 business days of receiving a complete application.

Placement on the waiting list does not guarantee that the family is eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants are placed on the waiting list based first on preference(s), if applicable, then by date and time their complete application was received by CCA.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

Each PHA has policies regarding the various aspects of organizing and managing the waiting list of applicant families. Policies include when to open the list to new applicants, when to close the list to new applicants, how to notify the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure enough applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

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4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

Each PHA's HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name,
- Family unit size,
- Date and time of application,
- Local preference (based on eligibility),
- Racial or ethnic designation of the head of household.

HUD requires each PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs may, but are not required to, maintain a separate waiting list for each county or municipality served.

CCA Policy

CCA maintains a waiting list for its HCV program and also maintains separate lists for its NED and VASH vouchers. Families on the NED Waiting List are also included on the HCV program Waiting list.

Should CCA develop other assisted housing programs (such as project-based vouchers), applicant families will be offered the opportunity to be placed on the waiting list for any other program CCA operates if the programs' waiting list is open, and the family appears eligible for the other program(s).

A family's decision to apply for, receive, or refuse other housing assistance does not affect

the family's placement on the HCV waiting list, or preferences for which the family may qualify.

Currently, CCA operates the HCV program and provides an opportunity for the creation of a Project-based Voucher (PBV) program. All applicants will be placed on the HCV program waiting list by preference category and date/time of application. A separate waiting list will be maintained for those applicants interested in the PBV program.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

Each PHA is permitted to close the waiting list if the list provides an adequate pool of families to use its available HCV assistance or may elect to accept applications only from certain categories of families that meet preferences or other funding criteria.

CCA Policy

CCA may close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants or if the number of applicants exceeds twice the number of vouchers allocated to the program.

For applicants who appear to be eligible for preferences or meet specific funding criteria, CCA may elect to continue to accept applications from these applicants while closing the waiting

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list to others. Such a decision will be included in the notice to the public closing the waiting list.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

CCA Policy

If the waiting list is closed, CCA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be in the notice.

CCA will give public notice by publishing the relevant information in a variety of forms and sharing them with local service organizations including, *but not limited to*:

- CCA's website and social media,
- CCA's physical locations in the community,
- Down East Council for Hispanic Latino Affairs, Carteret DSS, and other Community Organizations,
- Emailing community Stakeholders.

4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

If necessary, CCA will conduct outreach as necessary to ensure that there are enough applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires PHAs to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), CCA may conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

Outreach efforts must comply with fair housing requirements, including:

- Analyzing the housing market area and the populations currently being served to identify underserved populations,
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program,
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class.
- PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include any of the following activities:
- Submitting press releases to local newspapers, including minority newspapers,
- Developing informational materials and flyers to distribute to other agencies,
- Providing application forms to other public and private agencies that serve the low-income population,

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- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities.

CCA Policy

CCA will monitor the demographics of the population being served by the program and the characteristics of the population in its jurisdiction. CCA will conduct targeted outreach efforts if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

CCA Policy

While on the waiting list, families are responsible for reporting changes in household composition and in contact information, including mailing address and phone number. The changes must be submitted in writing by hand delivery, U S Mail, and/or e-mail.

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires PHAs to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If an applicant does not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

CCA Policy

The waiting list will be updated at least annually to ensure that applicant information is current and timely. To complete the update, CCA will send an update request by first class mail to each family on the waiting list to determine whether the family continues to be interested in, and eligible for, the program. The request will be sent to the last address on record for the family. The request will provide a deadline by which the family must respond. It will include a statement saying the names of applicants who do not respond will be removed from the waiting list.

Each family's response must be in writing and may be delivered in person, by mail, by email, or by fax. Responses should be received by the date stated in the update request.

If the family fails to respond by the deadline, the family will be removed from the waiting list without further notice. If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re- sent.

Families removed from the waiting list for failure to respond may be reinstated if the lack of response is due to either a CCA error, or circumstances beyond the family's control.

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Removal from the Waiting List (Ineligible Households)

CCA Policy

If, at any time, CCA determines that an applicant family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list, and a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and inform the family how to request an informal review regarding CCA's decision (see Chapter 16) [24 CFR 982.201(f)].

PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list are selected for assistance in accordance with the policies described in this part.

The selection method is outlined below and is impacted in part by selection preferences for which a family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

Each PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). Should CCA receive such funding, it may admit such families whether they are on the waiting list or not, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. CCA must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204 (e)]

HUD may award CCA funding for a specified category of families on the waiting list. If such an award is made, CCA must use this funding only to assist the families within the specified category. To assist families within a targeted funding category, CCA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

CCA Policy

CCA currently administers 50 HCVs specifically for non-elderly, disabled (NED) households.

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Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

The following describes the PHA's method for selecting applicant families from the waiting list, including the system of admission preferences CCA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

Each PHA established local preferences to give priority to families that meet those criteria. HUD specifically authorizes, and restricts, certain types of local preferences but also permits PHAs to establish other local preferences, at their discretion. Local preferences must be consistent with the PHA plan and the consolidated plan and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

CCA Policy

CCA has adopted the following local preferences:

1. *When applicable*, CCA will offer a preference to any family that was terminated from its HCV program due to insufficient program funding.
2. *When applicable*, individuals/families displaced by:
    - natural disasters and reside in a federally declared disaster or emergency area and whose residence is uninhabitable due to that disaster for up to six months from the date of the disaster.
    - a unit specific house fire from rental housing may also be eligible for expedited assistance under the rule provided the family is otherwise eligible for the program, has been unable to locate alternate affordable housing due to lack of income, and the fire occurred within the three months prior to application for assistance.
3. In addition to the above, CCA's current preference scoring system awards preference points based on the level of household vulnerability. Some preferences must be supported by reasonable documentation in order for the points to be awarded. We currently rank the vulnerability households based on the following:
    - Victims of domestic violence, dating violence, sexual assault, or stalking who have either been referred by a recognized local DV provider agency, by **Region 13's CES** as noted above or who are seeking an emergency transfer under VAWA from another PHA. *The applicant must certify that the abuser will not reside with the applicant.*
    - Households experiencing homelessness that meet the HUD definition of homelessness per HUD regulation for the CoC program. The preference *may* be tied to a referral from the **Coordinated Entry System (CES)** managed by **Region 13, Housing Alliance of Coastal Carolina or HACC (part of the Balance of State CoC)**. Partnership with HACC will be determined by a Memorandum of Understanding (MOU).
    - Elderly – 62 yrs. of age or older,

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- Disabled households per the HUD definition,
- Working at least 20 hours per week,

4. Applicants who are residents of Carteret County at the time of application will be awarded additional preference points.

Scoring based on preference points will be cumulative. Applicants may receive points in more than one category. All points awarded are used to determine a total score.

Applicants who are not eligible for a preference will be placed on the wait list with no added points and will be ranked by the date and time the application is received.

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, *whichever number is higher*. To ensure this requirement is met, CCA may skip non-ELI families on the waiting list to select an ELI family.

Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

CCA Policy

CCA will monitor progress in meeting the income targeting requirement throughout the fiscal year. If statistics indicate CCA is not meeting income targeting requirements, ELI families will be selected ahead of other eligible families on an as-needed basis to ensure the requirement is met. If this occurs, CCA will clearly document its decision-making process in its waiting list management files.

Order of Selection

CCA will select families based on local preferences and according to the date and time of application. If CCA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize. [24 CFR 982.204 (d)(e)].

CCA Policy

Preference priorities are determined by a point system related to vulnerability and location. Within each category, families will be selected according to highest to lowest score then by the date and time their complete application is received. The number of applicants drawn from the list each time will vary based on the number of vouchers CCA needs to fill and the available budget for new admissions. In order to meet the needs of the community and ensure all applicants have an opportunity to be served, it is CCA's policy to select applicants from the waiting list in the following manner and ranked based on vulnerability, with the most vulnerable applicants being served at the highest percentages

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- Up to 50% of applicants drawn will come from the highest categories of vulnerability.
- Up to 40% of applicants will come from the next highest preference categories.
- Up to 10% of selected applicants will come from applications that do not have a preference and are selected based on the oldest application date.

CCA will maintain documentation showing families on the list qualified for and were interested in targeted funding. If a family is placed higher on the waiting list but is later found not qualified for or not interested in receiving a local preference or targeted funding, the file will be documented, and the preference points adjusted so that waiting list record reflects each family's eligibility for preferences and/or their interests in targeted programs.

4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, the PHA will notify the family in writing [24 CFR 982.554(a)].

CCA Policy

CCA will notify families by first class mail when they are selected from the waiting list and by e-mail, when an email address is provided. The notice will include the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview,
- Who is required to attend the interview,
- All documents that must be provided at the interview, including information about what constitutes acceptable documentation.

If a notification letter is returned with no forwarding address, and no email address is provided, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record.

4-III.E. THE ELIGIBILITY DETERMINATION PROCESS

HUD recommends that PHAs obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with the family [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to a family until all SSN documentation requirements are met. However, if a PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for up to 60 days to complete needed documentation. Reasonable accommodation will be made for persons with disabilities who are unable to attend an interview due to their disability.

CCA Policy

Families selected from the waiting list are required to participate in a face-to-face eligibility interview but are not required to come to CCA's office. CCA staff may meet with families in alternate locations, including virtually when both necessary and practical. Reasonable accommodation will be made for a face-to-face interview for reasons including, but not limited to, disability. The head of household, spouse/cohead and other adult family members are strongly encouraged to attend the interview together.

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CCA recognizes that childcare and transportation may create barriers for families and will work with them to meet at locations accessible by the family that do not present a safety threat to CCA staff, which may include a visit to the applicant's current residence.

While the head of household may attend the initial interview on behalf of the family, all adult household members must meet with CCA staff face-to-face prior to voucher issuance. Verification of information for spouses/co-heads and other adult members of the household will not begin until each adult household member signs release of information forms.

The head of household, spouse/cohead and other adult household members must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity.) If the family does not provide the required documentation at the time of the initial interview, the family must provide it within 10 business days following the interview, unless CCA grants an extension at the request of the family for documented extenuating circumstances.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, complete required forms, provide required signatures, and submit required documentation at the initial interview as stated in the letter mention in section **4-III.D** above.

Any required documents or information that is not provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for items, including documentation of eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the family will be encouraged to bring advocate or other adult representative to assist in communications. Minor children are not permitted to act as interpreters. If needed, CCA will use available resources such as bilingual staff, bilingual community volunteer resources, and use other resources such as artificial intelligence (AI) translation services, other translation technologies or provide other translation services in accordance with its LEP plan to assist families with communication.

If the family is unable to attend a scheduled interview, the family should contact CCA in advance of the interview date to reschedule the appointment. If a family does not attend a scheduled interview, regardless of whether they rescheduled, CCA will send a second notification letter with a new interview appointment time.

Applicants who fail to attend two scheduled interviews without CCA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

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4-III.F. COMPLETING THE APPLICATION PROCESS

CCA must verify all information provided by the family (see Chapter 7). Based on verified information, CCA makes a final determination of eligibility (see Chapter 3) and confirms that the family is eligible for any special admission, targeted funding admission, or selection preference(s) that affected the order in which the family was selected from the waiting list.

CCA Policy

If CCA determines that a family is eligible to receive assistance, the family will be invited to attend a briefing in accordance with the policies in Chapter 5.

If CCA determines that the family is ineligible for the HCV program, written notification will be sent within 10 business days of the determination. The notice will state the reasons for ineligibility and inform the family of its right to request an informal review (Chapter 16).

If a family is ineligible for a preference or specific targeting criteria that affected the order of the family's application on the waiting list and how it was selected, the family's preference/targeting points will be updated. This may result in a change in the applicant's eligibility for priority. The applicant may be retained on the waiting list without the preference or targeting criteria initially given.

CCA will notify the family in writing that it has been returned to the waiting list due to ineligibility for preference or targeting criteria. Unless the family is eligible for other preference points or targeting criteria, it will be returned to the waiting list based on the original date and time the application was submitted.

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Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the PHA must ensure that the family understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing the HUD-required documents and other information the family needs to know to lease a unit under the program.

Once the family is informed of the program's requirements, the PHA issues the family a voucher. The voucher includes the unit size for which the family qualifies based on the PHA's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes the family to begin its search for a unit, obligates the family to performance requirements, and limits the amount of time the family is allotted to locate an acceptable unit.

The chapter describes HUD regulations and PHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses the PHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued and the amount of time allotted to the family to choose a rental unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require PHAs to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a description of owner and family responsibilities, explains the PHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

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5-I.B. BRIEFING [24 CFR 982.301]

Notification of Briefing

Prior to issuance of a voucher, CCA must provide families with an oral briefing and a briefing packet containing written information about the program. Families may be briefed in individual face-to-face meetings, through group briefing sessions, or via remote briefing sessions.

CCA Policy

Families are notified of their eligibility for assistance at the time they are invited to a briefing. The notice will be sent by first class mail and will also be sent by email if the family has provided a valid email address to CCA.

The notice tells the family the type of briefing, which family members are required to be present at the briefing, and the date and time of the briefing. The notice will also inform the family of any additional requirements for in-person or remote briefings, if any.

If the notice is returned by the post office with no forwarding address, the applicant will be denied, and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be sent to the address indicated.

In-Person Briefings

At the briefing, CCA will ensure effective communication in accordance with **Section 504 of the Rehabilitation Act of 1973** requirements and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

CCA Policy

In-person briefings will be conducted in group meetings at CCA's main office or a location that is accessible to those invited to attend. At a family's written request, CCA may provide an individual briefing.

Generally, the head-of-household is required to attend the briefing. If the head of household is unable to attend, CCA may approve a Co-head/spouse or another adult designated by the family to attend the briefing.

Families that attend group briefings may still need individual assistance. In that case, a CCA staff member will provide one-on-one assistance with the family.

Briefings are conducted in English. the family will be encouraged to bring advocate or other adult representative to assist in communications. Minor children are not permitted to act as interpreters. If needed, CCA will use available resources such as bilingual staff, bilingual community volunteer resources, and use other resources such as artificial intelligence (AI) translation services, other translation technologies or provide other translation services in accordance with its LEP plan to assist families with communication.

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Attendance Policy

Applicants who fail to attend a scheduled in-person briefing will be scheduled for another briefing automatically. CCA will notify the family of the date and time of the second scheduled briefing.

Applicants who fail to attend two scheduled briefings, without CCA approval, will be denied assistance (see Chapter 3).

Remote Briefings [Notice PIH 2020-32]

Remote briefings may be conducted over the phone, via video conferencing, or through other virtual platforms.

CCA has sole discretion to determine how briefings are conducted, including whether briefings may be conducted remotely in case of local, state, or national pandemic related physical distancing orders, inclement weather, or natural disaster. If CCA schedules a remote briefing, a face-to-face briefing will be available upon request of an applicant as reasonable accommodation for a person with a disability if safety and health concerns are addressed.

CCA will also provide remotely access to briefings (including using a hybrid meeting setting with both in-person and remote participants) upon request of applicants:

- as reasonable accommodation for persons with disabilities,
- if an applicant does not have childcare or transportation that would enable them to attend the briefing in-person, or
- if the applicant believes an in-person briefing would create an undue health risk.

Accessibility Requirements for Persons with Disabilities

As with in-person briefings, remote briefings must be accessible, and the briefing conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual.

If no method of conducting a remote briefing is available that appropriately accommodates an individual's disability, CCA will make other arrangements to conduct a briefing that is accessible for the individual. Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances.

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PHAs may consider responsible use of artificial intelligence and machine translation to communicate with individuals who are limited English proficient.

Conducting Remote Briefings [Notice PIH 2020-32]

The lack of technology or inability to use technology for remote briefings will not create a barrier for families who do not have access to technology. CCA will ensure that families have access to appropriate technology to participate in the remote briefing or provide alternatives for families who lack access to technology to participate in briefings.

CCA Policy

At least 10 business days prior to scheduling a fully remote briefing, CCA send written notification via first class mail and/or email to families participating in the briefing to ascertain any technological requirements and request the family notify CCA of any known barriers.

If any family does not respond within five business days, CCA will contact the family by telephone to identify potential technological barriers and to determine whether technology resources are accessible to the family. CCA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person briefing or have a one-on-one briefing over the phone, if appropriate.

CCA will conduct remote briefings via a video conferencing platform that also provides families with an option to call in with telephone conferencing. If the family is unable to access the remote briefing either by video or by phone, an in-person or other option will be provided.

CCA will provide login information and conferencing call-in information and an electronic copy of the briefing packet via email or regular mail at least five business days before the briefing. A paper copy of the briefing packet is available if requested by the family, and virtual briefings may be rescheduled to allow adequate time for families to receive the physical briefing packet.

To the best of its ability, CCA will ensure electronic information stored or transmitted as part of the briefing meets the requirements for accessibility for persons with disabilities, and is secure, including ensuring personally identifiable information (PII) is protected.

CCA will ensure that families who participate in remote briefings can ask questions.

If families lose connectivity during a remote briefing or feel they were unable to access information presented during the briefing, CCA will arrange for one-on-one briefing over the phone or in person at a family's request.

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Oral Briefing [24 CFR 982.301(a)]

Briefings must provide information on the following subjects:

- How the Housing Choice Voucher program works,
- Family and owner responsibilities,
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction,
- An explanation of how portability works. PHAs may not discourage families from choosing to live anywhere in the PHA jurisdiction or outside the PHA jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order,
- PHAs must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance,
- The advantages of areas that do not have a high concentration of low-income families.

  In briefing a family that includes a person with disabilities, CCA will take steps to ensure effective communication.

Briefing Packet [24 CFR 982.301(b); New HCV GB, *Housing Search and Leasing*, p. 7]

Documents and information in the briefing packet must include the following:

- The term of the voucher, voucher suspensions, and the PHA's policies on any extensions of the term. The packet will include an explanation of how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family, the total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the PHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- The HUD-required tenancy addendum, which must be included in the lease.
- The PHA's required form for requesting tenancy approval**,** and a description of the procedure for requesting approval for a tenancy.
- A statement of the PHA's policy on providing information about families to prospective owners.
- The PHA's subsidy standards, including when and how exceptions are made.
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides (e.g., HUD brochure entitled, "A Good Place to Live").

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- Information on federal, state, and local equal opportunity laws and a copy of the housing discrimination complaint form, including information on how to complete the form and file a fair housing complaint.
- A list of landlords who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) that may assist the family in locating a unit. To the best of its ability, the PHA will ensure the resources provided covers areas outside of concentrations of poverty or minorities.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units, if any, that are known to the PHA.
- The family obligations under the program, including any obligations of other special programs if the family is participating in one.
- The PHA's grounds for termination of participation in rental assistance for a participant family related to a family's action or failure to act.
- The PHA's informal hearing procedures, including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- An explanation of the advantages of moving to an area that does not have a high concentration of low-income families.
- The HUD pamphlet on lead-based paint entitled, "Protect Your Family from Lead in Your Home."

Additional Items to Be Included in the Briefing Packet

The PHA will also include the following information to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2017-12].

- Information on how to fill out and file a housing discrimination complaint form,
- The form HUD-5380 domestic violence certification form and the form HUD-5382 notice of occupancy rights, which contains information on VAWA protections for victims of domestic violence, dating violence, sexual assault, and stalking,
- "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse,
- "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12.

5-I.C. FAMILY OBLIGATIONS

The obligations of participating families are described in the housing choice voucher (HCV) regulations and on the voucher itself. These include responsibilities participant families are required to fulfill, as well as prohibited actions. CCA informs families of these obligations during the oral briefing and includes the information in the briefing packet.

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When a family's choice of rental unit is approved and the HAP contract is executed, the family must meet those obligations to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required by Family Obligations

CCA Policy

Families are required to respond to a request for information from CCA or HUD in writing within 10 business days.

If the family experiences a change in circumstances or receives a notice that may impact program participation (e.g., a notice from the landlord), the family must notify CCA of the change or notice within 10 business days. E-mail is an acceptable form of written notice. Copies of notices or documentation/information related to the circumstances must be provided. CCA will make copies of documentation if the family is unable to provide copies that the agency can keep.

Family Obligations [24 CFR 982.551]

The family obligations of the voucher are listed as follows:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any deficiencies under housing quality standards caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond ordinary wear and tear caused by any member of the household or guest.

  CCA Policy

  CCA considers damages beyond normal wear and tear as those damages which could be assessed against the security deposit and are the financial responsibility of the family. Damage caused by any family member, visitor or guest of a family member is the responsibility of the family. The head-of-household is responsible for notifying the landlord of damages and/or needs for maintenance within 24 hours of the occurrence or discovering the damage or maintenance need. The family should notify the landlord both verbally and in writing, regardless of how damages occurred, to ensure the report of damage has been received.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

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- The family must not commit any serious or repeated violation of the lease. Any incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim or as good cause to terminate the tenancy, occupancy rights, or assistance of the victim.

  CCA Policy

  CCA will determine if a family has committed serious or repeated violations of the lease based on a preponderance of available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

  Serious and repeated lease violations will include, but are not limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criteria used will be whether the reason for the eviction was the fault of the tenant or guests.

Any incidents of, or criminal activity related to domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated lease violations by the victim [**24 CFR 5.2005(c)(1)**].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.
  CCA Policy
  Families must comply with lease requirements regarding written notice to the owner. The family must provide written notice to CCA **at the same time** the owner is notified.
- The family must promptly give the PHA a copy of any owner eviction notice, notice to vacate, or notice of non-compliance.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request written approval from the PHA and the owner to add any other family member as an occupant of the unit.

  CCA Policy

  The request to add a new family member to the household must be submitted in writing and approved before the person moves into the unit. The landlord must also grant prior written approval to add a family member to the household. CCA will determine eligibility of the proposed new member in accordance with the policies in Chapter 3.
- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.

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- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (sections I.K and I.M), and Chapter 11 (section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

CCA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member. Subleasing is prohibited regardless of whether it is for all or only a portion of the rental unit.

Assigning the lease or transferring the unit whether by written or verbal agreement is prohibited. No one may occupy the unit except for the family identified in the documentation held by the PHA and on the lease with the landlord. Discrepancies may result in legal action against the family, the landlord or both.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

CCA Policy

Prior notice is required only when all family members expect to be absent from the unit for 30 calendar days or more. Written notice must be provided to the CCA at the start of the extended absence. There are valid reasons why family members may be absent. However, this does not change the family's responsibility to report the absence when it begins.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and the PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.

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- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state, or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA has determined, and has notified the owner and the family of such determination, that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

PHAs must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part includes policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive for the purpose of subsidy, and the policies that govern making exceptions to established subsidy standards. PHAs must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions of the voucher term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

The PHA determines the appropriate number of bedrooms based on its established subsidy standards and indicates the family unit size on the voucher that is issued to the family. The family unit size equates to the dollar value of the subsidy that the family is eligible to receive pursuant to the PHA's policies but ***does not*** dictate the actual size of unit the family can lease. It also does not determine who will share a bedroom/sleeping room within a household.

The following requirements apply when determining family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- A live-in aide (*who has been approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age*) must be counted in determining the family unit size.

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- Unless a live-in-aide is required and approved to reside with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA's subsidy standards.

CCA Policy

Generally, CCA allows one bedroom for every two persons approved to live in the household. The smallest voucher issued by CCA is a one-bedroom voucher due to the availability of units in our area. Single-person households will be issued a one-bedroom voucher unless a medical exception applies.

The policy exceptions include the following circumstances:

a. One parent/adult and one child will be allotted 2 bedrooms.

b. Live-in aides will be allocated one bedroom and no more. A live-in aide is one person. The aide's family members are not permitted to live in the unit. Live-in aides must maintain their own residences and must not be dependent on the assisted unit for a place to live.

c. A family has a verified medical necessity that establishes the need for reasonable accommodation to deviate from CCA's established subsidy standard. More information may be found in section **5-II.C** below.

d. A foster child or foster adult may be allowed to reside in the unit if their presence would not result in overcrowding of the existing unit. If the authorized placement agency (e.g., public child welfare agency) requires that the foster child have a separate bedroom, CCA will provide the subsidy standard for one additional bedroom.

CCA may reference the following chart in determining the appropriate voucher size for a family:

Voucher Size		Persons in Household (Minimum – Maximum)
1	Bedroom	1-2
2	Bedrooms	2-4
3	Bedrooms	3-6
4	Bedrooms	4-8
5	Bedrooms	6-10

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5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, CCA may grant an exception to its established subsidy standards it determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402 (b)(8)]. Reasons may include, but are not limited to, a need for:

- an additional bedroom for medical equipment.
- a separate bedroom for reasons related to a family member's disability, medical or health condition.

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit for a zero or one bedroom [24 CFR 982.402 (b)(8)].

CCA Policy

CCA will consider granting an exception for any of the reasons specified in the regulation including age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size and include appropriate documentation.

Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability–related request for accommodation is readily apparent or otherwise known by CCA staff. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

CCA will notify the family of its determination within 10 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list *(or as a special admission as described in Chapter 4)*, or when a participant family wants to move to another unit, the PHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that the PHA has determined the family to be eligible for the program, and that the PHA expects to have money available to subsidize the family if the family finds a rental unit that meets the criteria for approval. However, the PHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the PHA's housing choice voucher program. [Voucher, form HUD-52646]

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A voucher can be issued to an applicant family only after the PHA determines that the family is eligible for the program based on verification of information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

CCA Policy

Vouchers will be issued to eligible applicants only after they have attended the mandatory briefing.

The PHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the PHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

CCA Policy

Prior to issuing any vouchers, CCA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If a PHA determines that there is insufficient funding after a voucher has been issued, the PHA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM AND EXTENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

CCA Policy

The voucher term will be 90 calendar days, except that CCA will issue VASH vouchers for 120 calendar days. The family must submit a Request for Tenancy Approval and proposed lease within the 90-day period or request an extension to the voucher. CCA staff will perform monthly check-ins with voucher holders to determine the amount of progress being made in finding a suitable, affordable unit.

Extensions of Voucher Term [24 CFR 982.303(b)]

PHAs have the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions a PHA can approve. Discretionary policies related to extension and expiration of search are described in this administrative plan [24 CFR 982.54].

PHAs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for this purpose.

The family must be notified in writing of the PHA's decision to approve or deny an extension. The PHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

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CCA Policy

CCA will approve extensions to the voucher past 90 days under the following circumstances:

- It is necessary as a reasonable accommodation for a person with disabilities.
- It is necessary due to reasons beyond the family's control, as verified by CCA. Extenuating circumstances may be considered, but do not guarantee that an extension will be granted. Circumstances may include:
  - Serious illness or death in the family,
  - Other types of family emergencies,
  - Obstacles due to employment,
  - A family's attempts to locate suitable, affordable housing as indicated by the number (or lack) of submitted requests for tenancy approval that were not approved by CCA,
  - Family size or other special circumstances make it difficult to find a suitable unit,
  - Market conditions and the availability of units in Carteret County and surrounding counties.

A request for an additional extension must include the reason(s) an extension is necessary. CCA will require families to provide documentation to support the request or obtain verification from a qualified third party such as a case manager or housing advocate.

Requests for extensions to the voucher term must be made in writing and submitted to CCA before the expiration date of the voucher *(including the extended term of the voucher)*.

CCA will decide on the extension request and notify the family within 10 business days of the date the request, and requested supporting documentation, is received.

Suspensions of Voucher Term [24 CFR 982.303(c)]

PHAs must suspend the initial or any extended term of the voucher from the date the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request is approved or denied.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the PHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication.

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Families do not become ineligible for the program on the grounds that they were unable to locate a unit before the voucher expired [HCV GB p. 8-13].

CCA Policy

If an applicant family's voucher term or extension expires and CCA has not received a request to approve a suitable unit for the family, CCA will require the family to reapply for assistance except under such circumstances in which a reasonable accommodation has been requested and the family is eligible to receive it.

Within 10 business days after the expiration of the voucher term or any extension, CCA will notify the family in writing that the voucher term has expired and that the family must reapply when the waiting list is open to be placed on the waiting list.

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Chapter 6 INCOME AND RENTAL ASSISTANCE (SUBSIDY) DETERMINATIONS

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

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the rental assistance subsidy. CCA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. The chapter describes HUD regulations and CCA policies related to these topics in three parts as follows:

- Part I: Annual Income. HUD regulations specify the sources of income to exclude from a family's annual income. These requirements and CCA policies for calculating annual income are found in Part I.
- Part II: Assets. HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and CCA policies for calculating income from assets are found in Part II.
- Part III: Adjusted Income. Once annual income has been established HUD regulations require PHAs to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and CCA policies for calculating adjusted income are found in Part III.
- Part IV: Calculating Family Share and Rental Assistance (Subsidy). This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining the rental assistance amount (subsidy) paid by CCA and required family rent payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW [24 CFR 5.609]

Annual income includes:

- All amounts, not specifically excluded in 24 CFR 5.609(b),
- All amounts received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse,
- Unearned income by or on behalf of each dependent who is under 18 years of age, and
- Imputed returns of an asset based on the **current passbook savings rate, as determined by HUD**, when the value of net family assets exceeds the HUD-published threshold amount (adjusted annually and published in HUD's Inflation-Adjusted Values tables) and the actual returns from a given asset cannot be calculated.

In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but did not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Full Definition (Exhibit 6-1)
- Treatment of Family Assets (Exhibit 6-2)
- The Effect of Welfare Benefit Reduction (Exhibit 6-3)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [**24 CFR 5.609(c)(5)**].
Foster child or foster adult	Income from all sources is excluded [**24 CFR 5.609(c)(2)**].
Head, spouse, or cohead Other adult family members	**All sources of income not specifically excluded by the regulations are included.**

Minors (Children under 18 years of age)	Employment income is excluded [**24 CFR 5.609(c)(1)**]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (*not head, spouse, or cohead*)	Employment income above $480/year is excluded [**24 CFR 5.609(c)(11)**]. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define "temporarily" or "permanently" absent or specify a timeframe associated with a temporary versus a permanent absence.

CCA Policy

Unless excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. An individual who is or is expected to be absent from the assisted unit for 181 consecutive days or more is considered permanently absent and no longer a family member. *Exceptions to this general policy are discussed below.*

Absent Students

CCA Policy

When family members attend school away from home and are living in student housing, whether dorms or student apartments, the person continues to be considered a family member unless CCA receives information indicating the student has established his/her own separate household, or the family declares that the student has established a separate household.

A student who establishes a permanent address with the educational institution that is not the address of the family home will be considered as having established a separate household from the assisted family.

Absences Due to Placement in Foster Care

Children temporarily absent from the home due to placement in foster care are considered members of the family [**24 CFR 5.403**] when the child welfare agency certifies that the child is expected to return home.

CCA Policy

If a child has been placed in foster care, CCA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency verifies that the child has been permanently removed from the home, the child will continue to be counted as a family member.

Absent Head, Spouse, or Cohead

CCA Policy

An employed head, spouse, or cohead who is absent from the unit more than 180 consecutive days due to employment, including military deployment, will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

A family member confined to a nursing home or hospital on a permanent basis is no longer considered a family member and the income of that person is not counted [**HCV GB, p. 5-22**].

CCA Policy

CCA will request verification from a responsible medical professional and use the verification to determine the family member's status. If the responsible medical professional cannot provide a definitive determination, the person will be considered temporarily absent unless the family presents evidence that the family member is confined on a permanent basis and requests that the person not be considered a family member.

When an individual who has been counted as a family member is determined to be permanently absent, this may change the family's eligibility for certain expense deductions. Specifically, the family is eligible for the medical expense deduction only if the *remaining* head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

CCA Policy

Dependents subject to a joint custody arrangement will be considered a member of the family if they live with the applicant or participant family at least 51 percent of the time. This equates to 183 days. The days do not have to be consecutive.

When more than one applicant or participant family, regardless of program, claims the same dependents as family members, the family with primary custody at the time of initial examination or reexamination will be able to claim the dependents.

If primary custody is disputed, CCA will decide based on available documents such as court orders, school records, or tax returns showing who claimed the child(ren) for income tax purposes or other credible documentation.

Caretakers for a Child

CCA Policy

Caretakers for minor children require approval of both the owner and CCA. The final decision is subject to both the discretion and screening criteria of both parties. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the following policies apply:

(1) If a responsible agency determines that another adult will be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After 90 days, the caretaker will be considered a family member, subject to owner and CCA approval, unless information is available to CCA that confirms the caretaker's role remains temporary. In such cases, the CCA and the owner must agree to extend the caretaker's status as an eligible visitor.

(3) When legal custody or guardianship has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker provided the family continues to be eligible for assistance. If the family is no longer eligible, CCA will work with the family and the owner to determine how to best to assist the family to transition from the rental assistance program .

(4) When a caretaker is considered a visitor, the income of the caretaker is not counted in annual income for the household and the caretaker does not qualify the family for deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

PHAs are required to count **all income** "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.

Anticipating Annual Income [24 CFR 5.609(a)(2)**]**

PHAs are required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date". Policies related to anticipating annual income are found in Chapter 7.

CCA Policy

When there is no clear way to anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), CCA will analyze historical data for patterns of employment, paid benefits, and receipt of other income. The results of this analysis will be used to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. The family may present information and documentation to show why the historic pattern does not represent the family's anticipated income. CCA will determine annual income based on both the totality of information provided and its consistency with CCA policy.

In all cases, CCA will document the file with a clear record including the reason for the decision, and a clear audit trail showing how CCA annualized projected income.

Known Changes in Income

If CCA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the reexamination. In such a case the PHA would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

Impacted families may provide information showing that implementing a change before its effective date would create a hardship for the family. In the case that CCA's standard method of implementation creates a hardship, CCA may calculate annual income using current circumstances and then, should the change in income require an interim reexamination, conduct an interim reexamination in accordance with CCA policy in Chapter 11.

Calculating Annual Income at Annual Reexamination [24 CFR.609(c)(2)**; Notice** PIH 2023 27**]**

At annual reexamination, PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made.

Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 11 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rental assistance. Income from assets is always anticipated, irrespective of the income examination type. Policies related to conducting annual reexaminations are in Chapter 11.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation **[24 CFR 5.609(a); Notice PIH 2023 27]**

The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603(b)]. Income earned as a day laborer is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for a particular employer or industry [24 CFR 5.603(b)]. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver [Notice PIH 2023-27]. Income earned as a seasonal worker is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

CCA Policy

CCA will include the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation in annual income.

For family members who regularly receive bonuses or commissions, CCA will verify, and then average amounts received for the two years *preceding* admission or reexamination, if such information is available. If only a one-year history is available, CCA will use the prior year amounts.

CCA will consider documentation provided by the families that shows credible justification for not using history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, CCA will count any amount estimated by the employer. The file will be documented clearly to show how such decisions are made.

Military Pay

All regular pay, special pay, and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Earnings of Minors [24 CFR 5.609(b)(3)]

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

Earned Income of Full-Time Students [24 CFR 5.609(b)(14)]

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

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis[24 CFR 5.603(b)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

6-I.E. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]

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

Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions when 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."

CCA Policy

CCA will use the most current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535] unless a topic is addressed by HUD regulations or guidance described in this Administrative Plan.

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

An *independent contractor* is an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)]. This may include individuals such as third-party delivery and transportation service providers and "gig workers" like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

Business Expansion

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

CCA Policy

Business expansion is any capital expenditure made to add new business activities, to expand current facilities, or to operate the business in additional locations. Examples of business expansion include purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business or the purchase of a property by a hair care business to open at a second location.

Capital Indebtedness

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

CCA Policy

Capital indebtedness is the principal portion of the payment on a capital asset such as land, buildings, and machinery. CCA will allow interest as a business expense, but not principal, paid on capital indebtedness.

Negative Business Income

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

Withdrawal of Cash or Assets from a Business

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

CCA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, CCA will not count any withdrawals from the business up to the amount of this loan as income until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

CCA Policy

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

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27] .

Business Expenses

Net income is "gross income less business expense".

CCA Policy

To determine which (if any) business expenses may be deducted from gross income, CCA will use applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance is given below.

6-I.F. STUDENT FINANCIAL ASSISTANCE [FR Notice 2/14/23 and Notice PIH 2023-27]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Examples of assistance under title IV of the HEA include:

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

The second category is any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the Federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)]. *Actual covered costs* are defined as the actual costs of:

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

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

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

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

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

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

- The Federal government,
- A state, tribal, or local government,
- A private foundation registered as a nonprofit,
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity), or
- An institution of higher education. Student

financial assistance does not include:

- Financial support provided to the student in the form of a fee for services performed, (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA),
- Gifts, including gifts from family or friends, or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

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

The formula for calculating the amount of other student financial assistance begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

CCA Policy

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

If the student does not receive any assistance under Title IV of the HEA but receives assistance from another source CCA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). CCA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. Any amount of financial assistance that exceeds the student's actual covered costs will be included in the family's annual income.

Example 1

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

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

If the amount of assistance received from Title IV of the HEA equals or exceeds the actual covered costs, all other financial assistance the student receives will be included in the family's income.

Example 2

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

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, CCA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs. CCA will include as income any amounts of non-Title IV dollars that exceed the covered costs. If there is no excess, no financial aid is included.

Example 3

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

Example 4

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

6-I.G. PERIODIC PAYMENTS

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

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

However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b) as updated for HOTMA, and thus they are included in annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

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

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

CCA Policy

CCA will include annual income lump sums received as a result of delays in processing periodic payments, unless otherwise specifically excluded by the regulation. Examples include unemployment or welfare assistance.

When a delayed-start payment is received and reported during the period in which the PHA is processing an annual reexamination, CCA will adjust the family share and rental assistance payment from the point funds were received forward. It is not CCA's policy to financially penalize families for circumstances beyond their control.

If the delayed-start payment is received outside of the time CCA is processing an annual reexamination, then CCA will consider whether the amount meets the 10% threshold to conduct an interim reexamination. If so, CCA will conduct an interim in accordance with PHA policies in Chapter 11. If not, CCA will consider the amount when processing the family's next annual recertification.

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Retirement Accounts [24 CFR 5.609(b)(26); Notice PIH 2023-27]

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.

However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

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

Social Security Benefits [Notice PIH 2023-27]

PHAs are required to use the gross benefit amount to calculate annual income from Social Security benefits.

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits.

Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income ***that have not yet been completed*** and will be effective **January 1** or later of the upcoming year [Notice PIH 2023-27]. When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

CCA Policy

When the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is recaptured. CCA will use the actual amount received (which is the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2018-24]) as income for the purposes of calculating rental assistance eligibility, except in those cases where amounts are withheld for restitution (resulting from criminal activity), child support, federal tax debt, student loan debt, or other similar debts.

Alimony and Child Support

CCA Policy

CCA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement unless the family certifies and CCA verifies that the payments are not being made.

- *Family Claims No Payments Being Received:* CCA will review child support payments over the last twelve months. If no payments have been made in the past twelve months, or payments were made part of the year but there is a clear change in the pattern showing payments have

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stopped, and there are no lump sums, CCA will not include alimony or child support in annual income.

- *Payments Being Received:* If payments are made regularly, CCA will use the monthly amounts received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, CCA will average all payments that have been made.
- *Lump Sum Payments:* At new admission or recertification, if lump sum payments were made in the past 12 months, CCA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not an amount will be included in the calculation of annual income. CCA will make reasonable efforts to verify the conditions under which payments may or may not be received. If it appears that the family is unlikely to receive a similar payment, then the amount will not be considered when projecting annual income. However, if it appears likely the family will receive a similar payment, the amount will be included when projecting annual income.

6-I.H. NONRECURRING INCOME [24 CFR 5.609(b)(24) and Notice PIH 2023-27]

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income.

This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).

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

• Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;

• Payments for eviction prevention;

• Security deposits to secure housing;

• Payments for participation in research studies (depending on the duration); and

• General one-time payments received by or on behalf of the family.

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Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19] and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)],
- Direct federal or state economic stimulus or recovery payments [24 CFR 5.609(b)(24)(ii)],
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)],
- Gifts for holidays, birthdays, or other significant life events or milestones [24 CFR 5.609(b)(24)(v)],
- • Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included, and
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)].

6-I.I. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF also called *Work First* in North Carolina) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [**24 CFR 5.603(b)**].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615**]**

CCA must make a special calculation of annual income when the welfare agency imposes certain sanctions on families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-3. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed. The requirements are summarized below:

Covered Families

The families covered by **24 CFR 5.615** are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)] .

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, CCA must include in annual income "imputed" welfare income.

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CCA will verify the reason for the reduction of benefits with the welfare agency and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced because of the sanction.

This requirement does not apply to reductions in welfare benefits:

- at the expiration of the lifetime or other time limit on the payment of welfare benefits,
- if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or
- because a family member has not complied with other welfare agency requirements [**24 CFR 5.615(b)(2)**].

Offsets

The amount of the imputed welfare income will be offset by the amount of any additional income the family begins to receive *after* the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [**24 CFR 5.615(c)(4)**].

6-I.J. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24 CFR 5.609(b)(19)]

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

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

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

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

6-I.K. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income.

This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil

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Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlements or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed the HUD-published threshold amount, then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b), FR Notice 1/31/2024]

Other exclusions contained in 24 CFR 5.609(b) that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)].
- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].

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- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].
- Payments received by tribal members because of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members more than the first $2,000 of per capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income in HUD programs that adopt the definitions of *annual income* in 24 CFR 5.609, the Census Long Form, and the IRS Form 1040, including the programs affected by Notice PIH 2023-27.
- Replacement housing "gap" payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Replacement housing "gap" payments are not excluded from annual income ***if*** the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments [24 CFR 5.609(b)(23)].
- Income earned on amounts placed in a family's Family Self-Sufficiency account [24 CFR 5.609(b)(27)].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred e.g., special equipment, clothing, transportation, childcare, etc. and which are made solely to allow participation in a specific program [24 CFR 5.609(i)(12)(ii)].
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (*PASS*) [(24 CFR 5.609(b)(12)(i)].
- Amounts received under a resident service stipend of $200 per month or less. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.609 I(12)(ii)].

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Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training

programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income.

Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

CCA Policy

CCA defines a *training program* as a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a specific amount of time. It is designed to give enrollees a higher level of proficiency and enhance his/her ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to:

- classroom training in a specific occupational skill,
- on-the-job training with wages subsidized by the program, or
- basic education.

CCA defines *incremental earnings and benefits* as the difference between

- the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and
- the total amount of welfare assistance and earnings of the family member after enrollment in the program.

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

Participants are responsible for reporting completion, withdrawal, or termination of participation in a training program according to CCA's interim reporting requirements (see Chapter 11).

- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(b)(13)].
- Adoption assistance payments for a child more than the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15)].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20)].
- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that include assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) apply. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

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- HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the *Federal Register* on May 20, 2014. It includes:
  (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)),
  (b) Benefits under Section 1780 of the Richard B. Russell School Lunch Act and Child Nutrition Act of 1966, including WIC and reduced-price lunches,
  (c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.
    - Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)),
  (d) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)),
  (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506),
  (f) Payments or allowances made under the Department of Health and Human Services' Low- Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)),
  (g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)),
  (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts,
  (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04),
  (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)),

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(k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010,

(l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408),

(m) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f)),

(n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.). The exclusion also applies to assets

(o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida (42 U.S.C. 12637(d)),

(p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721),

(q) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q),

(r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets,

(s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433). This exclusion also applies to assets,

(t) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)),

(u) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)),

(v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act

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of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)),

(w) Any amounts in an "individual development account" are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)),

(x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets,

(y) Distributions from an ABLE account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.

(z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).

(aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.

(ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).

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

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PART II: ASSETS

6-II.A. OVERVIEW

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of *net family assets*.

Policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapter 3 and 12. Income from assets is always anticipated, regardless of the income examination type.

CCA Policy

CCA will use current circumstances to determine both the value of an asset and anticipated income from an asset. CCA will use *other* than current circumstances to anticipate income when:

- an imminent change in circumstances is expected,
- it is not feasible to anticipate a level of income over 12 months, or
- CCA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, CCA will consider past rental income along with the prospects of obtaining a new tenant.

Any time current circumstances are not used to determine asset income, CCA staff will document the file showing how the decision was made. If a family disagrees with the decision, the family may present documentation to show why the asset income determination does not represent the family's anticipated asset income.

6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]

PHAs must include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, ***but not in a foreclosure or bankruptcy sale***) during the two years preceding the date of application or reexamination, as applicable, that exceeds the cash or cash equivalent received for the asset. An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. [Notice PIH 2023-27]

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Minimum Threshold

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

CCA Policy

CCA will not include the value of assets disposed of for less than fair market value when the cumulative value of the assets is less than $5000. All assets disposed of during the past two years will be considered when determining whether to include or exclude the assets' value.

Separation or Divorce

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

CCA Policy

Assets disposed of as part of a separation or divorce settlement will not be included as assets disposed of for less than fair market value provided the family member is subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. However, negative equity in real property or other investments does not prohibit an owner from selling a property or other investments, so negative equity alone does not justify excluding the property or other investments from family assets.

Family Declaration

CCA Policy

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

6-II.C. ASSET INCLUSIONS AND EXCLUSIONS

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of personal property include a car used for commuting or medical devices.

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HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home.

Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds the HUD-published threshold amount (adjusted annually and published in HUD's current year Inflation-Adjusted Values tables). When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount for the calendar year, all non-necessary personal property is excluded from net family assets.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

CCA Policy

In determining the value of non-necessary, non-financial personal property, CCA will obtain a statement from the family estimating the value. CCA may obtain an appraisal or other valuation for assets (depending upon type of asset) if there is reason to believe that the family's estimated value is off by $500 or more. The family must cooperate with the appraiser, or other evaluation method, but would not be charged any costs related to the valuation process.

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Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items (e.g., toys, books) Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies Religious and cultural items Medical equipment and supplies Health care–related supplies Musical instruments used by the family Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business Items such as gems/precious metals, antique cars, artwork, etc.

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Checking and Savings Accounts [Notice PIH 2023-27]

HUD considers bank accounts as non-necessary items of personal property. Whether or not "necessary" personal property is counted toward net family assets depends on the combined value of all the family's assets.

- When the combined value of net family assets is greater than the HUD-published threshold amount, which is adjusted annually and listed in HUD's current year Inflation Adjusted Values tables effective January 1st each year, checking and/or savings accounts would be counted toward net family assets..
- When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

ABLE Accounts [24 CFR 5.609(b)(10); Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. PHAs must exclude the entire value of an individual's ABLE account from the household's assets.

Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

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Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603(b)(1)]

HUD considers financial investments such as stocks and bonds as non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all the family's assets.

- When the combined value of net family exceeds the HUD-published threshold amount,, financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's financial investments would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount,, all non-necessary personal property is excluded from net family assets and the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is $0.

CCA Policy

CCA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are **reinvested**.

The cash value of such an asset is determined by deducting any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash from the market value.

CCA will use the value of investment accounts on the most recent investment report to determine market value of each account.

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

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

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

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However, these amounts may count toward net family assets. PHAs must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 11. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.

For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

CCA Policy

Lump-sum receipts that exceed $1000 are counted as assets if they are retained by a family in a form recognizable as an asset such as by being added to a savings or money market account. For example, if the family receives a $10,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Jointly Owned Assets [Notice PIH 2023-27]

For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:

- The asset is otherwise excluded,
- The family can demonstrate that the asset is inaccessible to them, or
- The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

Any income from a jointly owned asset must be included in annual income, unless:

- The income is specifically excluded,
- The family demonstrates that they do not have access to the income from that asset, or
- The family only has access to a portion of the income from that asset.

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

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Trusts [24 CFR 5.609(b)(2) and 5.603(b)(4)]

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

The following types of trust distributions are excluded from annual income:

- Distributions of the principal or corpus of the trust, and
- Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

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

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account. Irrevocable trusts not under the control of any member of the family or household are not assets.

Typically, special needs trusts are considered irrevocable. The value of the trust is not included in net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4)]. Where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

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

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. The PHA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).

- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee. For both irrevocable and revocable trusts, if the value of the trust is not considered part of the net family assets, then distributions from the trust are treated as follows:

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

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Life Insurance [FR Notice 2/14/23 and Notice PIH 2023-27]

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the dividends and/or interest is counted as income from the asset whether or not the family actually receives it.

Tax Refunds [24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of the account in which the federal tax refund or refundable tax credits were deposited. When the subtraction results in a negative number, then the balance of the asset is considered $0.

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are equal to or below the HUD-determined threshold (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than the HUD-determined threshold.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family's annual income unless the income is specifically excluded.

Asset Exclusions [24 CFR 5.603(b)]

The following are excluded from the calculations of net family assets:

- The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)].

- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24 CFR 5.603(b)(3)(iv)].

  - *Real property* as used in this part has the same meaning as that provided under the law of the state in which the property is located [24 CFR 5.100].

  - Examples of this include but are not limited to co-ownership situations *(including situations where one owner is a victim of domestic violence)*, where one party cannot unilaterally sell the real property, property that is tied up in litigation, and inherited property in dispute [Notice PIH 2023-27].

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• Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)],

- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24 CFR 5.603(b)(3)(vi)],
- The value of any qualified tuition program under Section 529 of such Code [24 CFR 5.603(b)(3)(vi)],
- The value of any "baby bond" account created, authorized, or funded by federal, state, or local government [24 CFR 5.603(b)(3)(vi)],
- Interests in Indian trust land [24 CFR 5.603(b)(3)(vii)],
- Equity in a manufactured home where the family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(viii)],
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(ix)],
- Family Self-Sufficiency accounts [24 CFR 5.603(b)(3)(x)],
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24 CFR 5.603(b)(3)(xi)].
- The full amount of assets held in an irrevocable trust [Notice PIH 2023-27], and
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household [Notice PIH 2023-27].

6-II.D. DETERMINING INCOME FROM ASSETS

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27].

Net Family Assets

Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

CCA Policy

"Reasonable costs" are those that may be incurred when disposing of an asset. Such costs include, but are not limited to, penalties for premature withdrawal, broker fees, legal fees, and settlement costs incurred in real estate transactions such as transfer taxes [New PH OCC GB, *Income Determinations,* p. 24].

The calculation of asset income sometimes requires a PHA to make a distinction between an asset's market value and its cash value.

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- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

The cash value of real property or other assets with negative equity would be considered $0 for the purpose of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023- 27].

Actual Income from Assets

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

PHAs may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

PHAs may not calculate or include any imputed income from assets when net family assets are less than or equal to the HUD-published threshold amount [24 CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

Imputed Income from Assets

When net family assets exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, PHAs may **not** rely on self-certification. If actual income can be calculated, PHAs must include actual income from the asset on the Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual income cannot be calculated, PHAs must calculate imputed income using the HUD-determined passbook rate (for example, real property or a non-necessary item of personal property such as a recreational boat). Imputed income is calculated by multiplying the net cash value of the asset (found by deducting reasonable costs that would be incurred in disposing of the asset from the market value) by the HUD-published passbook rate. If PHAs can compute actual income from some but not all assets, they must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24 CFR 5.609(a)(2)].

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An asset with an actual return of $0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return on investment when it is issued, and when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is consistently $0.

PART III: ADJUSTED INCOME

6-III.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies and allow PHAs to deduct other permissive deductions in accordance with PHA policy. The resulting amount is the family's adjusted income. Mandatory deductions are found in **24 CFR 5.611**.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Adjusted income means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) *Mandatory deductions*

(1) $500 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of $25),

(2) $550 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of $25),

(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed medical expenses of any elderly family or disabled family,

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any family member (including the member who is a person with disabilities) to be employed. The deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of the attendant care or auxiliary apparatus, and

(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

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Anticipating Expenses

The PHA will use current circumstances to anticipate expenses. For costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), CCA will estimate costs based on historic data and known future costs when possible.

If a family has an accumulated debt for medical or disability assistance expenses, CCA will include the portion of the debt that the family expects to pay during the period for which the income determination is being made as an eligible expense. Amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. If the family disputes medical expenses not included because they were not paid as expected, CCA will require the family to provide documentation of payments made in the preceding year to ensure expenses are not included twice.

When calculating health and medical care expenses, the PHA will include only expenses ***anticipated*** to be incurred during the upcoming 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and recurring during the coming year.

Since these expenses are anticipated, the *PH Occupancy Guidebook* states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, *Income Determinations,* p. 30].

6-III.B. DEPENDENT DEDUCTION

An allowance of $500 is deducted from annual income for each dependent. The amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25 **[**24 CFR 5.611(a)(1)**]**.

A *dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of **$550**, for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) **[**24 CFR 5.611(a)(2)**]**.

An *elderly family* is one whose head, spouse, cohead, or sole member is 62 years of age or older. A *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i) and 5.603(b)]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed **ten** percent of annual income.

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

Definition of Medical Expenses

HUD regulations define *medical expenses* at **24 CFR 5.603(b)** to mean *"any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed."* Health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed.

Although HUD revised the definition of *health and medical care expenses* to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD does not permit PHAs to specifically align their policies with IRS Publication 502 for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses. PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition of *health and medical care expenses*.

While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable expenses, and PHAs may list examples of allowable expenses in their policy provided they comply with HUD's definition at 24 CFR 5.603. PHAs may not define *health and medical care expenses* more narrowly than the regulation.

In accordance with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896), when requesting documentation to determine unreimbursed health and medical care expenses, the PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.

CCA Policy

CCA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses but will not deduct any expenses listed in IRS Publication 502 that **do not** conform with HUD's definition of *health and medical care expenses.*

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals Surgery and medical procedures that are necessary, legal, and non-cosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502.

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Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails) Medical insurance premiums or the cost of a health maintenance organization (HMO) Medicare Part B and Part D premiums	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.
Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.	

Before placing health, medical, or disability expense bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will the PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Families That Qualify for Both Medical and Disability Assistance Expenses

CCA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, CCA will consider them medical expenses unless it is clear the expenses are incurred exclusively to enable a person with disabilities to work.

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6-III.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable, unreimbursed expenses for attendant care and auxiliary for each member of the family who is a person with disabilities may be deducted if they:

- are necessary to enable a family member 18 years or older to work,
- are not paid to another family member or reimbursed by an outside source,
- in combination with any medical expenses, **exceed 10 percent of annual income**, and
- do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any income exclusions are applied.

CCA Policy

To be eligible, families must identify the family member(s) enabled to work because of the disability assistance expenses for attendant care and/or auxiliary apparatus. CCA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work when evaluating the expense(s). When disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

Eligible Auxiliary Apparatus [Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type or special equipment to assist a person who is deaf or hard of hearing.

CCA Policy

The cost of caring for the health and physical well-being of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and similar types of care, will be included.

Additionally, the cost of maintaining or repairing an auxiliary apparatus is an eligible expense. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations is an eligible expense but the cost to maintain the apparatus itself is not an eligible expense.

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Eligible Attendant Care [Notice PIH 2023-27]

Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day. The family determines the type of attendant care that is appropriate for the person with disabilities.

CCA Policy

Attendant care expenses will be included for the time that the person enabled to work is employed plus reasonable travel time. The cost of general housekeeping is not included. However, the cost of personal services is an eligible attendant care expense ***if*** the person enabled to work is the person with disabilities and the personal services are necessary to enable the person with disabilities to work.

If the attendant also provides other services to the family, CCA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not a person with disabilities, the cost of care will be prorated.

CCA requires documentation from attendants, or the agency that employs the attendant on behalf of the family (if any), showing the time spent on services, including other services to the family. The proration of the costs will be based upon the number of hours spent providing service to the family member(s) with disabilities and the number of family members under care to enable a family member to work.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

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

CCA Policy

CCA will determine the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, CCA will collect information from organizations providing services and support to persons with disabilities. CCA will consider documentation provided by the family for justification of costs that exceed typical costs in the area when the reasonableness of expenses is in question.

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Families That Qualify for Both Medical and Disability Assistance Expenses

CCA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, CCA will consider them health and medical expenses unless documentation shows the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.F. CHILDCARE EXPENSE DEDUCTION

HUD defines *childcare expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age (age 12 and younger) (including foster children) 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."

Clarifying the Meaning of Child for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's childcare expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

CCA Policy

The family must identify the family member(s) enabled to pursue an eligible activity including seeking work, pursuing an education, or being gainfully employed to receive the childcare expense deduction.

CCA will evaluate how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity when evaluating expenses to determine eligibility.

Seeking Work

CCA Policy

If the family claims childcare expenses as enabling a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. CCA may reduce or deny a deduction if the family member's job search efforts are not commensurate with the value of the childcare expense.

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Furthering Education

CCA Policy

If the family claims childcare expenses as enabling a family member to further their education, the member must be enrolled in school *(academic or vocational)* or participating in a formal training program. The family member is not required to be a full-time student, but the time spent on educational activities must be commensurate with the childcare expense claimed.

Being Gainfully Employed

CCA Policy

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

Earned Income Limit on Childcare Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

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

PHAs must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

CCA Policy

When a family claims a childcare expense as enabling a family member to work, only one family member's income will be considered for a given period. When more than one family member works during a given period, CCA will limit allowable childcare expenses to the earned income of the lowest-paid member. Regardless of the family member enabled to work, CCA will allow only the unreimbursed out-of-pocket costs of childcare for the family for eligible activities.

Eligible Childcare Expenses

The type of care to be provided is determined by the assisted family. PHAs may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare [VG, p. 26].

Allowable Childcare Activities

CCA Policy

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

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When in-home care is involved, the costs of general housekeeping and/or additional services not related to an eligible active are disallowed. Similarly, if a childcare provider provides childcare to enable a family member to conduct activities that are not eligible, associated cost for these services are also disallowed.

Childcare expenses paid to a family member who lives in the family's unit are not eligible. However, payments for childcare to relatives who do not live in the unit are eligible.

CCA requires documentation from childcare provider to verify the cost of services provided including documentation of the number of hours services are provided for CCA to consider in comparison to a family member's claim of involvement in eligible activities.

When other services are provided, CCA will prorate the costs of provider's activities and allow only that portion of the expenses that is attributable to childcare for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Childcare expenses will be considered necessary if:

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

CCA Policy

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include up to one hour of study for each hour spent in class.

To establish the reasonableness of childcare costs, CCA will use the schedule of childcare costs adopted by the Carteret County Department of Social Services Child Services Unit. Families may present, and CCA may consider justification for costs that exceed typical costs in the area.

Regardless, CCA will allow only the unreimbursed out-of-pocket costs for the family for eligible activities.

6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]

Health & Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted exceeding five percent of annual income.

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To claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. To claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Phased-In Relief

The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024. The family must receive phased-in relief if they are determined to be eligible as of January 1, 2024.

These families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first. For these families, the threshold amount is phased-in as follows:

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.
    - When an eligible family's "phased-in relief" begins at an interim reexamination, CCA may need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

Before the end of the 24-month period, the family may request a hardship exemption under the second category as described below. If the family is found eligible under the second category, the hardship exemption under the first category ends, and the family's hardship is administered in accordance with the requirements listed below. Once a family requests general relief, the family may no longer receive phased-in relief.

PHAs must track the 24-month phase-period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move to another public housing unit at the same PHA. When the family is treated as a new admission under a different property/program (e.g., the family moves from public housing to the HCV program), unless a PHA has a written policy to continue the phased-in relief upon admission, the family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the PHA. When a family moves with continued assistance or ports to a new PHA, the family must continue to receive the phased-in relief. The family must receive the remaining calendar months of the percentage phase-in. PHAs must use the existing phase-in documentation to determine the remaining calendar months and the percentage phase-in.

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CCA Policy

CCA will consider whether extenuating circumstances create a need to continue phased in relief for eligible households who transfer units during the phase-in period. Unless there is a specific, documented need to continue a phased in approach for previously eligible households, at transfer, the household will receive the sum of expenses that exceed 10 percent of annual household income as a deduction to determine their adjusted income.

General Relief

The second category is for families that can demonstrate:

- Their health and medical and/or disability assistance expenses increased (other than the transition to the higher phase-in threshold); or
- The family's financial hardship is a result of a change in circumstances (as defined in PHA policy) that would not otherwise trigger an interim reexamination.

A family may request a hardship exemption under the second category regardless of whether the family previously received the health and medical and/or disability assistance deductions or are currently or were previously receiving relief under the phased-in relief category above. HUD requires PHAs develop policies defining what constitutes a hardship for purposes of this exemption.

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

CCA Policy

Families must request hardship exemptions in writing. The request must show how the family's health, medical and/or disability assistance expenses have increased for reasons unrelated to a transition in the "phase-in" threshold and how the change in circumstances resulted in the family experiencing a financial hardship.

CCA defines *a change in circumstances* as a decrease in income or increase in other expenses that resulted in a family's financial hardship but that does not, on its own, trigger an interim reexam in accordance with CCA policies. Examples of circumstances constituting a financial hardship may include, but are not limited to, the following situations:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits, or
- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster.

Families must provide third-party documentary verification, or a third-party source that can provide verification of the hardship with the request. If third-party verification is not available, CCA staff will document attempts to obtain third-party verification, and the reason verifications were not obtainable, prior to the end of the 90-day hardship exemption period if a hardship exemption is granted.

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PHAs must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions. The notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)].

CCA Policy

CCA will determine whether a family qualifies for a hardship exemption within 30 calendar days of receiving a request and will notify the family in writing of the result within 10 business days of the determination.

If CCA denies the hardship exemption request, CCA will include a notice that if the family does not agree with its determination, the family may request a hearing.

If the family qualifies for an exemption, CCA will include the dates the hardship exemption will begin and expire as well as information on how to request a 90-day extension based on family circumstances.

Qualified families will receive a deduction for the sum of eligible expenses that exceed **five percent of annual income**.

The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, ***whichever is earlier***. However, CCA may, at its discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

PHAs are not limited to a maximum number of 90-day extensions by HUD. However, PHAs must establish written policies regarding the types of circumstances that may allow a family to qualify for a financial hardship and when such deductions may be eligible for additional 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

CCA Policy

A family may request an extension prior to the end of the hardship exemption period either orally or in writing. CCA will extend relief for an additional 90-days if the family demonstrates to the CCA's satisfaction that the family continues to qualify for the hardship exemption based on circumstances described above. CCA will require updated verification based on the family's current circumstances.

Generally, it is CCA's policy that only one extension be granted. However, on a case-by-case basis, CCA may allow one additional 90-day extension. To receive the additional 90-day extension, the family must request an extension prior to the end of the current hardship exemption period.

Families must also report when the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, CCA may terminate the hardship exemption if it determines that the family no longer qualifies for the exemption.

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Childcare Expense Hardship Exemption [24 CFR 5.611(d) and Notice PIH 2023-27]

A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue receiving the deduction. If the family demonstrates to the CCA's satisfaction that the family is unable to pay their rent because of the loss of the childcare expense deduction, and that the childcare expense is still necessary even though the family member is not working, looking for work, or seeking to further their education, the PHA must recalculate the family's adjusted income and continue the childcare deduction.

PHAs must develop a policy to define what constitutes a hardship, which includes the family's inability to pay rent. PHAs must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

CCA Policy

For a family to qualify for a hardship exemption, they must demonstrate that their inability to pay rent would be because of the loss of the childcare expense deduction. A hardship resulting from the loss of the childcare expense includes a potential decrease in income or increase in other expenses that would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) are cumulatively more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.

The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education or that the child(ren) is/are no longer under the age of 13 (annual re-exam only). CCA will consider qualification under this criterion on a case-by-case basis (for example, if the family member who was employed has left their job to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, CCA staff will document attempts to obtain third-party verification, and the reason verifications were not obtainable, prior to the end of the 90-day hardship exemption period if a hardship exemption is granted.

CCA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions. If CCA denies the request, the notice must specifically state the reason for the denial. PHAs must provide families with 30 days' notice of any increase in rent.

If the PHA approves the request, the notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)]. The notice must also state the requirement for the family to report to the PHA if the circumstances that made the family eligible for relief are no longer applicable and that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption [Notice PIH 2023-27].

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CCA Policy

CCA will decide whether a family qualifies within 30 calendar days of receiving a request for a hardship exemption and will notify the family in writing of the result within 10 business days of the determination.

If the CCA denies a hardship exemption request, the notice will also state how the family may request an informal hearing if they disagree with CCA's decision.

If the family qualifies for an exemption, CCA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.

A PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in its policies. PHAs are not limited to a maximum number of 90- day extensions by HUD and must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If the PHA denies the request, the notice must specifically state the reason for the denial.

PHAs must notify the family if the hardship exemption is no longer necessary, and the hardship exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of a rent increase, if applicable.

CCA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. CCA will extend relief for an additional 90-days if the family demonstrates to the CCA's satisfaction that the family continues to qualify for the hardship exemption based on circumstances described above. CCA will require updated verification based on the family's current circumstances.

Generally, it is CCA's policy that only one extension be granted. However, on a case-by-case basis, it may allow one additional 90-day extension. To receive the additional 90-day extension, the family must request an extension prior to the end of the current hardship exemption period.

Families must also report when the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, CCA may terminate the hardship exemption if it determines that the family no longer qualifies for the exemption.

6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(ii)]

PHAs may adopt additional permissive deductions from annual income if they establish a policy in the administrative plan. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance, and deductions must be designed to encourage self-sufficiency or other economic purposes.

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If a PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.

A PHA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. PHAs will not be eligible for an increase in HCV renewal funding for subsidy costs resulting from such deductions.

CCA Policy

CCA opts to adopt the following permissive deduction(s):

- **None**

PART IV: CALCULATING FAMILY SHARE AND PHA SUBSIDY

6-IV.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

TTP Formula [24 CFR 5.628**]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent *(in as-paid states only)*
- A minimum rent between $0 and $50 as established by each PHA.

PHAs have the authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-IV.B.

The amount that a family pays for rent and utilities *(the family share)* will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

CCA Policy

***Welfare rent does not apply in North Carolina*.**

Minimum Rent [24 CFR 5.630**]**

CCA Policy

The minimum rent is $50.

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Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the the PHA's applicable payment standard:

- the family will pay more than the TTP, and
- **at initial occupancy the PHA may not approve the tenancy if it requires the family share to exceed 40 percent of the family's monthly adjusted income**. (For a discussion of the application of payment standards, see section 6-IV.C.)

PHA Subsidy [24 CFR 982.505(b)]

The PHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the **lower of:**

- the applicable payment standard for the family minus the family's TTP or
- the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-IV.C.)

Utility Reimbursement [24 CFR 982.514(b); 982.514(c)]

When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits PHAs to pay the reimbursement to the family or directly to the utility provider.

CCA Policy

CCA will issue Utility Assistance Payments (UAP) to the **Utility provider** chosen by the family on a monthly basis.

6-IV.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview

CCA has established a minimum rent of $50 and may grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies **only** to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If CCA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

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CCA Policy

A hardship exists only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following:

- implementation of assistance, if approved, or
- the decision to deny assistance.

A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

CCA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

CCA Policy

To qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by CCA.

CCA Policy

CCA established a hardship criterion for families with verified impacts from a natural disaster, such as a hurricane. The family must describe/document how the disaster has created a financial hardship such that the family is unable to pay the minimum rent.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, PHAs must suspend the minimum rent requirement beginning the first of the month following the family's request, then determine whether the financial hardship exists and whether the hardship is temporary or long-term.

CCA Policy

CCA defines temporary hardship as a hardship expected to last 90 days or less. A long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components for calculating TTP. The example below shows the effect of the minimum rent exemption.

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Example: Impact of Minimum Rent Exemption Assume the PHA has established a minimum rent of $50.	
Family Share – No Hardship	**Family Share – With Hardship**
$0 30% of monthly adjusted income $15 10% of monthly gross income N/A Welfare rent $50 Minimum rent	$0 30% of monthly adjusted income $15 10% of monthly gross income N/A Welfare rent
Minimum rent applies. TTP = $50	Hardship exemption granted. TTP = $15

CCA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent. CCA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If CCA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

CCA Policy

CCA will require the family to repay the suspended amount within 30 calendar days of the CCA's notice that a hardship exemption was not granted.

Temporary Hardship

If a PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed, and the hardship is now a long-term hardship.

CCA Policy

CCA will enter into a repayment agreement according to procedures described in Chapter 16 of this plan.

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Long-Term Hardship

If a PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

CCA Policy

The hardship period ends when any of the following circumstances apply:

(1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.

(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost.
For example, if a hardship is approved because a family no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from child support or another source.

(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the **cumulative amount exempted** is equal to the expense incurred.

6-IV.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505; 982.503(b)]

Overview

A PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program before deducting the total tenant payment by the family" [24 CFR 982.4(b)].

The payment standard for a family is **the lower of:**

1. the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or
2. the payment standard for the size of the dwelling unit rented by the family.

   If the PHA has established an exception payment standard for a designated part of a zip code area or FMR area and a family's unit is in the exception area, the PHA must use the appropriate payment standard for the exception area.

PHAs are required to pay a monthly housing assistance payment (HAP) for a family that is **the lower of**

1. the payment standard for the family minus the family's TTP or
2. the gross rent for the family's unit minus the TTP.

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If during the term of the HAP contract for a family's unit, the owner lowers the rent, CCA will recalculate the HAP using the **lower of** the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

Changes in Payment Standards

When a PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

Decreases

If a PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract if the HAP contract remains in effect [FR Notice 11/16/16].

For changes effective December 3, 2024 or later, if a PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than two years following the effective date of the decrease in the payment standard and only with proper written notice to the family in accordance with 24 CFR 982.505(c)(3)(iii).

At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas).

In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. The PHA's policy on decreases in the payment standard during the term of the HAP contract applies to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

CCA Policy

Payment standard changes are applied to the rent calculation only at the **annual recertification** of each family's income eligibility. If changes in CCA's payment standards result in a lower payment standard, CCA will reduce the payment standard at the **second annual** recertification and provide notice to the family as required by HUD. Families currently under a HAP Contract at the time the payment standard decreases will be covered by a 12-month "hold harmless" period, after which a lower payment standard may be applied. However, if later changes in the FMR result in a payment standard equal to or higher than that currently applied to a family's rent calculation, then the impact of the lower payment standard would be avoided.

Increases

Beginning December 2024, HUD has amended the policy for increase in the payment standard. If the payment standard is increased during the term of the HAP contract, the increased payment standard will be applied no later than the earliest of:

- The effective date of an increase in the gross rent that would result in an increase in the family share;

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- The family's first regular or interim reexamination; **or**

One year following the effective date of the increase in the payment standard amount.

CCA Policy

It is CCA's policy to limit interim examinations of income and only review those in which the increase in household income represents a 10 percent increase from the previously used income. As such, CCA will apply an increase in the payment standard to occur at the first annual re-examination of family eligibility following a change in the payment standard, which falls within one year following the date of the increase.

To do otherwise destabilizes CCA's budget for rental assistance and promotes an unfair application of the payment standard changes. This policy allows for both a thorough review of the household income, assets and composition and ensures the participant is given adequate notice of changes in rental assistance. CCA will not adopt payment standard increases earlier than the date required by the regulation.

Changes in Family Unit Size (Voucher Size)

Regardless of any changes (increases or decreases) in the payment standard, if a family's unit size changes during the HAP contract term, the new family unit size will be used to determine the payment standard for the family beginning at the family's **first regular reexamination** following the change in family unit size.

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, PHAs are allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR without HUD approval or prior notification to HUD. A PHA may establish a payment standard greater than 120 percent of the applicable FMR as a reasonable accommodation in accordance with 24 CFR part 8, after requesting and receiving HUD approval. See Chapter 16 for more information.

Moves

If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

6-IV.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A PHA-established utility allowance schedule is used in determining family share and the rental assistance subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies based on PHA subsidy standards, whichever is the lowest of the two.

See Chapter 5 for CCA's subsidy standards. Policies on establishing and updating utility allowances are in Chapter 16.

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Reasonable Accommodation

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed. The family must request the higher allowance and provide an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

Flat Fees [24 CFR 982.517(b)(2)(iii)]

A PHA may base its utility allowance payments on actual flat fees charged by an owner for utilities that are billed directly by the owner, but only if the flat fee charged by the owner is no greater than the PHA's applicable utility allowance for the utilities covered by the fee. If the owner charges a flat fee for some but not all utilities, the PHA must pay a separate allowance for any tenant-paid utilities not covered in the flat fee.

CCA Policy

CCA will consider flat fee utility payments provided the fee is documented in the lease. Changes in flat fee utility payments are permitted only at the time of annual recertification of family eligibility for assistance and at the same time as an increase in rent is requested. CCA will consider using the flat fee utility in combination with the currently effective utility allowance schedule for non-flat fee utilities when calculating the allowance for the household.

PBV Developments [24 CFR 982.517(b)(2)(iv)]

If a tenant-based voucher holder resides in a project with project-based voucher (PBV) units and the PBV units use a site-specific utility allowance in accordance with PBV regulations, the PHA must use the project-specific utility allowance schedule.

Reasonable Accommodation and Individual Relief

On request from a family that includes a person with disabilities, a PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)]. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations.)

Further, a PHA may grant requests for individual relief from charges in excess of the utility allowance on reasonable grounds, such as special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA an explanation of the need for individual relief and an explanation about the amount of additional allowance required [see HCV GB, p. 18-8].

PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company.

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CCA Policy

Similar to any request for reasonable accommodation, a family must request a higher allowance and provide CCA with information about additional allowance required. CCA will consider criteria as valid for relief including, but not limited to:

- The appearance of excessive consumption is caused by meter defects, errors in meter readings, deficiencies in owner supplied appliances, inadequate insulation, or similar issues beyond the tenant's control. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied.
- The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, CCA may allow a reasonable measure of additional usage as necessary.

The family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost. Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all families at admission as part of the information on payment standards and utility allowances in the briefing packet.

If available, CCA will provide information on utility relief programs or medical discounts (sometimes referred to as "Medical Baseline discounts") that may be available through local utility providers.

At its discretion, CCA will reevaluate the need for the increased utility allowance at least annually at the family's regular reexamination of eligibility.

Utility Allowance Revisions

At reexamination, the PHA must use the current utility allowance schedule [HCV GB, p. 18-8].

CCA Policy

Revised utility allowances are applied to a family's rent and subsidy calculations at the first annual reexamination effective ***after*** the allowance is adopted. Utility allowance changes are NOT applied at interim reexaminations.

6-IV.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. PHAs must prorate the assistance provided to a mixed family. CCA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that are eligible. For example, if the subsidy for a family is calculated at $500 and two of four family members are ineligible, the subsidy would be reduced to $250.

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Chapter 7 VERIFICATIONS

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2023-27]

INTRODUCTION

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

PHAs will follow the verification guidance provided by HUD in Notice PIH 2023-27 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

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 PHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230 ,Notice PIH 2023-27 & HOTMAquestions@HUD.gov response 9/15/25]

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

Consent Forms

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

All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. PHAs must use form HUD-9886. However, this form does not release all the information necessary for the administration of the program. Each PHA must also develop its own release forms to cover all other necessary information.

CCA Policy

At admission, CCA will obtain a signed consent form from all adult family members acknowledging that their EIV income information will be shared with the head of household. Adult family members with no such consent form on file will be requested to sign at annual reexamination, including children who reach their majority after admission.

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It is understood that the head of household is responsible for the actions & inactions of all household members and that, but extension, he/she is also responsible for reporting changes in household income and assets as well as composition. Household members' responsibilities are neither separate nor distinct from the entirety of the household and contribute to the eligibility (or ineligibility) of the household for assistance per the terms of the program.

The executed forms will remain effective unless/until the family is denied assistance. Family members who leave the household are no longer considered to be a part of the household and no EIV information will be available for the individual once he/she is removed from the household composition.

In addition, a proposal to add another adult to the household includes a requirement that the 9886, CCA's ROI and the acknowledgement be signed prior to being approved as a household member.

Form HUD-9886 [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]

All adult applicants and participants must sign form HUD-9886, ***Authorization for Release of Information***. All adult family members as well as the head and spouse/cohead, regardless of age, are required to sign the Form HUD-9886 at admission. Prior to January 1, 2024, participants signed and submitted Form HUD-9886 at each annual reexamination.

HOTMA eliminated this requirement and instead required that the Form HUD-9886 be signed only once. On or after January 1, 2024, all program participants signed and submitted the Form HUD-9886-A. This form will only be signed once. Another Form HUD-9886-A will not be submitted to CCA except under the following circumstances:

- When any person 18 years or older becomes a member of the family,
- When a current member of the family turns 18, or
- As required by HUD or CCA in administrative instructions.

Each PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

CCA Policy

Family members turning 18 years of age between annual recertifications are required to sign the required ***Consent to the Release of Information Form HUD-9886*** and CCA's ***Release of Information*** consent form at the family's next annual or interim reexamination **or** within 60 days after turning 18 years old, whichever is earlier. The Head of Household will be notified in writing of their responsibility to ensure the 18-year-old signs the form as required.

The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources. It provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) as well as current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

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PHAs may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the ***Right to Financial Privacy Act*** (12 U.S.C. 3401), whenever the PHA determines the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent**.**

PHAs must develop their own release-of-information forms to cover all other information not covered by the form HUD-9886-A.

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, CCA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) according to PHA procedures.

However, this does not apply if the applicant, participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, *unless* the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]. PHAs may not process interim or annual reexaminations of income without the family's executed consent forms.

CCA Policy

For a family to revoke their consent, the family must provide written notice to CCA. **Revocation of consent to access financial records will result in denial of admission or termination of assistance.**

Within 10 business days of the date the family provides written notice, CCA will notify the family in writing acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. CCA will also notify HUD via the Greensboro North Carolina Field Office.

7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]

PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs.

If a PHA adopts a policy to accept this type of verification, the PHA must establish in policy when they will accept Safe Harbor income determinations and from which programs. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs.

Means-tested federal public assistance programs include:

- Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.),
- Medicaid (42 U.S.C. 1396 et seq.),

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- Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.),
- Earned Income Tax Credit (EITC) (26 U.S.C. 32),
- Low-Income Housing Credit (LIHTC) program (26 U.S.C. 42),
- Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786),
- Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.),
- Other programs administered by the HUD Secretary,
- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding, and
- Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register.*

If a PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether the family owns assets that exceed the asset limitation in 24 CFR 5.618. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

- Income determination effective date,
- Program administrator's signature date,
- Family's signature date,
- Report effective date, or
- Other report-specific dates that verify the income determination date.

The only information that PHAs are permitted to use to determine income under this method is the total income determination made by the federal means-tested program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA.

PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

If a PHA is unable to obtain Safe Harbor documentation or if the family disputes the other program's income determination, the PHA must calculate the family's annual income using traditional methods as outlined in Notice PIH 2023-27 and this chapter.

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If the PHA uses a Safe Harbor determination to determine the family's income, the family is obligated to report changes in income that meet the PHA's reporting requirement and occur after the effective date of the transaction.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family's annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work because of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

CCA Policy

CCA will not accept income determinations from means-tested federal public assistance programs. The current systems, as implemented in North Carolina, do not yet have a clear track record for accuracy and reliability. As the accuracy and reliability of the systems improve, CCA may revisit this policy.

7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor.

Streamlining policies are optional. A PHA may obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third- party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, the PHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs may apply a COLA to each of the family's sources of fixed income. PHAs must determine all other income using standard verification requirements as outlined in Notice PIH 2023-27.

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CCA Policy

CCA will obtain third-party verification of income as outlined in Notice PIH 2023-27 and Chapter 7 of this Administrative Plan.

7-I.D. VERIFICATION HIERARCHY [Notice PIH 2023-27]

When a PHA does not use a streamlined determination of income or an income determination from a means-tested federal assistance program, HUD requires the PHA to obtain **third-party verification** of:

- Reported family annual income,
- The value of net family assets when the net value exceeds the HUD-published threshold (as adjusted annually),
- Expenses related to deductions from annual income, and
- Other factors that affect the determination of adjusted income.

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires PHAs to use the most reliable form of verification that is available and to document the reasons when PHAs use a lesser form of verification.

HUD developed a hierarchy that described verification documentation from most acceptable to least acceptable. PHAs must demonstrate efforts to obtain third party verification prior to accepting self-certification except instances when self-certification is explicitly allowed.

In order of priority, the hierarchy is:

- Highest: Level 6: Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Highest: Level 5: Up-front Income Verification (UIV) using a non-EIV system
- High: Level 4:
  - Written third-party verification (documentation) from the source, also known as "family-provided verification",
  - Or EIV plus self-certification.
- Medium: Level 3: Written third-party verification form
- Medium: Level 2: Oral third-party verification
- Low: Level 1: Self-certification (not third-party verification).

Each of the verification methods is discussed in subsequent sections below.

File Documentation

PHAs 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 must be recorded in the family's file in sufficient detail to demonstrate that the

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PHA has followed all 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.

7-I.E. LEVEL 5 AND 6 VERIFICATIONS: UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to a PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits for individuals on behalf of participating employers. PHAs may use UIV sources before or during a family reexamination. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action may be taken until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the PHA's informal review/hearing process.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during annual and streamlined reexaminations of family composition and income in accordance with 24 CFR 5.236 and Notice PIH 2023-27.

HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The income validation tool (IVT) in EIV provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with other departments.

The following policies apply to the use of HUD's EIV system.

EIV Income Reports

PHAs are required to obtain an EIV Income and IVT report for each family for every annual reexamination unless exceptions apply. PHAs are not required to use the EIV Income report at annual reexamination if the PHA used Safe Harbor verification from another means-test federal assistance program to determine the family's income or during any interim reexaminations.

The EIV Income Reports are not available for program applicants at admission.

When required to use the EIV Income Report, the PHA must pull the report within 120 days of the effective date of the annual reexamination for the report to be considered current.

The EIV Income Report may be used to verify and calculate income at annual reexamination if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information in EIV.

CCA Policy

CCA will obtain EIV income reports for all annual reexaminations and will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination. Reports older than 120 days must not be used.

Income reports will be used for interim reexaminations when relevant and necessary. *For example*, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.

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Income reports will be retained in participant files with the applicable annual or interim reexamination documents for the duration of the family's participation in accordance with CCA's record retention policy.

If CCA 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.

New Hires Report [Notice PIH 2023-27]

The New Hires Report identifies participant families who have obtained new employment within the last six months. The report is updated monthly.

PHAs must review this information at annual reexamination except when the PHA uses Safe Harbor verification from another means-tested federal assistance program to determine the family's income.

PHAs that do not require families to undergo interim reexaminations for earned income increases after an interim decrease are not required to review this report between a family's annual reexamination. If the PHA requires an interim for increases in earned income after an interim decrease, then the PHA must review the report quarterly after the family's interim decrease.

CCA Policy

CCA reviews the *New Hires Report* at least quarterly. CCA does not process interim reexaminations for families who have increases in earned income of less than **10 percent**.

No Income Reported by HHS or SSA Report

This report is a tool for PHAs to identify participants who passed the SSA identity test, but no income information was reported by either the Department of Health and Human Services (HHS) or SSA records. This scenario does not mean that the participant does not have any income. PHAs obtain written, third-party verification of any income reported by the participant. The PHA must identify in its policies and procedures when this report will be pulled [Notice PIH 2023-27].

CCA Policy

CCA will generate the No Income Reported by HHS or SSA Report at least quarterly and will retain the report.

CCA will re-verify the status of participants identified in the report. Based on the information provided by the family and in EIV, CCA may require that family members provide verifications, sign release forms, and otherwise assist CCA to obtain additional verification.

If CCA determines through this report 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 Report

The EIV system verifies tenant identities against SSA records. These records are compared to HUD data for a match on social security number, name, and date of birth.

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PHAs are required to use EIV's *Identity Verification Report* monthly to improve the availability of income information in EIV [Notice PIH 2023-27].

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

CCA Policy

CCA will review EIV's *Identity Verification Report* monthly, review participant's that failed identity verification and attempt to resolve discrepancies by obtaining appropriate documentation from the participant. When the CCA determines that discrepancies exist because of input or data collection errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]

The Deceased Tenant Report identifies residents that have been reported by the SSA as deceased. PHAs are required to review the report at least quarterly.

CCA Policy

CCA will review the Deceased Tenants Report monthly.

When the Deceased Tenants Report identifies an individual as being deceased, PHAs must immediately send a letter to the head of household or *,* if the head of household is deceased and there is no other adult household member*, to the* emergency contact person to confirm the death of the listed household member. The PHA must notify the owner in writing of the deceased head of household.

PHAs may list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

CCA Policy

CCA will list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

When the only remaining, household member is the live-in aide, the live-in aide **is not** entitled or eligible for any rental assistance or continued occupancy. The PHA **may not** designate the live-in aide as the new head of household or change the relation code on the Form HUD-50058.

Other EIV Reports [Notice PIH 2023-27]

PHAs are required to review the Multiple Subsidy Report at least quarterly and the Failed EIV Pre-Screening, Failed Verification *(Failed SSA Identity Test),* and the EIV Immigration reports at least monthly.

Upfront Income Verification Using Non-HUD Systems

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

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CCA Policy

CCA will inform all applicants and participants of its use of the following UIV resources, when available:

- **EIV**
- **TheWorkNumber.com**
- **TRUV**

This list may change based on the needs of employers in our community.

7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27]

HUD identifies two types of Level 4 verification: written-third party verification from the source and EIV + self-certification.

EIV +_Self-Certification

EIV may be used as written third-party verification and may be used to calculate income if the family agrees with the information in EIV and certifies that the amount is accurate and representative of current income. This practice is known as *EIV + self-certification*. When calculating income using this method, the PHA may use its discretion to determine which method of calculation is reasonable: the last four quarters combined or an average of any number of quarters. The family must be provided with the information from EIV.

CCA Policy

At annual reexamination, if there are no reported changes to an income source, CCA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV.

CCA will follow EIV security requirements as detailed in PHA policy in Section 7-I.A. and its policy as described therein.

If using EIV to verify income, CCA will use an average ofthe last two quarters of income listed in EIV to determine income from continuous employment regardless of whether the employer is the same or different, unless there is a substantive difference in the conditions of employment, and provide affected family members an opportunity to certify that the information is accurate and represents current income.

If the amount listed in EIV is less than two quarters, CCA will use written third-party verification from the source as outlined in the section below.

If the family (or a family member) disagrees with the EIV information and contends that the amount in EIV is not reflective of current income, CCA will use written third-party verification from the source as outlined below.

At new admission, since EIV is not available for applicant families, and with interim reported changes, as necessary to determine whether the change meets the threshold for interim processing, CCA will use written third-party verification.

Written Third-Party Verification from the Source

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Written, third-party verification from the source is also known as "tenant-provided verification." To qualify as written-third party verification from the source, the documents must be original or authentic and dated within **120 days** of the date received by the PHA.

For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation. Documents may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to pay stubs, payroll summary reports, employer notice or letters of hire and termination on letterhead, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.

PHAs are required to obtain, at minimum, two current and consecutive pay stubs when calculating income using third-party verification from the source. For new income sources or when two pay stubs are not available, the PHA should determine income based on the information from a traditional written, third-party verification form or the best available information.

When the family disputes EIV-reported employment income, CCA uses written third-party verification.

When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

CCA Policy

CCA will use third-party documentary verification a/k/a "verification from the source" in the following circumstances:

- At annual reexamination when EIV + self-certification is not used,
- For all new admissions, and
- For all interim reexaminations when EIV is not reliable, such as when a household member changes jobs.

Third-party documents for non-fixed income, provided by the family or the source, must be dated within 120 days of the date of the effective date of the certification.

Statements/letters from fixed-income sources, such as Work First (TANF), Social Security or the VA, must be dated within the current benefit year unless a change has occurred since the annual benefit letter was issued. Subsequent changes must be verified by more recent documentation.

CCA will reject documentation provided by the family if:

- the document is not an original,
- the document is incomplete/missing pages,
- if the document appears to be forged, or
- if the document is altered, mutilated, or illegible.

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If CCA determines that third-party documents provided by the family are not acceptable, CCA will inform the family and either request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.

To verify assets held by a banking or financial institution, CCA will obtain at least one statement that reflects the current balance of the account. CCA requires copies of the monthly statement from financial institutions or banks. Other documentation may be accepted on a case-by-case basis and depending upon the type of asset.

When pay stubs are used, CCA requires the family to provide the **four** most current, consecutive pay stubs. If CCA determines that additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), CCA may request additional paystubs or a payroll record from the employer's payroll management system or software.

7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023-27]

This type of verification is a form developed by PHAs and used uniformly for all families when needed to collect information from a third-party source. This is known as "traditional third-party verification." PHAs send a PHA-developed form directly to the third-party source by mail, fax, or email and the source completes the form by hand (in writing or typeset) and returns the information directly to the PHA making the request.

PHAs may use this method when higher forms are unavailable, are rejected by the PHA or when the family is unable to provide acceptable verification. PHAs may skip this level of verification and may instead substitute oral third-party verification before moving to self-certification.

CCA Policy

CCA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.

CCA requires staff to attempt written third-party verification using the CCA Verification of Employment form before obtaining oral third-party verification. Staff must document the attempt to obtain written third-party verification.

On a case-by-case basis, the CCA Housing Program Director may approve skipping the attempt at written third-party prior to obtaining oral third-party.

7.I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time, e.g. 10 business days.

PHAs must document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

The PHA may skip this level of verification if they attempted written third-party verification via a form and the source did not respond and move directly to self-certification.

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CCA Policy

Unless otherwise approved by the department Director, CCA will attempt to obtain written third-party verification via a form from the verification source whenever documentary verification appears inaccurate, altered, incomplete or is insufficient for the purpose. If written third-party verification form(s) are not returned within 10 business days, CCA will attempt to obtain oral third-party verification.

CCA staff will document the date and time of the telephone call or visit, the name of the person contacted and the telephone number, as well as the information confirmed, in the file.

CCA will use applicant/participant self-certification only when no other forms of verification can be obtained. Efforts to obtain higher forms of verification must be documented in the file.

When Third-Party Verification is Not Required [Notice PIH 2023-27]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

CCA Policy

Electronically stored document alternatives, such as bank statements that are available on-line, may be treated as third-party verification from the source and service charges to obtain original paper copies can be avoided. If the family cannot provide original documents, other verification types are not available, and it is not cost effective for CCA to pay charges to obtain original documents, then CCA will accept a self-certification as the only means of verification. When CCA chooses to pay a fee to obtain information, the cost 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 [VG, p. 18].

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.

Imputed Assets

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

CCA Policy

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

7-I.I. LEVEL 1: NON-THIRD-PARTY VERIFICATION TECHNIQUE: SELF-CERTIFICATION [Notice PIH 2023-27]

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Non-third-party verification consists of a signed statement of reported income and/or expenses. This verification method should be used as a last resort when a PHA has not been successful in obtaining information via all other required verification techniques. However, self-certification is an acceptable form of verification when:

- A source of income is fully excluded,
- Net family assets are less than or equal to the HUD-published threshold and the PHA has adopted a policy to accept self certification,
- The family declares that they do not have any present ownership in any real property,
- A family states that they have non-recurring income that will not be repeated in the coming year,
- A family reports zero income, and/or
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 11)

When a PHA was required to obtain third-party verification but instead relies self-certification, the family's file must be documented to explain why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

CCA Policy

When information cannot be verified by a third party or by review of documents, family members are required to submit self-certifications attesting to the accuracy of the information they provided to CCA, including when certifying a family member does not receive a particular type of income or benefits.

The self-certification must be made on CCA's proprietary form and must be signed by the family member whose information or status is being verified. Self-certifications must include the following language:

"**I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802).**"

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

CCA Policy

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CCA requires families to furnish verification of legal identity for each household member. If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

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) Current U.S. passport Current government employer identification card with picture	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

If none of these documents can be provided, CCA may, at its discretion, accept a certification from a third party who knows the person and may attest to the person's identity. The certification must be made on CCA's proprietary form and must also be signed by the family member whose information or status is being verified.

Legal identity will be verified for all applicants at the time of eligibility determination and any time that CCA has reason to doubt the identity of a person representing themselves to be a participant.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]

The family must provide documentation of a valid social security number (SSN) for each member of the household, except for individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

PHAs must accept the following documentation as evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA),
- An original SSA-issued document, which contains the name and SSN of the individual,

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- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual.

The tenant's assistance must be terminated if they fail to provide the required documentation.

CCA Policy

CCA will verify an individual's SSN only as a last resort and will use the above-described alternative documentation method when no other forms of verification of the individual's SSN are available.

PHAs may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged.

CCA Policy

CCA will explain to the applicant or participant the reasons a document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to CCA within 60 days.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if CCA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

CCA Policy

CCA will grant a 90-day extension if needed, when the reason for the delay in supplying the information is the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. Only one extension may be granted.

When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. **PHAs may not add the new household member until such documentation is provided.**

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When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

CCA Policy

CCA will grant one additional 90-day extension if needed, when the reason for the delay in supplying the information is the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously assisted occupancy.

CCA Policy

CCA will verify each disclosed SSN by:

- Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers, and
- Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file.

Once the individual's verification status is classified as "verified," a PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

CCA Policy

CCA will retain copies of documentation accepted as evidence of social security numbers with the participant file for the duration of participation, plus three years, in accordance with our record retention policy. CCA deems retention of such documentation necessary for auditing purposes.

7-II.C. 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.

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CCA Policy

If an official record of birth, a valid US Passport or evidence of social security retirement benefits cannot be provided, CCA requires applicant families 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. CCA will allow up to 90 days after admission for families to provide copies of official records verifying the age of the family member.

Family members over the age of 62 may provide a baptismal record as evidence of age as well as legal status.

Age must be verified only once during continuously assisted occupancy.

7-II.D. 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.

CCA Policy

Family relationships are not defined by blood or marriage and are determined by the family itself. 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 is sufficient verification of family relationships.

Marriage

CCA Policy

Certification by the head of household is considered sufficient verification of marriage. However, it must be noted that the State of North Carolina does not recognize common-law marriage. Therefore, CCA will require a family to document a legal marriage when there is reasonable doubt and a programmatic need to do so. A marriage certificate or a copy of a marriage license, depending on where the marriage occurred, is generally acceptable to verify that a couple is legally married.

Separation or Divorce

CCA Policy

Certification by the head of household is sufficient verification. If CCA has reasonable doubts about a separation or divorce, the family will be required to provide documentation of 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, legal separation agreement, or other court record is required to document a separation.

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

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Absence of Adult Member

CCA Policy

Families must provide evidence that an adult family member is reported to be permanently absent from the household. CCA requires supporting documentation such as a lease or utility bill showing that the person resides at another address.

Foster Children and Foster Adults

CCA Policy

CCA requires third-party verification from the state or local government agency responsible for the placement of the individual with the family.

7-II.E. VERIFICATION OF STUDENT STATUS

General Requirements

CCA Policy

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

- The family reports full-time student status for an adult other than the head, spouse, or cohead.
- The family reports childcare expenses to enable a family member to further their education.
- The family includes a student enrolled in an *institution of higher education.*

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

CCA Policy

In accordance with the verification hierarchy described in section 7-1.B, CCA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see section Exhibit 3-2).
- The student is at least 24 years old.
- The student is a veteran, as defined in section 3-II.E.
- The student is married.
- The student has at least one dependent child, as defined in section 3-II.E.
- The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

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If CCA cannot verify at least one of these exemption criteria, it will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, CCA will verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from their parents (see below).

Independent Student

CCA Policy

CCA will verify a student's independence from their parents to determine if the student's parents' income is relevant for determining the student's eligibility by doing the following:

- Either reviewing and verifying previous address information to determine whether the student has established a household separate from their parents for at least one year, or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)
- Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)
- Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is $0, except in cases in which CCA determines that the student is a *vulnerable youth* (see section 3-II.E)

7-II.F. DOCUMENTATION OF DISABILITY

A PHA must verify the existence of a disability to allow certain income disallowances and deductions from income. PHAs are not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. PHAs may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If a PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will a PHA 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 http://www.hhs.gov/ocr/privacy/.

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

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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].

CCA Policy

For family members claiming disability who receive disability benefits from the SSA, CCA will attempt to obtain information about disability benefits through the HUD EIV system. If documentation from HUD's EIV System is not available, CCA 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), CCA 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 are required to provide it to CCA.

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 5.403.

CCA Policy

A knowledgeable professional must provide third-party verification that family members claiming disability, but who do not receive disability benefits from the SSA, meets the HUD definition of disability. CCA will provide a form for the knowledgeable medical professional to use in completing the verification. See the Eligibility chapter for the HUD definition of disability.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

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

Families 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. [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.

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

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CCA Policy

Family members who claim U.S. citizenship or eligible immigration status will not be required to provide additional documentation unless CCA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

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 noncitizens 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 7-1 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp. 5-3 and 5-7, HUD Secretary Letter 12/16/25]

Family members aged 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.

Family members under the age of 62 who claim to be eligible immigrants must provide supporting documentation of their immigration status and sign a verification consent form. Supporting documentation consists of documentation accepted by the U.S. Citizenship and Immigration Services (USCIS)—for example, a Form I-551 U.S. Permanent Resident Card.

The PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS). The primary method for verifying eligible immigration status is USCIS's automated system, Systematic Alien Verification for Entitlements (SAVE). The PHA must determine whether the applicant's status makes them eligible for assistance consistent with Section 214. Exhibit 7-2 at the end of this chapter provides information on eligibility for HUD assistance.

Where applicable, the PHA must retain documentation of SAVE verification in tenant files. If SAVE cannot confirm an individual's eligible immigration status, or if the response in SAVE verifies an immigration status that is not eligible for assistance, then the PHA must submit a request for secondary or additional verification to USCIS within 10 days of receiving the initial results. The PHA must scan and upload information to USCIS as needed or required to obtain a verification response.

If the secondary or additional verification fails, the PHA must notify the family and inform them of their right to file an appeal with USCIS. If the family wishes to exercise their right to file an appeal with USCIS, they must submit a written request to USCIS within 30 days of the notification. USCIS will render a decision to the family and forward a copy to the PHA.

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Assistance must be denied when primary and secondary verification do not verify eligible immigration status and the family does not pursue a USCIS appeal or informal hearing rights, or decisions are rendered against the family through a USCIS appeal or informal hearing.

The PHA must not delay, deny, reduce, or terminate assistance because of a delay in the process of determining eligible status, unless the family causes the delay. While the PHA may not admit any individual prior to receiving required documentation, the PHA may elect to provide prorated assistance to the family prior to completing the verification process.

Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance. The head of household must sign a statement listing all family members who do not claim to be citizens, nationals, or eligible immigrants, or whose status cannot be confirmed [HUD Secretary Letter 12/16/25].

7-II.H. VERIFICATION OF PREFERENCE STATUS

PHAs must verify any preferences claimed by an applicant that determined placement on the waiting list.

CCA Policy

CCA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding and will verify this preference using CCA's termination records.

CCA also offers a preference for victims of domestic violence, dating violence, sexual assault, or stalking, as described in Section 4-III.C. To verify that applicants qualify for the preference, CCA will follow documentation requirements outlined in Section 16-IX.D.

CCA offers a preferences for people experiencing homelessness that meet the HUD definition of homelessness pursuant to HUD's definition of homelessness and the reauthorized Violence Against Women Act 2022.

CCA offers preference placement for victims of federally declared disasters who otherwise meet program eligibility requirements.

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 a PHA's policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

CCA Policy

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Unless tip income is included in a family member's W-2 by the employer, family members 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.

Wages

CCA Policy

For wages other than tips, the family must provide one of the following:

- the four most current, consecutive pay stubs, or
- a 12-month payroll history from the employer's payroll processing/accounting system, or
- a printout from theworknumber.com or similar on-line employment verification service if one is used by their employer.

All pages of printouts are required. CCA staff will make copies of original documents such as paycheck stubs and return originals to the family.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

CCA Policy

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

- If an audit was conducted, an audited financial statement for the previous fiscal year.
- If an audit was not conducted, CCA requires an unaudited financial statement generated by the accountant or the accounting software used by the owner/self-employed person for the business including an income statement, balance sheet, and statement of cash flows. The business operator and, if applicable, the preparer of the financial statements must certify 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.

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

For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or DoorDash), CCA may provide a format for the individual to declare their income and expenses, if needed, but will review the printed statement of

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monthly income from the applicable app for all hours worked and pay received as well as the Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.

If needed, CCA may 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 is required to submit the information requested and to certify to its accuracy at all future reexaminations. At any reexamination CCA may also 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 six (6) months, CCA may accept the family member's certified estimate of income and expenses. For family members self-employed for six (6) to twelve (12) months, CCA requires the family to provide documentation of income and expenses for the entire period for use projecting income.

CCA will complete an interim reexamination of income when:

- a family is at zero income and the business is generating net income based on the documentation,
- household income increases by 10 percent over previously documented income, or
- household income decreases by $100 per month or more below previously documented income and the family requests an interim change.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits [Notice PIH 2023-27]

Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, the PHA must ask applicants to provide a copy of their current SS and/or SSI benefit letter (dated within the last 120 calendar days) for each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the applicant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family.

For participants, PHAs must obtain information through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

- If the participant agrees with the amount reported in EIV, the PHA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. PHAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. *For*

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example, an SSA benefit letter may list the monthly benefit amount as $450.80 and EIV displays the amount as $450.00. The PHA must use the EIV-reported amount unless the participant disputes the amount.

- If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, the PHA must request a current SSA benefit verification letter (dated within the last 120 calendar days) from each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the participant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.

Photocopies of social security checks or bank statements **are not** acceptable forms of verification for SS/SSI benefits.

CCA Policy

If an EIV income report must be provided to the family, CCA will follow EIV security requirements as detailed in the policy in Section 7-I.A. **Family Consent to Release of Information**.

7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they ***do not*** receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.

CCA Policy

CCA will use a variety of methods to verify alimony/maintenance and child support payments depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the order of priority:

- Copies of the receipts and/or payment stubs for the 12 months prior to CCA's request,
- A printout from the payee agency, e.g. NC Child Support Enforcement for the prior 12 months,
- Third-party verification form from the state or local child support enforcement agency,
- Third-party verification form from the person paying the support,

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- Family's self-certification of amount received.

Neither HUD nor CCA requires families to undertake independent enforcement action of child support or alimony/maintenance orders.

7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income, and is excluded from annual income. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.

CCA Policy

CCA will accept self-certification from the family stating that income will not be repeated in the coming year if it is plausible to expect that the income in question is not likely to repeat. However, CCA may require third-party verification that income sources will not be repeated in the coming year if there is information available to CCA indicating that the income may recur.

7-III.F. ASSETS AND INCOME FROM ASSETS

Net Family Assets [24 CFR 5.603]

At admission and reexam, for families with net assets less than or equal to the HUD-published threshold listed in HUD's current year Inflation-Adjusted Values tables, PHAs may, but are not required to, accept the family's self-certification that the family's assets do not exceed the HUD-published threshold without taking any additional steps to verify the accuracy of the declaration.

The declaration must include the amount of income the family expects to receive from assets which must be included in the family's income. This includes declaring income from checking and savings accounts which, although excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed the HUD-published threshold), may generate asset income. PHAs must clarify during the self-certification process which assets are included/excluded from net family assets.

For PHAs that choose to accept self-certification, the PHA is required to obtain third-party verification of all assets, regardless of the amount, at least once every three years.

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PHAs who choose not to accept self-certifications of assets must verify all families' assets on an annual basis.

When net family assets have a total value over the HUD-published threshold, PHAs may not rely on the family's self- certification. Third-party verification of assets is required when net family assets exceed the HUD-published threshold.

When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

CCA Policy

For families with net assets exceed the HUD-published threshold, CCA will require verification of assets and will not accept self-certification of income from an asset unless there is no other option for verification.

Otherwise, families are required to provide third-party documentary verification of net family assets annually. To determine the value of checking or savings accounts, CCA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, CCA will verify income either by:

- multiplying the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.
- using the actual interest earned, if any, shown on the documents received for verification. If the interest shown is a monthly amount, such as on a savings account statement, the amount will be multiplied by 12 months.

Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)]

PHAs must determine whether a family has ownership in real property that is suitable for occupancy for purposes of determining whether the family is compliant with the asset limitation described in Chapters 3. At admission and reexam, PHAs may accept a self-certification from the family that the family does not have any present ownership in any real property that is suitable for occupancy. If a family declares they have present ownership in real property, PHAs must obtain third- party verification of the family's legal right to reside in the property, the effective legal authority to sell the property, and whether the property is suitable for occupancy by the family as a residence.

CCA Policy

Both at admission and reexam, CCA will accept self-certification from the family that the family does not have any present ownership in any real property as indicated on CCA's household information collection form, which includes a certification of accuracy and requires signatures for all adult household members. The certification provides options for families to disclose interest in real property.

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CCA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

If a family declares they have a present ownership in real property, CCA will obtain third-party verification of factors including:

- whether the family has the legal right to reside in the property,
- whether the family has effective legal authority to sell the property, and
- whether the property is suitable for occupancy by the family as a residence.

In cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, CCA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7-III.G. NET INCOME FROM RENTAL PROPERTY

CCA Policy

A family must provide:

- A current executed lease for the property that shows the rental amount or written certification from the current tenant.
- Self-certifications 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), along with proof of filing.
- If schedule E was not prepared, CCA will require family members involved in the rental of property to provide a self-certification of income and expenses with supporting documentation including, but not limited to, tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.H. FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS [Notice PIH 2023-27]

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are below the HUD-published threshold, even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets exceed the HUD-published threshold.

7-III.I. RETIREMENT ACCOUNTS

CCA Policy

CCA accepts original documents from the entity holding the account dated *within* 13 months of the initial or annual certification of eligibility that reflects any distributions of the account balance, any lump sums taken, and any regular payments.

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7-III.J. INCOME FROM EXCLUDED SOURCES [Notice PIH 2023-27]

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

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, PHAs are **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the form HUD-50058. *Fully excluded income* is defined as income where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR 5.609(b) and any *Federal Register* notice on mandatory exclusions issued by HUD (for example, food stamps, earned income of a minor, or foster care funds).

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For *partially* excluded income, PHAs **are** required to follow the verification hierarchy and all applicable regulations, and to report the income on the form HUD-50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student other than the head of household, co-head or spouse).

CCA Policy

CCA will accept a family's self-certification as verification of fully excluded income such as food stamps. The PHA may request additional documentation if necessary to document the income source when necessary to document the criteria for excluding the income. CCA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.K. ZERO INCOME FAMILIES [Notice PIH 2023-27]

PHAs have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero-income worksheet at admission or periodically after admission to determine if they have any sources of unreported income or searching any UIV sources for unreported income.

A *zero-income review* is an assessment, sometimes periodic, performed by PHAs of the income of families who claim that they do not receive income from any source, including from assets. During such reviews, it is common for PHAs to request that families complete and sign a worksheet explaining how they pay for the household's expenses. **HUD does not require PHAs to conduct periodic zero income reviews nor does HUD require that self-certifications be notarized.**

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In calculating annual income, PHAs must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR § 5.609(b)(24)(vi)]. PHAs that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the Form HUD-50058.

CCA Policy

CCA will check UIV sources and may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc., are not being received by families claiming zero annual income.

CCA considers the totality of household income when determining whether a zero-income review is needed. If any member of the household has income, then a zero-income review is not needed.

If no member of the family has income, CCA will require that each adult family member complete a zero-income form at least annually and the head of household must certify whether minor children in the household have unearned income.

If sources of income are identified on the form, CCA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.

CCA will conduct interims in accordance with its policy in Chapter 11.

7-III.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. Any assistance to students under section 479B of the Higher Education Act of 1965 (Tile IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)].

Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)].

CCA Policy

CCA will request written third-party verification of both the source and the amount of student financial assistance. CCA will also request information from the family including documents from the educational institution attended by the student and documents generated by any other person or entity providing financial assistance, as reported by the student.

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

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If CCA is unable to obtain third-party written verification of the requested information, then staff will pursue other forms of verification following the verification hierarchy in section 7-I.B.

7-III.M. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, not a veteran, not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, then the income of the student's parents must be considered when determining income eligibility, *unless* the student is determined independent from their parents or a *vulnerable youth* in accordance with PHA policy [24 CFR 5.612, FR Notice 4/10/06,

p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

CCA Policy

If required to determine the income eligibility of a student's parents, CCA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3- II.E). The request will go directly to the parent(s) who must complete the declaration and certify their income under penalty of perjury. The parent(s) must submit the written information directly to CCA within 10 business days of the date of the request or within any approved extended timeframe.

Timeliness is monitored via postmarks or dates emails/scans/faxes are received.

CCA reserves the right to request and review supporting documentation at any time if questions arise regarding the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that CCA verify 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. PHAs must 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, or

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- 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. PHAs must verify that the head, spouse, or cohead is 62 years of age or older ***or*** a person with disabilities.

7-IV.B. HEALTH AND MEDICAL CARE 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.

PHAs must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104- 191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed health and medical care expenses. PHAs may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.

Before placing bills and documentation in the tenant file, PHAs must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

CCA Policy

Medical expenses will be verified through:

- Written third-party documents provided by the family, such as billing/payment printouts/histories from doctors or pharmacies that support anticipating medical costs for the upcoming 12 months based on history and behavior. Store receipts are excepted **only** when no other reasonable verification method is available, such as when a doctor prescribes over-the-counter medications.
- When income is projected at new admission or interim, CC will make a best effort to determine what expenses from the past are likely to continue to occur in the future.
- CCA will accept evidence of monthly payments or total payments that will be due for medical expenses *during* the upcoming 12 months.
- Written third-party verification forms if the family is unable to provide acceptable documentation.
- When income is projected at new admission or interim, if third-party or document review is not possible, a written certification of anticipated costs to be incurred during the upcoming 12 months.

Before placing receipts or other documentation that is necessary to support the medical expenses of the household in the tenant file, CCA staff will redact all personally identifiable information and the staff member will certify the redaction.

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CCA neither requests nor accepts verification or certifications that include an individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability. If CCA receives such information, when practical the information will be returned to the provider immediately. If it is impractical to return the documentation, CCA will dispose of this confidential information by shredding the documentation. Such information **will not** be maintained in an individual's file. The family's online file will include a note that such information was received, including the date received, and how it was disposed of.

Under no circumstances will CCA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

CCA will also verify that:

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

Eligible Household

The health and medical care expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. PHAs must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in section 7-IV.A. in this chapter.

Qualified Expenses

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

Unreimbursed Expenses

To be eligible for the health and medical care expense deduction, the costs must not be reimbursed by another source.

CCA Policy

Families are required to certify the portion of medical expenses not paid by or reimbursed by any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid by or reimbursed by another source. Documents used for verification should clearly identify the amounts that applicants/participants are responsible for paying.

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Expenses Incurred in Past Years

CCA Policy

At new admission and interim reexam, when anticipated costs are related to on-going payment of medical expenses incurred in past years, CCA will verify:

- The anticipated repayment schedule,
- Amounts paid in the past, and
- Whether the amounts to be repaid have been used to adjust the family's annual income in past years.

7-IV.C. 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.

PHAs must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104- 191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. PHAs may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. Before placing bills and documentation in the tenant file, PHAs must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense Attendant Care

CCA Policy

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as agency contracts, payment histories, receipts or cancelled checks.
- Third-party verification forms signed by the provider, if family-provided documents are not available.
- When income is projected at new admission or interim, if third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Before placing bills and documentation in the tenant file, CCA will redact all personally identifiable information.

CCA neither requests nor accepts verification or certifications that include an individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability.

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If CCA receives such information, when practical the information will be returned to the provider immediately. If it is impractical to return the documentation, CCA will dispose of this confidential information by shredding the documentation. Such information **will not** be maintained in an individual's file. The family's online file will include a note that such information was received, including the date received, and how it was disposed of.

Under no circumstances will CCA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Auxiliary Apparatus

CCA Policy

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, other evidence of monthly payments, or statements/invoices for total payments that will be due for the apparatus during the upcoming 12 months.
- Third-party verification form signed by the provider if family-provided documents are not available.
- If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, PHAs must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in Chapter 6).
- The expense is not reimbursed from another source (as described in Chapter 6). If the expense is partially reimbursed, then only the portion paid by the family may be used as an allowance to adjust the household income.

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. CCA must verify that such expenses are incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

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

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CCA Policy

CCA will request third-party verification, either documentary or direct, from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, CCA may accept the family's certification that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work. If the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.), the family must prove employment of the impacted family member(s).

Unreimbursed Expenses

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

CCA Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed by another source. If the expense is partially reimbursed, then only the portion paid by the family may be used as an allowance to adjust the household income.

7-IV.D. CHILDCARE EXPENSES

Policies related to childcare expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, PHAs must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of childcare.
- The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. PHAs must verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

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

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CCA Policy

The family and the care provider are required to certify that the childcare expenses are not paid or reimbursed to the family from any source. If the expenses are partially reimbursed, then only the portion paid by the family may be used as an allowance to adjust the household income.

Pursuing an Eligible Activity

PHAs must verify that family member(s) that have been identified as being enabled to seek work, pursue education, or be gainfully employed, are pursuing those activities.

CCA Policy

Information Collected

CCA will verify 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 CCA will use documentation from a state or local agency that monitors work- related requirements (e.g., welfare or unemployment). In such cases CCA will request documentary verification from the agency of the member's job seeking efforts to date and require the family to submit to any/all reports provided to the other agency.

In the event third-party verification is not available, CCA will provide the family with a form on which the family member must record job search efforts. CCA will review this information at each interim and annual reexamination for which this deduction is claimed.

Furthering Education

CCA requires third-party documentation, such as registration and class schedules provided by the family, to verify that the specified family member is enrolled in an education program, including timing of classes for which the person is registered.

Gainful Employment

CCA will request third-party verification of the work schedule of the person who is permitted to work by the childcare. 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. The verification documentation may vary based on the type of employment.

Allowable Type of Childcare

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

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CCA Policy

CCA will verify that the type of childcare used by the family is allowable, as described in Chapter 6, that fees paid to the childcare provider cover only childcare 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).

If the childcare provider is a member of an assisted family, no allowance is permitted. Verification will be made through the head of household's declaration of family members expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted.

CCA Policy

The actual costs the family incurs will be compared to an established standard of reasonableness for the type of care in the locality, such as a standard set by Carteret County DSS, to ensure that the costs are reasonable. The standard used by CCA will be reviewed annually and new standards adopted and posted publicly if changes occur.

If the family presents a justification for costs that exceed typical costs in the area, CCA requires additional documentation to support the determination that the higher cost is appropriate.

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Chapter 8 NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 5 Subpart G and Notice PIH 2023-28]

INTRODUCTION

Owners must maintain all units occupied by families receiving Housing Choice Voucher (HCV) and Project Based Voucher (PBV) assistance meet HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) regulations and standards no later than October 1, 2024, as adopted by CCA. The inspection performance standards and procedures for conducting NSPIRE inspections must be included in the administrative plan [Notice PIH 2023-28, Notice PIH 2024-26, REV-1].

All units must pass an NSPIRE inspection prior to the approval of a lease (with some exceptions) and at least once every 24 months (or 36 months for small rural PHAs) during the term of the HAP contract, and at other times as needed, to determine that the unit meets NSPIRE standards. HUD also requires PHAs to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

Provided they meet certain requirements, HUD permits PHAs to establish some additional local requirements in their administrative plans. The use of the term *NSPIRE standards* in this plan refers to the combination of both HUD and PHA-established requirements. However, state and local codes, compliance is not part of the determination of whether a unit passes the NSPIRE standards.

This chapter explains HUD and PHA requirements related to physical inspections and rent reasonableness as follows:

Part I. Physical Standards. This part discusses NSPIRE standards required of units occupied by HCV and PBV-assisted families. It also identifies affirmative habitability requirements for all units and life-threatening conditions that must be corrected in 24 hours.

Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet NSPIRE standards.

Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction. Special requirements for the PBV programs (if applicable) are discussed in Chapters 17.

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NSPIRE and HQS

The regulations at 24 CFR Part 982 and 983 governing the HCV and PBV programs continue to use the terms *HQS* and *housing quality standards* rather than *NSPIRE*. This is because the definition of *housing quality standards (HQS)* at 24 CFR 982.4 means the minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program, including any variations approved by HUD. As such, this plan uses the term *NSPIRE* for the specific inspection protocol.

PART I: NSPIRE STANDARDS

NSPIRE standards are published on HUD's NSPIRE website as well as in the NSPIRE Final Rule [FR Notice 5/1/2023].

8-I.A. INSPECTABLE AREAS [24 CFR 5.703(a)(1) and 24 CFR 5.705(a)(2)]

NSPIRE defines the inspectable areas for inspection under the standards as inside, outside and unit. However, the inspection requirement for the HCV and PBV programs only applies to units occupied or to be occupied by HCV or PBV participants and common areas and exterior areas which either service or are associated with such units.

8-I.B. AFFIRMATIVE HABITABILITY REQUIREMENTS [24 CFR 5.703(b), (c), and (d)]

NSPIRE provides for minimum, or affirmative, habitability requirements for each area (unit, inside, outside). These areas must meet these requirements for habitability, which are listed in Exhibit 8-1.

The inside, outside and unit must be free of health and safety hazards that pose a danger to residents. Types of health and safety concerns include, but are not limited to carbon monoxide, electrical hazards, extreme temperature, flammable materials or other fire hazards, garbage and debris, handrail hazards, infestation, lead-based paint, mold, and structural soundness [24 CFR 5.703(e).

As of December 29, 2024, (the effective date of the Public and Federally Assisted Housing Fire Safety Act of 2022) on December 29, 2024, smoke alarms must have either a sealed 10-year battery or be hard wired.

8-I.C. MODIFICATIONS TO PROVIDE ACCESSIBILITY [24 CFR 100.203; Notice 2003-31; and Notice PIH 2014-02]

Under the Fair Housing Act of 1988 an owner must make reasonable accommodations in rules, policies, practices, or services if necessary for a person with disabilities to use the housing and must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit if such modification is necessary to afford the person with a disability full enjoyment of the premises. Such modifications are at the family's expense. The owner may, where it is reasonable to do so, require restoration of the unit to its original condition (reasonable wear and tear excepted) if the modification would interfere with the owner or next occupant's full enjoyment of the premises.

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The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest- bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable NSPIRE requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

CCA Policy

Owners that intend to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to CCA for review ***and*** prior approval.

8-I.D. ADDITIONAL LOCAL REQUIREMENTS [24 CFR 5.705(a)(3) and Notice PIH 2024-26, REV-1]

The PHA may impose variations to the NSPIRE standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families. HUD approval is required for variations to NSPIRE standards and approved variations must be added to the administrative plan.

HUD may approve inspection criteria variations if the variations apply standards in local housing codes or other codes adopted by the PHA or because of local climatic or geographic conditions. Acceptability criteria variations may only be approved by HUD if such variations either meet or exceed the performance requirements or significantly expand affordable housing opportunities for families assisted under the program.

CCA Policy

CCA has not requested any HUD-approved variations to NSPIRE standards.

8-I.E. LIFE-THREATENING DEFICIENCIES [Notice PIH 2024-26, REV-1 and FR Notice 7/14/17]

HUD previously required PHAs to define life-threatening conditions in the administrative plan. The NSPIRE standards now describe those conditions which are considered life-threatening and must be corrected within 24 hours. The following are a list of life-threatening deficiencies under NSPIRE:

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Inspectable Item	Deficiency
Call-for-Aid System	System is blocked or pull cord is higher than 6 inches off the floor.
	System does not function properly
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location.
	Carbon monoxide alarm is obstructed.
	Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior.
	Chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.
	Gas dryer transition duct is detached or missing.
	Electric dryer exhaust ventilation system has restricted airflow.
	Dryer transition duct is constructed of unsuitable material.
	Gas dryer exhaust ventilation system has restricted airflow.
Door – Entry	Entry door is missing.
Door – Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress.
	Sleeping room is located on the third floor or below and has an obstructed rescue opening.
	Fire escape is obstructed.
Electrical – Conductor, Outlet, and Switch	Outlet or switch is damaged.
	Exposed electrical conductor.
	Water is currently in contact with an electrical conductor.
Electrical – Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Escape	Fire extinguisher is damaged or missing.

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Inspectable Item	Deficiency
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged.
	Fire extinguisher service tag is missing, illegible, or expired.
	Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater; OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed.
	Guardrail is not functionally adequate.
Heating, Ventilation, and Air Conditioning (HVAC)	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working, or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.
	Unvented space heaters that burn gas, oil, or kerosene are present.
	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.
	Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.
Leak – Gas or Oil	Natural gas, propane, or oil leak.
Mold-like Substance	Presence of mold-like substance at extremely high levels is observed visually.
Smoke Alarm	Smoke alarm is not installed where required.
	Smoke alarm is obstructed.
	Smoke alarm does not produce an audio or visual alarm when tested.
Sprinkler Assembly	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.
	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.
	Sprinkler assembly has evidence of corrosion.
	Sprinkler assembly has evidence of foreign material that is detrimental to performance.

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Inspectable Item	Deficiency
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	Chimney or flue piping is blocked, misaligned, or missing.
	Gas shutoff valve is damaged, missing, or not installed.

However, PHAs may add additional deficiencies which the PHA considers life-threatening provided they are described in the administrative plan.

CCA Policy

CCA has identified additional life-threatening deficiencies.

- Utilities not in service, including no running hot water.

8-I.F. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family may be held responsible for a breach of housing quality standards caused by any of the following:

- Tenant-paid utilities not in service,
- Failure to provide or maintain appliances owned by the family,
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear.

If a PHA waives the owner's responsibility to remedy the violation as outlined under the owner obligations found below, the following applies:

- If the housing quality standards breach caused by the family is life-threatening, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 24 hours of notification.
- For other family-caused deficiencies, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any PHA-approved extension).

If the family has caused a breach of housing quality standards, the PHA must take prompt and vigorous action to enforce the family obligations. The PHA may terminate assistance for the family in accordance with 24 CFR 982.552.

CCA Policy

Damage beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

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Owner Obligations

The owner must maintain the unit in accordance with NSPIRE regulations and standards.

A unit is not in compliance with housing quality standards if the PHA or other inspector authorized by the state or local government determines that the unit has housing quality standards deficiencies based upon an inspection, notifies the owner in writing of the deficiencies, and the deficiencies are not remedied within the appropriate time frame.

In the case of a housing quality standards deficiency that the PHA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant's control (other than damage resulting from ordinary use), the PHA may waive the owner's responsibility to remedy the violation. The HAP to the owner may not be withheld or abated if the owner responsibility has been waived. However, if the family's actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family. In addition, the PHA may terminate the family's assistance because of a housing quality standards breach (beyond damage resulting from ordinary use) caused by any member of the household, guest, or other person under the tenant's control.

CCA Policy

The owner is not responsible for the cost of correcting/repairing housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected.

Owners are permitted to charge the cost of repairs/treatment for correcting inspection fail items caused by a family's living habits or willful neglect as long as the owner documents the family's responsibility and enforces leases requirements.

The tenant must take all necessary steps permissible under the lease and state and local law to remedy deficiencies, including paying the owner for the cost of the necessary repairs. Tenants who fail to comply with the terms of the lease and fail to maintain the unit as required are subject to termination of rental assistance. .

If an owner fails to correct life-threatening conditions as required, CCA will enforce the NSPIRE standards in accordance with HUD requirements. See 8-II-G.

8-I.G. LEAD-BASED PAINT

PHAs and owners must comply with the requirements and timelines in 24 CFR Part 35 Subpart M—Tenant-Based Rental Assistance and Subpart H—Project-Based Assistance. PHAs and owners are reminded that any deteriorated paint in target housing, or other lead-based paint hazard identified through a lead-based paint risk assessment or lead-based paint inspection is considered a violation of NSPIRE standards.

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For the HCV program, Subpart M applies to units where a child under age six resides or is expected to reside, common areas that service that unit, and exterior painted surfaces associated with that unit or common areas. For project-based programs, Subpart H applies to assisted units and common areas of the property regardless of whether a child under age six resides or is expected to reside in the unit. NSPIRE does not alter any of the lead-based paint requirements in Part 35 for these programs.

Special Requirements for Children with Elevated Blood Lead Level [24 CFR 35.1225; FR Notice 1/13/17; Notice PIH 2017-13]

If CCA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six years of age, living in an HCV-assisted unit has been identified as having an elevated blood lead level, the PHA must complete an environmental investigation of the dwelling unit within 15 calendar days after being notified by a public health department or other medical health care provider. The environmental investigation must be completed in accordance with program requirements, and the result of the environmental investigation must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the environmental investigation report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330; 40 CFR 745.227]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of NSPIRE standards and the PHA will take action in accordance with Section 8-II.G.

PHA reporting requirements, and data collection and record keeping responsibilities related to children with an elevated blood lead level are discussed in Chapter 16.

8-I.H. VIOLATION OF SPACE STANDARDS [24 CFR 5.703(d)(5)]

Units assisted under the HCV or PBV programs must have at least one bedroom or living/sleeping room for every two persons. A living room may be used as sleeping (bedroom) space, but no more than two people may occupy the space [HCV GB p. 10-6]. Each habitable room must have two working outlets or one working outlet and a permanent light. HUD defines a *habitable room* as a room in a building for living, sleeping, eating, or cooking, but excluding bathrooms, toilet rooms, closets, hallways, storage or utility spaces, and similar areas [FR Notice 5/11/23].

A unit that does not meet these space standards is defined as *overcrowded*.

If CCA determines that a unit is overcrowded because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

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PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections*. The PHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program.
- *Periodic Inspections*. HUD requires the PHA to inspect each unit under lease at least biennially (or triennially for small rural PHAs as defined in 24 CFR 982.305(b)(2)), depending on PHA policy, to confirm that the unit still meets NSPIRE standards.
- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the NSPIRE standards.

Inspection of PHA-Owned Units [24 CFR 982.352(b)]

The PHA must obtain the services of an independent entity to perform all NSPIRE inspections in cases where an HCV family is receiving assistance in a PHA-owned unit. A *PHA-owned unit* is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of each inspection to the family and the PHA. The independent agency must be approved by HUD and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

For information on the inspection of PHA-owned units in the PBV program, see Chapters 17.

Inspection Costs [Notice PIH 2016-05; 24 CFR 5.705(d)]

PHAs may not charge the family for unit inspections or reinspections [24 CFR 982.405(e)].

In the case of inspections of PHA-owned units, the PHA may compensate the independent agency from ongoing administrative fee for inspections performed. The PHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

PHAs may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, PHAs may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the PHA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected.

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Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to the PHA's administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

CCA Policy

CCA will charge a fee of $15 to the owner for failed reinspections. When the owner notifies the agency that a repair has been made based on a failed inspection, but the reinspection shows that the deficiency has not been corrected, CCA will charge the fee to cover the inspector's time and cost of travel. In addition, if CCA staff conducts a reinspection to determine the status of the deficiencies, due to lack of communication from the owner, and finds that deficiencies have not been corrected then a $15 fee will also be charged for the inspector's time and travel costs. The fee will be deducted from any rental assistance payments due to the owner.

Remote Video Inspections (RVIs) [Notice PIH 2020-31]

As an alternative to some or all on-site inspections, PHAs may, but are not required to, perform NSPIRE inspections from a remote location using video streaming technology and a proxy at the inspection site. Since there may be some circumstances in which the application of technology provides insufficient information or evidence to allow a PHA to make appropriate determinations about whether a condition violates NSPIRE standards, Notice PIH 2020-31 requires that if a PHA chooses to implement RVIs, the PHA should have policies and procedures in place to address such limitations.

CCA Policy

CCA will not use RVI routinely to conduct inspections. However, CCA may use RVI to conduct inspections during times of natural disasters or pandemic related isolation requirements or when there is another similar significant barrier to conducting an in-person inspection. During natural disasters and similar events, CCA may use a third-party proxy or contractor to facilitate RVI inspections.

Notice and Scheduling

The family must allow the PHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

CCA Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is a minimum of 48 hours. Inspections may be scheduled between 8:00 a.m. and 6:00 p.m. and conducted on CCA's regular business days except when a natural disaster may require an extraordinary schedule.

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In the case of a life-threatening emergency, CCA will give as much notice as possible, considering the nature of the emergency. Inspections of life-threatening emergencies may be conducted on the same day as a request for an inspection is made.

Owner and Family Inspection Attendance

HUD permits CCA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

CCA Policy

When a family occupies the unit at the time of inspection an authorized adult must be present for the inspection. CCA staff are not permitted to enter a unit in which they know or have reason to believe that only minor children are present. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, CCA will inspect the unit in the presence of the owner or owner's representative. Staff are not permitted to inspect a vacant unit without an owner-representative present. The presence of a family representative is encouraged but is not required.

8-II.B. INITIAL INSPECTION

Approving Units [FR Notice 1/18/17; Notice PIH 2017-20; and 24 CFR 982.406]

HUD regulations require that units assisted under the HCV program be inspected to determine that the units meet NSPIRE standards before the PHA approves assisted tenancy. However, while a PHA is required to conduct an inspection prior to approving assisted tenancy, PHAs have two options for bringing units under HAP contract (or, in the case of PBV, approving occupancy and the execution of a lease) more quickly. PHAs may, but are not required to approve assisted tenancy and start HAP if the unit:

- Fails the initial inspection, but only if no life-threatening deficiencies are identified.
- Passed an alternative inspection in the last 24 months.

Otherwise, if neither of the above provisions are adopted, the PHA must determine that the unit the family selects meets NSPIRE standards prior to approving tenancy.

CCA Policy

The unit must pass inspection on or before the effective date of the HAP contract. Non-life-threatening deficiencies may be "passed with comment" provided there is not an imminent threat of the deficiency worsening and that landlord agrees to correct the concern within 30 days.

Cosmetic deficiencies are not treated as "fail items" on the inspection report but should be noted in the report for documentation purposes.

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CCA may accept alternative inspections that are conducted within 90 days prior to HAP Contract execution for applicants who participate in companion programs such as Target/Key and TCLI programs that use the NSPIRE inspection process. Otherwise, CCA will conduct an inspection for each unit prior to executing a HAP contract with the owner.

Timing of Initial Inspections [24 CFR 982.395(b)(2)(i)]

HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection.

CCA Policy

CCA will complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA), the date stated on the RTA, or within 15 days of being notified the unit is "move-in" ready and available for inspection, whichever is later.

In the case of new affordable housing projects in the initial stages of leasing, CCA may elect to pre-inspect all units that may be available for families holding a housing choice voucher once the project has received its certificate of occupancy. Such inspections are acceptable for use up to 90 days from the date of inspection. The expiration date of the inspection may be extended up to 120 days if approved by the Housing Director.

Inspection Results and Reinspections

For new units proposed for the HCV program, life-threatening deficiencies must be resolved before the HAP contract is executed and the family moves into the unit.

CCA Policy

If deficiencies are identified, CCA will notify the owner of the deficiencies and give a time frame to correct them. The time frame for corrections is not a fixed period but will be based on the seriousness of the deficiencies. Generally, the maximum is 30 days from the date of inspection.

If requested by the owner, the time frame for correcting deficiencies may be extended for good cause that is documented by the owner. Generally, CCA will reinspect the unit within five business days of the date the owner declares that the required corrections have been made.

If the period for correcting the deficiencies, including any CCA-approved extension, has elapsed, or the unit fails the reinspection, CCA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. However, on a case-by-case basis CCA may agree to conduct a second reinspection at the request of the

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family and owner and based on receiving evidence leading to a reasonable expectation the unit will pass the inspection.

Following a failed reinspection, CCA may consider conducting another inspection if a family is unable to locate another suitable unit and the owner declares that deficiencies have been corrected.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

CCA Policy

Utilities must be in service at the time of the initial inspection. It is the responsibility of the owner to place utilities in services and verify that all systems are working to ensure the unit is move-in ready. CCA staff will contact the owner to verify utilities are on prior to conducting an initial inspection and will reschedule an inspection if the utilities are not on.

Appliances

CCA Policy

If the family is responsible for supplying the stove and/or refrigerator, CCA will allow the stove and refrigerator to be placed in the unit after the unit has met all other inspection requirements. The required appliances must be in place *before* the HAP contract is executed by the agency. CCA may execute the HAP contract after receiving certification from the family and the owner that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8-II.C. PERIODIC INSPECTIONS [24 CFR 982.405(b); Notice PIH 2016-05]

HUD requires the PHA to inspect each unit under HAP contract at least biennially (or triennially for small rural PHAs), to confirm that the unit still meets NSPIRE standards. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

CCA Policy

A unit must pass the **initial inspection and one annual inspection** before being placed on a biennial inspection cycle. Thereafter, each unit under HAP contract must be inspected at least biennially, within 24 months of the last regular inspection.

A property that fails two inspections in a row and/or all assisted properties of owners that habitually fail required inspections as well as the properties of owners that exhibit patterns of poor maintenance habits will be placed on an annual inspection cycle. This policy includes any unit or owner at any time.

CCA will not rely on alternative inspection standards.

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Scheduling the Inspection

CCA Policy

If an adult family member cannot be present on the scheduled date, and the owner is not available to attend the inspection, the family should request the inspection be rescheduled. CCA and the family will agree on a new inspection date that is within five business days of the originally scheduled date, unless there is documented good cause to delay for more than five business days.

If the family misses the first scheduled appointment without requesting a new inspection date, CCA will schedule a second inspection. If the family misses two scheduled inspections without approval, CCA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II.D. INTERIM (SPECIAL) INSPECTIONS [24 CFR 982.405(d)]

If a participant family or government official notifies a PHA of a potential deficiency, the following applies:

- If the reported deficiencies is life-threatening, the PHA must inspect the unit within 24 hours of notification and notify the owner if a life-threatening deficiency is confirmed. The owner must make repairs within 24 hours of being notified by the PHA.
- If the reported condition is not life-threatening, the PHA must inspect the unit within 15 days of notification and notify the owner if the deficiency is confirmed. The owner must make the repairs within 30 days of being notified by the PHA or within any PHA-approved extension period.

CCA Policy

During an interim or special inspection, CCA performs a targeted inspection for those deficiencies that were reported. However, the inspector will record any additional deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual/biennial inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled, CCA will conduct a full annual/biennial inspection instead of duplicating trips to the property.

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8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); 24 CFR 985.3(e); HCV GB, p. 10-32]

HUD requires a PHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the NSPIRE standards.

The unit sample must include only units that have been inspected within the preceding three months. The selected sample should be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.

8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Correction Timeframes [Notice PIH 2024-26, REV-1]

Each deficiency is identified in the NPSIRE standards as either life-threatening, severe, moderate, or low.

For units under HAP contract, life-threatening deficiencies must be corrected within 24 hours after notice has been provided. All other non-life-threatening deficiencies (severe and moderate) must be corrected within 30 days (or a PHA-approved extension) after notice has been provided. If low deficiencies are present in a unit, these deficiencies result in a pass and would only be noted by the inspector for informational purposes.

Notification of Corrective Actions [24 CFR 982.404(d)(1)]

The owner must maintain the unit in accordance with housing quality standards. The unit is in noncompliance with housing quality standards if:

- The PHA or authorized inspector determines the unit has housing quality standards deficiencies based upon an inspection
- The PHA notified the owner in writing of the unit housing quality standards deficiencies; and
- The unit's housing quality standards deficiencies are not corrected within the required timeframes.

A PHA may withhold assistance payments for units that have deficiencies once the owner has been notified in writing of the deficiencies. The PHA's administrative plan must identify the conditions under which the PHA will withhold HAP. In this case, if the unit is brought into compliance during the applicable cure period, the PHA must resume assistance payments and provide payments to cover the time period for which the payments were held.

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PHAs must abate the HAP, including amounts that had been held, if the owner fails to make the repairs within the applicable cure period. The PHA must notify the family and the owner that it is abating payments and, if the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance.

CCA Policy

Owners and families will be notified in writing of the results of all inspections. Notices may be sent electronically. When an inspection identifies housing quality standards failures, CCA will determine both whether or not the failure is a life-threatening condition and whether the family or owner is responsible.

When life-threatening or certain severe deficiencies are identified, CCA will immediately notify both parties by telephone and email, when both are possible. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the notice.

When failures that are severe but non-life threatening or moderate are identified, CCA will send the owner and the family a written notification of the inspection results within five business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, no more than 30 days will be allowed for the correction.

If low deficiencies are identified, these deficiencies will be noted for informational purposes and will be monitored to ensure the severity does not escalate.

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and nonlife-threatening conditions are not corrected within the specified time frame (or any CCA-approved extension), the owner's HAP will be abated in accordance with CCA's policy (see 8-II.G.).

Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any CCA-approved extension, if applicable) the family's assistance will be terminated in accordance with CCA's policy (see Chapter 12).

Extensions

For life-threatening deficiencies, PHAs cannot grant an extension to the 24-hour corrective action period. For conditions that are severe or moderate, PHAs may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate.

CCA Policy

CCA will grant reasonable extensions when it can determine that the owner has made a good faith effort to correct the deficiencies and is unable to meet CCA's timeline for correction for reasons beyond the owner's control. Reasons may include, but are not limited to:

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- A repair cannot be completed because required parts or services are not available.
- A repair cannot be completed because of weather conditions that directly impact the site to be repaired, such as a persistent rain preventing a contractor from completing roofing work.
- A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case-by-case basis but will not exceed 60 days. In the case of prolonged, adverse weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days once the adverse weather conditions have subsided.

Reinspections

CCA Policy

CCA will conduct a reinspection within 10 business days of the end of the corrective period, including any approved extension. The family and owner will be given reasonable notice of the reinspection appointment by phone and by email.

If the deficiencies have not been corrected by the time of the reinspection, CCA will place the HAP in abatement and notify the owner. In the case of family-caused violations, CCA will send a notice of termination to the family.

If CCA's inspector is unable to gain entry to the unit to conduct a scheduled reinspection, the family will be considered in violation of its obligation to make the unit available for inspection. Failure to allow a CCA inspector to complete a required inspection may result in termination of the family's assistance.

Proposed terminations will follow CCA policies in Chapter 12

In lieu of on-site reinspection, CCA does not accept self-certification of repairs but will accept documentary evidence of repairs, such as contractor invoices and pictures, on a case-by-case basis and only when appropriate for the deficiency involved.

8-II.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with NSPIRE standards, the PHA must take prompt and vigorous action to enforce the owner obligations.

HAP Withholding [24 CFR 982.404(d)(1)]

A PHA may withhold assistance payments for units that have housing quality standards deficiencies once the PHA has notified the owner in writing of the deficiencies. The PHA's administrative plan must identify the conditions under which the PHA will withhold HAP. In this case, if the unit is brought into compliance during the applicable cure period, the PHA resumes assistance payments and provides assistance payments to cover the time period for which the payments were withheld.

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CCA Policy

CCA will give owners a written notice of the deficiencies that includes a 30-day cure period prior to withholding rental assistance payments.

HAP Abatement

The PHA must abate the HAP, including any amounts held, if an owner fails to correct deficiencies within the specified cure period.

The PHA must notify the family and the owner that it is abating payments and, if the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of deficiencies that are the family's responsibility.

CCA Policy

CCA will make all HAP abatements effective the first of the month following the expiration of the specified correction period including any extension. CCA will inspect abated units within 10 business days of the owner's notification that the work has been completed.

Payment will resume effective on the day the unit passes inspection and will be prorated from the date the unit passes inspection through the end of the month.

During an abatement period or any period in which the assistance payment is held, the family continues to be responsible for its share of the rent. The owner is not permitted to seek payment from the family for withheld or abated amounts and may not use the abatement as cause to terminate the tenancy of the family.

HAP Contract Termination

Each PHA must decide how long an abatement period will continue before the HAP contract will be terminated. If the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. In this case, the PHA must issue the family its voucher to move at least 30 days prior to the termination of the HAP contract. The PHA will issue a voucher to the family at least 30 days prior to the termination of the HAP Contract..

CCA Policy

CCA will notify the owner in writing of the effective date and term of abatement as well as pending termination of the HAP Contract for cause, including the date the contract will terminate. Generally, CCA allows a maximum of 60 days in abatement prior to termination of the HAP Contract. The maximum length of time that HAP may be abated is 90 days regardless of circumstances. The HAP Contract will terminate as of the date the family vacates the unit or the end of the abatement period, ***whichever comes first***.

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If the owner completes corrections and notifies CCA before the termination date of the HAP contract, CCA may rescind the termination notice if:

- the family still resides in the unit and wishes to remain in the unit ***and***
- the unit passes inspection.

8-II.H. ENFORCING FAMILY COMPLIANCE [24 CFR 982.404(b)]

If housing quality standards deficiencies are determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, (see section 8-I.D), the family isresponsible for correcting any housing quality standards violation listed in paragraph 8-I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair and may enter into a repayment agreement with the family to facilitate reimbursement of the cost.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

Except in the case of certain LIHTC- and HOME-assisted units, no HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

PHA-Owned Units [24 CFR 982.352(b)]

In cases where an HCV family is receiving assistance in a PHA-owned unit, the PHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of the rent reasonableness determination to the family and the PHA. The independent agency must be approved by HUD and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

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8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-Initiated Rent Determinations

The PHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. The PHA (or independent agency in the case of PHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the PHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. **Rent increases will not be approved unless any failed items identified by the most recent inspection have been corrected.**

CCA Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. Landlords are permitted to request one rent increase in a 12-month period. Rent increases are effective on the first day of the month of the anniversary of the lease after the increase is approved.

After initial lease-up, CCA may request owners provide information about the rents charged for other units on the premises when the premises includes 4 or more units. In evaluating the proposed rents in comparison to other units on the premises, CCA will consider unit size, age & general condition for manufactured homes, and length of tenancy in the other units. CCA will determine whether the requested increase is reasonable within 10 business days of receiving the request and notify the owner of the determination in writing.

Since the contract with the owner requires him/her to always maintain the unit, rent increase requests are subject to reviews of habitual inspection failures and tenant complaints about lack of routine maintenance. Landlords are expected to ensure regular, routine maintenance is performed.

PHA and HUD-Initiated Rent Reasonableness Determinations

HUD requires PHAs to determine rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the fair market rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct a PHA to determine rent reasonableness at other times. PHAs may also decide that a new determination of rent reasonableness is needed at any time.

CCA Policy

In addition to the instances described above, CCA will conduct a redetermination of rent reasonableness at any time after the initial occupancy period if:

- it appears the initial rent reasonableness determination was in error,
- it appears that a significant change in the rental market has occurred that impacts rents, or

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- it appears that the information provided by the owner about the unit or other units on the same premises was incorrect.

LIHTC and HOME-Assisted Units [24 CFR 982.507(c)]

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, **a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.**

For LIHTCs, if the rent requested by the owner exceeds the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations. In such cases, the **rent shall not exceed the lesser of**:

- the reasonable rent as determined from the rent comparability study; or
- the payment standard established by the PHA for the unit size involved.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. PHAs may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age,
- Unit size including the number of rooms and square footage of rooms,
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise),
- The quality of the units including the quality of the original construction, maintenance and improvements made,
- Amenities, services, and utilities included in the rent.

Units that Must Not Be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that impose rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance [Notice PIH 2002-22, Notice PIH 2005-20, and Notice PIH 2020-19].

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Note: Notice PIH 2020-19, issued August 21, 2020, provides further guidance on the issue of what constitutes an assisted unit.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the PHA rental assistance payment(s) each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give CCA information regarding rents charged for other units on the premises.

8-III.D PHA RENT REASONABLENESS METHODOLOGY

How Market Data Is Collected

CCA Policy

CCA collects and maintains data on market rents in the Carteret County and communities that are immediately adjacent to our jurisdiction. Information sources include websites, realtors, market surveys, inquiries of owners and other available resources. Data is maintained by bedroom size and market areas as defined by zip codes, neighborhood, and identifiable natural or man-made boundaries. The data is continually updated such that rent information that is more than 12 months old will be eliminated from the database.

How Rents Are Determined

CCA Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. CCA includes a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range and within the jurisdiction and adjacent communities, due to the nature of the rental market and the rural nature of much of Carteret County. Because units may be similar, but not exactly like the unit proposed for HCV assistance, CCA adjusts the range of prices and locations to identify those units that are most similar.

The adjustment must reflect the local market. Not all differences in units require adjustments and CCA can only consider that information which is provided. Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference but will not reflect its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

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When a comparable project offers rent concessions, such as first month rent-free, the reported monthly rents may be adjusted accordingly for comparison purposes. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12 months = actual monthly rent of $488.

CCA will notify the owners when it cannot approve a request based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area for units as part of an appeal of CCA's decision. Owner provided comparable units must be valid based on pricing, target audience, amenities, and other relevant factors. The owner must submit any appeal request and additional information within five business days of receiving CCA's decision.

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Chapter 9 GENERAL LEASING POLICIES

INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

For a PHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, PHAs must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]

The unit must be inspected by the PHA and meet the National Standards for the Physical Inspection of Real Estate (NSPIRE [24 CFR 982.305(a)]

- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the PHA, with no conflicts of interest [24 CFR 982.306]
- **For families initially leasing a unit only:** Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family **cannot exceed 40 percent of the family's monthly adjusted income** [24 CFR 982.305(a)].

9-I.A. TENANT SCREENING

PHAs have no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

PHAs may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of the PHA's policies regarding screening applicant families for program eligibility.

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA approval of the tenancy, PHAs must inform the owner that screening and selection for tenancy is the responsibility of the owner. The PHA must also inform the owner or manager or their rights and obligations under the Violence against Women Act (VAWA) [24 CFR 5.2005(a)(2)].

PHAs must provide the owner with the family's current and prior address as shown in the PHA's records and the name and address (if known) of the landlords for the family's current and prior address [24 CFR 982.307(b)(1)].

PHAs are permitted, but not required, to offer the owner other information in the PHA's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)]. Each PHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

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PHAs may not disclose to the owner any confidential information provided by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, except at the written request or with the written consent of the individual providing the documentation [see 24 CFR 5.2007(b)(4)].

CCA Policy

CCA does not screen applicants for family behavior or suitability for tenancy. It considers screening to be the responsibility of the property owner. However, CCA will provide current and previous residency and landlord information to the owner if requested.

CCA encourages owners to screen applicants but to also consider the totality of information obtained in the screen process including whether the inclusion of rental assistance and other supports being provided to an applicant may assist the applicant in being a successful tenant. Such consideration is encouraged to reduce barriers for families and individuals who may have negative rental histories and/or a history of homelessness that could have been minimized with help from assistance programs such as the HCV program.

9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]

After a family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request PHA approval for assisted tenancy in the selected unit.

The owner and the family must submit two documents to the PHA:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family all of which is necessary for the PHA to determine whether to approve the assisted tenancy in this unit. The information requested includes, but is not limited to, the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the PHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister, or brother of any member of the family, *unless* the PHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either:

- certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or
- attach a lead-based paint disclosure statement.

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Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

CCA Policy

The RTA must be signed by both the family and the owner. Either the family or the owner may submit the completed RTA to CCA as long as it is signed by both parties.

CCA will not accept, nor will it process, more than one (1) RTA at a time for a family and/or a unit.

CCA reviews submitted RTAs for completeness.

- If the RTA is incomplete, including lacking required signatures, or if the proposed* dwelling lease is not submitted with the RTA, CCA will notify the family and the owner of the deficiencies. CCA does not process incomplete documentation.
- If the terms of the RTA are not consistent with the terms of the proposed lease, CCA will notify both parties of the discrepancies and may not approve the unit due to the discrepancies.
- Missing information and/or missing documents must be submitted by one of the methods listed above. CCA staff are not permitted to accept verbal alterations to the documentation and change the forms presented by the owner or family.

**Proposed means prepared, including all relevant information, but not executed (signed).*

Upon receipt of the RTA and proposed lease, CCA will review the terms of the RTA for consistency with the terms of the proposed lease and will notify the family and the owner if the terms of the RTA are not consistent with the terms of the proposed lease and changes are needed.

Revised RTAs and/or proposed leases must be provided to CCA as staff are not permitted to accept verbal guarantees that alterations to the documentation and changes to forms presented by the owner or family will be made. Revisions must be clearly legible and, *if the original forms are altered*, changes must be initialed by both parties.

The completed RTA along with a copy of the proposed dwelling lease including the HUD Tenancy Addendum may be submitted in-person, by e-mail or by fax. Regardless of how submitted, copies must be clear and legible.

Because of the time sensitive nature of the tenancy approval process, CCA will attempt to communicate with the owner and family by phone, fax, or email. Use of regular mail when the parties cannot be reached by phone, fax, or email is a last resort and CCA will not be held liable for delays in delivery.

9-I.C. OWNER PARTICIPATION

PHAs do not formally approve an owner to participate in the HCV program. However, there are several criteria where CCA ***may*** deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which CCA ***must*** deny approval of owners. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

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9-I.D. ELIGIBLE UNITS

There are several criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in CCA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

PHAs may not assist a unit under the voucher program if:

- the unit is a public housing or Indian housing unit,
- a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f),
- nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories,
- units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions,
- a unit occupied by its owner or by a person with any interest in the unit.

PHA-Owned Units [24 CFR 982.352(b)]

Eligible units that are owned or substantially controlled by the PHA issuing the voucher may also be leased in the voucher program. For a PHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA.

CCA Policy

CCA does not have any eligible PHA-owned units available for leasing under the voucher program in Carteret County.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations allow, but do not generally require, PHAs to permit families to use voucher assistance in several special housing types in accordance with the specific requirements applicable to those programs. These special housing types include:

- single room occupancy (SRO) housing,
- congregate housing & group homes,
- shared housing,
- manufactured home space (where the family owns the manufactured home and leases only the space),
- cooperative housing, and
- homeownership option.

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See Chapter 15 for specific information and policies on any of these housing types that the PHA has chosen to allow. The regulations require PHAs to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit *or* for a different unit:

- Public or Indian housing assistance,
- Other Section 8 assistance (including other tenant-based assistance),
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974),
- Section 101 rent supplements,
- Section 236 rental assistance payments,
- Tenant-based assistance under the HOME Program,
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration),
- Any local or State rent subsidy,
- Section 202 supportive housing for the elderly,
- Section 811 supportive housing for persons with disabilities, (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance), or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Initial Inspection

In order to be eligible, the dwelling unit must be in decent, safe and habitable condition and pass applicable housing quality standards. See Chapter 8 for a full discussion of inspection standards, as well as the process for inital inspection at lease up.

Unit Size

To be eligible, the dwelling unit must be appropriate for the number of people in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)5.703(d)(5)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

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Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

To be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be more than rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, **the family share cannot exceed 40 percent of the family's adjusted monthly income**. The term "family share" refers to the amount the family pays toward **rent and utilities**. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. PHA LEASING ASSISTANCE FOR FAMILIES (Notice PIH 2022-18)

PHAs may utilize their Unrestricted Net Position (UNP, or administrative fee reserves) or ongoing administrative fees towards activities designed to help assist HCV families in leasing units under the program. Such activities include providing security deposit assistance, utility deposit assistance, assisting with all or some of the application fee or similar fees, and holding fees.

CCA Policy

CCA may elect to use UNP or ongoing administrative fees to pay security deposits, & utility deposits, assist with application or similar fees, or holding fees.

9-I.F LEASE AND TENANCY ADDENDUM

The family and the owner must execute a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner. The PHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)].

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be on the same standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease for the assisted tenants is in such standard form.

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All provisions in the HUD-required Tenancy Addendum must be added **word-for-word** to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy.

Because it is a part of the lease, the tenant will have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

CCA Policy

CCA does not provide a model dwelling lease for owners to use in the HCV program. Upon request, CCA may assist landlords without a standard lease in locating a format that will suffice to meet basic requirements, including HUD's lease requirements.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all the required information as listed below:

- The names of the owner and the tenant,
- The unit rented (address, apartment number, and any other information needed to identify the contract unit),
- The term of the lease including the initial term and provisions for renewal or extension,
- The amount of the total amount of the monthly rent to owner, and
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract. The HUD program regulations permit the PHA to approve a shorter initial lease term if certain conditions are met.

CCA Policy

CCA requires an initial lease term of one (1) year.

During the initial term of the lease, the owner may not raise the "rent to owner" [24 CFR 982.309].

Provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be stated in the dwelling lease if they exist.

The PHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

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Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits more than private market practice, or more than amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

CCA Policy

CCA caps the owner to collect any security deposit to no more than two-times the monthly rent in accordance with North Carolina State law. Because this is State Law, a HAP Contract modification is not required. The relevant section of NC G. S. 42 is included as Exhibit F - Chap 9 to this Plan.

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand ***or*** accept any rent payment from the family more than the rent to the owner approved by a PHA minus the PHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

CCA Policy

CCA does not permit owners and families to execute separate, non-lease agreements for services, appliances and/or other items that are not included in the lease without CCA approval.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families or items/appliances that are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family.

Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are strictly prohibited.

Non-lease agreements for services, appliances and/or other items that are not pre-approved by CCA may be treated as a violation of the voucher/Family Obligations or the HAP Contract or both.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non- payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

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PHA Review of Lease

CCA will review the dwelling lease for compliance with all applicable requirements.

CCA Policy

CCA does not accept incomplete or incorrect leases. CCA does not accept leases that show evidence of white-out. CCA does not accept leases that show evidence of changes that were not approved by both the tenant and landlord.

If the dwelling lease is incomplete or incorrect, CCA will notify the family and the owner of the deficiencies. Missing and corrected lease information must be submitted as hard copies in-person or electronically by email or fax. Regardless of how submitted, copies must be clear and legible.

Because the initial leasing process is time sensitive, CCA will attempt to communicate with the owner and family by phone, fax, or email. Use of regular mail when the parties cannot be reached by phone, fax, or email is a last resort and CCA will not be held liable for delays in delivery.

The PHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline the tenancy if the PHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)].

CCA reserves the right to review the owner's lease for compliance with North Carolina legislation found in NC G.S. 42.

9-I.G. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, PHAs must promptly notify families and owners whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, a PHA must ensure that all required actions and determinations discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible, the unit has been inspected by the PHA and meets the NSPIRE standards, the lease offered by the owner is approvable and includes the required Tenancy Addendum, the rent to be charged by the owner for the unit must is reasonable, where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)], the owner is an eligible owner, not disapproved by the PHA, with no conflicts of interest [24 CFR 982.306], the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

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CCA Policy

CCA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with CCA regarding the contract rent (rent to owner), CCA must obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Corrections to the RTA/proposed lease must be submitted as hard copies in-person or electronically by email or fax. Regardless of how submitted, copies must be clear and legible.

If CCA determines that the tenancy cannot be approved for any reason, CCA will notify the owner and the family in writing and provide an opportunity to address the reason(s) for disapproval. If it is possible to address the reason, CCA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, CCA will attempt negotiations with the owner to adjust the rent to an amount that is affordable for the family with assistance. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.H. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between a PHA and an owner of a dwelling unit. Under the HAP contract, a PHA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract form is prescribed by HUD.

If a PHA has given approval for a family of the assisted tenancy, the owner and the PHA must execute the HAP contract. The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

PHAs are permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

PHAs must make their best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed *no later than* 60 calendar days from the beginning of the lease term.

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PHAs may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60-day period is void, and CCA may not pay any housing assistance payment to the owner unless there are extenuating circumstances that prevent or prevented the PHA from meeting the 60-day deadline, in which case the PHA may submit to the HUD field office a request for an extension. The request, which must be submitted no later than two weeks after the 60-day deadline, must include an explanation of the extenuating circumstances and any supporting documentation. HUD at its sole discretion will determine if the extension request is approved.

CCA Policy

Owners who have not previously participated in the HCV program must meet with CCA staff to review the terms of the Tenancy Addendum and the HAP contract. CCA may waive this requirement on a case-by-case basis, if it determines that the owner is sufficiently familiar with the requirements and responsibilities under the HCV program.

The owner and the assisted family must execute the dwelling lease. The owner must provide a copy of the fully executed lease to CCA and the family.

Owners participating for the first time must provide:

- a completed IRS Form W-9 along with a copy of the fully executed lease to CCA,
- the landlord executed HAP Contract, and
- direct deposit information to receive the monthly rental assistance payment.

Existing owners may be required to provide a new IRS W-9 form periodically to ensure no owner information has changed.

CCA and the owner will execute the HAP contract and CCA will ensure that the owner receives a copy of the executed HAP contract. HAP Contracts may be signed electronically via Adobe or DocuSign, which certify the signatory's identity electronically.

As required under VAWA, CCA notifies families of their rights under VAWA by providing all families with a copy of the domestic violence certification form, HUD-5382, as well as the VAWA notice of occupancy rights, form HUD-5380 in the briefing packet.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

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9-I.I. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances,
- Changes in lease provisions governing the term of the lease, or
- The family moves to a new unit, even if the unit is in the same building or complex.

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the proposed changes. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of the 'rent to the owner', the owner must notify the PHA ***at least*** 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The PHA will agree to such an increase only if the amount of the rent to the owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is deemed not reasonable, the owner must either reduce the requested rent increase, or terminate the tenancy in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

CCA Policy

When the owner is requesting a rent increase, CCA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

Pursuant to market data and a rent reasonableness review, as well as HCV program budgetary constraints, CCA may approve a rent increase smaller than the amount requested by the owner.

CCA permits landlords to request one rent increase within a 12-month period. Approved rent increases are effective on the first day of the anniversary month of the initial lease. Exceptions to the effective date may be made on a case-by-case basis.

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Rent increases will not be approved for units in inspection fail status. Habitual inspection failures are subject to abatement, rent reduction and denial of rent increases.

Rent **decreases** submitted by the owner will be processed and **do not** require a rent reasonableness review.

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Chapter 10
MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and PHA policies governing moves within or outside the PHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the PHA's HCV program, whether the family moves to another unit within the PHA's jurisdiction or to a unit outside the PHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the PHA's jurisdiction. This part also covers the special responsibilities that the PHA has under portability regulations and procedures.

PART I: MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES [24 CFR 982.354]

HUD lists six regulatory conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.354(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice at the same time [24 CFR 982.354(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.354(b)(1)(ii)].

  CCA Policy

  If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give CCA a copy of the *Notice to Vacate* and, if required, the *Mutual Rescission of Lease* that includes the date the lease will terminate, and the keys will be turned in to the landlord.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.354(b)(2)]. The family must give CCA a copy of any owner eviction notice [24 CFR 982.551(g)].

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- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member [see 24 CFR 982.354(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the PHA, if the family or family member who is the victim reasonably believed that they were imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.354(b)(4), 24 CFR 982.353(b)]. The PHA must adopt an emergency transfer plan as required by regulations at 24 CFR 5.2007(e).

  CCA Policy

  If a family requests permission to move with continued assistance based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, CCA requires the resident request the emergency transfer using form HUD-5383. CCA will request documentation in accordance with section 16-IX.D of this plan.

  CCA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases, CCA will document the waiver in the family's file.

  Before granting an emergency transfer, CCA will ensure the victim is eligible to receive continued assistance based on the citizenship or immigration status of the victim.

  CCA may choose to provide a voucher to facilitate an emergency transfer of a victim without first terminating the assistance of the perpetrator if it deems such action necessary for the safety of the victim. At the point the transfer is complete, the perpetrator will be proposed for termination of participation and will be given the opportunity to appeal that decision.

  CCA has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan.

- The PHA has terminated the HAP contract for the family's unit for the owner's breach [24 CFR 982.354(b)(1)(i)].

- The PHA determines that the family's current unit does not meet space standards because of an increase in family size or a change in family composition. In such cases, CCA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, CCA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

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10-I.B. FAMILY MOVES DUE TO UNIT DEFICIENCIES

Units in Abatement [24 CFR 982.404(d)(3)]

An owner may not terminate the tenancy of a family due to the PHA withholding or abating HAP for housing quality standards deficiencies that are not repaired timely. During the period that assistance is abated, the family may terminate tenancy by notifying the owner and the PHA. If the family chooses to terminate tenancy, the HAP contract will automatically terminate on the effective date of tenancy termination or the date the family vacates the unit, whichever is earlier. The PHA must promptly issue the family its voucher to move.

CCA Policy

After receiving a family's written notice that it wishes to move, CCA will issue a "move" voucher within 10 business days of approving the family to move. A briefing is not required for families who are moving. CCA will follow the policies in Chapter 5 on voucher term, extension, and expiration.

Termination of HAP Contract and Family Moves [24 CFR 982.404(e)]

If an owner fails to make required repairs within 60 days (or a reasonable longer period approved by the PHA) of the notice of abatement, the PHA must terminate the HAP contract. The PHA must issue the family a voucher at least 30 days prior to the termination of the HAP contract. The family must be given at least 90 days following the termination of the HAP contract to lease a new unit, although the PHA may provide a longer period if the PHA determines it is reasonable and necessary.

CCA Policy

CCA will issue a "move" voucher to a family whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame. The voucher will be issued no later than 30 days prior to the termination of the HAP contract. The term of the voucher will be 90 calendar days. No briefing is required for these families.

To continue under the tenant-based HCV program, the family must submit a *Request for Tenancy Approval* and a copy of the proposed lease (new landlords) within the 90-day period unless CCA grants an extension. CCA will follow the policies set forth in Chapter 5 on voucher extension and expiration.

Relocation Assistance [24 CFR 982.404(e)(3)]

PHAs may assist families relocating due to the HAP contract being terminated, as a result of the owner failing to make required repairs, in finding a new unit. The PHA may use up to two months of the withheld and abated assistance payments for costs directly associated with relocating to a new unit, such as security deposits, temporary housing costs, or other reasonable moving costs as determined by the PHA based on their locality.

The PHA must assist families with disabilities with locating available accessible units in accordance with 24 CFR 8.28(a)(3).

CCA Policy

When possible, and as necessary, CCA will assist families with disabilities with locating available accessible units in accordance with program requirements.

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CCA may use up to two months of withheld and abated payment to assist with any required security deposit and/or utility deposits for the new unit. CCA will work with resource partners, including managed care partners, to assist with relocation expenses before using HAP dollars.

CCA does not require reimbursement of HAP funds used for this purpose.

10-I.C. RESTRICTIONS ON MOVES

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

Denial of Moves

HUD regulations permit a PHA to deny a family permission to move under the following conditions:

Insufficient Funding

PHAs may deny a family permission to move either within or outside a PHA's jurisdiction if the PHA does not have sufficient funding for continued assistance [24 CFR 982.354(e)(1)]. However, Notice PIH 2016- 09 significantly restricts the ability of PHAs to deny permission to move due to insufficient funding and places further requirements on PHAs regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

CCA Policy

CCA may deny a family permission to move on grounds that it does not have sufficient funding for continued assistance if:

- the move is initiated by the family, not the owner or CCA,
- CCA can demonstrate through documentation that the move will result in higher subsidy costs,
- CCA can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs, and
- for portability moves, the receiving PHA is not absorbing the voucher and CCA has provided written notification to the local HUD Office within 10 business days of determining it is necessary to deny moves to a higher-cost unit based on insufficient funding.

If CCA lacks sufficient funding for continued assistance, but the family must move from their unit (e.g., the unit failed inspection), the family may move to a higher cost unit within CCA's jurisdiction. However, CCA will not allow the family to move under portability in this situation if the family wishes to move to a higher cost area.

For moves both within CCA's jurisdiction and outside under portability, CCA cannot deny a move due to insufficient funding if the move was approved the move *before it* experienced a funding shortfall if the family *cannot* remain in their current unit.

CCA will rescind the voucher if the family is allowed to remain in their current unit.

During periods of shortfall that result in participants' request to move being denied, CCA will create a list of families whose moves have been denied due to insufficient funding and will keep the family's request open indefinitely.

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When funds become available, the families on this list will take precedence over families on the waiting list. CCA will use the same procedures for notifying families with open requests to move when funds become available as is used for notifying families on the waiting list (see section 4- III.D).

During periods of insufficient funding, CCA will inform each family of its policy regarding moves under these circumstances in a letter to the family at the time the move is denied.

Grounds for Denial or Termination of Assistance

A PHA may deny a family permission to move if it has grounds for denying or terminating the family's assistance [24 CFR 982.354(e)(2)].

CCA Policy

If CCA has grounds for denying or terminating a family's assistance, it will act in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. CCA reserves the right to deny a move to families who are being considered for termination but will consider whether the move will improve the family's situation and alleviate the cause for the pending termination.

Restrictions on Elective Moves [24 CFR 982.354(c)]

HUD regulations permit PHAs to prohibit any elective move by a participant family during the family's initial lease term. They also permit PHAs to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I.A.) In addition, PHAs may not establish a policy permitting moves only at reexamination [Notice PIH 2016-09].

CCA Policy

CCA does not permit families to make elective moves during a family's initial lease term regardless of whether the move is within CCA's jurisdiction or outside of it (*portability*).

CCA does not permit families to make more than one elective move during any 12-month period. This policy applies to all assisted families in the CCA's jurisdiction. However, CCA may consider exceptions to these policies for the following reasons:

- to protect the health or safety of a family member (e.g., lead-based paint hazards),
- to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area) provided the landlord is willing to rescind the lease, or
- to address an emergency over which a family has no control.

CCA may allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

The limitation on moves does not apply when a family, or a member of a family, is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member.

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10-I.D. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify the PHA **and** the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.354(d)(2)]. If the family wishes to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.354(d)(2)]. The notices must be in writing [24 CFR 982.5].

Approval

CCA Policy

CCA will review requests from families to move to determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. CCA will notify the family in writing of its determination within 10 business days following receipt of the family's notification.

Reexamination of Family Income and Composition

CCA Policy

CCA will perform a new annual reexamination for families approved to move to a new unit within its jurisdiction pursuant to the policies in Chapter 11 of this plan. For families moving into or out of CCA's jurisdiction under portability, the policies set forth in Part II of this chapter apply.

Voucher Issuance and Briefing

CCA Policy

CCA will issue a "move" voucher to families approved to move to a new unit within the its jurisdiction within 10 business days of approving the family's request to move.

No briefing is required for these families. CCA will follow the policies set forth in Chapter 5 on voucher terms, extensions, and expiration.

If a family does not locate a new unit within the term of the voucher including extensions, the family may remain in its current unit with continued assistance if the owner agrees and CCA approves. Otherwise, the family will lose its assistance.

For families moving into or out of the CCA's jurisdiction under portability, the policies in Part II of this chapter apply.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, the PHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is ***not*** considered to constitute a duplicative housing subsidy.

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Zero HAP Families Who Wish to Move [24 CFR 982.455]

A participant who is not receiving any subsidy, but whose HAP contract is still in force, may request a voucher to move to a different unit. CCA must issue a voucher to move unless it has grounds to deny assistance under the program regulations. However, if CCA determines no subsidy would be paid at the new unit, it may refuse to enter into a HAP contract on behalf of the family.

CCA Policy

If a zero HAP family requests to move to a new unit, the family may request a voucher to move. However, CCA will not enter into a HAP Contract with an owner for a family when no subsidy will be paid for the family's new unit at move-in based on the recertification of family eligibility.

Typically, families at zero HAP will exit the program when they move. However, eligibility will be reviewed upon request by the family to verify whether the family would be eligible for rental assistance.

PART II: PORTABILITY [24 CFR 982.353(b)]

10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as **portability**. A PHA that issues the voucher is called the **initial PHA.** A PHA that has jurisdiction in the area to which the family wants to move is called the **receiving PHA.**

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA provides all housing services for the family and bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance with its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2016-09].

PHAs commonly act as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. Each role involves different responsibilities. PHAs will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family and will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(e)(5)].

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PHAs must also comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if the PHA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

10-II.B. INITIAL PHA ROLE

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA provides the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA. The family must inform the initial PHA which receiving PHA it has selected. If the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA on behalf of the family [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. HUD regulations and PHA policy determine whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside a PHA's jurisdiction under portability. However, HUD gives PHAs discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance. If a PHA intends to deny a family permission to move under portability due to insufficient funding, the PHA must notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

CCA Policy

CCA may deny portability to an applicant family when the receiving PHA has opted to administer the voucher and CCA lacks sufficient funding to pay the associated costs. If CCA determines there is insufficient funding for a portability move, it will notify HUD in writing within 10 business days of the determination that it lacks sufficient funding and will deny the move and seek HUD approval for the decision.

CCA will not deny portability for eligible families when the receiving PHA states its intent to absorb the voucher when the family leases up. CCA will follow the policies established in section 10-I.C of this chapter.

If CCA has grounds for denying assistance to the family, such as fraud or program violations, CCA will deny portability.

In addition, the initial PHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

CCA Policy

If neither the head of household nor the spouse/cohead of an applicant family occupied a legal residence in CCA's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within Carteret County for at least 12 months before

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requesting portability.

CCA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Participant Families

An initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. **The Violence against Women Act (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and who reasonably believed they were imminently threatened by harm from further violence if they remained in the unit** [see 24 CFR 982.353(b)].

CCA Policy

CCA will determine whether a participant family may move out of the its jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter and will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(1)]. The family must specify the area to which the family wishes to move [24 CFR 982.355(c)(1)].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.353(d)(1), 24 CFR 982.355(9)]. If the applicant family is not income eligible in that area, CCA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-09].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

CCA Policy

For a participant family approved to move out of its jurisdiction under portability, CCA will conduct a reexamination of family income and composition when the family's annual reexamination is due within 60 days after the request for portability is submitted.

CCA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

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Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

CCA Policy

A formal briefing is not required for a participant family wishing to move outside of CCA's jurisdiction under portability.
An explanation of portability is included in the briefing packet provided to families at admission. If requested, CCA will provide the family with the same written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5) by providing a copy of the briefing packet.

Upon request, CCA will provide the name, address, and phone of the contact for the PHA(s) in the jurisdiction to which they wish to move.

If there is more than one PHA with jurisdiction over the area to which the family wishes to move, upon request from the family CCA will provide basic information for the PHAs so the family can select the receiving PHA then notify CCA of their selection. If the family prefers not to select the receiving PHA, CCA may select the receiving PHA on behalf of the family.

CCA will advise each porting family that they will be under the receiving PHA's policies and procedures, including screening, subsidy standards, voucher extension policies, and payment standards.

Voucher Issuance and Term

An applicant family has no right to portability until after the family is issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, CCA will follow the regulations and procedures set forth in Chapter 5.

CCA Policy

For participating families approved to move under portability, CCA will issue a "move" voucher within 10 business days of approving the move. The initial term of the voucher will be 90 days.

Voucher Extensions and Expiration

CCA Policy

CCA will not approve extensions to a voucher issued to an applicant or participant family porting out of its jurisdiction except under the following circumstances:

- the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA,
- the family decides to return to CCA's jurisdiction and search for a unit there, or
- the family decides to search for a unit in a third PHA's jurisdiction.

In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan apply.

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Preapproval Contact with the Receiving PHA

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [24 CFR 982.355(c)(3)].

CCA Policy

CCA uses email, when possible, to contact receiving PHAs regarding whether the PHA will administer or absorb the family's voucher.

Initial Notification to the Receiving PHA

After approving a family's request to move under portability, the CCA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family [24 CFR 982.355(c)(3); 24 CFR 982.355(c)(7)]. CCA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(6)].

CCA Policy

Because the portability process is time sensitive, CCA will notify the receiving PHA by phone and/or email to expect the family CCA provides basic documentation for the family to the receiving PHA along with both the family and CCA's contact information, billing expiration date, requirements to pay by direct deposit and other information typically needed to facilitate a portability move.

Sending Documentation to the Receiving PHA

CCA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-09]
- A copy of the family's voucher [Notice PIH 2016-09]
- A copy of the family's most recent form HUD-50058, Family Report, ***or***, in the case of an applicant family, family and income information in a format like that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-09]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(7), Notice PIH 2016-09]

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CCA Policy

CCA will provide the following information, if available, to the receiving PHA:

- Social security numbers (SSNs), including SSNs for all nonexempt household members,
- Documentation of legal identity, citizenship, or eligible immigration status,
- Documentation of participation in a family self-sufficiency (FSS) program
- If applicable, information related to the family's health and medical care and disability assistance expense phased-in hardship exemption, including what stage the family is in and how many months remain in that phase-in stage

Initial Billing Deadline [Notice PIH 2016-09]

The deadline for submission of initial billing is 90 days following the expiration date of the voucher issued to the family by the initial PHA. In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing before the billing deadline and document the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.

If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must notify the receiving PHA in writing. The initial PHA may report to HUD the receiving PHA's failure to comply with the deadline.

If the initial PHA will honor the late billing, no action is required.

CCA Policy

CCA notifies receiving PHAs with the initiating portability submission that it does not honor late billings. CCA will return any billings that it receives on behalf of the family after billing was determined to be late.

On a case-by-case basis, CCA will consider whether to accept late billing if the family includes a person with disabilities and the late billing resulted from a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-09]

If the receiving PHA is administering the family's voucher, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, the initial PHA must promptly reimburse the receiving PHA 80 percent of the initial PHA ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee, *whichever is less*, for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability.

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If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill [24 CFR 982.355(e)(2)].The initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements because of over leasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to assist families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

CCA Policy

CCA uses direct deposit to ensure that the payment is received by the deadline unless the receiving PHA states that direct deposit is not acceptable to them.

If CCA extends the term of the voucher, the receiving PHA's voucher will expire 30 calendar days from the new expiration date of CCA's voucher.

Annual Updates of Form HUD-50058

If CCA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If CCA fails to receive an updated 50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

CCA must continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. CCA may seek absorption of the vouchers by following steps outlined in Notice PIH 2016-09.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]

At any time, either an initial PHA or a receiving PHA may decide to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. RECEIVING PHA ROLE

If a family has a right to lease a unit in a receiving PHA's jurisdiction under portability, the receiving PHA must assist the family [24 CFR 982.355(10)]. HUD may determine in certain instances that a PHA is not required to accept incoming portable families, such as a PHA in a declared disaster area. **However, the PHA must have approval in writing from HUD before refusing any incoming portable families** [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with the receiving PHA's policies. This requirement also applies to Moving to Work agencies' policies. The receiving PHA procedures and preferences for selection among eligible applicants do not apply to the family, and the receiving PHA waiting list is not used [24 CFR 982.355(c)(10)].

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The family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(c)(12)], and the receiving PHA's policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

Responding to Initial PHA's Request [24 CFR 982.355(c)]

A receiving PHA must respond via email or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed [24 CFR 982.355(c)(3)]. If a receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision later without consent of the initial PHA (24 CFR 982.355(c)(4).

CCA Policy

CCA uses email, when possible, to notify the initial PHA whether it will administer or absorb a family's voucher.

Initial Contact with Family

When a family moves into a PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families. The family's failure to comply may result in denial or termination of the receiving PHA's voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA must contact the initial PHA regarding whether it will extend the voucher [24 CFR 982.355(c)(13)]. An informal hearing is not required when a voucher has expired without the family leasing a unit.

If for any reason the receiving PHA refuses to process or assist a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-09]. (For more on this topic, see later under "Denial or Termination of Assistance.")

Briefing

HUD allows receiving PHAs to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2016-09].

CCA Policy

CCA does not require a family porting into its jurisdiction to attend a briefing. CCA will schedule a meeting with the family, provide the family with a briefing packet (as described in Chapter 5), review the Family Obligations, and explain CCA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process. CCA may suggest that the family attend a full briefing later.

Income Eligibility and Reexamination

A receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)]. If the receiving PHA opts to conduct a new reexamination for a current participant family, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit [24 CFR 982.355(c)(11)].

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CCA Policy

For any family moving into its jurisdiction under portability, CCA will not conduct a new reexamination of family income and composition unless the family reports household information that indicates their information has changed or is otherwise inconsistent with the information received from the initial PHA.

CCA will not delay issuing the family a voucher or approving a unit for the family until the reexamination process is complete ***unless*** the family is an applicant and CCA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located, or there are substantial differences between the information received from the initial PHA and that received from the family.

In conducting a reexamination, CCA will rely upon any verifications provided by the initial PHA to the extent that they both accurately reflect the family's current circumstances and were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, CCA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to CCA during the term of the voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

HUD expects receiving PHAs to issue a voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2016-09].

CCA Policy

When a family ports into its jurisdiction, CCA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with CCA's procedures. CCA will update the family's information when verifications are completed.

Voucher Term

The term of CCA's voucher may not expire before 30 calendar days from the expiration of the initial PHA's voucher [24 CFR 982.355(c)(13)]. If the initial PHA extends the term of the voucher, CCA's voucher may not expire before 30 days from the new expiration date of the initial PHA's voucher [Notice PIH 2016-09].

CCA Policy

CCA's voucher will expire 30 calendars days following the expiration date of the initial PHA's voucher. If the initial PHA extends the term of the voucher, CCA will extend the term of its voucher to ensure it expires no sooner than 30 calendar days following the new expiration date of the initial PHA's voucher.

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Voucher Extensions [24 CFR 982.355(c)(14), Notice 2016-09]

Once a receiving PHA issues a portable family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must inform the initial PHA of any extension granted to the term of the voucher. It must also bear in mind the billing deadline provided by the initial PHA. Unless it is willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

CCA Policy

CCA will not extend the term of the voucher that it issues to an incoming portable family unless it intends to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E, or unless it is necessary to ensure it meets the requirements 24 CFR 982.355(c)(13).

CCA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]

If a family submits a request for tenancy approval during the term of a receiving PHA's voucher, the PHA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II.E).

Notifying the Initial PHA

Receiving PHAs must promptly notify the initial PHA if a family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. CCA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH 2016-09]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of a receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by a receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction [Notice PIH 2016-09].

Administering a Portable Family's Voucher

***Portability Billing* [24 CFR 982.355(e)]**

To cover assistance for a portable family that was not absorbed, a receiving PHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA's program.

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A receiving PHA may bill the initial PHA for 80 percent of the initial PHA's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee, whichever is less, for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which a receiving PHA may bill (i.e., the receiving PHA may bill for the lesser of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee).

If both PHAs agree, PHAs may negotiate a different amount of reimbursement.

CCA Policy

Unless a different amount of reimbursement is negotiated with the initial PHA, CCA will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) in time that the notice will be **received** no later than 90 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2016-09].

This deadline may be extended for 30 additional days if the delay is due to suspension of the voucher term (see Initial Billing Section). A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or email.

CCA Policy

CCA will send its initial billing notice by email to ensure it can track the submission and meet the billing deadline. CCA will only send a hard copy to the initial PHA by regular mail if the PHA requests a hard copy.

If a receiving PHA fails to send the initial billing by the deadline, it is required to absorb the family into its own program unless the initial PHA is willing to accept the late submission or HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is over leased) [Notice PIH 2016-09].

Ongoing Notification Responsibilities [Notice PIH 2016-09, HUD-52665]

Annual Reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

CCA Policy

CCA will send a copy of the updated HUD-50058 by fax or encrypted email, along with an updated 52665, no later than 10 business days after the effective date of the reexamination.

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Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD- 52665, of any change in the billing amount for the family because of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.),
- An abatement or subsequent resumption of the HAP payments,
- Termination of the HAP contract,
- Payment of a damage/vacancy loss claim for the family,
- Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

Late Payments **[Notice PIH 2016-09]**

If an initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late).

The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached.

The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments **[Notice PIH 2016-09]**

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

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If HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2016-09.

Denial or Termination of Assistance

At any time, a receiving PHA may decide to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, CCA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should a receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement [HUD- 52665; Notice PIH 2016-09].

CCA Policy

If CCA decides to deny or terminate assistance for a portable family, it will notify the initial PHA within 10 business days after the informal review or hearing, as applicable, if the denial or termination is upheld.

CCA will base its denial or termination decision on the policies set forth in Chapter 3 and Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. The CCA will furnish the initial PHA with a copy of the review or hearing decision.

Absorbing a Portable Family

A receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that the PHA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1), Notice PIH 2016-09].

If a receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].

If a receiving PHA absorbs a family after assisting the family under a billing arrangement with the initial PHA, the receiving PHA must send an updated form HUD-52665 to the initial PHA no later than 10 business days following the effective date of the termination of the billing arrangement [Notice PIH 2016-09].

CCA Policy

If CCA absorbs a portable family upon the execution of a HAP contract on behalf of the family, it will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

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If CCA absorbs a family at a later point in time, it will provide the initial PHA with 30 days' advance notice, but no later than 10 business days following the effective date of the termination of the billing arrangement.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for CCA's voucher program [24 CFR 982.355(d)], and CCA becomes the initial PHA in any subsequent moves by the family under portability [24 CFR 982.355(e)(4)].

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Chapter 11
REEXAMINATIONS

INTRODUCTION

PHAs are required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Non-Interim Reexamination Transaction. This part describes transactions that do not entail changes to the family's adjusted income.

Part IV: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

PHAs must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

Unlike when performing an interim reexamination or at intake, at annual reexamination, PHAs must determine the income of the family for the previous 12-month period, except where a PHA uses a streamlined income determination. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27]. PHAs also have the option of using a "safe harbor" income verification from another federal means-tested program to verify gross annual income. Chapter 7 contains the PHA's policies related to streamlined income determinations and the use of safe harbor income verifications.

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11-I.B. SCHEDULING ANNUAL REEXAMINATIONS

PHAs must establish a policy to ensure that the annual reexamination for each family is completed *within*

a 12-month period and may require reexaminations more frequently

[HCV GB p. 12-1]. CCA Policy

CCA will begin the annual reexamination process 90 to 120 days in advance of its scheduled effective date. CCA's annual reexamination schedule effective dates coincide with each family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

CCA requires an annual reexamination when a family chooses to move and, thereafter, will refer to the annual reexamination date as the anniversary date of the family's lease up in their current unit. If a family moves to a new unit, a new annual reexamination "anniversary" date is established based on that move. For example, if the family initially leased up in March at admission to the program, but two years later moves to a new unit in August, then the annual reexamination due date adjusts due to the move from March 1st to August 1st each year.

Notification of and Participation in the Annual Reexamination Process

PHAs are required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

CCA Policy

Adult family members are required to participate in the annual reexamination of eligibility. The head of household, spouse, or cohead must attend an interview either in person, telephonically, or virtually. If proposed interview location poses a hardship because of a family member's disability, families may contact CCA to request a reasonable accommodation (see Chapter 2) to conduct it in a manner that is best for the family member, including by an in-home visit.

Notification of annual reexamination requirements is sent by email (if available) and by first-class mail. It will contain the date, time, and location/manner of the interview as well as the information and documentation that the family must provide to CCA within 10 days of the interview.

If a family is unable to attend a scheduled interview, the family may reschedule the interview by contacting their Housing Specialist as soon as they become aware of a conflict and at least three days in advance of the scheduled interview.

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If a family does not attend a scheduled interview, CCA will reschedule the interview and send a second notification with the new appointment time. If a family fails to attend two scheduled interviews without CCA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record and by e-mail (if available).

Advocates, interpreters, or other assistants may assist families in the interview process. The family and CCA will sign an agreement regarding the role and the assistance provided by any third party.

11-I.C. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

CCA Policy

Families must provide all required information, as described in the reexamination notice, to CCA at the in-person interview or within 10 business days of a virtual or telephonic interview. If a family is unable to provide all required documents or information at the time of the in-person interview, those items must be provided within 10 business days of the interview. A family may request an extension if it is unable to obtain the information within the required time frame.

The required information includes CCA's Housing Information Reporting Form as well as supporting documents or forms related to the family's income, assets, expenses, and composition. If a family does not provide the required documents or information within the timeframe given by CCA, the family will be sent a notice of termination (See Chapter 12).

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

CCA Policy

At the annual reexamination, CCA asks whether any member of the assisted household, is subject to a lifetime sex offender registration requirement in any state and will use the Dru Sjodin National Sex Offender database to verify the information provided by the family.

If a PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

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The information provided by the family must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or a PHA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to a unit causes overcrowding according to the space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents or is considered a *vulnerable youth* in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

CCA Policy

During the annual reexamination process, CCA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from their parents or is considered a *vulnerable*

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youth based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on their own income or the income of their parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on their own income and the income of their parents (if applicable), CCA will process a reexamination in accordance with the policies in this chapter.

11-I.E. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]

PHAs must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where a PHA uses a streamlined income determination as indicated in Chapter 7 of this policy.

Except when using streamlined income determinations, in determining the income of the family for the previous 12-month period, any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, regardless of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. PHAs should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for PHA policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at annual reexamination.

Step 1: PHAs determine annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the annual reexamination,
- The income reported on the most recent HUD–50058, and

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- The amount of prior-year income reported by the family on the PHA's annual reexamination paperwork.

Step 2: PHAs take into consideration any interim reexamination of family income completed since the last annual reexamination.

- If an interim reexamination was performed, the PHA must use the annual income from the interim to determine the family's total annual income, provided there are no additional changes.
- If an interim was not done or there have been changes since the last reexamination, the PHA moves to Step 3.

Step 3: If there were changes in annual income not processed by the PHA since the last reexamination, the PHA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income. For example, the PHA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:
    - Year-end statements
    - Paycheck with year-to-date amounts
    - Tax forms (Form 1040, W2, 1099, etc.)

If the family reported changes or a PHA notes discrepancies between EIV and what the family reports, the PHA must follow the verification hierarchy (described in Chapter 7) to document and verify income.

Exhibit 11-1 provides detailed examples of how the PHA calculates income from different sources at annual reexamination using the above method.

CCA Policy

Where the family disagrees with CCA's determination of income or CCA has other reason to use third- party verification in these circumstances, then CCA will use the verification tools described above in this subsection to re-verify information as necessary to accurately determine household income.

11-I.F. EFFECTIVE DATES

PHAs must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

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CCA Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

- If, due to errors/delays on the part of CCA, less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.
- If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract. A 30-day notice is not required.
- If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent are applied retroactively to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

- If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.
- If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied going forward from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are caused by the family if the family fails to provide requested information by the date specified, and this delay prevents CCA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516; Notice PIH 2023-27]

11-II.A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. PHAs must conduct any interim reexamination within a reasonable time frame after the family request or when a PHA becomes aware of a change in the family's adjusted income that must be processed in

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accordance with HUD regulations. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but PHAs generally should conduct the interim reexamination not longer than 30 days after becoming aware of changes in income.

Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When a PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in ***all*** aspects of adjusted income.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

Reporting

PHAs must require families to report household composition changes; however, PHAs determine the timeframe in which reporting happens [Notice PIH 2023-27]. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition [24 CFR 960.257(b)(5)].

CCA Policy

Participant families must report all changes in family and household composition that occur between annual reexaminations within 10 business days of the change. CCA may conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations when a change in household income occurs that increases income by 10% or more. Otherwise, changes made during the interim period will be recorded administratively.

New Family Members Not Requiring PHA Approval

The addition of a family member because of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify CCA of the addition [24 CFR 982.551(h)(2)].

New Family and Household Members Requiring Approval

Except for children who join the family because of birth, adoption, or court-awarded custody, a family must request the PHA's approval to add a new family member [24 CFR 982.551(h)(2)] or another household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

Although PHAs must verify aspects of program eligibility when any new family member is added, the Streamlining Final Rule removed the requirement that PHAs conduct a reexamination of income whenever a new family member is added. PHAs may state in policy that an income reexamination will be conducted.

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If a change in family size causes a violation of space standards (see Chapter 8), a PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

CCA Policy

Families must make a written request approval to add a new family member, live-in aide, foster child, or foster adult from both CCA and the landlord before the individual moves into the unit. This includes any person not on the lease who is expected to stay in the unit for more than 15 consecutive days or 45 cumulative days within a 12-month period and no longer qualifies as a "guest".

A guest can remain in the assisted unit no longer than 15 consecutive days or a total of 45 cumulative calendar days during any 12-month period *unless* the lease is more restrictive. A more restrictive lease overrides CCA's written policy.

CCA will not approve the addition of a new family or household member unless the individual meets CCA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

If CCA determines an individual meets the eligibility criteria and documentation requirements, CCA will issue written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to space standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

CCA will not approve the addition of a foster child or foster adult when the addition would result in overcrowding of the existing unit. If the authorized placement agency (e.g., public child welfare agency) requires that the foster child have a separate bedroom, CCA will provide the subsidy standard for one additional bedroom, in accordance with 5-II.B, provided the family is willing to move and a suitable unit is identified.

If CCA determines that an individual does not meet the eligibility criteria or documentation requirements, CCA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

CCA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the PHA if any household member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], PHAs also need to know when any live-in aide, foster child, or foster adult ceases to reside in the unit. The PHA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.

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CCA Policy

If a household member ceases to reside in the unit, the family must inform the CCA within 10 business days. The requirement also applies to a family member who has been considered temporarily absent when the family concludes the individual is permanently absent.

Changes in Family Unit Size (Voucher Size) [24 CFR 982.505(c)(6)]

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately or at the family's first regular reexamination following the change in family unit size based on the PHA's policy.

CCA Policy

If the family unit size (voucher size) changes during the term of a HAP contract, the new family unit size will be used to determine the payment standard at the family's first regular reexamination following the change in family unit size.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Overview

Interim reexaminations for changes in income or expenses may be scheduled either because a PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

PHAs must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.

Interim Decreases [24 CFR 982.516(c)(2) and Notice PIH 2023-27]

A family may request an interim determination of family income for any change since the last determination. However, the PHA may decline to conduct an interim reexamination if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income. PHAs may set a lower threshold in PHA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits PHAs from setting a dollar-figure threshold.

While PHAs have some discretion, HUD requires that PHAs perform interim reexaminations for decreases in adjusted income of any amount in two circumstances:

- When there is a decrease in family size attributed to the death of a family member, or
- When a family member permanently moves out of the assisted unit during the period since the family's last reexamination.

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In the above circumstances, a PHA must perform an interim reexamination for any decrease in adjusted income.

If the net effect of the changes in adjusted income due to a decrease in family size results in no change or an increase in annual adjusted income, then PHAs must process the removal of the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

CCA Policy

CCA will conduct an interim re-examination when the family reports a decrease in adjusted income of 10 percent or more or when the decrease occurs due to the factors outlined above.

Interim Increases [24 CFR 982.516(c)(3) and Notice PIH 2023-27]

Increases Less than 10 Percent

PHAs must not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

PHAs must conduct an interim reexamination of family income when a PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10 percent or more in adjusted income, with the following exceptions:

- PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle, and
- PHAs may choose not to conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

When the family previously received an interim reexamination for a decrease to adjusted income during the same annual reexamination cycle, a PHA has the discretion whether to consider a subsequent increase in earned income.

CCA Policy

When a family reports an increase in their earned income between annual reexaminations, CCA will conduct an interim reexamination when household income increases by 10 percent or more and will result in changes in adjusted income by a similar percentage. Except that CCA will not perform an interim reexamination when a family reports an increase in income within **three months** of their annual reexamination effective date.

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For families participating in the Family Self-suffiency Program (FSS), CCA reserves the right to process an interim for increases in earned income that will result in the enrolled family beginning to earn escrow as a part of the FSS program.

However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases per CCA policies in Chapter 14 and may be required to reimburse CCA for overpaid rental assistance as a result.

Concurrent Increases in Earned and Unearned Income [Notice PIH 2023-27]

When a family reports an increase in both earned and unearned income at the same time, PHAs must look at the earned and unearned income changes independently of each other to determine if an interim reexamination is performed.

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A PHA will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations. For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase, the PHA may not perform an interim for either change since neither change meets the 10 percent threshold amount independently. If the change in unearned income met the 10 percent threshold in this case, the PHA would be required to perform an interim. If the change in earned income met the 10 percent threshold in this case, the PHA would refer to PHA policy to determine whether an interim was required.

Cumulative Increases [Notice PIH 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10- percent increase threshold, at which point the PHA must conduct an interim reexamination in accordance with PHA policy.

Family Reporting

The PHA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition [24 CFR 982.516(d)].

PHA policy may require families to report only changes that the family estimates meet the threshold for an interim reexamination or PHAs may establish policies requiring that families report all changes in income and household composition, and the PHA will subsequently determine if the change requires an interim reexamination [Notice PIH 2023-27].

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023- 27].

CCA Policy

Families are required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period.

Families must report changes in income within 10 business days of the date the change takes effect and may notify CCA of changes either orally or in writing but will be required to submit the changes in writing on CCA's interim change reporting form. Within 10 business days of the family reporting the change, CCA will determine whether the change will require an interim reexamination.

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If the change will not result in an interim reexamination, CCA will note the information in the tenant file and notify the family within 10 business days of making this determination that CCA will not conduct an interim reexamination.

If the change results in an interim reexamination, CCA will request documentation from the family based on the type of change reported and policies in Chapter 7, including documentation of other factors that may impact adjusted household income. The family must submit required information or documents within 10 business days of receiving CCA's request. CCA may approve an extension to submit documentation for good cause.

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CCA accepts required documentation by mail, email, fax, or in person. CCA will conduct the interim as soon as reasonable based on the amount of time it takes to verify the information.

CCA does not require families to attend interviews for interim reexaminations, unless it appears the family has violated family obligations, and an interview is warranted to address the violation.

11-II.D. EFFECTIVE DATES [24 CFR 982.516(e) and Notice 2023-27]

Changes Reported Timely [Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with PHA policies:

- For rent increases, PHAs must provide the family with 30 days' advance written notice. The rent increase is effective on the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely [Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with PHA policies:

- For rent increases, PHAs must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.
- For rent decreases, PHAs must implement the change no later than the first rent period following completion of the interim reexamination.

However, PHAs may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

- The first of the month following the date of the change that led to the interim reexamination; or
- The first of the month following the most recent previous income examination.

In applying a retroactive change in rent as the result of an interim reexamination, a PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

CCA Policy

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In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, CCA will apply the decrease the first of the month following completion of the interim reexamination. Except if a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or other events that impede the family's ability to communicate with CCA. CCA will implement decreases retroactively only when extenuating circumstances apply.

When applying results of interim increases retroactively, CCA will explain the effect of the retroactive adjustment to the family. CCA may enter into a repayment agreement in accordance with its policies.

CCA will explain the effect of retroactive adjustments to an owner in writing.

PART III: NON-INTERIM REEXAMINATION TRANSACTIONS [Notice PIH 2023-27]

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report to HUD via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the childcare expense deduction,
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first),
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction,
- Adding or removing a minimum rent hardship,
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult),
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12-month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule,
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule,
- Adding/updating a family or household member's Social Security number, and

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- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

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PART IV: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-IV.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, a PHA must recalculate the family share of the rent and the subsidy amount and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-IV.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

To calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When a PHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the PHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:

- If the payment standard amount has i*ncreased,* the increased payment standard will be applied at the ***first annual*** **reexamination** following the effective date of the increase in the payment standard.

- If the payment standard amount has *decreased*, during the term of a HAP contract, the PHA is not required to reduce the payment standard as the HAP contract remains in effect. At the family's ***second annual*** **reexamination**, the PHA may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for the PHA's policy on decreases in the payment standard).

- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease, even if the family remains in place, the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in CCA's subsidy

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standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's ***first annual*** **reexamination** following the change in family unit size.

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Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in CCA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with an owner, PHAs must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, each PHA must use the PHA's current utility allowance schedule [HCV GB, p. 18-8].

CCA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the **first annual reexamination** after the allowance is adopted.

11-IV.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

PHAs must notify owners and families of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment,
- The amount and effective date of the new family share of the rent,
- The amount and effective date of the new tenant rent to owner.

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

CCA Policy

CCA's notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment.

The notice will state the family has the right to request an explanation of how the assistance was calculated and if the family disagrees, they have the right to informal hearing. The notice will include the procedures for requesting an informal hearing.

11-IV.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

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Chapter 12 TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify mandatory and optional grounds for which a PHA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by the PHA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that the PHA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that the PHA may consider in lieu of termination, the criteria the PHA will use when deciding what action to take, and the steps the PHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires PHAs to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits PHAs to terminate assistance for certain other actions or inactions of the family. Families may decide to withdraw from the program and terminate their HCV assistance at any time by notifying their PHA.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by CCA is reduced to zero, the family's assistance automatically terminates 180 days after the last HAP payment.

CCA Policy

If a participating family receiving zero assistance experiences a change in circumstances that may result in a HAP payment to the owner, the family must notify CCA of the change and request an interim reexamination before the expiration of the 180-day period. Changes may be reported orally, but the family must complete paperwork and provide information as required by CCA.

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12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

A family may ask the PHA to terminate housing assistance payments on behalf of the family at any time.

CCA Policy

Requests to terminate assistance should be made in writing and signed by the head of household, and spouse or cohead if applicable. Before terminating the family's assistance, CCA will follow the notice requirements in Section 12-II.F.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires PHAs to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]

PHAs must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

CCA Policy

A family is considered *evicted* if the family moves after a legal eviction order has been issued, whether physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In that event, CCA will review the situation, consider the preponderance of evidence, and decide whether the family has committed serious violations of the lease based on available evidence. CCA may terminate assistance or take any of the alternative measures described in section 12-II.C. During the review, CCA will consider the factors described in sections 12-II.D and 12-II.E. Upon consideration of such factors, CCA has the discretion not to terminate assistance.

Serious and repeated lease violations include, but are not limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living/housekeeping habits that cause damage to the unit or premises, and criminal activity.

Generally, this criteria is used regardless of whether or not the reason for the eviction was the fault of the tenant(s) or guests.

Failure to Provide Consent [24 CFR 982.552(b)(3)]

PHAs must terminate assistance if any family member fails to sign and submit one or more consent forms that they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

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CCA Policy

CCA will terminate assistance if the family revokes consent allowing CCA to collect information from employers, benefit income, financial institutions and any other information relevant to establishing the family's eligibility for assistance.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]

PHAs must terminate assistance if:

1. a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status,
2. a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family,
3. a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2018-24]

PHAs must terminate assistance if a participant family fails to disclose complete and accurate social security numbers of each household member and provide the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and CCA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, CCA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the family was determined to be noncompliant.

CCA Policy

CCA may defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

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Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

PHAs must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

Lifetime Registered Sex Offenders [Notice PIH 2012-28]

Should a PHA discover that a member of an assisted household is subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with their parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, CCA must the terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated but must be issued a voucher to move with continued assistance in accordance with program regulations and PHA policies or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]

PHAs must immediately terminate program assistance for deceased single-member households.

12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]

HUD requires PHAs to establish policies that permit them to terminate assistance if the PHA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents,
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents,
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity,

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- Any household member has violated the family's obligation not to engage in violent criminal activity.

Use of Illegal Drugs and Alcohol Abuse

CCA Policy

CCA will not consider the personal use of alcohol or drugs as a sole determinate factor for termination. People who have experienced homelessness and/or mental health disabilities may enter housing programs without requirements for sobriety.
The decision for termination will be made relative to the threat that may be presented to health, safety, or right to enjoyment for other residents. CCA will work with supportive service providers before making a final decision.

CCA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug or has a pattern of illegal drug use that **interferes with or threatens** the health, safety, or right to peaceful enjoyment of the premises by other residents.

Similarly, CCA will terminate assistance if any household member's abuse or pattern of abuse of alcohol that **threatens** the health, safety, or right to peaceful enjoyment of the premises by other residents.

"Currently engaged in" is defined as continual use of illegal drugs during the previous three months.

CCA will consider credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol. However, a record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, CCA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, CCA has discretion on whether to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as 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.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

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CCA Policy

CCA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program excepting that CCA will not consider the personal use of drugs as a sole determinate factor for termination.

CCA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity but will be considered as part of the available evidence when CCA reviews an allegation.

In making its decision to terminate assistance, CCA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, CCA has discretion on whether to terminate assistance.

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), 24 CFR 5.2005(c), 24 CFR 984.101(d)]

HUD permits PHAs to terminate assistance under several other circumstances. It is left to the discretion of each PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, stalking, or human trafficking as reasons for terminating the assistance of a victim of such abuse.

Additionally, per 24 CFR 984.101(d), PHAs are no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation.

CCA Policy

CCA will terminate a family's assistance if:

- Any family member commits fraud, bribery, or any other corrupt or criminal act in connection with this or any federal housing program.
- The family is evicted for lease violations (serious and/or repeated) as stated in previous sections of the plan.
- The family currently owes rent or other amounts to any PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- The family has not reimbursed any PHA for amounts a PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease and the family is non-compliant with an executed repayment agreement with another PHA.

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- The family has breached the terms of a repayment agreement with CCA.
- The family habitually fails to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related policies.
- A family member has engaged in or threatened violent or abusive behavior toward CCA personnel.

Abusive or violent behavior towards CCA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, CCA may consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, CCA has discretion on whether to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. PHAs must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that **no** member of the family is residing in the unit.

CCA Policy

If the **family** is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Insufficient Funding [24 CFR 982.454]

PHAs may terminate HAP contracts if a PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

CCA Policy

CCA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If there is a shortage of funding, prior to terminating any HAP contracts, CCA will determine if any other actions can be taken to reduce program costs.

In the event that CCA decides to stop issuing vouchers as a result of a funding shortfall, and is not assisting the required number of special purpose vouchers (Non-Elderly Disabled Vouchers and/or any other special purpose vouchers it may receive in the future), when CCA resumes issuing vouchers, it will issue vouchers to the special purpose voucher families on its waiting list ***first*** until it has reached the required number of special purpose vouchers.

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CCA will terminate HAP Contracts for current participants as a last resort and will do so only after implementing all reasonable cost-cutting measures. Prior to terminating any HAP contracts, CCA will notify the local HUD field office. CCA will terminate the minimum number needed to reduce HAP costs to a level within the CCA's annual budget authority.

If CCA must terminate HAP contracts due to insufficient funding, it will do so using the following criteria and instructions:

- Families who have been assisted in the HCV program the longest will be the first to be terminated, excluding elderly or disabled family.
- Families with special purpose voucher, currently nonelderly disabled (NED), will be the last to be terminated.

PART II: APPROACH TO TERMINATION OF ASSISTANCE

12-II.A. OVERVIEW

PHAs are required by regulation to terminate a family's assistance for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give PHAs the authority to either terminate the family's assistance or to take another action.

This part discusses the various actions PHAs may choose to take when discretion is permitted and outlines the criteria PHAs will use to make decisions about whether to terminate assistance. It also specifies the requirements for the notification to the family of a PHA's intent to terminate assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

Termination of assistance for a participant may include any or all the following:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to execute a new HAP contract or approve a lease, or
- Refusing to process a request for or to assist under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, a PHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

CCA Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit.

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The family must provide CCA evidence of the former family member's new physical and mailing address. If the head of household does not require the culpable family member vacate the unit, then CCA will proceed with termination.

Repayment of Family Debts

CCA Policy

Families that owe amounts to CCA will be offered the option to enter into a repayment agreement, or repay the amount in full, as a condition of continued assistance. The family must enter into a repayment agreement, or repay the amount in full, within 30 days of receiving notice of an amount owed from CCA.

For a first occurrence, and for amounts that exceed $100, CCA will provide each family with an option to complete a Repayment Agreement. See Chapter 16 for policies on repayment agreements.

If an overpayment occurs a second time, the family must reimburse the amount over the overpayment in full. A repayment agreement is not an option.

Should the family incur a debt to CCA a third time, the family is subject to termination of participation in the program in accordance with CCA's written policy. CCA will hold the family responsible for the amount owed.

12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits PHAs to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

CCA Policy

CCA uses the concept of the ***preponderance of the evidence*** as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which shows that the fact sought to be proved is more probable than not. Preponderance of the evidence is not determined by the number of witnesses, but by the greater weight of all evidence available to CCA.

Use of Criminal Conviction Records after Admission [24 CFR 5.903]

The regulation at 24 CFR 5.903 governs a PHA's access to and use of criminal conviction records obtained from a "law enforcement agency" such as the National Crime Information Center (NCIC), police departments, and other law enforcement agencies that hold criminal conviction records. While the regulatory listing of permitted uses for these records includes PHA screening of applicants for admission to the HCV program, it specifically excludes the use of records for lease enforcement and eviction of HCV

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participants and excludes by omission a PHA's use of records to terminate assistance for participants.

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs *may not* use records for this purpose. The limitations, however, do not apply to criminal conviction information searches from non-federal sources (i.e., sources other than the "law enforcement agencies" defined in 24 CFR 5.902(b)). There is no prohibition barring a PHA from using non-federal sources to conduct criminal background checks of program participants.

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

PHAs are permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

CCA Policy

Having a criminal record or a record of arrests is not a determining factor for denial of assistance or termination of participation. CCA considers the totality of facts and circumstances available when making its decision to terminate assistance, including but not limited to:

- How a case would affect other residents' safety or property,
- Effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act,
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12- II.E) a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking,
- When a violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future,
- An arrest may lead to an investigation to determine whether the participant engaged in disqualifying criminal activity. As part of the investigation, CCA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest.
- CCA may also consider:
    - Statements made by witnesses or participants not included in the police report,
    - Whether criminal charges were filed,
    - Whether criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal after charges were filed,
    - Other evidence relevant to determining whether the participant engaged in disqualifying activity.

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- Evidence of criminal conduct will be considered if it indicates a demonstrable risk to health, safety and/or property.
- In the case of drug or alcohol abuse, whether the household member is participating in or has successfully completed a drug or alcohol rehabilitation program.

CCA may require a family to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or is otherwise working on sobriety and/or recovery.

In the case of program abuse, CCA will consider a variety of factors including, but not limited to, the dollar amount of the overpaid assistance, whether a false certification was signed by the family and whether false documentation was provided to CCA. (See Chapter 16-IV.B. Repayment Policy, Criminal Prosecution for Program Fraud/Abuse)

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the PHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

CCA Policy

If a family believes termination of assistance is related to behaviors (action/inaction) of a family member who is a person with a disability, the family may make a request for reasonable accommodation. CCA will review the available information to confirm whether the behavior is related to the disability and decide if alternative measures proposed in the request are appropriate as a reasonable accommodation. CCA will only consider accommodations that can reasonably be expected to address the behavior. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING, OR HUMAN TRAFFICKING

This section describes the protections against termination of assistance that the Violence against Women Act (VAWA) provides for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking. For general VAWA requirements, key VAWA definitions, and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

VAWA Protections against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault, or stalking. (*Note:* The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program, as do the limitations discussed under the next heading.)

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Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

First, VAWA provides that a PHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the PHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault stalking, or human trafficking, and who reasonably believed they were imminently threatened by harm from further violence if they remained in the unit [see 24 CFR 982.354(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [see 24 CFR 5.2005(c)(1)]. Additionally, property damage and noise complaints due to abuse cannot be used as the basis for eviction [Form HUD-5380].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, sexual assault, stalking, or human trafficking [see 24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

PHAs and owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA [FR Notice 1/4/23].

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, stalking, or human trafficking so long as the PHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

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Likewise, VAWA does not limit the authority of a PHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk,
- The nature and severity of the potential harm,
- The likelihood that the potential harm will occur,
- The length of time before the potential harm would occur [24 CFR 5.2005(e)].

To demonstrate an actual and imminent threat, a PHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

CCA Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking is an actual and imminent threat to other tenants, the staff or contractors providing service to a property, CCA will consider relevant factors including, but not limited to, the following:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, stalking or human trafficking,
- Whether the threat is a physical danger beyond a speculative threat,
- Whether the threat is likely to happen in the immediate future,
- Whether a threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on a threat.

The participant may contest CCA's decision that they are an imminent threat to others as part of the informal hearing process as outlined in Chapter 16.

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Documentation of Abuse [24 CFR 5.2007]

CCA Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking claims protection under VAWA, CCA may request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

CCA reserves the right to determine the need for documentation on a case-by-case basis, particularly when a statement or corroborating evidence already in the individual will suffice. In such cases, CCA will document its decision in the individual's file.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives PHAs the explicit authority to "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 terminating assistance to "or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant" [24 CFR 5.2009(a)].

This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if a PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that the PHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [FR Notice 3/16/07].

If the perpetrator remains in the unit, the PHA continues to pay the owner until the PHA terminates the perpetrator from the program. The PHA must not stop paying HAP until 30 days after the owner bifurcates the lease to evict the perpetrator. The PHA may pay HAP for the full month if the 30-day period ends mid-month [Notice PIH 2017-08].

If the perpetrator is the only participant eligible to receive assistance, the PHA will provide any remaining participant a chance to establish eligibility for the program. If the remaining participant cannot do so, the PHA will provide them with 30 days to establish eligibility for another housing program prior to termination of the HAP contract.

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CCA Policy

CCA will terminate assistance to a family member that it determines has committed criminal acts of physical violence against other family members or others outside the household. This action will not affect the assistance of the remaining, nonculpable family members.

CCA will consider all credible evidence as part of its decision-making process, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to CCA by the victim in accordance with this section and section 16-IX.D. CCA will also consider the factors in section 12-II.D. Following its process, on a case-by-case basis CCA may choose not to terminate the assistance of the culpable family member.

When CCA decides to pursue termination of assistance to the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

12-II.F. TERMINATION NOTICE

HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

CCA Policy

Whenever a family's assistance will be terminated, CCA will send a written notice to the family and to the owner. CCA will include HUD forms HUD-5382 and HUD-5380 with the termination notice. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other PHA policies, or the circumstances surrounding the termination require.

When CCA notifies an owner that a family's assistance will be terminated, it will, if appropriate, advise the owner of their right to offer the family a separate, unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination sent to the family must meet the additional HUD and PHA notice requirements discussed in section 16-III.C of this plan. VAWA requires PHAs to provide notice of VAWA rights and the HUD 5382 form when a PHA terminates a household's housing benefits.

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When terminating a family's assistance because of the family's action or failure to act, CCA will include in its termination notice of the VAWA information described in section 16-IX.C of this plan and a link to forms HUD-5382 and HUD-5380 on the CCA website. The notice will state that a family member wishing to claim protection under VAWA must notify CCA in writing within 10 business days.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, the PHA must provide a copy of the record to the family member and the head of household so that they have an opportunity to dispute the accuracy and relevance of the record [24 CFR 982.553(d)(2)].
- If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the PHA must follow the special notice requirements in section 16-III.D.

PART III: TERMINATION OF TENANCY BY THE OWNER

12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family. The PHA is not directly involved. However, there are some constraints on owners when such terminations occur and, in some cases, termination of tenancy will also result in termination of assistance as discussed in this section.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum to the Lease]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, and human trafficking and the victim is protected from eviction by the Violence against Women Act of 2013 (see section 12-II.E). A serious lease violation includes failure to pay rent or other amounts due under the lease. However, a PHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

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Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate a tenancy during the term of the lease if any member of the household, a guest, or another person under the tenant's control commits **any** of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Criminal activity that threatens the health and/or safety of or the right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises),
- Criminal activity that threatens the health and/or safety of, or the right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises,
- Violent criminal activity on or near the premises,
- Drug-related criminal activity on or near the premises.

  In the case of criminal activity directly related to domestic violence, dating violence, sexual assault, stalking, or human trafficking, if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, (or that is a "high misdemeanor" in the case of the State of New Jersey) or
- Violating a condition of probation or parole imposed under federal or state law or
- Engaged in abuse of alcohol in a manner that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy, and evict by judicial action, a family for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction.

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This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the tenant or an affiliated individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good causes include the disturbance of neighbors, destruction of property, or living/housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or lease revision,
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit,
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time and in accordance with the terms of the lease.

If a property is subject to foreclosure, the new owner of the property does not have good cause to terminate the tenant's lease during the term of the lease, unless the new owner will occupy the unit as their primary residence. In that case, the new owner must provide the tenant with at least a 90-day notice to vacate the unit. The lease may be terminated effective on the date of sale but the tenant is still entitled to a 90-day notice to vacate. See Section 13-II.G for a discussion of PHA policies relating to units in foreclosure.

12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given on or before commencement of the eviction action in accordance with applicable State or local laws.

The notice of grounds may be combined with any owner eviction notice to the tenant.

An owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give CCA a copy of an eviction notice at the same time the owner notifies the family. The family is also required to give CCA a copy of an eviction notice that it receives (see Chapter 5).

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CCA Policy

Owners must notify CCA of lease violations and proposed evictions simultaneously when providing required written notice to an assisted tenant. In North Carolina, "Do-it-yourself" evictions are illegal under State law. Evictions must be accomplished through an action of the court. If an eviction action is finalized in court, the owner must provide CCA with documentation related to the eviction no later than 5 business days following the court-ordered eviction. The owner must include a notice of the eviction date, a proposed lockout date, and other information relevant to the eviction granted by the court.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), 24 CFR 982.310(h)(4)]

An owner who has grounds to terminate a tenancy is not required to do so and may consider all the circumstances relevant to a particular case before deciding. These might include the:

- nature of the offending action,
- seriousness of the offending action,
- effect on the community of the termination, or of the owner's failure to terminate the tenancy,
- extent of participation by the leaseholder in the offending action,
- effect terminating tenancy has on household members not involved in the offending activity,
- demand for assisted housing by families who will adhere to lease responsibilities,
- extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action,
- effect of the owner's action on the integrity of the program.

The owner may require a family to remove the household member that has participated in or been culpable for actions or inactions that warrant termination in order to continue residing in the assisted unit.

When deciding whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether the household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

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An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault, stalking, or human trafficking ***is limited by*** the Violence against Women Act (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

12-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if a PHA has no other grounds for termination of assistance, the PHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

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Chapter 13 OWNERS

[24 CFR 982.4, 24 CFR 982.453, 24 CFR 982.306]

INTRODUCTION

Owners play a major role in the HCV program by supplying safe and habitable housing for participating families.

The term "owner" refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program. The term "owner" also includes a principal or other interested party, such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the PHA's HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the PHA, and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including PHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6; HCV Landlord Strategy Guidebook for PHAs]

Education and Outreach

PHAs are responsible for ensuring that very low-income families have access to all types and ranges of affordable housing in the PHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that enough owners, representing all types and ranges of affordable housing in the PHA's jurisdiction, are willing to participate in the HCV program. To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program. PHAs can provide education and outreach in a variety of ways. Some strategies include hosting or attending events targeted to landlords or affordable housing providers. Education and outreach can include activities like newsletters, presentations, briefings to community groups, one-on-one appointments, or other ways of sharing information or creating relationships between PHAs and owners. PHAs may also provide monetary incentives to encourage participation in the program.

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If a PHA will be conducting outreach events, the PHA must ensure that notices and communications during outreach events are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities. PHAs must also take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency.CCA Policy

CCA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. CCA will actively recruit property owners with property located throughout Carteret County including outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers,
- Contacting property owners and managers by phone or in-person,
- Participating in community-based organizations comprised of private property and apartment owners and managers,
- Developing working relationships with owners, apartment associations, industry investor groups, and real estate brokers associations,
- When practical, CCA will partner with and attend events hosted by other area agencies to deliver information about the HCV program.

New landlord incentives may be offered when CCA's administrative fee budget and/or reserves allow or if grant funds are available to fund incentives. If a program is approved by the CCA Board, a specific policies and procedures document will be developed and published for area landlords to review and be included in the Landlord Handbook. Incentive programs may be changed or discontinued if funding availability changes.

Outreach strategies will be monitored for effectiveness and adapted as needed.

Retention

In addition to recruiting owners to participate in the HCV program, PHAs must also provide the kind of customer service that will encourage participating owners to remain active in the program.

CCA Policy

CCA will process forms and requests that impact a landlord's ability to lease a unit as quickly as possible, to minimize vacancy losses for owners. Activities will be streamlined for efficiency in a manner that maintains quality.

CCA will provide owners with a landlord handbook that explains the program, including HUD and CCA policies and procedures as well as information on the inspection process, in easy-to-understand language, and will also give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated contact person.
- Coordinating inspection and leasing activities between CCA, the owner, and the family.
- Initiating telephone contact with the owner to discuss the inspection process and providing additional resource materials about HUD housing quality standards if requested.
- Providing other written information about how the program operates, as needed, in addition to a landlord handbook.

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Pursuant to Notice PIH 2022-18, if administrative fee funding is available or a grant is found to fund landlord retention activities, CCA will collect data from area landlords and develop a retention incentive program that is reasonable for the agency's budget and community along with specific guidelines for implementing the program. Landlord retention programs may be changed or discontinued if funding availability changes.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires PHAs to assist families in their housing search by providing the family with a list of landlords or other parties known to each PHA who may be willing to lease a unit to the family, or to help the family find a unit. Although PHAs cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to a PHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

CCA Policy

CCA encourages owners that are interested and willing to lease a unit to an eligible HCV family or to help an HCV family find a unit to notify CCA staff. A contact list of interested owners will be provided to the HCV families as part of the informational briefing packet.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential unassisted tenant. PHAs have no liability or responsibility to the owner, or any other persons, for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must **jointly** complete a Request for Tenancy Approval (RTA, Form HUD 52517), which constitutes the family's request for assistance in the specific unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to a PHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease, **including** the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.HUD regulations stipulate requirements for the approval of an assisted tenancy.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. See Chapter 9 for more detail on unit eligibility policies and process.

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The selected unit must meet HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The PHA will inspect the owner's dwelling unit at least biennially to ensure that the unit continues to meet inspection requirements. See Chapter 8 for a discussion of the NSPIRE standards and policies for inspections at initial lease-up and throughout the family's tenancy.

Each PHA must determine that the proposed rent for the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not exceed rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, if the gross rent exceeds the applicable payment standard, CCA must ensure that the family share does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See Chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. The HUD Tenancy Addendum includes the HUD requirements governing the tenancy and must be added word-for-word to the owner's lease. See Chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The PHA and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See Chapter 9 for a discussion of the HUD requirements for execution of the HAP contract.

13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Complying with all the owner's obligations under the housing assistance payments (HAP) contract and the lease,
  - Performing all management and rental functions for the assisted unit, including selecting a voucher-holder (assisted applicant) to lease the unit, and deciding if a family is a suitable tenant for the unit,
  - Maintaining the unit in accordance with the National Standards for the Physical Inspection of Real Estate (NSPIRE), including performance of ordinary **and** extraordinary maintenance,
  - Complying with equal opportunity requirements,
  - Preparing and furnishing information required under the HAP contract to the PHA,
  - Collecting the security deposit, the tenant rent, and any charges for unit damage caused by the family,
  - Enforcing tenant obligations under the dwelling lease,
  - Paying for utilities and services that are not the responsibility of the family as specified in the lease,
  - Allowing reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203],

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- Complying with the Violence against Women Act (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family [see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); 24 CFR 982.452(b)(1); and FR Notice 1/4/23].

13-I.D. OWNER QUALIFICATIONS

PHAs do not approve owners to participate in the HCV program. However, there are criteria for which a PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

PHAs must not approve an assisted tenancy if a PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 2 CFR part 24. HUD may direct a PHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

PHAs must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, except as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19; Form HUD-52641, Section 13]

PHAs must not approve a tenancy in which any of the following classes of people has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the PHA, except a participant commissioner,
- Any employee of the PHA, any contractor/subcontractor, or agent of the PHA, who formulates policy or who influences decisions with respect to the programs,
- Any public official, member of a governing body, State legislator or local legislator, who exercises functions or responsibilities with respect to the programs,
- Any member of the Congress of the United States.

Such “covered individual” may not have any direct or indirect interest in a HAP contract or in any benefits or payments under the contract, including the interest of an immediate family member of such covered individual, while such person is a covered individual and for one year thereafter.

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Immediate family member means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister, or brother (including a stepsister or stepbrother) of any covered individual.

HUD may waive the conflict-of-interest requirements, except for members of Congress, for good cause. The PHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by a PHA must include the following [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case,
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived,
- Analysis of and statement of consistency with state and local laws. The local HUD office, the PHA, or both parties may conduct this analysis. When appropriate, an opinion by the state's attorney general should be obtained,
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted,
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied,
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives,
- If the case involves a public official or member of the governing body, explanation of their duties under state or local law, including a reference to any responsibilities involving the HCV program,
- If the case involves employment of a family member by the PHA or assistance under the HCV program for an eligible PHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program,
- If the case involves an investment on the part of a member, officer, or employee of the PHA, description of the nature of the investment, including disclosure/divestiture plans.

When a PHA has requested a conflict-of-interest waiver, the PHA may not execute a HAP contract until HUD decides about the waiver request.

CCA Policy

When deciding whether to request a conflict of interest waiver from HUD, CCA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of any financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety.

Such a waiver would be requested only if no other housing opportunities appropriate for a family's needs and the family includes a person who is disabled.

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Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit PHAs to disapprove a request for tenancy for various actions and inactions of the owner.

If a PHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families already living in one or more of the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

CCA Policy

CCA will refuse to approve a request for tenancy if made aware that any of the following are true. The owner has:

- violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f),
- committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program,
- engaged in any drug-related criminal activity or any violent criminal activity,
- a history or practice of non-compliance with the inspection standards for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program,
- a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest, or another person under the control of any member of the household that:
- Threatens the right to peaceful enjoyment of the premises by other residents,
- Threatens the health or safety of other residents, of CCA employees, or of owner employees and/or other persons engaged in management of the housing,
- Threatens the health of, safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises, or
- commits drug-related criminal activity or violent criminal activity,
- a history or practice of renting units that fail to meet state or local housing codes, or
- not paid state or local real estate taxes, fines, or assessments.

CCA will consider any mitigating factors when considering whether to disapprove owners for any of the discretionary reasons listed above. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program as well as health and safety of participating families, among others. Upon consideration of such circumstances, CCA may choose to approve an owner on a case-by-case basis.

Legal Ownership of Unit

The following represents CCA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

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CCA Policy

CCA will enter a contractual relationship only with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership such as a deed of trust or proof of taxes for the most recent year. The policy includes, by prior reference, a legal representative of any owner either by contract or recorded Power of Attorney.

13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the PHA.

The owner must cooperate with CCA and HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with CCA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between a PHA, and an owner of the dwelling unit occupied by an HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the PHA's obligations. Under the HAP contract, CCA agrees to make housing assistance payments to the owner on behalf of the family approved by CCA to occupy the unit.

The HAP contract is used for all HCV tenant-based program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in the PHA's HCV program.

When a PHA determines that a unit meets program requirements and the tenancy is approvable, the PHA and owner must execute a HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641. The HAP contract contains three parts.

Part A of the contract includes basic contract information:

- the names of the tenant and all household members,
- the address of the contract unit,
- start and end dates of initial lease term,
- the amount of initial monthly rent to owner,
- the amount of initial housing assistance payment,
- a breakdown of the utilities and appliances to be supplied by owner and tenant,

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- and the signatures of the PHA representative and owner [HCV Guidebook, pp. 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, PHAs have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit more than private market practices or more than amounts charged to unassisted tenants. PHA policy on the amount of security deposit an owner may collect is found in Chapter 9.

PHAs also have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by a PHA or actual receipt by the owner).

CCA Policy

The date a payment is deemed received by the owner is either:

- the date payments are sent via ACH for direct deposit, or
- the date of checks mailed to landlords, as applicable.

CCA promotes landlord use of direct deposit.

Part B is the body of the contract. It describes, in detail, program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit,
- Maintenance, Utilities, and Other Services,
- Term of HAP Contract,
- Provision and Payment of Utilities and Appliances,
- Rent to Owner: Reasonable Rent,
- PHA Payment to Owner,
- Prohibition of Discrimination,
- Owner's Breach of HAP Contract,
- PHA and HUD Access to Premises and Owner's Records,
- Exclusion of Third-Party Rights,
- Conflict of Interest,
- Assignment of the HAP Contract,
- Written Notices,
- Entire Agreement Interpretation.

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Part C of the contract includes the **Tenancy Addendum, Form HUD-52641-A**. The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by CCA. The tenant has the right to enforce the Tenancy Addendum against the owner. ***The terms of the Tenancy Addendum prevail over any other provisions of the lease.***

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, a PHA must make monthly HAP payments to the owner on behalf of the family at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6 and is subject to change during the term of the HAP contract. PHAs must notify owners and families in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit. The monthly HAP payment by a PHA is credited toward the monthly rent to the owner under the family's lease. The total of the rent paid by the tenant and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and CCA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the rent to owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant more than this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from CCA, the excess amount must be returned immediately. If CCA determines that the owner is not entitled to all or a portion of the HAP, the PHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By accepting the monthly check from CCA, the owner certifies compliance with the terms of the HAP contract. This includes certification that:

- the owner is maintaining the unit and premises in accordance with NSPIRE standards,
- the contract unit is leased to the tenant family, and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence,

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- the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises, and
- the owner does not receive any *additional* payments or other consideration for rent of the contract unit during the HAP term, other than rent to owner.

Late HAP Payments [24 CFR 982.451(a)(5)]

PHAs are responsible for making HAP payments promptly when due to the owner, according to the terms of the HAP contract. *After the first two calendar months of the HAP contract term*, the HAP contract provides for late penalties if a PHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if:

- the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants,
- it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families, and
- the owner charges the assisted family for late payment of the family's share of the rent.

The PHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the PHA's control. In addition, **late payment penalties are not required if the PHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract** [HCV Guidebook p. 11-7].

Termination of HAP Payments [24 CFR 982.311(b)]

PHAs must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

CCA Policy

In North Carolina, the eviction process must follow the requirements of North Carolina law.

The owner must notify CCA when he/she has initiated eviction proceedings against the family and whether the family continues to live in the unit.

The owner must also notify CCA when he/she obtains a court judgment allowing the owner to evict the tenant and provide CCA with a copy of such judgment.

After the owner has obtained a court judgment allowing the owner to evict the tenant, CCA will continue to make HAP payments to the owner until the family moves from the unit whether the family moves voluntarily or is physically evicted from the unit, whichever is earlier. The owner must inform CCA of the date when the family moves from the unit or is physically evicted from the unit.

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13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract, including if the owner:

- violates any obligations under the HAP contract including failure to maintain the unit in accordance with NSPIRE standards,
- has violated any obligation under any other HAP contract under Section 8,
- has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program,
- has failed to comply with the regulation for projects with mortgages insured by HUD or loans made by HUD; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan,
- has engaged in drug-related criminal activity,
- has committed any violent criminal activity.

If a PHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract including:

- recovery of any HAP overpayment,
- suspension of housing assistance payments,
- abatement or reduction of the housing assistance payment,
- termination of the payment or termination of the HAP contract, and
- obtaining additional relief by judicial order or action.

PHAs must notify owners of a determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. PHAs must provide owners with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

CCA Policy

Before CCA invokes a remedy against an owner, the Program Director will evaluate all information and documents available to determine if the contract has been breached. If relevant, CCA will also conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, CCA will consider all relevant factors including:

- the seriousness of the breach,
- the effect on the family,
- the owner's record of compliance, and
- the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and

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terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner ***or*** the family terminates the lease,
- The lease expires,
- The PHA terminates the HAP contract,
- The PHA terminates assistance for the family,
- The family moves from the assisted unit, (In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.)
- 180 calendar days have elapsed since the PHA made the last housing assistance payment to the owner,
- The family is absent from the unit for longer than the maximum period permitted by the PHA,
- The Annual Contributions Contract (ACC) between the PHA and HUD expires, or

The PHA elects to terminate the

HAP contract. CCA Policy

CCA may choose to terminate the HAP contract in each of the following situations:

- Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454],
- The unit does not meet space/size requirements due to change in family composition [24 CFR 982.403] – see Chapter 8,
- The unit does not meet inspection standards – see Chapter 8,
- The family breaks up [HUD Form 52641] – see Chapter 3,
- The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the PHA terminates the HAP contract, the PHA must give the owner and the family written notice. The notice must specify the reasons for and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

CCA Policy

Generally, the HAP contract will terminate at the end of the calendar month that follows the calendar month in which CCA gives written notice to the owner.

CCA cannot and will not make HAP payments for any month after the month the family vacates the unit. The owner is not entitled to any housing assistance payment after this period and must return any housing assistance payment received after this period to CCA.

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If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract is required [HCV GB, p. 11-17] for the new unit.

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

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13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]

The HAP contract **cannot** be assigned to a new owner without the prior written consent of the PHA.

An owner under a HAP contract must notify CCA in writing ***prior to*** a change in the legal ownership of the unit. The owner must supply all information as requested by the PHA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form acceptable to CCA. The new owner must provide the PHA with a copy of the executed agreement.

CCA Policy

CCA will approve an assignment of the HAP contract only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

CCA requires a signed, written request from the existing owner stating the name and address of the proposed new HAP payee and the proposed effective date of the assignment to change the HAP payee under an outstanding HAP contract. Within 10 business days of receiving the owner's request, and any required additional information, CCA notify the current owner in writing whether the assignment may take place.

If approved, the new owner must provide a written certification to CCA that includes:

- documentation proving the transfer of title and recorded deed,
- a copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner,
- The effective date of the HAP contract assignment,
- A written agreement with CCA assuming responsibility for and agreeing to comply with the terms of the HAP contract, and
- A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, CCA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family wants to stay with continued assistance, CCA will process the leasing in accordance with the policies in Chapter 9.

13-II.G. FORECLOSURE [Protecting Tenants at Foreclosure Act and Notice PIH 2010-49]

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). During the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective

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on the date of sale. However, the tenant is still entitled to a 90-day notice to vacate. Further, the new owner assumes interest in the lease between the prior owner and the tenant and to the HAP contract.

Any state or local law that provides longer time periods or other additional protections for tenants also applies.

CCA Policy

If a property is in foreclosure, CCA will make all reasonable efforts to determine the status of the foreclosure and ownership of the property. CCA will continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.

CCA will attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest and request for owner information including a tax identification (SSN) number and payment instructions from the new owner.

Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.

CCA will inform the tenant that they must continue to pay rent in accordance with the lease, and if the new owner refuses to accept payment or cannot be identified, the tenant must pay rent into a rent escrow account unless otherwise advised by the Court. Failure to pay rent is an independent ground for eviction.

If CCA is unable to make HAP payments to the new owner due to an action or inaction by the new owner that prevents such payments (e.g., rejection of payments or failure to maintain the property according to inspection standards), or due to an inability to identify the new owner, CCA will either use the funds to pay:

- The utilities that are the owner's responsibility after taking reasonable steps to notify the owner, except if the unit has been or will be rendered uninhabitable due to termination, or threat of termination, of service, in which case prior notice is not required. In the latter case, the PHA shall notify the owner within a reasonable time after making the utility payment, or
- For the family's reasonable moving costs, including security deposit costs.

CCA will also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

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Chapter 14 PROGRAM INTEGRITY

INTRODUCTION

CCA is committed to ensuring that subsidy funds made available to the PHA are spent in accordance with HUD requirements. This chapter covers HUD and PHA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and detecting program abuse. PHAs are required to use the EIV system at annual reexamination in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs must also:

- Provide applicants and participants with form HUD-52675, "Debts Owed to PHAs and Terminations",
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file.

CCA Policy

To ensure that CCA's HCV program is administered according to the highest ethical and legal standards, CCA employs a variety of techniques to ensure that both errors and intentional program abuse are rare. CCA requires discussion of program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

CCA will provide each applicant and participant with a copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

CCA will also provide each applicant and participant with a copy of "**What You Should Know about EIV**," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12 and require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

CCA will place a warning statement about the penalties for fraud, as described in 18 U.S.C. 1001 and 1010, on key forms and form letters that request information from a family or owner. In addition, CCA staff are required to review and explain the contents of all HUD- and PHA-required forms prior to requesting family member signatures.

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At every regular reexamination, CCA staff will explain any changes in HUD regulations or CCA's policy that affect program participants.

For owners, CCA will require first-time owners, or their agents, to participate in a briefing session on HAP contract requirements. CCA will provide owners with ongoing information about the program, as needed, and emphasize actions and situations to avoid during presentations and in the Landlord Handbook.

CCA will also provide each housing program staff person with the necessary training on program rules and the organization's standards of conduct and ethics.

For this chapter the terms:

- ***Error*** refers to an **unintentional** error or omission,
- ***Program abuse or fraud*** refers to a single act ***or*** pattern of actions that constitutes a false statement, omission, or concealment of a substantial fact, made with the intent to deceive, or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, PHAs will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires PHAs to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure compliance with NSPIRE standards [24 CFR, Part 985]. See Chapter 16 for additional information about SEMAP requirements.

CCA Policy

In addition to the SEMAP quality control requirements, CCA will employ a variety of methods to detect errors and program abuse.

CCA staff are required to routinely use HUD and other non-HUD sources of up-front income verification, including The Work Number and any other private or public databases available and used by employers in CCA's jurisdiction.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information. CCA staff must compare family-reported income and expenditures to detect possible unreported income with UIV sources as well as information reported by the family in previous reexaminations of eligibility.

Independent Audits and HUD Monitoring

2 CFR 200 (f) requires all PHAs that expend $1,000,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on- site and automated monitoring of PHA activities and notifies PHAs of errors and potential cases of program abuse.

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CCA Policy

CCA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the agency's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

CCA Policy

CCA encourages staff, program participants, and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the PHA Will Investigate

CCA Policy

CCA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. For CCA to investigate an allegation, it must contain at least one independently verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

CCA will investigate all instances of inconsistent or contradictory information detected through file reviews, document reviews, and the verification process.

Consent to Release of Information [24 CFR 982.516]

PHAs may investigate possible instances of error or abuse using all available PHA and public records. If necessary, a PHA will require HCV families to sign consent forms for the release of additional information.

CCA Policy

CCA requires applicant and program participant families to sign consent forms as part of the eligibility verification process. Forms include, but may not be limited to, the HUD 9886 form and the CCA Release of Information Form.

Analysis and Findings

CCA Policy

CCA bases its evaluation on a ***preponderance of the evidence*** collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence, which is offered in opposition to it or, in other words, evidence that shows that the fact to be proven is more probable than not. Preponderance of evidence is not determined by the number of witnesses, but by the greater weight of **all** evidence.

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For each investigation CCA will determine:

- whether an error or program abuse has occurred,
- whether any amount of money is owed to CCA, and
- what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether a PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

CCA Policy

For family-caused errors or program abuse, CCA will consider:

- the seriousness of the offense and the extent of participation or culpability of individual family members,
- any special circumstances surrounding the case,
- any mitigating circumstances related to the disability of a family member, and
- the effects of a particular remedy on family members who were not involved in the offense.

For owner-caused errors or program abuse, CCA will consider:

- the seriousness of the offense,
- the length of time since the violation has occurred, and
- the effects of a particular remedy on families or family members who were not involved in the offense.

Notice and Appeals

CCA Policy

CCA will notify the relevant party in writing of its findings and remedies within 10 business days of completing the investigation. The notice will include:

1. a description of the error or program abuse,
2. the methods CCA used to determine the error or program abuses,
3. the remedies to be used and,
4. when family caused errors or abuse are involved, the family's right to appeal the results through the informal review or hearing process per Chapter 16.

Owners do not have the right of appeal.

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PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes:

- an incorrect housing assistance payment to the owner,
- an incorrect family share established for the family, and
- an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, CCA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

CCA Policy

For CCA errors, increases in the family share will be implemented on the first of the month following a written 30-day notice. However, decreases in family share will be applied retroactively to the first month the decrease should have been effective, and additional HAP will be paid to the owner on behalf of the family.

The owner must credit the family's account to adjust for the supplemental payments received from CCA for the correction within 15 days of receiving the supplemental payment from CCA.

Reimbursement Errors or Abuse

Whether a family or owner is required to reimburse CCA or the PHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows a PHA to use incorrect information provided by a third party.

Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13]

CCA Policy

For family-caused errors or program abuse, the family will be required to repay any excess subsidy received. CCA may offer the family a repayment agreement in accordance with Chapters 12 and 16. If the family fails to repay the excess subsidy, CCA will terminate the family's assistance in accordance with the policies in Chapter 12.

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PHA Reimbursement to Family [HCV GB p. 22-12]

CCA Policy

CCA will not reimburse a family for any underpayment of assistance when the underpayment is caused by the family's actions or inaction.

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

CCA Policy

Evidence of family program abuse includes, but is not limited to:

- Payments made to the owner more than amounts authorized by CCA for rent, security deposit, and additional services,
- Offering bribes or illegal gratuities to the CCA Board of Commissioners, employees, contractors, or other CCA representatives,
- Using blackmail, offering payments, or offering other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to CCA on the family's behalf,
- Use of a false name,
- use of falsified, forged, or altered documents,
- Intentional misreporting of family information or circumstances such as income or family composition,
- Omitted facts that were known by a family member such as not reporting employment income,
- Admission of program abuse by an adult family member.

CCA may find other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family, and at its discretion, CCA may:

- Require the family to repay excess subsidy amounts paid by CCA, as described in this section.
- Require a culpable family member be permanently removed from the unit as a condition of receiving or continuing assistance. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- Deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- Refer a family to the state or federal government for criminal prosecution as described in section 14-II.E.

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14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements included in the regular process of offering, leasing, and maintaining a unit (e.g., NSPIRE compliance, fair housing) are in other chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner would be the result of an incorrect owner statement about the characteristics of the assisted unit such as the number of bedrooms, or which utilities will be paid by the family. It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to the PHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay excess subsidy received to CCA. The PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, may allow the owner to pay in installments through a repayment agreement [HCV GB p. 22-13].

CCA Policy

In cases where the owner has received excessive subsidy, CCA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Prohibited Owner Actions

Owners participating in the HCV program must not:

- Make false statements to a PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including the following:

CCA Policy

Any of the following will be considered evidence of owner program abuse:

- ❖ Charging the family rent above ***or*** below the amount specified by CCA,
- ❖ Charging a security deposit in an amount different from that specified in the family's lease,
- ❖ Charging the family for services that are provided to unassisted tenants at no extra charge,
- ❖ Knowingly accepting housing assistance payments for any month(s) after a family vacates a unit,
- ❖ Knowingly accepting incorrect or excess housing assistance payments,
- ❖ Offering bribes or illegal gratuities to the CCA Board of Commissioners, employees, contractors, or other CCA representatives,
- ❖ Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to CCA,
- ❖ Residing in the unit with an assisted family,

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- ❖ Committing sexual or other harassment, either "quid pro quo" or creating a hostile environment, based on the protected classes defined in Chapter 2,
- ❖ Retaliating against any applicant or participant for reporting/alleging sexual or other harassment based on the protected classes defined in Chapter 2,
- ❖ Retaliating against any applicant or participant for reporting program abuse, unit deficiencies, and other improper acts (in addition to those noted above).

Remedies and Penalties

When a PHA determines that an owner has committed program abuse, the PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any PHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a PHA staff member that constitute errors or program abuse related to the HCV program. Additional standards of conduct may be documented in the PHA personnel policy.

PHA-caused incorrect subsidy determinations include:

- failing to correctly apply HCV rules regarding family composition, income, assets, and expenses,
- assigning the incorrect voucher size to a family, and
- errors in calculation.

De Minimis Errors [24 CFR 5.609(c)(4)]

A PHA will not be considered out of compliance when making annual income determinations solely due to de minimis errors in calculating family income. A de minimis error is an error where a PHA's determination of family income deviates from the correct income determination by no more than

$30 per month in monthly adjusted income *($360 in annual adjusted income)* per family.

PHAs must take corrective action to credit or repay a family if the family was overcharged rent, including when PHAs make de minimis errors in the income determination. Families will not be required to repay CCA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. PHAs state in their policies how they will repay or credit a family for the amount they were overcharged because of the PHA's de minimis error in income determination.

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CCA Policy

CCA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error, staff program abuse, or a de minimis error. For amounts of $500 or less, CCA will issue payment to the landlord and request the landlord credit the amount overpaid by the family to their account. For amounts greater than $500, at its discretion CCA may issue payment as a reimbursement directly to the family.

Prohibited Activities

CCA Policy

Any of the following will be evidence of program abuse by CCA staff:

- Failing to comply with any HCV program requirements for personal gain,
- Failing to comply with any HCV program requirements due to a conflict-of-interest relationship with any applicant, participant, or owner,
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to CCA,
- Disclosing confidential or proprietary information to outside parties without authorization from the family or the family's legal representative,
- Profiting from insider knowledge of CCA Housing Program activities, policies, or practices,
- Misappropriating or misusing HCV funds,
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program,
- Committing any other corrupt or criminal act in connection with any federal housing program.

14-II.E. CRIMINAL PROSECUTION

CCA Policy

When program abuse by an owner, family, or CCA staff member occurs and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under North Carolina law, per NC General Statute § 157-29.1, CCA will refer the matter to the appropriate entity for prosecution.

When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG). Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES

PHAs may retain a portion of program fraud losses that a PHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163]. To do so, CCA must be the principal party initiating or sustaining the action to recover

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amounts due from tenants that are due because of fraud and abuse. 24 CFR 792.202 permits CCA to retain the greater of:

- Fifty (50) percent of the amount it collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the PHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be given the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the PHA related to the collection, these costs must be deducted from the amount retained by the PHA.

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Chapter 15 SPECIAL HOUSING TYPES

[24 CFR 982 Subpart M; New HCV GB, *Special Housing Types*]

INTRODUCTION

PHAs may permit a family to use any of the special housing types discussed in this chapter. However, PHAs are not required to permit families receiving assistance in their jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. PHAs also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types. Unless specifically modified by the regulations, housing quality standards apply to special housing types (Single Room Occupancy, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Homeownership units) [Notice PIH 2023-28].

CCA Policy

To increase the availability of affordable housing, CCA will permit families to use certain special housing types. Some of the housing types mentioned in the chapter are not included in the general policy but may be used if needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities. Policy language is included in this chapter where relevant in case CCA grants use as a reasonable accommodation.

CCA Policy on Manufactured Housing

CCA does not classify manufactured housing as a "special housing type". Families may rent manufactured housing (including the home and the lot) through the normal HCV program processes. Manufactured housing must meet basic housing quality standards and pass the NSPIRE inspection protocol and the rent must be affordable for the family as well as reasonable for the market. No special permission or reasonable accommodation is required. Manufactured homes are a recognized viable housing option for HCV program participants and will not be referenced again in this chapter.

Families who own a manufactured home but are seeking assistance with lot rent fall under CCA's manufactured housing policy above. No special permission is needed. The rental assistance calculation will follow HUD guidance for calculating assistance for lot rent.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

CCA Policy

CCA does not currently operate a homeownership program. Homeownership is not included in this chapter.

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A single unit cannot be designated as more than one type of special housing. PHAs cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing [New HCV GB, *Special Housing Types,* p. 3].

This chapter consists of the following six parts. Each part contains a description of the housing type and any special requirements associated with it. Except where modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy
Part II: Congregate Housing
Part III: Group Homes

Part IV: Shared Housing
Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605; Form HUD-52641; New HCV GB, Special Housing Types, p. 4]

15-I.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person. The standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Single room occupancy (SRO) housing."

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15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on the PHA's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero- bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility **is the lower of** the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I.C. SRO: HOUSING QUALITY STANDARDS [24 CFR 982.605(a)]

Housing quality standards requirements described in Chapter 8 apply to SRO housing except that sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:

- *Access*: Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety*: All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, large common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.
- Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards, the requirements discussed below apply [24 CFR 982.605].
- *Sanitary Facilities*: At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to males, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway to all persons sharing them and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security*: An SRO unit must contain *at least* 110 square feet of floor space, and *at least* four (4) square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

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For SRO housing, 24 CFR 5.703(d) only applies to the extent that the SRO unit contains the room or facility referenced in 24 CFR 5.703(d). Because no children live in SRO housing, the NSPIRE standards applicable to lead-based paint do not apply.

PART II: CONGREGATE HOUSING

[24 CFR 982.606 through 982.609; Form HUD-52641; New HCV GB,

Special Housing Types, p. 6]

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom, and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aide, if needed, as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "*This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Congregate housing.*"

15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area for the assisted family. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service **is not** included in the rent for a congregate housing unit.

15-II.C. CONGREGATE: HOUSING QUALITY STANDARDS

Housing quality standards requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below. Congregate housing is not subject to

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the requirement that the dwelling unit must have a kitchen area. In place of the NSPIRE standards related to food preparation and refuse disposal, congregate housing must have a refrigerator of appropriate size in the private living area of each resident, a central kitchen and dining facilities located within the premises and accessible to the residents, and food service for the residents, that is not provided by the residents themselves.

The congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

The NSPIRE applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

PART III: GROUP HOME

[24 CFR 982.610 through 982.614; Form HUD-52641; New HCV GB,

Special Housing Types, p. 8]

15-III.A. OVERVIEW

A group home is a state-approved (licensed, certified, or otherwise approved in writing by the state) facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

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A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. No more than 12 people may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a live-in aide, if needed, as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family. The standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "*This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Group home.*"

15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size (voucher size) for an assisted occupant of a group home must be zero- or one-bedroom. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro rata share of the payment standard for the group home size. The pro rata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted occupant in a group home is the pro rata share of the family unit size to the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the pro rata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA must consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III.C. GROUP HOME: HOUSING QUALITY STANDARDS

The entire unit must comply with housing quality requirements described in Chapter 8, except for the standards that relate to sanitary facilities, food preparation and refuse disposal, space and security, structure and materials, and site and neighborhood stated below.

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- *Sanitary Facilities*: A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service*: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security*: Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. Doors and windows accessible from outside the unit must be lockable.
- *Structure and Material*: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood*: Group homes must be in a residential setting. The site and neighborhood should be free from disturbing noises and reverberations, and other hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
  - Dangerous walks or steps
  - Instability
  - Flooding, poor drainage
  - Septic tank back-ups, sewage hazards
  - Mud slides
  - Abnormal air pollution
  - Smoke or dust
  - Excessive noise
  - Vibrations or vehicular traffic
  - Excessive accumulations of trash
  - Vermin or rodent infestation, and
  - Fire hazards.

The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six resides in the unit.

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PART IV: SHARED HOUSING

[24 CFR 982.615 through 982.618; Form HUD-52641; Notice PIH 2021-05;

New HCV GB, *Special Housing Types,* p. 11]

15-IV.A. OVERVIEW

Families in markets with tight rental conditions or with a prevalence of single-family housing may determine a shared housing living arrangement to be a useful way to secure affordable housing. PHAs offering shared housing as a housing solution may also experience a reduction in the average per- unit-cost (PUC) paid on behalf of assisted families.

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The unit may be a house or an apartment. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons.

Shared housing may be offered in a number of ways, including for-profit co-living (such as a boarding house, single bedroom with everyday living room/kitchen/dining room) run by a private company [Notice PIH 2021-05].

The owner of a shared housing unit may reside in the unit, but housing assistance cannot be paid on behalf of the owner. The resident owner cannot be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide, if needed, as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When shared housing is offered as a housing option, HUD encourages PHAs to consider ways in which the families may be assisted in finding shared housing, including for-profit shared housing matching (such as roommates or single-family homes) and online sites that charge a fee for their matching services, or nonprofit shared housing matching services. HUD further encourages PHAs to include information about this housing possibility in the family's voucher briefing.

CCA Policy

CCA permits shared housing for seniors, persons with disabilities, and persons who have experienced chronic homelessness without requiring a request for reasonable accommodation. CCA will provide information to families regarding the shared housing option at the briefing and upon request.

If housing matching or roommate matching services operate in Carteret County, CCA will provide families with that information so that they can conduct their own internet

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search. Families must not sign a rental agreement, pay any deposit, or pay a rental payment until the tenancy is approved by CCA.

Shared housing with other renters, whether assisted or unassisted, or the owner of the home requires both individual leases for each family (whether assisted or unassisted) and that rent includes all utilities. CCA will assist owners that need help creating an equitable rent and utility structure, if requested to do so.

PHAs should be aware of potential local legal barriers to HCV participants using shared housing, which can create additional obstacles for shared housing:

- Municipalities may have occupancy limits for the number of unrelated persons who may share a housing unit.
- Local zoning codes for single family housing may restrict occupancy in certain areas to households whose family members are related by blood.

PHAs should work with local authorities to find solutions that encourage affordable housing and are consistent with the Fair Housing Act, Title VI, and other federal, state, and local fair housing laws. PHAs should inform HUD if they encounter barriers to shared housing that may conflict with fair housing laws.

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CCA Policy

CCA will collaborate with local leaders and stakeholders to identify housing solutions consistent with fair housing laws and will inform HUD if we encounter barriers to shared housing that conflict with fair housing laws.

When providing HCV assistance in shared housing, each assisted family must have a separate lease and HAP contract. Use the standard form of the HAP contract (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "*This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Shared housing.*"

15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size (voucher size) or the pro rata share of the payment standard for the shared housing unit size.

Calculate the pro rata share by dividing the number of bedrooms available for occupancy by the assisted family in the private, non-shared space by the total number of bedrooms in the unit.

Example: Family holds a two-bedroom voucher.

Shared housing unit size: bedrooms available to assisted family = 2
Total bedrooms in the unit: 3

2 Bedrooms for assisted family

÷ 3 Bedrooms in the unit

.667 pro rata share

2 BR payment standard: $1200

3 BR payment standard: $1695 $1695 x .667 (pro rata share) = $1131 $1131 is lower than the $1200 payment standard for the 2 BR family unit size $1131 is the payment standard used to calculate the HAP

The HAP for a family in shared housing **is the lower of** the payment standard minus the TTP or the gross rent minus the TTP.

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The utility allowance for an assisted family living in shared housing is the pro rata share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals $200 The

utility allowance for a 2-bedroom unit equals $100

The pro rata share of the utility allowance is $150 (3/4 of $200)

The PHA will use the pro rata share of the utility allowance of $150.

The rents paid for families living in shared housing are subject to applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro rata portion of the reasonable rent for the shared unit. In determining reasonable rent, PHAs may consider whether sanitary and food preparation areas are private or shared.

Use of Exception Payment Standards [Notice PIH 2025-12]

If a PHA determines that an exception payment standard higher than 120 percent of the FMR/SAFMR for the unit size may be necessary as a reasonable accommodation, the PHA must submit a request to the appropriate HUD field office. For shared housing, the threshold for requiring HUD approval of an exception payment standard as a reasonable accommodation is based on the FMR of the voucher size approved for the family. The pro-rata calculation required for shared housing only applies to the payment standard and utility allowance. The pro-rata calculation should not be applied to the FMR. The payment standard for a family that resides in shared housing is the lower of: (1) the payment standard amount on the PHA payment standard schedule for the family unit size; or (2) the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the size of the shared housing unit. See Appendix A of Notice PIH 2025-12 for an example of the shared housing calculation.

15-IV.C. SHARED HOUSING: HOUSING QUALITY STANDARDS

PHAs may not give approval to reside in shared housing unless the ***entire*** unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

Housing quality requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family*: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.

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- *Space and Security*: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two people in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size (voucher size). HUD does not permit using a zero-bedroom or one-bedroom for shared housing.

PART V: COOPERATIVE HOUSING

[24 CFR 982.619; New HCV GB, *Special Housing Types,* p. 14]

CCA does not permit Cooperative Housing, except under reasonable accommodation rules.

15-V.A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged "rent" a cooperative member is charged a "carrying charge." The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. It does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

The occupancy agreement or lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner and the rent must be reasonable as compared to comparable unassisted units.

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used with the special housing type specified in Part A of the HAP contract, as follows: "*This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Cooperative housing.*"

15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the gross rent (monthly carrying charge for the unit, plus any utility allowance) minus the TTP. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to

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cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V.C. COOPERATIVE: HOUSING QUALITY STANDARDS

All housing quality standard requirements apply to cooperative housing units. There are no additional requirements. The PHA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with NSPIRE standards, the PHA may exercise all available remedies regardless of whether the family or cooperative is responsible for the breach of housing quality standards.

No housing assistance payment can be made unless unit meets housing quality standards and the defect is corrected within the period as specified by the PHA and the PHA verifies correction (see Chapter 8).

In addition to regular deficiencies, breaches of housing quality standards by the family include failure to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement [HCV GB].

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PART VI: MANUFACTURED HOMES

[24 CFR 982.620 through 982.624; FR Notice 1/18/17; New HCV GB,

Special Housing Types, p. 15;]

15-VI.A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

1. A family can choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special NSPIRE requirements as provided in 15-VI.D. below.
2. HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. PHAs may, but are not required to, help with such families.

15-VI.B. SPECIAL REQUIREMENTS FOR MANUFACTURED HOMEOWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

There is a designated HAP Contract (form HUD-52642) and designated Tenancy Addendum (form HUD 52642-A) for this special housing type.

15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION [FR Notice 1/18/17]

Payment Standards

The PHA payment standard for manufactured homes is determined in accordance with 24 CFR

982.505 and is the payment standard used for the PHA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

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Utility Allowance [24 CFR 982.624]

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance is not given to a family that leases in place. Utility allowances for manufactured home space **do not** include the costs of digging a well or installing a septic system.

If the amount of the monthly assistance payment for a family exceeds the monthly rent for the manufactured home space (including the owner's monthly management and maintenance charges), the PHA may pay the remainder to the family, lender, or utility company.

Space Rent [24 CFR 982.622]

Rent to owner for rental of a manufactured home space includes payment for maintenance and services that the owner must provide to the tenant under the lease for the space. Rent to owner does not include the costs of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

Amortization Costs

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

Housing Assistance Payment [24 CFR 982.623(a)]

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the manufactured home space rent (including other eligible housing expenses) minus the TTP.

Eligible Housing Expenses [24 CFR 982.623(b)]

The family's eligible housing expenses are the total of:

- The rent charged by the owner for the manufactured home space.
- Charges for the maintenance and management the space owner must provide under the lease.
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home established at the time of application to a lender for financing the

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purchase of the manufactured home if monthly payments are still being made, including any required insurance and property taxes included in the loan payment to the lender.

  - Any increase in debt service or term due to refinancing after purchase of the home may not be included in the amortization cost.
  - Debt service for installation charges incurred by a family may be included in the monthly amortization payments. Installation charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

- The applicable allowances for tenant-paid utilities, as determined under 24 CFR 982.517 and 982.624.

Rent Reasonableness

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent. Initially, and at least annually thereafter, the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly housing assistance payment, the owner of the manufactured home space certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the same manufactured home park or elsewhere.

If requested by the PHA, the owner must give the PHA information on rents charged by the owner for other manufactured home spaces.

Distribution of HAP [24 CFR 982.623(c)]

The PHA pays the owner of the space the lesser of the housing assistance payment or the portion of the monthly rent due to the owner. The portion of the monthly rent due to the owner is the total of:

- The actual rent charged by the owner for the manufactured home space; and
- Charges for the maintenance and management the space owner must provide under the lease.

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, the PHA may pay the balance of the housing assistance payment to the family. Alternatively, the PHA may pay the balance to the lender or utility company, in an amount no greater than the amount due for the month to each, respectively, subject to the lender's or utility company's willingness to accept the PHA's payment on behalf of the family.

CCA Policy

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, CCA will pay the balance to the lender or utility company as designated by the family.

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Single HAP to Family [24 CFR 982.623.(d)]

If the owner of the manufactured home space agrees, the PHA may make the entire housing assistance payment to the family, and the family is responsible for paying the owner directly for the full amount of rent of the manufactured home space due to the owner, including owner maintenance and management charges.

CCA Policy

CCA will not exercise the option to pay a single HAP and will pay HAP directly to the owner.

15-VI.D. MANUFACTURED HOMES: HOUSING QUALITY STANDARDS [24 CFR 982.621]

Under either type of occupancy described in 15-VI.A. above, the manufactured home must meet all housing quality standards performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

Performance Requirement

A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.

Acceptability Criteria

The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

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Chapter 16
PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the PHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the PHA. This part describes policies for recovery of monies that the PHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the PHA will offer repayment agreements to owners and families. Also discussed are the consequences of failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a PHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VII: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the PHA's responsibilities for reporting, data collection, and record keeping relative to children with elevated blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the PHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking; and maintaining the confidentiality of information obtained from victims.

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PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

PHAs will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for "other housing purposes permitted by state and local law," in accordance with 24 CFR 982.155(b)(1).

In addition, as specified in Notice PIH 2022-18, PHAs may use administrative fee funding for both administrative and "other expenses" needed to employ strategies and undertake activities beyond regular administrative responsibilities to facilitate the successful leasing and use of housing choice vouchers by families, such as through the use of security deposit assistance and landlord recruitment and incentive payments, among other allowable expenses specified in the notice. PHAs are also permitted to use UNP for these expenses [Notice PIH 2022-18].

If a PHA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNP Account and may direct the PHA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires PHA Boards of Commissioners or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

CCA Policy

Expenditures from the UNP account will be made in accordance with all applicable federal requirements. Expenditures limits will mirror CCA's financial policy about what may be expended without the prior approval of CCA's Board of Directors.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

16-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow PHAs to adapt the program to local conditions. This part discusses how a PHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters.

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The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

CCA Policy

CCA makes copies of the payment standard and utility allowance schedules available on its website providing 24-hour access to current information. The information may also be reviewed in CCA's offices during normal business hours.

CCA accepts written comments from families, owners, and members of the public on the schedules discussed in this part at any time and will consider comments received during the annual review and revision cycle.

CCA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for 3 years in accordance with our record retention policy.

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7 and Notice PIH 2024-34]

Payment standards set the maximum subsidy payment a family can receive from a PHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

In the HCV program, the FMR may be established at the ZIP code level, metropolitan market area level, or nonmetropolitan county level. Within each FMR area, the applicable FMR is the HUD-published:

- Small Area FMR (SAFMR);
  - For any metropolitan area designated as an SAFMR area; or
  - Anywhere a PHA has notified HUD it will voluntarily use SAFMRs;
- Metropolitan FMR for any other metropolitan area; or
- FMR for any other non-metropolitan county.

Each PHA must establish a payment standard schedule that sets payment standard amounts for each FMR area within the PHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the PHA may establish a single payment standard amount for the whole FMR area or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, PHAs are required to establish a payment standard within a "basic range" established by HUD.

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The Basic Range [24 CFR 982.503(c) and Notice PIH 2024-34]

The PHA may establish a payment standard within the "basic range" established by HUD— between 90 and 110 percent of the published FMR for each unit size – without prior approval from or notification to HUD. For each payment standard area, the PHA must establish a payment standard amount for each unit size which may be based on the same percentage of the published FMR (for example, all units at 100 percent of FMR), or the PHA may set different payment standards for different unit sizes (for example, 1-bedrooms at 90 percent and 2-bedrooms at 100 percent of the FMR).

Exception Payment Standards [24 CFR 982.503(d), Notice PIH 2018-01, Notice PIH 2024-34, and FR Notice 9/27/21]

There are several options available to increase payment standards above the basic range. These are known as *exception payment standards,* which are payment standards that exceed 110 percent of the published FMR. The following are types of exception payment standards:

- Payment standards based on SAFMRs in ZIP codes where the SAFMR is higher than the applicable metropolitan or non-metropolitan county FMR
- Payment standards greater than 110 percent up to 120 percent of the applicable FMR
- Payment standards over 120 percent of the applicable FMR
- Payment standards up to 120 percent of the FMR for Veterans Affairs Supportive Housing (HUD-VASH)
- Payment standards necessary as a reasonable accommodation

Payment Standards Greater than 110 Percent Up to 120 Percent: Upon notification to HUD, a PHA may establish exception payment standards between 110 percent and 120 percent of the applicable FMR if the PHA meets one of the following criteria:

- Success rate: Fewer than 75 percent of families to which the PHA has issued tenant-based vouchers during the most recent 12-month period for which there is success rate data available have become participants on the program; or
- Rent burden: More than 40 percent of families with tenant-based assistance pay more than 30 percent of their adjusted income as their family share.

The PHA may revert back to the basic range at any time without notification to HUD.

PHAs may combine exception payment standards based on the SAFMR and exception payment standards greater than 110 and up to 120 percent.

Other Exception Payment Standards

PHAs may request HUD approval to establish exception payment standards up to 120 percent of the FMR when the above criteria do not apply or in order to establish exception payment standards that exceed 120 percent of the FMR. Requests may be made for an entire FMR area or a designated part of the FMR area.

Exception Payment Standards for VASH

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In addition, HUD allows PHAs to establish a HUD-Veterans Affairs Supportive Housing (HUD-VASH) exception payment standard. PHAs may go up to but no higher than 120 percent of the FMR or SAFMR specifically for VASH families. PHAs who want to establish a VASH exception payment standard over 120 percent must still request a waiver from HUD (See Section 19-III.E.).

Once exception payment standards are adopted, the PHA may use the exception payment standard for all units, or for only units of a particular size. The exception payment standard may be established for a designated part of the FMR area (called an "exception area") or for the entire FMR area. Exception areas are typically county, city, town, ZIP code, or census tract areas. However, so long as the exception area is no smaller than census tract block group, the PHA may determine the area for the exception area.

CCA Policy

CCA has not established exception payment standards.

Reasonable Accommodation [24 CFR 982.503(d)(5), Notice PIH 2025-12, and Notice PIH 2024-34]

Unit-by-unit exceptions to the PHA's payment standards generally are not permitted. However, an exception may be made on a case-by-case basis as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) When a family requires a unit with specific features or for other disability-related reasons to accommodate a family member with a disability, and the family is unable to find a unit with those features or that otherwise meets the disability-related need within the established payment standard, the family may request an exception to the established payment standard as a reasonable accommodation. This type of exception does not affect the PHA's payment standard schedule. Examples of circumstances that may qualify for an exception payment standard include, but are not limited to:

- Accessibility features such as accessible bathrooms or larger doorways;
- Access to ground-level units or elevators for wheelchair/mobility devices;
- Units with features to benefit individuals with hearing or visual impairments;
- Proximity to medical providers or other services/supports;
- Accessible parking on the premises;
- Accessible to essential services or daily life activities;
- Proximity to public transit or to other accessible transportation; and
- Location with sidewalks for individuals who use wheelchairs/mobility devices.

The PHA must evaluate each request on a case-by-case basis. If required as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR/SAFMR for the unit size (or in the case of VASH, up to 140 percent of the FMR/SAFMR).
The PHA may request HUD approval in accordance with Notice PIH 2025-12 for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR/SAFMR.

Unless the disability or the disability-related need is obvious, readily apparent, or already known, the family must document the disability-related need for the exception payment standard. In order to approve an exception, or request an exception from HUD, a PHA must determine that:

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- There is a disability-related need for the particular unit (which may include location);
- The gross rent for the unit is above the PHA's payment standard;The family share would otherwise exceed 40 percent of adjusted monthly income; and
- The rent for the unit is reasonable.

The exception payment standard for the specific dollar amount approved by the PHA or HUD remains effective as long as the family has a disability-related need for the features of the approved unit, and the rent remains reasonable. Requests for a higher exception payment standard for the same unit due to rent increases or changes in the family's income should only be submitted to HUD when the rent is no longer affordable to the family, typically (though not exclusively) when the family share exceeds 40 percent of adjusted monthly income, and if the higher payment standard is above 120 percent of the FMR/SAFMR in effect at the time the PHA determines that the higher payment standard is necessary.

Payment Standard below the Basic Range [24 CFR 982.503(e) and Notice PIH 2024-34]

PHAs must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will consider rent burden on families assisted under the program.

Updating Payment Standards [24 CFR 982.503(c)(3) and Notice PIH 2023-24]

HUD publishes FMRs in the *Federal Register* and also makes them available on the HUD website with an effective date of October 1. When HUD updates its FMRs, each PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require a PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)]. PHAs must include a copy of the payment standard schedule in the voucher briefing materials, and HUD strongly encourages PHAs to post their payment standard schedule on their website.

CCA Policy

CCA reviews the appropriateness of the HCV program's payment standards annually when the new FMR notice is published. CCA may review the payment standards more often due to budgetary or market factors or at HUD's direction.

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In addition to ensuring the payment standards are within the "basic range" CCA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

- **Funding Availability**: CCA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. CCA weighs factors such as the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.
- **Rent Burden of Participating Families:** Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA will consider increasing the payment standard. However, CCA will not include families renting a *larger* unit than their family unit size when evaluating rent burden.
- **Quality of Units Selected**: CCA may review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing. This evaluation ensures that payment standard increases are only made as needed to reach the mid-range of the market.
- **Changes in Rent to Owner**: CCA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percentage of increases/decreases by bedroom size.
- **Unit Availability:** CCA may review the availability of units for each unit size in areas with low concentrations of poor and minority families.
- **Lease-up Time and Success Rate**: CCA may also consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing. This consideration will include whether affordability or the area's housing capacity overall is having the most impact on leasing success.

Effective dates of changes to payment standard amounts will be determined at time of update. CCA always ensures the payment standards are within the basic range.

Voluntary Use of Small Area FMRs [24 CFR 982.503, Notice PIH 2018-01]

PHAs that administer vouchers in a metropolitan area where the adoption of SAFMRs is not required may request approval from HUD to voluntarily adopt SAFMRs. SAFMRs may be voluntarily adopted for one or more zip code areas.

CCA Policy

CCA has not adopted the use of SAFMRs within its jurisdiction as of this writing.

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16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must maintain a utility allowance schedule for

- all tenant-paid utilities,
- the cost of tenant-supplied refrigerators and ranges, and
- other tenant-paid housing services such as trash collection.

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

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the PHA about establishing utility allowance schedules.

The PHA must state its policy for utility allowance payments in the administrative plan and apply it consistently to all households. The PHA must provide a copy of the utility allowance schedule to HUD.

Energy Efficient Utility Allowance [24 CFR 982.517(b)(2)(ii)]

In addition to the area-wide utility allowance standard, the PHA may maintain an area-wide, energy efficient utility allowance schedule to be used for units that are in a building that meets Leadership in Energy and Environmental Design (LEED) or Energy Star standards.

CCA Policy

CCA does not maintain an energy efficient utility allowance schedule.

Air Conditioning [24 CFR 982.517(b)(1)(iii)]

An allowance for air conditioning must be provided when the majority of housing units in the market have central air conditioning or are wired for tenant-installed air conditioners.

CCA Policy

CCA includes an allowance for air conditioning in its schedule. A window or a portable air conditioner must be present in a unit and noted on the RTA in order for CCA to apply this allowance to a family's rent and subsidy calculations. For heat pumps and forced air (HVAC) systems, the cost is built into electricity consumption cost for using of the system.

Reasonable Accommodation and Individual Relief

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Upon request from a family that includes a person with disabilities, a PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)]. See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

Further, a PHA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, ill, or residents with disabilities, or special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA with an explanation of the need for the individual relief and information about the amount of additional allowance required [see HCV GB, p. 18-8].

PHAs should develop criteria for granting individual relief and to notify residents about the availability of individual relief, and also to notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company. Policies for granting exceptions to utility allowances can be found in Section 6-III.D. of this plan.

Utility Allowance Revisions

Each PHA must review its schedule of utility allowances annually and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised [24 CFR 982.517(c)(1)].

Each PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: INFORMAL REVIEWS AND HEARINGS

16-III.A. OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain PHA decisions that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section.

The process for *applicant* appeals of PHA decisions is called the "informal review." For *participants* (or applicants denied admission because of citizenship issues), the appeal process is called an "informal hearing." PHAs are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d)(12) and (13)].

16-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program but is not yet a participant in the program. Informal reviews are intended to provide a "minimum hearing requirement" [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements [*Federal Register* 60, no. 127 (3 July 1995): 34690].

Decisions Subject to Informal Review [24 CFR 982.554(a) and (c)]

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A PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list,
- Denying or withdrawing a voucher,
- Refusing to enter into a HAP contract or approve a lease,
- Refusing to process or provide assistance under portability procedures.

Informal reviews are ***not* required** for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA,
- General policy issues or class grievances,
- A determination of the family unit size under the PHA subsidy standards,
- A PHA determination not to approve an extension of a voucher term,
- A PHA determination not to grant approval of the tenancy,
- A PHA determination that the unit is not in compliance with NSPIRE standards, or
- A PHA determination that the unit does not meet space standards.

CCA Policy

CCA offers an informal review to applicants for whom assistance is being denied according to the above section, including:

- denying listing on the PHA waiting list,
- denying or withdrawing a voucher,
- refusing to enter into a HAP contract or approve a lease, or
- refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

PHAs must give applicants prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

CCA Policy

CCA provides applicants an opportunity for an informal review when a disagreement with the decision to deny assistance occurs. Informal reviews may be documentary, virtual, or in-person based on the choice of the family.

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A request for an informal review must be made in writing. The written request must be delivered to CCA by 5 p.m., no later than 10 business days from the date of the letter stating assistance is denied. CCA accepts the requests by email, fax, in person or by first class mail.

Documentation refuting the contested information may be supplied with the informal review request as the basis for a documentary review.

For scheduled in-person or virtual meeting, the documentation refuting the contested information is due five days prior to the meeting date.

CCA will schedule and send written notice of the informal review within 10 business days of the family's request for an in-person or virtual meeting. If an in-person meeting is not possible due to a public emergency such as a natural disaster or pandemic, CCA will offer a virtual meeting only. Otherwise, in-person meetings will occur at CCA's administrative office.

CCA does not restrict the use of virtual meetings to ensure that families have the option to utilize the program in an environment that is least restrictive for each family.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person. Applicants must be provided with an opportunity to present written or oral objections to the PHA's decision.

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Remote Informal Reviews [Notice PIH 2020-32]

There is no requirement that informal reviews be conducted in-person. HUD allows PHAs to conduct all or a portion of their informal review remotely either over the phone, via video conferencing, or through other virtual platforms. If a PHA chooses to conduct remote informal reviews, applicants may still request an in-person informal review, as applicable.

CCA Policy

Informal reviews may be conducted virtually at the request of the family for reasonable accommodation purposes, to enable an LEP family to work with an interpreter of their choice, or when transportation is a barrier to attendance. If a family requests a virtual appointment, CCA will notify the family of the informal review process including:

- the date and time of the informal review, and
- how to access the meeting, including codes needed for logging in to the meeting and that, if needed, CCA will provide technical assistance prior to and during the informal review.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal reviews, the platform for conducting remote informal reviews must be accessible to persons with disabilities and the informal review must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts.

Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal review process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal review is available that appropriately accommodates an individual's disability, a PHA may not hold an inability to participate in the remote informal review against an individual and should consider whether postponing a remote informal review to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

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CCA Policy

For applicants who may require language assistance, CCA may use artificial intelligence, a PHA staff person who can interpret, and/or machine translation to communicate unless an advocate is available to interpret for the agency. CCA will permit families to bring an advocate or other adult representative to assist in communications.

Conducting Remote Informal Reviews

PHAs must ensure that the lack of technology or inability to use technology for remote informal reviews does not pose a disadvantage to families that may not be apparent to the PHA. A PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal review and, if the family does not have the proper technology to fully participate, either postpone the informal review or provide an alternative means of access.

As with in-person informal reviews, PHAs must provide all materials presented, whether paper or electronic, to the family prior to the remote informal review. The family must also be provided with an accessible means by which to transmit their own evidence.

PHAs must ensure that the applicant has the right to hear and be heard. PHA policies and processes for remote informal reviews must be in accordance with due process requirements and comply with HUD regulations at 24 CFR 982.554 and guidance specified in Notice PIH 2020-32.

CCA Policy

Virtual informal reviews will be performed using Zoom, MS Teams, Google Meets or a similar virtual meeting platform. If barriers or technical difficulties prevent applicants from adequately accessing the video conferencing platform, the informal review may be conducted by telephone conferencing upon applicant request. If the family is unable to adequately access the teleconference at any point, the remote informal review will be postponed, and an in-person alternative will be scheduled within a reasonable time.

Documents will be shared electronically with all parties whenever possible. At least three business days prior to the scheduled remote review, CCA will provide the family with login information and an electronic copy of all materials being presented via email. If barriers arise that prevent a remote review, CCA will reschedule the meeting to occur in person.

For remote reviews, CCA requires the family to provide any documents directly relevant to the informal review at least 48 hours before the scheduled review through the mail or via email.

CCA will ensure that all electronic information stored or transmitted with respect to the informal review is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and other persons who need communication assistance.

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Informal Review Decision [24 CFR 982.554(b)]

The PHA must notify the applicant of its final decision, including a brief statement of the reasons for the final decision.

CCA Policy

In making a decision, CCA will evaluate the following:

- Whether or not the grounds for denial were stated factually in the notice to the family.
- The validity of the grounds for denial of assistance specific to the regulations.
- The validity of the evidence including whether the facts presented prove the grounds for denial of assistance.
    - If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.
    - If the facts prove the grounds for denial, and the denial is discretionary, CCA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

CCA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be sent via e-mail and U. S. mail within 10 business days of the informal review, to the applicant and/or their representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for/participate in their informal review, the denial of admission will stand, and the family will be notified.

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for determinations relating to a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

CCA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing is complete. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease,
- Terminating housing assistance payments under an outstanding HAP contract,
- Refusing to process or provide assistance under portability procedures.

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Decisions Subject to Informal Hearing

A PHA ***is required*** to give a participant family an opportunity for an informal hearing under the following circumstances include a determination:

- of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment,
- of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule,
- of the family unit size under the PHA's subsidy standards,
- to terminate assistance for a participant family because of the family's actions or failure to act,
- to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules,
- to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)].

Circumstances in which an informal hearing is ***not required*** are as follows:

- Discretionary administrative determinations by the PHA,
- General policy issues or class grievances,
- Establishment of the PHA schedule of utility allowances for families in the program,
- A PHA determination not to approve an extension of a voucher term,
- A PHA determination not to approve a unit or tenancy,
- A PHA determination that a unit selected by the applicant is not in compliance with NSPIRE standards,
- A PHA determination that the unit is not in accordance with space standards because of family size,
- A determination by a PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract.

CCA Policy

CCA will offer participants the opportunity for an informal hearing only when required to by the regulations. CCA will also offer an informal hearing, if requested by the participant, when a request for a reasonable accommodation is denied (see Chapter 2).

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Remote Informal Hearings [Notice PIH 2020-32]

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal hearings, applicants may still request an in-person informal hearing, as applicable.

CCA Policy

CCA may require informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

CCA does not restrict the use of virtual meetings to ensure that families have the option to utilize the program in an environment that is least restrictive for each family and will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have child care or transportation that would enable them to attend the informal hearing in person, or if the participant believes an in-person hearing would create an undue health risk.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearings must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts.

Auxiliary aids or services must be provided timely, in accessible formats, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal hearing process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting remote informal hearings is available that appropriately accommodates an individual's disability, CCA may not hold against the individual their inability to participate in the remote informal hearing, and the PHA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

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Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

Conducting Informal Hearings Remotely

PHAs must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal hearing and, if the family does not have the proper technology to fully participate, either postpone the informal hearing or provide an alternative means of access.

As with in-person informal hearings, a PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

A PHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 982.555 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

CCA Policy

Virtual Informal Hearings will be performed using Zoom, MS Teams, Google Meets or a similar virtual meeting platform. If barriers or technical difficulties prevent participants from adequately accessing the video conferencing platform, the informal hearing may be conducted by telephone conferencing upon participant request. If the family is unable to adequately access the teleconference at any point, the remote informal hearing will be postponed, and an in-person alternative will be scheduled within a reasonable time.

Documents will be shared electronically with all parties whenever possible. At least three business days prior to the scheduled remote hearing, CCA will provide the family with login information and an electronic copy of all materials being presented via email. If barriers arise that prevent a remote hearing, CCA will reschedule the meeting to occur in person.

For remote hearings, CCA requires the family to provide any documents relevant to the informal review at least 48 hours before the scheduled review through the mail or via email.

CCA will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and other persons who need communication assistance.

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Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When a PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, CCA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

CCA Policy

When CCA makes a decision for which an informal hearing must be offered, the notice to the family will include the following:

- A description of the proposed action or decision.
- A brief statement of the reasons for the decision, including the regulatory reference.
- The date the proposed action will be effective.
- A statement of the family's right to an explanation of the basis for the decision.
- Notification of the family's right to request an informal hearing about the decision.
- The deadline for the family to request an informal hearing.
- The contact person for the hearing request.
- A handout of CCA's hearing procedures.
- The family's ability to request a virtual informal hearing.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, and upon request from the family, CCA must proceed with the hearing in an expeditious manner.

CCA Policy

Requests for an informal hearing must be made in writing. The request must be delivered to CCA by 5 p.m., no later than 10 business days from the date of the letter from CCA's notice to the family of its decision or proposed termination of participation. CCA accepts the requests by email, fax, in person or by first class mail.

CCA will schedule the hearing, then send written notice of the informal hearing within 10 business days of the family's request. Unless an in-person meeting is not possible due to a public emergency such as a natural disaster, meetings will be at CCA's main office unless a family requests a virtual meeting.

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CCA does not restrict the use of virtual meetings to ensure that families have the option to utilize the program in an environment that is least restrictive for each family. If a hearing will be conducted remotely, the notice to the family will include:

- the processes involved in a remote informal hearing,
- the date and time of the informal hearing, and
- how to access the meeting, including codes needed for logging in to the meeting and that, if needed, CCA will provide technical assistance prior to and during the informal hearing.

The family may request a rescheduling of a hearing for good cause, or if needed as a reasonable accommodation for a person with disabilities. ***Good cause*** is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

Requests to reschedule a hearing must be made *at least* 24 hours before the hearing date, but may be made either orally or in writing, including via e-mail. CCA may request documentation of the "good cause" before rescheduling the hearing.

If the family does not appear within 15 minutes of the scheduled time, CCA's decision will stand, unless the family demonstrates good cause for missing the hearing. The family must contact CCA within 24 hours of the scheduled hearing date, excluding weekends and holidays, and show good cause for failing to appear, including if it was related to a reasonable accommodation for a person with disabilities.

If the family cannot show good cause for the failing to appear or how the failure to appear was related to a reasonable accommodation for a person with disabilities, CCA's decision will stand.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and PHAs are permitted pre-hearing discovery rights. The family must be given the opportunity to examine any PHA documents that are directly relevant to the decision before the hearing. The family is allowed to copy any such documents at their own expense. If a PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing. For the purpose of informal hearings, *documents* include records and regulations.

CCA Policy

CCA makes documentary evidence available to families for review. Families are allowed to copy any documents related to the hearing at their own expense. The family must request discovery of CCA documents no later than 12:00 p.m. at least three business days prior to the scheduled hearing date.

If the hearing is conducted remotely, documents will be shared electronically whenever feasible and considering any concerns about legibility. CCA will compile a hearing packet consisting of all documents it intends to utilize at the informal hearing for the hearing officer and e-mail copies of the hearing packet to the hearing officer, the family, and the family's representatives, if any, at least two days before the scheduled remote informal hearing. The original hearing packet will be retained by the CCA.

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CCA hearing procedures may include a requirement that the PHA must be given the opportunity to examine any family documents that are directly relevant to the hearing at the PHA offices before the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document(s) available for examination on request of CCA, the family may not rely on the document(s) at the hearing.

Regardless of the style of hearing, whether in person or remote, CCA requires pre-hearing discovery of relevant documents from the family at least three days prior to the hearing. The family may provide relevant documents through the mail, via email, or secure on-line folder. The family may not utilize documents not presented to CCA in pre-hearing discovery.

If the informal hearing is to be conducted remotely, CCA will ensure that copies of these documents are provided to the hearing officer and CCA's designated representative for the hearing by close of business on the date the documents are received.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

The family may be represented by a lawyer or other representative at the informal hearing at their own expense.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings are conducted by a person or persons approved by CCA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

CCA Policy

CCA's Executive Director is the designated Hearing Officer except when:

- S/he is unavailable and appoints a substitute,
- S/he designates another person to serve in that role,
- S/he was involved in the decision to terminate, in which case a third party entity with knowledgeable professionals and HCV program experience will provide Hearing Officer services.

Attendance at the Informal Hearing

CCA Policy

In addition to the Hearing Officer, the hearings may be attended by the following persons, as applicable:

- CCA's representative(s) and witnesses for CCA,
- The participant and witnesses for the participant,
- The participant's counsel or other representative chosen by the participant, including interpreters that the participant chooses to employ, and
- Any other person approved by CCA as a reasonable accommodation for a person with a disability.

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Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

CCA Policy

The hearing officer manages the order of business and ensures that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct developed by CCA.

Any person demonstrating disruptive, abusive, or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

CCA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

- **Oral evidence**: the testimony of the participant and/or witnesses.
- **Documentary evidence**: Forms, letters, reports, and other written information which is relevant to the case such as a Verification of Employment form and including all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes, symbols, or combinations thereof.
- **Demonstrative evidence**: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- **Real evidence**: A tangible item relating directly to the case.

Hearsay Evidence is evidence not based on a witness' personal knowledge. Hearsay evidence carries no weight when making a finding of fact. The hearing officer may include hearsay evidence in their consideration only if it is corroborated by evidence from one of the four categories above. Even though hearsay evidence is admissible in a hearing, a decision must not be based on hearsay alone. Hearsay evidence may be included when there is clear probative value to it and its credibility is corroborated as previously indicated, and the party seeking to use such evidence has otherwise met the burden of proof.

If either party, CCA or the family, fails to comply with the discovery requirements described above, the hearing officer will refuse to admit evidence not presented during discovery. Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

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Procedures for Rehearing or Further Hearing

CCA Policy

The hearing officer may ask the family for additional information and/or may adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the opportunity to provide additional information expires automatically. CCA's action will take effect. The family will not be granted another hearing.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The hearing officer must issue a written decision that includes a brief statement of the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

CCA Policy

In rendering a decision, the hearing officer will consider the following:

Notice to the Family: The hearing officer will determine if the reasons for CCA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if CCA and the family were given the opportunity to examine any relevant documents in accordance with CCA policy.

Evidence to Support CCA's Decision: The evidence consists of the facts presented. Evidence is neither a conclusion nor an argument. The hearing officer will evaluate the facts to determine if they support CCA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the grounds for termination of assistance is one of the grounds specified in the HUD regulations and CCA policies. If the grounds for termination are not specified in the regulations or in compliance with CCA policies, then the decision will be overturned.

The hearing officer will issue a written decision to the family and CCA no later than 10 business days after the hearing. The report will contain the following information:

- **Hearing information:**
  - Name of the participant,
  - Date, time and place of the hearing,
  - Name of the hearing officer,
  - Name of the PHA representative, and
  - Name of family representative (if any).
- **Background**: A brief, impartial statement of the reason for the hearing.
- **Summary of the Evidence**: A summarization of the testimony of each witness and identify any documents that a witness produced in support of their testimony and that are admitted into evidence.

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- **Findings of Fact:** All findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it. In other words, the evidence as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence is determined by the greater weight of all evidence.
- **Conclusions:** The hearing officer's conclusion derived from the facts that were found to be true by a preponderance of the evidence and the resulting determination of whether these facts uphold the CCA's decision.
- **Order:** A statement of whether CCA's decision is upheld or overturned. If overturned, the hearing officer will instruct CCA to change the decision in accordance with the determination. In the case of termination of assistance, this includes restoration of the participant's program status.

Issuance of Decision [24 CFR 982.555(e)(6)]

A copy of the hearing must be furnished promptly to the family.

CCA Policy

The hearing officer will provide a "Notice of Hearing Decision" to CCA and the participant at the same time. This notice will be sent by first-class mail and by email when both are possible. The participant will be mailed the original "Notice of Hearing Decision". CCA will retain a copy of the proof of mailing and a copy of the notice in the file.

Effect of Final Decision [24 CFR 982.555(f)]

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, or by decisions that exceed the authority of the hearing officer, or decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

CCA Policy

The Executive Director, or a staff person designated by the Executive Director, has the authority to determine whether CCA is bound by the decision of the hearing officer for the following:

- CCA was not required to provide a hearing,
- the decision exceeded the authority of the hearing officer,
- the decision conflicted with or contradicted HUD regulations, requirements, or
- the decision was otherwise contrary to federal, state, or local laws.

In such instances, CCA will mail a "Notice of Final Decision" to the participant and retain a copy of the notice and proof of mailing in its file. CCA will send notices by U. S. Mail and by email when possible.

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16-III.D. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued according to the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for prorated assistance.
- In the case of a participant, the criteria, and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When a PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

CCA Policy

Families will be notified of the results of the USCIS secondary verification in writing within 10 business days of CCA receiving the results. If the family chooses to appeal with USCIS, it must provide a copy of the written request for appeal and proof of mailing to CCA within 10 business days of sending the request to the USCIS.

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The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to CCA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

CCA will notify the family of its right to request an informal hearing in writing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

CCA Policy

Families will be allowed to copy any documents related to the hearing at their own expense. The family must request discovery of CCA-held documents at least three business days prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by CCA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

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Representation and Interpretive Services

The family is entitled to be represented by an attorney, or other family-designated representative, at the family's expense and to have such person make statements on the family's behalf.

Recording of the Hearing

The family is entitled to have the hearing recorded. A PHA may, but is not required to, provide a transcript of the hearing.

CCA Policy

CCA does not typically record informal hearings and will not provide transcripts of meetings either through recording or in writing.

Hearing Decision

CCA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that CCA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

The PHA must retain the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the informal hearing process for a minimum of 5 years:

- The application for assistance,
- The form completed by the family for income reexamination,
- Photocopies of any original documents, including original USCIS documents,
- The signed verification consent form,
- The USCIS verification results,
- The request for a USCIS appeal,
- The final USCIS determination,
- The request for an informal hearing,
- The final informal hearing decision.

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PART IV: OWNER OR FAMILY DEBTS TO THE PHA [24 CFR 982.54, 24 CFR 982.552(c)(1)(vii)]

16-IV.A. OVERVIEW

PHAs are required to include in the administrative plan policies concerning repayment by a family of amounts owed to the PHA. If the family breaches an agreement with a PHA to pay amounts owed to the PHA, or amounts paid to an owner by a PHA, the PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to the PHA or amounts paid to an owner by the PHA. A PHA may prescribe the terms of the agreement. This part describes the PHA's policies for recovery of monies owed to the PHA by families or owners.

CCA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, CCA will hold either the owner or participant, or potentially both, liable to return any overpayments depending upon the overall circumstances of the overpayment. At its sole discretion, CCA may enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments. CCA will not offer a repayment agreement when fraud is suspected and will refer cases of suspected fraud to local law enforcement.

16-IV.B. REPAYMENT POLICY

Owner Debts to the PHA

CCA Policy

Any amount due to CCA by an owner must be repaid by the owner within 30 days of when the PHA's makes a determination of a debt. If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, CCA will reduce the future HAP payments by the amount owed until the debt is paid in full. If the owner is not entitled to future HAP payments CCA may, in its sole discretion, offer to enter into a repayment agreement.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, CCA will ban the owner from future participation in the program and pursue other modes of collection including, but not limited to:

- Collection agencies,
- Small claims court,
- Civil lawsuit,
- Legal action pursuant to NC Gen Statute Chapter§157-29.1,
- State income tax set-off program, if available.

Based on the totality of information available to CCA, overpayments will be reviewed for the possibility of fraud, as opposed to an oversight or an error.

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Family Debts to the PHA

Families are required to reimburse PHAs if they were charged less rent than required because the family either underreported or failed to report income. PHAs are required to determine retroactive rent amounts as far back as a PHA has documentation of family unreported income [Notice PIH 2018-18].

CCA Policy

Any amount owed to CCA by an HCV participant must be repaid by the family within 30 days unless other repayment arrangements are made. If the family is unable to repay the debt within 30 days, CCA may offer to enter into a repayment agreement in accordance with the policies below.

Refusal to Enter into an Agreement

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA must terminate assistance [Notice PIH 2018-18].

CCA Policy

When a family refuses to repay monies owed, in addition to termination of program assistance, CCA will utilize other available collection alternatives including, but not limited to:

- Collection agencies,
- Small claims court,
- Civil lawsuit,
- Legal action pursuant to NC Gen Statute Chapter§157-29.1,
- State income tax set-off program, if available.

Based on the totality of information available to CCA, overpayments will be reviewed for the possibility of fraud, as opposed to an oversight or an error.

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal written document signed by a current or former program participant, or a current or former owner, and provided to the PHA in which a participant or owner acknowledges a debt in a specific amount and agrees to repay the amount due within a specific time periods and under specific terms.

General Repayment Agreement Guidelines for Families

Down Payment Requirement

CCA Policy

Before executing a repayment agreement with a family, CCA requires a down payment of 10 percent of the total amount owed. If the family can provide evidence satisfactory to CCA that a down payment of 10 percent would impose an undue hardship, CCA may, in its sole discretion, require a lesser percentage or waive the requirement.

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Payment Thresholds

Notice PIH 2018-18 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2018-18 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

CCA Policy

Families that owe amounts to CCA will be offered the option to enter into a repayment agreement, or repay the amount in full, as a condition of continued assistance. The family must enter into a repayment agreement, or repay the amount in full, within 30 days of receiving notice of an amount owed from CCA.

For a first occurrence, and for amounts that exceed $100, CCA may provide the family with an option to complete a Repayment Agreement. CCA set the following threshold terms for repayment of debts:

- Amounts of $1,000 or less must be repaid within 12 months.
- Amounts between $1,001 and $2,999 must be repaid within 24 months.
- Amounts of $3,000 or more must be repaid within 36 months, unless CCA, at its sole discretion, agrees to a longer repayment term.

If a family can provide evidence satisfactory to CCA that the threshold applicable to the family's debt would impose an undue hardship, the PHA may, at its sole discretion, determine that a lower monthly payment amount is reasonable. CCA will consider all relevant information when making a decision, including:

- The amount owed by the family,
- whether the debt was the result of circumstances beyond the family's control,
- The family's current and potential income and expenses,
- The family's current family share of rent, as calculated under 24 CFR 982.515,
- The family's history of meeting its financial responsibilities.

Execution of the Agreement

All repayment agreements must be in writing, dated, and signed by both the family and the PHA [Notice PIH 2018-18].

CCA Policy

A repayment agreement between CCA and a family must be signed and dated by the HCV Program Director and by the head of household and spouse/cohead (if applicable).

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Due Dates

CCA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th falls on a weekend or holiday, the due date is the close of business on the first business day after the 15th.

Late or Missed Payments

CCA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by CCA, staff will send the family a delinquency notice giving the family 10 business days to make the late payment.

If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement. CCA will terminate assistance in accordance with the policies in Chapter 12 and send a notice of demand for the balance remaining on the agreement.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and CCA will terminate assistance in accordance with the policies in Chapter 12.

No Offer of Repayment Agreement

CCA Policy

CCA **will not** enter into a repayment agreement with a family if:

- there is already a repayment agreement in place with the family,
- it is a subsequent incident of overpayment:
  - for a second occurrence, the family must reimburse the overpayment in full.
  - for a third occurrence, the family will be subject to termination of participation in the program in accordance with CCA's written policy.
- fraud is suspected, or
- the amount owed by the family exceeds the federal threshold for criminal prosecution.

Repayment Agreement Terms

All repayment agreements must be in writing, dated, signed by both the family and CCA, and include:

- the total retroactive rent amount owed,
- any amount of lump sum payment made at time of execution, if applicable, and
- the monthly repayment amount.

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Notice PIH 2018-18 requires certain provisions, at a minimum, be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act,
- A statement clarifying that each month the family not only must pay the monthly payment amount to the PHA as specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner,
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases,
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance.

PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

16-V.A. OVERVIEW

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure PHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the PHA in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of "troubled" are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated "troubled" may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

PHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by PHA board resolution and signed by the PHA executive director. If the PHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

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PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as "troubled" [24 CFR 985.105].

Failure of a PHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of "troubled."

A PHA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the PHA's SEMAP certification, HUD will rate the PHA's performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The PHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the PHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than $300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not rated under SEMAP indicators 1-7.

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SEMAP Indicators
Indicator 1: Selection from the waiting list Maximum Score: 15 • This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants from the waiting list. • Points are based on the percent of families that are selected from the waiting list in accordance with the PHA's written policies, according to the PHA's quality control samples.
Indicator 2: Rent reasonableness Maximum Score: 20 • This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units at the required times. • Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA's quality control sample.
Indicator 3: Determination of adjusted income Maximum Score: 20 • This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent. • Points are based on the percent of files that are calculated and verified correctly, according to the PHA's quality control sample.
Indicator 4: Utility allowance schedule Maximum Score: 5 • This indicator shows whether the PHA maintains an up-to-date utility allowance schedule. • Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA's certification.
Indicator 5: NSPIRE quality control inspections Maximum Score: 5 • This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of NSPIRE inspections. Points are based on whether the required quality control reinspections were completed, according to the PHA's certification.

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Indicator 6: NSPIRE enforcement Maximum Score: 10

- This indicator shows whether, following each NSPIRE inspection of a unit under contract where the unit fails to meet NSPIRE, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.
- Points are based on whether the PHA corrects all NSPIRE deficiencies in accordance with required time frames, according to the PHA's certification.

Indicator 7: Expanding housing opportunities Maximum Points: 5

- Only applies to PHAs with jurisdiction in metropolitan FMR areas.
- This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.
- Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA's certification.

Indicator 8: FMR limit and payment standards Maximum Points: 5 points

- This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.
- Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA's certification.

Indicator 9: Annual reexaminations Maximum Points: 10

- This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months.
- Points are based on the percent of reexaminations that are less than two months overdue, according to data from PIC.

Indicator 10: Correct tenant rent calculations Maximum Points: 5

- This indicator shows whether the PHA correctly calculates the family's share of the rent to owner.
- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

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Indicator 11: Pre-contract inspections Maximum Points: 5

- This indicator shows whether newly leased units pass inspection on or before the effective date of the assisted lease and HAP contract.
- Points are based on the percent of newly leased units that passed inspection on or before the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Continuing inspections Maximum Points: 10

- This indicator shows whether the PHA inspects each unit under contract at least biennially.
- Points are based on the percent of annual inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up Maximum Points: 20 points

- This indicator shows whether the PHA enters HAP contracts for at least 98 percent of the number of the PHA's baseline voucher units in the ACC for the calendar year ending on or before the PHA's fiscal year, or whether the PHA has expended at least 98 percent of its allocated budget authority for the same calendar year. The PHA can receive 15 points if 95 to 97 percent of vouchers are leased or budget authority is utilized.
- Points are based on utilization of vouchers and HAP expenditures as reported in the voucher management system (VMS) for the most recently completed calendar year.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances Maximum Points: 10

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

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Success Rate of Voucher Holders Maximum Points: 5

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

Deconcentration Bonus Indicator Maximum Points: 5

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50th percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.

  Points are based on whether the data that is submitted meets the requirements for bonus points.

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PART VI: RECORD KEEPING

16-VI.A. OVERVIEW

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158; 24 CFR 908.101]

During the term of each assisted lease, and for at least three years thereafter, PHAs must keep:

- A copy of the executed lease,
- The HAP contract, and
- The application from the family.
- In addition, PHAs must keep the following records for at least three years:
- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants,
- An application from each ineligible family and notice that the applicant is not eligible,
- HUD-required reports,
- Unit inspection reports,
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting PHA budget and financial statements for the program,

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- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract), and
- Other records specified by HUD.

PHAs must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

PHAs must maintain Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy and for a period not to exceed three years from the EOP date [Notice PIH 2018-18].

CCA Policy

CCA has a written record retention policy for the HCV program. It includes the information CCA must keep for at least three years including records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act, or VAWA.

CCA must keep confidential records of all emergency transfer requested by victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking under the PHA's Emergency Transfer Plan, as well as the outcomes of such requests, and retain the records for a period of three years [see 24 CFR 5.2002(e)(12)].

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

16-VI.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

CCA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized CCA staff. Records may be kept in hard copy or electronically as long as the information is readily accessible when needed, such as for compliance activities and audits.

CCA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action including possible termination of employment.

Privacy Act Requirements [24 CFR 5.212 and Form-9886-A]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

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Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper).

These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data.*

CCA Policy

Prior to utilizing HUD's EIV system, CCA adopts, by this reference, and will implement EIV security procedures required by HUD.

Criminal Records

CCA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to:

- officers or employees of the PHA, or
- to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information or is obtained by a PHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. PHAs may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. PHAs should destroy the document.

Information describing diagnoses or conditions will never be maintained in the individual's file. If the information is received and needs to be disposed of, the PHA will note in the individual's file that

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verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will the PHA include an applicant's or resident's medical records in the file.

Documentation of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking see section 16-IX.E.

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL

16-VII.A. OVERVIEW

The PHA has certain responsibilities relative to children with elevated blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e); Notice PIH 2017-13]

The owner must report the name and address of a child identified as having an elevated blood lead level to the public health department within five business days of being so notified by any other medical health care professional. The owner must also notify the PHA, HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days. The PHA may collaborate with the owner on the notification process, such as by agreeing with the owner to provide the required notifications on the owner's behalf.

CCA Policy

Upon request, CCA will assist the owner in their duty to notify the public health department. The owner, or CCA, must send written notice of the name and address of any child identified as having an elevated blood lead level within five business days.

CCA will take responsibility to notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days.

16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, CCA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an elevated blood lead level.

If a PHA obtains names and addresses of elevated blood lead level children from the public health department(s), the PHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the PHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

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At least quarterly, the PHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

CCA Policy

It is a violation of HIPPAA for the public health department to provide the names of patients in their care for any reason to CCA without parental consent. Due to staffing constraints, they do not have the capacity to perform data matching for reports received from CCA since that would have to be done manually. Therefore, CCA does not provide such a report at this time.

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

16-VIII.A. OVERVIEW

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If a PHA denies a family a portability move based on insufficient funding, the PHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact a PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology PHAs will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

16-VIII.B. METHODOLOGY

CCA Policy

CCA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing its annual budget authority to the annual total HAP needs.

The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, CCA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families.

If the total annual HAP needs equal or exceed the annual budget authority and funding reserves, or if the PHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, CCA will be considered to have insufficient funding.

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PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA):

NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY

16-IX.A. OVERVIEW

The Violence against Women Act (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I.C, "Family Breakup and Remaining Member of Tenant Family"; 3-III.G, "Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Stalking and Human Trafficking"; 10-I.A, "Allowable Moves"; 10-I.B, "Restrictions on Moves"; 12-II.E, "Terminations Related to Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking"; and 12-II.F, "Termination Notice."

16-IX.B. DEFINITIONS [24 CFR 5.2003, 42 USC 13925]

As used in VAWA:

- The term *affiliated person* means the tenant's spouse, parent, sibling, or child of that individual, tenant, or lawful occupant living in the tenant's household; or anyone for whom the tenant acts as parent/guardian.The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- 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.

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- The term *domestic violence* includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim,
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner,
- A person with whom the victim shares a child in common,
- A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction.

- The term economic abuse means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:

- Restrict a person's access to money, assets, credit, or financial information,
- Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage,
- Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty.

- The term *sexual assault* means:

- Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent.

- The term *stalking* means:

- To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for their safety or the safety of others or suffer substantial emotional distress.

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- The term *technological abuse* means an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:
    - Internet enabled devices
    - Online spaces and platforms
    - Computers
    - Mobile devices
    - Cameras and imaging programs
    - Apps
    - Location tracking devices
    - Communication technologies

Any other emergency technologies

- The term *victim* means any victim of VAWA violence/abuse, regardless of actual or perceived sexual orientation, gender identity, sex, or marital status.

16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

CCA Policy

CCA will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

- A copy of the notice of occupancy rights under VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD-5380, see Exhibit 16-1)
- A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (see Exhibit 16-2)
- A copy of the PHA's emergency transfer plan (Exhibit 16-3)
- A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD-5383 (Exhibit 16-4)
- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)
- Contact information for local victim advocacy groups or service providers.

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Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

CCA Policy

CCA will provide applicants with information about VAWA at the time they request an application for housing assistance, as part of the written briefing packet, and at the time the family is admitted to the program. Information about VAWA will be included in all notices of denial of assistance (see section 3-III.G).

CCA will provide all participants with information about VAWA at the time of admission (see section 5-I.B) and at annual reexamination. The PHA will also include information about VAWA in notices of termination of assistance, as provided in section 12-II.F.

The VAWA information provided to applicants and participants will consist of the notices in Exhibits 16-1 and 16-2.

CCA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

Whenever CCA has reason to suspect that providing information about VAWA to a participant might place a victim of domestic violence at risk, CCA will work with the victim to determine the safest methods to use for communication and to create safe spaces to share information.

When discussing VAWA with the victim, CCA will take reasonable precautions to ensure that no one can overhear the conversation and will meet with the victim in locations or spaces that feel safe to her/him.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

Notification to Owners and Managers

While PHAs are no longer required by regulation to notify owners and managers participating in the HCV program of their rights and obligations under VAWA, the PHA may still choose to inform them.

CCA Policy

CCA will provide owners and managers with information about their rights and obligations under VAWA with the Landlord Handbook. The handbook will be given to new landlords electronically and in hard copy, if requested. When the handbook is updated, a link to the new version will be shared with new and existing landlords via email and will be provided in hard copy upon request.

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The VAWA information provided to owners will consist of the notice in Exhibit 16-5 and a copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, and Stalking.

16-IX.D. DOCUMENTATION [24 CFR 5.2007]

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, human trafficking, or criminal activity related to any of these forms of abuse may, but is not required to, request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

1. A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
2. A federal, state, tribal, territorial, or local police report or court record, or an administrative record
3. Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, stalking, human trafficking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

Tenants cannot be expected and cannot be asked or required to claim, document, or prove victim status or VAWA violence/abuse other than as stated in the Notice of Occupancy rights [Form HUD-5382]. The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [FR Notice 11/16/16].

CCA Policy

A request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking will be in writing, will specify a deadline of 14 business days following receipt of the request. It will also:

- describe the three forms of acceptable documentation,
- provide explicit instructions on where and to whom the documentation must be submitted, and
- state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

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CCA will use its discretion to extend the deadline for 10 business days by considering factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Extension will be granted in writing.

Once the victim provides documentation, CCA will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where a PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

The PHA must honor court orders issued to protect the victim or to address the distribution of property.

CCA Policy

If presented with conflicting certification documents from members of the same household, CCA will attempt to determine which is the true victim by requiring each claimant to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

When requesting third-party documents, CCA will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If requested third-party documentation is not received within the required timeframe, including any extensions if applicable, CCA will deny VAWA protections and will send written notification to the applicant or tenant. If, as a result, the applicant or tenant is denied assistance or terminated from the program, CCA will hold separate hearings for each household member involved who requests a hearing.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

CCA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

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CCA Policy

If CCA accepts an individual's statement or other corroborating evidence without requiring formal documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, CCA will document its decision accepting the statement or evidence in the applicant/participant's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

If a tenant inquires or requests any VAWA protections or represents that they or a household member are a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and therefore entitled to VAWA protections, the PHA must keep any information they provide concerning the VAWA violence/abuse strictly confidential, including their or a household member's status as a victim. This information should be securely and separately kept from tenant files. The PHA may not:

1. enter the information into any shared database such as a Continuum of Care's HMIS,
2. allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, or
3. provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

CCA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, CCA will notify the victim before information is disclosed so that safety risks can be identified and mitigated to the extent possible.

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Chapter 17
PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to NSPIRE standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

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PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows PHAs that administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to use up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

CCA Policy

With Board approval, CCA may operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance. See Exhibit 17-1 for sample documentation to be used with on projects with attached PBV assistance.

The PHA may enter into a HAP contract for existing housing, newly constructed or rehabilitated housing (see definitions below). During the term of the HAP contract, the PHA makes housing assistance payments to the owner for units leased and occupied by eligible families.

17-I.B. PBV DEFINITIONS [24 CFR 983.3]

The following terms apply to the PBV program and are used throughout this chapter:

Excepted units are units in a project not counted toward the project cap because they exclusively serve or are made available to certain families in accordance with 24 CFR 983.54(c)(2).

Excluded units are units in a project not counted toward the program cap or project cap because they meet certain criteria in accordance with 24 CFR 983.59.

Existing housing is a project that meets the following criteria:

- All the proposed contract units in the project either fully comply or substantially comply with housing quality standards on the proposal or project selection date, as determined per 24 CFR 983.103(a). (The units must fully comply with housing quality standards at the time required by 24 CFR 983.103(c). The units substantially comply with housing quality standards if:

- The units only require repairs to current components or replacement of equipment and/or materials by items of substantially the same kind to correct deficiencies; and

- The PHA determines all deficiencies can reasonably be corrected within a 30-day period, taking into consideration the totality of the deficiencies in the project.

- The PHA determines the project is not reasonably expected to require substantial improvement and the owner certifies it has no plans to undertake substantial improvement from the proposal submission date (for projects subject to competitive selection) or the project selection date (for projects excepted from competitive selection) through the first two years of the HAP contract.

- The following units do not qualify as existing housing:

- Units for which rehabilitation or new construction began after proposal submission or the date of the Board resolution but prior to the effective date of an AHAP (if applicable); and

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- Units that were newly constructed or rehabilitated in violation of program requirements.

An *independent entity* is either:

- The unit of general local government; however, if the PHA itself is the unit of general local government or an agency of such government, then only the next level of general local government (or an agency of such government) or higher may serve as the independent entity; or
- A HUD-approved entity that is autonomous and recognized under state law as a separate legal entity from the PHA. The entity must not be connected financially (except regarding compensation for services performed for PHA-owned units) or in any other manner that could result in the PHA improperly influencing the entity.

An *in-place family* is a family residing in a proposed contract unit on the proposal or project selection date.

Newly constructed housing is a project containing housing units that do not exist on the proposal or project selection date and are developed after the date of selection for use under the PBV program.

A *PHA-owned unit* is a dwelling unit in a project that is:

- Owned by the PHA (including having a controlling interest in the entity that owns the project);
- Owned by an entity wholly controlled by the PHA; or
- Owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner.
    - A *controlling interest* is:
        - Holding more than 50 percent of the stock of any corporation;
        - Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a nonprofit corporation);
        - Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA;
        - Holding more than 50 percent of all managing member interests in an LLC;
        - Holding more than 50 percent of all general partner interests in a partnership; or
        - Equivalent levels of control in other ownership structures.

A *project* can be a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. “Contiguous” in this definition includes “adjacent to,” as well as touching along a boundary or a point. A PHA may, in its administrative plan, establish the circumstances under which it will define a project as only one of the following: a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

CCA Policy

CCA may approve one or more of the styles as defined above in the term *project*. Approval would consider whether the project fits in within the overall style of the community.

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Rehabilitated housing is a project which is developed for use under the PBV program, in which all proposed contract units exist on the proposal or project selection date, but which does not qualify as existing housing.

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Income (AMI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Substantial improvement is one of the following activities undertaken at a time beginning from the proposal submission date (for projects subject to competitive selection) or from the project selection date (for projects excepted from competitive selection), or undertaken during the term of the PBV HAP contract:

- Remodeling that alters the nature or type of housing units in a project;
- Reconstruction; or
- A substantial improvement in the quality or kind of equipment and materials. The replacement of equipment and/or materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind does not constitute substantial improvement.

17-I.C. MAXIMUM NUMBER OF PBV UNITS (PERCENTAGE LIMITATION) [24 CFR 983.6]

Program Cap

If a PHA decides to operate a PBV program, the PHA's PBV program is funded with a portion of appropriated funding (budget authority) available under the PHA's voucher Annual Contributions Contract (ACC). Except for certain units discussed below, a PHA may commit project-based assistance to no more than 20 percent of its authorized voucher units, as adjusted, at the time of commitment, with the ability to project-base an additional 10 percent of units that meet certain requirements. An analysis of impact must be conducted if a PHA is project-basing 50 percent or more of the PHA's authorized voucher units.

All PBV units which a PHA has selected (from the time of the proposal or project selection date) or which are under an Agreement to Enter into a HAP Contract (AHAP) or HAP contract for PBV assistance are counted toward the 20 percent maximum or increased cap. The PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and for ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC. Appendix I of Notice PIH 2017-21 contains a sample PBV program cap calculation worksheet. If PBV units are already selected for project-based assistance either under an AHAP or a HAP contract, the PHA is not required to reduce the number of units if the number of authorized units is subsequently reduced.

Increased Cap [24 CFR 983.6(d)]

PHAs may project-base an additional 10 percent of its authorized voucher units above the 20 percent program limit, provided the units meet requirements outlined in 24 CFR 983.6(d)(1) or (2). The units may be distributed among one, all, or a combination of the categories described below, as long as the total number of units does not exceed the 10 percent cap.

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The PBV HAP contract must specify, and the owner must set aside, the number of units meeting the conditions to qualify for the increased program cap. To qualify for the increased program cap, the unit must be occupied by the type of family specified in the applicable paragraph below.

For units under a HAP contract that was first executed on or after April 18, 2017, or added on or after that date to a current HAP contract entered into prior to April 19, 2017, units qualify under the increased program cap if the units meet one or more of the conditions below [24 CFR 983.6(d)(1)]:

- The units are specifically made available to house individuals and families that meet the definition of *homeless* under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
    - A family qualifies if they were homeless at the time the family first occupies the unit.
- The units are specifically made available to house families that are comprised of or include a veteran at the time the family first occupies a unit.
- A *veteran* is person who served in the active military, naval, air, or space service, and who was discharged or released therefrom.
- The units provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.

A disabled or elderly member of the family must be eligible for one or more of the supportive services at the time the family first occupies the unit. The member of the family may choose not to participate in the services.

Supportive housing means that the project makes supportive services available for all of the assisted families in the project and provides a range of services tailored to the needs of the residents occupying such housing.

Such supportive services need not be provided by the owner or onsite but must be reasonably available to the families receiving PBV assistance in the project.

The PHA's administrative plan must describe the type and availability of supportive services the PHA will consider as qualifying for the 10 percent increased cap.

- The units are located in areas where vouchers are difficult to use.
- The units replace, on a different site, units listed in 24 CFR 983.59(b)(1) and (2) for which the PHA had authority under 24 CFR 983.59 to commit PBV assistance on the original site without the units counting toward the program cap or project cap.

  The increased program cap also applies to units that are part of a HAP contract executed on or after December 27, 2020, or are added on or after that date to any current HAP contract, including a contract entered into prior to December 27, 2020, and meet the following requirements [24 CFR 983.6(d)(2)]:

- The units are exclusively made available to eligible youth receiving Family Unification Program (FUP) or Foster Youth to Independence (FYI) assistance; and

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- If the units exclusively made available to eligible youth use FUP assistance that is normally available for eligible families and youth, the PHA determines and documents that the limitation of the units to youth is consistent with the local housing needs of both eligible FUP populations (families and youth) and amends its administrative plan to specify that FUP PBV assistance is solely for eligible youth.

CCA Policy

The PHA will not project-base more than 20 percent program cap.

17-I.D. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT [24 CFR 983.54]

Project Cap [24 CFR 983.54(a)]

In general, the PHA may not select a proposal for units in a project or enter into an AHAP or a HAP contract to provide PBV assistance for units in a project if the total number of dwelling units in the project that will receive PBV assistance is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted, as adjusted) in the project.

Higher Project Cap [24 CFR 983.54(b)]

The PHA may provide PBV assistance to the greater of 25 units or 40 percent of the number of dwelling units (assisted and unassisted, as adjusted) in the project if the project is located in an area where vouchers are difficult to use [24 CFR 983.54(b)]. An area where a voucher is difficult to use is defined as:

- A census tract with a poverty rate of 20 percent or less, as determined by HUD;
- A ZIP code area where the rental vacancy rate is less than 4 percent, as determined by HUD; or
- A ZIP code area where 90 percent of the Small Area FMR is more than 110 percent of the metropolitan area or county FMR.

Exceptions to the Project Cap [24 CFR 983.54(c)]

Certain units are removed from the number of dwelling units for purposes of calculating the project cap. These are known as *excepted units,* which are defined as units in a project not counted toward the project cap because they exclusively service or are made available to certain families.

The PHA determines the number of units in the project for which the PHA will provide project-based assistance, including whether and how many units will be excepted. The PBV HAP contract must specify, and the owner must set aside, the number of excepted units made available for occupancy by families who qualify for the exception. For a unit to be considered excepted, it must be occupied by a family who qualifies for the exception.

Which units are considered excepted differs depending on when the HAP contract was executed. Contracts executed prior to April 18, 2017, follow the “old” statutory PBV requirements for excepted units. Projects where the HAP contract was executed on or after April 18, 2017, follow new requirements. In this case, PBV units are not counted toward the project cap if the units are:

- Exclusively designed for elderly families;
- Exclusively made available to eligible youth receiving FUP or FYI assistance; or
- For households eligible for supportive services available to all families receiving PBV assistance in the project.

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- A project is not limited to a single exception category but may include excepted units from any of the exception categories.

CCA Policy

Since the agency did not have a PBV program before 2025, CCA will not have excepted units in PBV projects.

Units that No Longer Qualify as Excepted Units or Units under the Increased Program Cap [24 CFR 983.262(b)]

In order to qualify as either excepted units or units under the increased program cap, units must be occupied by a family that meets the exception criteria applicable to the unit. Once the family vacates the unit, the PHA must select a new family from the waiting list via an admission preference, and the unit must be made available to and occupied by a family that meets the applicable exception.

The PHA must specify in its administrative plan which of the options below the PHA will take if a unit is no longer qualified due to circumstances beyond the control of the family (e.g., death of an elderly family member or long-term permanent hospitalization or nursing care).

The unit may continue to count as an excepted unit or unit on the increased program cap as long as the family resides in the unit. However, the requirements on wrong-sized units apply.

If the PHA chooses not to exercise this discretion, the unit is no longer considered excepted or a unit under the increased program cap (as applicable) and the family is not required to move from the unit. The PHA must specify which of the following actions it will take if the unit is no longer qualified:

- Substitute the unit for another unit if it is possible to do so in accordance with 24 CFR 983.207(a), so that the overall number of excepted units or units under the increased program cap in the project is not reduced. The PHA may, in conjunction with such substitution, add the original unit to the HAP contract if it is possible to do so in accordance with 24 CFR 983.207(b), including that such addition does not cause the PHA to exceed the program cap or become non-compliant with the project cap.
- Remove the unit from the PBV HAP contract. In conjunction with the removal, the PHA may provide the family with tenant-based assistance, if the family is eligible for tenant-based assistance. The family and the owner may agree to use the tenant-based voucher in the unit; otherwise, the family must move from the unit with the tenant-based voucher. If the family later vacates the unit, the PHA may add the unit to the PBV HAP contract in accordance with 24 CFR 983.207.
- Change the unit's status under the project cap or program cap, as applicable, provided that the change does not cause the PHA to exceed the program cap or become non-compliant with the project cap.

CCA Policy

This rule does not currently apply.

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17-I.E. UNITS NOT SUBJECT TO THE PBV PROGRAM CAP OR PROJECT CAP [FR Notice 1/18/17 and 24 CFR 983.59]

For HAP contracts that first became effective on or after April 18, 2017, a PHA may commit project-based assistance to units that meet the requirements below without the units counting toward the program cap (including the 10 percent exception) or project cap. These are known as *excluded units* and fall into two different categories:

- **Existing or Rehabilitation Units:** In the five years prior to the request for proposals (RFP) or the proposal or project selection date (in the case of selection without RFP), these units fall into one of the categories described below, provided that the units are removed from all categories prior to the effective date of the HAP contract. These units include units that received one of the following forms of HUD assistance:
    - Public Housing Capital or Operating Funds;
    - Project-Based Rental Assistance (Section 8), including units assisted under Section 8 Moderate Rehabilitation (Mod Rehab) and Mod Rehab Single-Room Occupancy (SRO) programs;
    - Housing for Elderly (Section 202);
    - Housing for Persons with Disabilities (Section 811);
    - Rental Assistance Program (RAP) (Section 236(f)(2) of the National Housing Act); or Flexible Subsidy Program (Section 201 of the Housing and Community Development Amendments of 1978).

  Or the units have been subject to a federally required rent restriction under one of the following programs:
    - The Low-Income Housing Tax Credit program (26 U.S.C. 42);
    - Section 515 Rural Rental Housing Loans (42 U.S.C. 1485); or
    - The following HUD programs:
    - Section 236;
    - Section 221(d)(3) Below Market Interest Rate;
    - Housing For the Elderly (Section 202 of the Housing Act of 1959);
    - Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez National Affordable Housing Act);
    - Flexible Subsidy Program (Section 201 of the Housing and Community Development Amendments Act of 1978); or
    - Any other program identified by HUD through Federal Register notice subject to public comment.

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- **Replacement Units:** Newly constructed units developed under the PBV program are also considered excluded units if the primary purpose of the newly constructed units is or was to replace units that meet the criteria listed above. The newly constructed unit must be located on the same site as the unit it is replacing; however, an expansion of or modification to the prior project's site boundaries as a result of the design of the newly constructed project is acceptable as long as a majority of the replacement units are built back on the site of the original project and any replacement units that are not located on the existing site are part of a project that shares a common border with, are across a public right of way from, or touch that site. In addition, in order for the replacement units to be excluded from the program and project caps, one of the following must be true:
    - Former residents of the original project must be provided with a selection preference that provides the residents with the right of first occupancy at the PBV newly constructed project when it is ready for occupancy; or
    - Prior to the demolition of the original project, the PBV newly constructed project must have been identified as replacement housing for that original project as part of a documented plan for the redevelopment of the site.

CCA Policy

Units in the following projects are not subject to the program cap or project cap because they are excluded units: **None at this time.**

17-I.F. PHA-OWNED UNITS [24 CFR 982.4 and 983.57]

For PHA-owned units (as defined in 24 CFR 982.4), an independent entity (as defined in 24 CFR 982.4) must perform the following functions:

- Determine rent to owner, including rent reasonableness and calculating any rent adjustments by HUD's Operating Cost Adjustment Factor (OCAF) (where applicable), in accordance with 24 CFR 983.301 through 983.305;
- Perform unit inspections in accordance with 24 CFR 983.103(g);
- When the owner carries out development activity or substantial improvement, the independent entity must review the evidence and work completion certification submitted by the owner and determine if the units are complete in accordance with 24 CFR 983.156; and
- Determine whether to approve substantial improvement to units under a HAP contract in accordance with 24 CFR 983.212.

The PHA may only compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA and independent entity may not charge the family any fee for the appraisal, or the services provided by the independent entity.

CCA Policy

CCA may submit a proposal or select a project that is owned or controlled by the PHA. The PHA will obtain HUD approval of a PHA-owned or PHA-controlled entity before selecting PHA-owned housing for a PBV allocation.

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17-I.G. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2(c).

CCA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, CCA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program.

17-I.H. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and if payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

17-I.I. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PROPOSAL AND PROJECT SELECTION

17-II.A. OVERVIEW

The PHA must include a description of the circumstances under which the PHA will use noncompetitive selection for PBV projects and competitive selection for PBV proposals, including the procedures for submission and selection of such proposals, in the administrative plan [24 CFR 983.10(b)(3)].

Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.52 and 983.53], complies with the cap on the number of PBV units per project [24 CFR 983.54], and meets the site selection standards [24 CFR 983.55]. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51.

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The PHA may allow for entities that have site control to submit proposals provided the entity will be the owner prior to entering into the AHAP or HAP contract. An owner may submit, and a PHA may select, a single proposal covering multiple projects where each project consists of a single-family building, provided all projects are the same housing type (existing, rehabilitated, or newly constructed) [24 CFR 983.51(a)].

A PHA may not commit project-based assistance to a project if the owner or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR Part 2424 or is listed on the U.S. General Services Administration list of parties excluded from federal procurement or non-procurement programs. HUD approval of specific projects or owners is not required. For example, owner proposal selection does not require submission of form HUD-2530 (Previous Participation Certification) or other HUD previous participation clearance.

Selection of PHA-Owned Units [24 CFR 983.51(h)]

A PHA-owned unit (as defined in 24 CFR 982.4) may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA's administrative plan.

With the exception of projects selected in accordance with 24 CFR 983.51(c) (projects that meet the criteria to be excepted from competitive selection), the PHA's selection procedures must be designed in a manner that does not effectively eliminate the submission of proposals for non-PHA-owned units or give preferential treatment (e.g., additional points) to PHA-owned units.

17-II.B. COMPETITIVE SELECTION OF PROPOSALS [24 CFR 983.51(b)]

The PHA must select PBV proposals in accordance with the selection procedures in the PHA administrative plan. The PHA must select PBV proposals by either of the following two methods.

- PHA request for PBV Proposals. PHAs may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the PHA request. PHAs may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

  A PHA may establish selection procedures that combine or are in conjunction with other federal, state, or local government housing assistance, community development, or supportive services competitive selection processes. If the PHA selection process is combined and administered in conjunction with another RFP process, the PHA remains responsible for complying with proposal selection procedures as described in 24 CFR 983.51.

- PHAs may select proposals that were previously selected based on a competition without issuing an RFP. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that was subject to a competition in accordance with the requirements of the applicable program, where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

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Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]

PHA procedures for selecting PBV proposals must be designed and operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

CCA Policy

Request for Proposals for Rehabilitated and Newly Constructed Units

CCA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in local newspapers, on its website, social media, by circulation through local service and housing organizations, associated professional organizations, and communicating with local government agencies.

Due to costs associated with print advertising and limitations on circulation of print media, CCA may vary its advertising methodology. Regardless of other methods used, CCA will post the RFP and proposal submission and rating and ranking procedures on its website.

Wherever posted, advertisements will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will provide links and other information describing how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

CCA will publish its advertisements as described above so that it appears at least one day per week for three consecutive weeks. The advertisements will also specify the number of units it estimates that it will be able to assist under the funding being made available. Proposals will be due to CCA's main office by close of business 30 calendar days from the date of the last publication or be the deadline established in the RFP.

For a proposal to be considered, the proposal must be received by the published deadline and respond to *all* requirements outlined in the RFP. Late and incomplete proposals will not be reviewed.

CCA will rate and rank proposals for rehabilitated and newly constructed housing using criteria established in the RFP, which may be like the following:

1. Owner experience and capability to build or rehabilitate housing as identified in the RFP,
2. Extent to which the project furthers CCA's stated goals including deconcentrating poverty and expanding housing and economic opportunities,
3. As applicable based on the RFP, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property, and
4. To promote partially assisted projects, projects where no more than 30 percent of the units will be assisted will be rated higher than projects that exceed that number, except in the case of projects for occupancy by experiencing chronic homelessness, the elderly, persons with disabilities or families needing other services. Otherwise, CCA will rate partially assisted projects on the

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percentage of units assisted. Projects with the lowest percentage of assisted units will receive a higher score.

Requests for Proposals for Existing Housing Units

CCA will advertise its request for proposals (RFP) for existing housing in local newspapers, on its website, social media, by circulation through local service and housing organizations, associated professional organizations, and communicating with local government agencies. Due to costs associated with print advertising and limitations on circulation of print media, CCA may vary its advertising methodology. Regardless of other methods used, CCA will post the RFP and proposal submission and rating and ranking procedures on its website. Notices will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will provide links and other information describing how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

CCA will publish its advertisements as described above so that they appear at least one day per week for three consecutive weeks. The advertisements will also specify the number of units it estimates that it will be able to assist under the funding being made available.

Owner proposals will be accepted on a first-come first-served basis and will be evaluated using criteria established in the RFP that will include, but not be limited to, the following:

1. The owner's experience with the tenant-based voucher program, specifically an owner's history of compliance with the owner's obligations under the tenant-based program,
2. The extent to which the project furthers CCA's goal of deconcentrating poverty, expanding housing and economic opportunities, and providing housing for those most vulnerable in the community,
3. If applicable based on the RFP, extent to which services for special populations are provided on site or how specific services are provided and made accessible to residents of the property, and
4. The extent to which units will be occupied by families that are eligible to participate in the PBV program.

Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The PHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state, or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

The PHA may periodically advertise that it is accepting proposals in local newspapers, on its website, social media, by circulation through local service and housing organizations, associated professional organizations, and communicating with local government agencies. Due to costs associated with print advertising and limitations on circulation of print media, the PHA may vary its advertising methodology.

Regardless of other methods used, the PHA will post the RFP and proposal submission and rating and ranking procedures on its website.

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Wherever posted, advertisements will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will provide links and other information describing how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

In addition to, or in place of advertising, the PHA may also contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance. Proposals will be reviewed on a first-come first-served basis and each proposal will be evaluated on its merits using the following factors:

1. Extent to which the project furthers the PHA's goals of deconcentrating poverty and expanding housing and economic opportunities, and providing housing for those most vulnerable in the community, and
2. Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community.

PHA-Owned Units [24 CFR 983.51(e), 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. This also applies to noncompetitive selections. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations, the term of the HAP contract, and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the initial rent to owner, the redetermined rent to owner, and reasonable rent.

Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs this program service may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

The PHA may only compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA and independent entity may not charge the family any fee for the appraisal, or the services provided by the independent entity.

CCA Policy

CCA does not currently own eligible units.

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PHA Notice of Owner Selection [24 CFR 983.51(d)]

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and operated to provide broad public notice.

CCA Policy

CCA will notify the owner(s) with selected proposals in writing, within 10 business days of making the selection(s) for the PBV program. CCA will also notify all other owners that submitted proposals that were not selected in writing and including the name of the selected owner.

CCA will follow the same publishing methodology used for the RFP to publish its notice for selection of PBV proposals, including use of its website and social media. The announcement will include the name of the owner(s) that were selected for the PBV program.

CCA will make its rating and ranking sheets and documents that identify the basis for selecting the proposal available to any interested party. These documents will be available for review by the public and other interested parties for 30 days after publication of the notice of owner selection. CCA will make these documents available for review at the PHA during normal business hours. The cost for reproduction of allowable documents will be $.25 per page.

Sensitive or privileged owner information *will not* be made available.

17-II.C. NON-COMPETITIVE PROJECT SELECTION [24 CFR 983.51(c)]

The PHA may select units without a competitive selection process in certain circumstances described in 24 CFR 983.51(c) and FR Notice 8/13/24. Prior to selecting units based on the below criteria, the PHA must notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan. If this requirement is not met, the PHA may not select units non-competitively.

The PHA may select units for PBV assistance without following a competitive process in the following circumstances:

- The PHA may select existing, newly constructed, or rehabilitated public housing projects where the PHA has an ownership interest or over which the PHA has control, when the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site.
    - The public housing units may either currently be in the public housing inventory or may have been removed from the public housing inventory through any available legal removal tool within five years of the project selection date.
- The PHA may select for future PBV assistance a project currently under the public housing program, or a project that is replacing the public housing project, in which a PHA has no ownership interest, or which a PHA has no control over, provided:
    - The public housing project is either still in the public housing inventory or had been removed from the public housing inventory through any available legal removal tool within five years of the project selection date;

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- The PHA that owned or owns the public housing project does not administer the HCV program;
- The project selected for PBV assistance was specifically identified as replacement housing for the impacted public housing residents as part of the public housing demolition/disposition application, voluntary conversion application, or any other application process submitted to and approved by HUD to remove the public housing project from the public housing inventory; and
- With respect to replacement housing, the PHA does not have to replace the housing on the same site as the original public housing, but the number of contract units in the replacement project may not exceed the number of units in the original public housing project by more than a de minimis amount for this exception to apply.

- The PHA may select a project consisting of PHA-owned units as defined at 24 CFR 982.4.
  - The units must continue to meet the definition of PHA-owned for the initial two years of the HAP contract unless there is a transfer of ownership approved by HUD.
- The PHA may select a project that underwent an eligibility event within five years of the project selection date, in which a family (or families) qualifies for enhanced voucher assistance and provided informed consent to relinquish its enhanced voucher for PBV assistance.
- The PHA may select one or more PBV projects with units made exclusively available to VASH families on the site of a VA facility [FR Notice 8/13/24].
  - The method of project selection must comply with all other requirements under 24 CFR 983.51, including that the PHA must notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan and to ensure any project selection is consistent with the PHA administrative plan.

CCA Policy

CCA may elect to selectively attach PBVs to projects, as described above, noncompetitively. If CCA intends to select units noncompetitively, CCA will first notify the public through the PHA's 5-Year Plan process and will include the procedures for submission and selection to address under what circumstances CCA will use this method.

17-II.D. PROJECT OR PROPOSAL SELECTION [24 CFR 983.51(f) and 24 CFR 983.153(c)(3)]

Inspections Required Prior to Project or Proposal Selection [24 CFR 983.51(e)]

The PHA must examine the proposed site before the proposal or project selection date to determine whether the site complies with the site selection standards outlined in 24 CFR 983.55.

The PHA may execute a HAP contract for existing housing if:

- All proposed contract units in the project fully or substantially comply with housing quality standards on the proposal or project selection date, which the PHA must determine via inspection;
- The project meets the environmental review requirements at 24 CFR 983.56, if applicable; and
- The project meets the initial inspection requirements in accordance with 24 CFR 983.103(c).

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PHA Written Notice of Proposal or Project Selection [24 CFR 983.51(f) and (h) and 24 CFR 983.153(c)(3)]

Regardless of the method of selection, the PHA is required to provide written notice of proposal or project selection, which must include:

- If the project contains PHA-owned units, the PHA must provide the written notice of proposal or project selection to the responsible PHA official, and that official must certify in writing that the PHA accepts the terms and requirements stated in the notice. The PHA must make documentation available for public inspection regarding the basis for the PHA selection of a PBV proposal.
- When an environmental review is required, if the review has not been conducted prior to the project or proposal selection date, the PHA's written notice that the selection is subject to completion of a favorable environmental review and that the project or proposal may be rejected based on the results of the environmental review.
- For newly constructed housing and rehabilitated housing in projects to which labor standards apply, the PHA's written notice to the party that submitted the selected proposal or board resolution approving project-basing of assistance at the specific project must state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination [24 CFR 983.153(c)(3)].

In addition to the requirements above, for selection of proposals through competitive methods, the PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The proposal selection date is the date on which the PHA provides written notice to the party that submitted the selected proposal. The written notice of proposal selection must require the owner or party that submitted the selected proposal to provide a written response to the PHA accepting the terms and requirements stated in the notice. The PHA must make documentation available for public inspection regarding the basis for the PHA selection of a PBV proposal.

CCA Policy

If a project does not contain PHA-owned units, CCA will notify the selected owner in writing of the owner's selection for the PBV program within 10 business days of making the selection. CCA will also send written notification to owners who submitted proposals that were not selected including the name of the selected owner in the notice.

If the project contains PHA-owned units, CCA will provide the written notice of proposal selection to the responsible PHA official within 10 business days of the PHA making the selection. The applicable PHA official must certify in writing that the agency accepts the terms and requirements stated in the notice within 10 business days of receiving CCA's written notice.

When an environmental review is required, if the review is not done, CCA's written notice of proposal selection will set a deadline for the selected project to complete a favorable environmental review and include a notice that the proposal may be rejected based on the results of the environmental review.

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For any project to which labor standards apply, CCA's written notice will state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

CCA will publish a notice disclosing the selection of PBV proposals for at least two consecutive days in the same media outlets used to solicit the proposals, including CCA's website.

CCA will make available to any interested party its rating and ranking sheets and documents that describe the basis for selecting the proposal. These documents will be available for review by the public and other interested parties for 30 days after publication of the notice of owner selection. CCA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner. The documents will be available for review during CCA's normal business hours. The cost for reproduction of allowable documents is $.50 per page.

Owner must submit a written response to CCA accepting the terms and requirements as stated in the notice within 10 business days of CCA's written notification to the owner.

In addition to the requirements above, for projects selected under an exception to the competitive process under 24 CFR 983.51(c), PHAs must give prompt written notice of project selection to the owner following the PHA board's resolution approving the project-basing of assistance at the specific project. The project selection date is the date of the PHA's board resolution approving the project-basing of assistance at the specific project. The written notice of project selection must require the owner of the selected project to provide a written response to the PHA accepting the terms and requirements stated in the notice.

CCA Policy

If the project contains PHA-owned units, within 10 business days of the board's resolution approving the project-basing of assistance at a specific project, CCA will provide the written notice of project selection to the responsible PHA official, who must certify in writing that the PHA accepts the terms and requirements stated in the notice within 10 business days of receiving CCA's written notice.

If the project does not contain PHA-owned units, within 10 business days of the board's resolution approving the project-basing of assistance at a specific project, CCA will notify the owner in writing of the project's selection. The owner must submit a written response to the PHA accepting the terms and requirements stated in the notice within 10 business days of CCA's written notification to the owner.

When an environmental review is required, but has not yet been conducted prior to the project selection date, CCA's written notice of proposal selection will set a deadline for the selected project to complete a favorable environmental review and include a notice that the proposal may be rejected based on the results of the environmental review.

For any project to which labor standards apply, CCA's written notice will state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

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17-II.E. HOUSING TYPE [24 CFR 983.52]

The PHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals. With certain exceptions, the PHA may not execute a HAP contract for units:

- On which construction or rehabilitation commenced after the date of proposal submission (for housing subject to competitive selection) or the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection); and
- Prior to the effective date of an AHAP.

However, HUD makes an exception in the following circumstances:

- The PHA has exercised its discretion under 24 CFR 983.154(f) to undertake development activity without an AHAP; or
- The PHA has executed an AHAP after construction or rehabilitation that complied with applicable requirements of 24 CFR 983.153 has commenced; or
- The PHA will undertake development activity after execution of the HAP contract as authorized under 24 CFR 983.157.

At HUD's sole discretion, HUD may approve a PHA's request for additional exceptions to this prohibition.

17-II.F. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Units [24 CFR 983.52]

The PHA may not execute a HAP Contract or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; and transitional housing. Manufactured homes are ineligible only if the manufactured home is not permanently affixed to a permanent foundation or the owner does not own fee title to the real property (land) on which the manufactured home is located.

In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program.

Before a PHA places a specific unit under a HAP contract, the PHA must determine whether the unit is occupied and, if occupied, whether the unit's occupants are eligible for assistance in accordance with 24 CFR 982.201. For a family to be eligible for assistance in the specific unit, the unit must be appropriate for the size of the family under the PHA's subsidy standards and the total tenant payment (TTP) for the family must be less than the gross rent for the unit. The PHA must not enter into a HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

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However, unlike in the regular PBV program, the PHA may opt to select an occupied unit or admit a family to a unit if such unit is made exclusively available to VASH families if the PBV project is either on the grounds of a VA facility or there are VASH supportive services provided on-site at the project. See Chapter 18 for more information.

Subsidized Housing [24 CFR 983.54]

A HAP contract must not be effective and no PBV assistance may be paid to any of the following types of subsidized housing:

- A public housing unit,
- A unit subsidized with any other form of Section 8 assistance,
- A unit subsidized with any governmental rent subsidy that pays all or any part of the rent,
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing,
- A unit subsidized with subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, the PHA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485,
- A Section 202 project for non-elderly with disabilities,
- Section 811 project-based supportive housing for persons with disabilities,
- Section 202 supportive housing for the elderly,
- A Section 101 rent supplement project,
- A unit subsidized with any form of tenant-based rental assistance, or
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements. For this purpose, *housing subsidy* does not include the housing component of a welfare payment; a social security payment; or a federal, state, or local tax concession (such as relief from local real property taxes).

17-II.G. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.11, 24 CFR 983.153(b), 24 CFR 4.13, Notice PIH 2013-11, and FR Notice 3/13/23]

Development Activity Before HAP Contract [24 CFR 983.153(b)]

As part of the PBV project or proposal selection process, the project owner must disclose information regarding all HUD and/or other federal, state, or local governmental assistance committed to the project, as well as other governmental assistance, using Form HUD-2880 (even if no other governmental assistance is received or anticipated) [FR Notice 3/3/23].

HUD requires a subsidy layering review (SLR) be conducted when new construction or rehabilitation housing will include PBVs in combination with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits. The SLR must occur before the PHA attaches PBV assistance to a project. This means when an SLR is required, the PHA may not execute an AHAP or HAP contract until HUD or a HUD-approved housing credit agency (HCA) has

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conducted the required subsidy layering review and determined the project compliance with 24 CFR 4.13 and other related regulation requirements with regards to attaching PBV assistance. Subsidy layering requirements also do not apply to existing housing when PBV is the only governmental assistance.

Conducting the SLR [FR Notice 3/3/23 and Notice PIH 2023-15]

PHAs request an SLR through their local HUD Field Office or, if eligible, through a participating HCA. The PHA is responsible for collecting all required documentation for the SLR from the project owner. Appendix A of FR Notice 3/23/23 contains a list of all required documentation. The owner must inform the PHA if any information changes during or after the application process. If new information becomes available after initial submission, the PHA is responsible for submitting updated information to HUD or the HCA.

If HUD completes the SLR and determines the PBV assistance complies with all requirements, HUD will notify the PHA in writing. If the SLR request is submitted to an approved HCA, and the proposed project-based voucher assistance meets HUD subsidy layering requirements, the HCA must submit a certification to HUD and notify the PHA. The PHA may proceed to execute an AHAP at that time if the environmental approval is received.

Additional Assistance after HAP Contract [24 CFR 983.11(d)]

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements, unless the owner discloses additional assistance in accordance with HUD requirements [24 CFR 983.11(d)].

For newly constructed or rehabilitated housing under a HAP contract, the owner must disclose to the PHA information regarding any additional related assistance from the federal government, a state, or a unit of general local government, or any agency or instrumentality thereof. *Related assistance* includes but is not limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance. If the additional related assistance meets certain threshold and other requirements established by HUD, a subsidy layering review may be required to determine if it would result in excess public assistance to the project. The PHA must adjust the amount of the housing assistance payments to the owner to compensate in whole, or in part, for such related assistance.17-II.H. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and Site and Neighborhood Standards [24 CFR 983.55(b)]

The PHA may not select a project or proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an AHAP or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

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In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the housing quality standards and neighborhood standards at 24 CFR 5.703.

CCA Policy

CCA selecta sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities, whenever possible consider the rural nature of our community combined with a tourism-based economy. CCA will limit approval of sites for PBV housing to census tracts that have poverty concentrations of 20 percent or less except when granting PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with higher poverty concentrations, such as sites in in census tracts where:

- a proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community;
- the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- there has been an overall decline in the poverty rate within the past five years; or
- there are meaningful opportunities for educational and economic advancement.

CCA will also consider whether a site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR Part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629) and HUD's implementing regulations at 24 CFR Parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652), and HUD's implementing regulations at 24 CFR Part 107.

The site must also be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations (28 CFR Part 35), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD's implementing regulations at 24 CFR Part 8, including meeting the Section 504 site selection requirements described in 24 CFR 8.4(b)(5).

CCA will also consider whether the site and neighborhood are reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

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Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.55(d)]

The PHA may not enter into an AHAP or HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

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

New Construction Site and Neighborhood Standards [24 CFR 983.55(e)]

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

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

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Supportive Services

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of April 18, 2017, the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit, although the family must be eligible to receive the supportive services. It is not necessary that the services be provided at or by the project but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

CCA Policy

Excepted units will be limited to units for elderly families or those families experiencing chronic homelessness per the HUD definition.

Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

CCA Policy

CCA does not have any PBV units that are subject to the per project cap exception.

Promoting Partially Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than 25 units or 25 percent of units.

CCA Policy:

Excepted units will be limited to units for elderly families or those families meeting the HUD definition of chronic homelessness. CCA will not impose any further cap on the number of PBV units assisted per project.

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17-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and NSPIRE Site Standards [24 CFR 983.55(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into an AHAP or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets housing quality standards and neighborhood standards at 24 CFR 5.703.

CCA Policy

It will be CCA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal, CCA will limit approval of sites for PBV housing in census tracts that have poverty concentrations lower than that of surrounding areas and will strive to meet the goal of providing housing in areas with rates below the 20 percent poverty standard.

CCA will grant exceptions to the 20 percent standard when it determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in a census tract in which:

- the proposed PBV development will be in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community,
- the concentration of assisted units will be or has decreased because of public housing demolition and HOPE VI redevelopment,
- the proposed PBV development will be located is undergoing significant revitalization because of state, local, or federal dollars invested in the area,
- new market rate units are being developed where such market rate units will positively impact the poverty rate in the area,
- there has been an overall decline in the poverty rate within the past five years, or
- there are meaningful opportunities for educational and economic advancement.

CCA will also consider whether the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR Part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629) and HUD's implementing regulations at 24 CFR Parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652), and HUD's implementing regulations at 24 CFR Part 107.

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The site must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations (28 CFR Part 35), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD's implementing regulations at 24 CFR Part 8, including meeting the Section 504 site selection requirements described in 24 CFR 8.4(b)(5).

CCA will also consider whether the site and neighborhood are reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The PHA may not commit to enter a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

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

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

To be selected for PBV assistance, a site for newly constructed housing ***must*** meet the following HUD required site and neighborhood standards, including:

- be adequate in size, exposure, and contour to accommodate the number and type of units proposed,
- have adequate utilities and streets available to service the site,
- not be in an area of minority concentration *unless* the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area,

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- not be in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons,
- neighborhoods conditions must not be seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate,
- be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units, and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.I. ENVIRONMENTAL REVIEW [24 CFR 983.56]

PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The ***responsible entity*** must perform the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not commit to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity for the environmental review, under 24 CFR part 58, must determine whether PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an AHAP or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

- The responsible entity has determined that the activities to be undertaken are exempt under 24 CFR 85.34(a) or categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b);
- The responsible entity has completed the environmental review procedures required by 24 CFR Part 58, and HUD has approved the PHA's Request for Release of Funds and Certification (form HUD-7015.15)
    - HUD approves the Request for Release of Funds and Certification by issuing a Letter to Proceed or form HUD-7015.16, thereby authorizing the PHA to execute an AHAP or HAP contract, as applicable; or
- HUD has performed an environmental review under 24 CFR Part 50 and has notified the PHA in writing of environmental clearance.

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The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) because of the environmental review.

PART III: DWELLING UNITS

17-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

Housing quality standards for the tenant-based program, including those for special housing types, generally apply to the PBV program. Housing quality standards requirements for shared housing, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The owner is required to maintain and operate the contract units and premises in accordance with housing quality standards, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, Subparts A, B, H, and R, and 40 CFR 745.227, apply to the PBV program.

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]

A PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the AHAP and the HAP contract. These requirements must be in addition to, not in place of, compliance with housing quality standards. The PHA must specify the conditions under which it will require additional housing quality requirements in the administrative plan.

CCA Policy

CCA may identify the need for any special features on a case-by-case basis depending on the intended occupancy of a PBV project. If a need is identified, CCA will specify any special design standards or additional requirements in the invitation for PBV proposals (if applicable), the AHAP, and the HAP contract.

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17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implement regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

The PHA must inspect contract units whenever needed to determine that the contract units comply with housing quality standards and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

Pre-selection Inspection [24 CFR 983.103(a)]

If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date and must determine if the project meets the definition of *existing housing*. If the project is existing housing, the PHA may not execute the HAP contract until the units meet the initial inspection requirements in accordance with 24 CFR 983.103(c).

Initial Inspection: Newly Constructed and Rehabilitated Projects That Underwent Substantial Improvement [24 CFR 983.103(b)]

Following completion of work pursuant to 24 CFR 983.155, the PHA must complete the following inspections, as applicable:

- For rehabilitated housing that is developed prior to the HAP contract term or newly constructed housing, the PHA must inspect each proposed newly constructed and rehabilitated PBV unit before execution of the HAP contract. Each proposed PBV unit must fully comply with housing quality standards prior to HAP contract execution.
- For rehabilitated housing that will undergo development activity after HAP contract execution, the PHA must conduct unit inspections in accordance with the requirements of 24 CFR 983.157.
- For units that underwent substantial improvement pursuant to 24 CFR 983.207(d) or 983.212, inspect each unit. Each PBV unit that underwent substantial improvement must fully comply with housing quality standards prior to the PHA adding the unit to the HAP contract, returning the unit temporarily removed to the HAP contract, allowing re-occupancy of the unit, and resuming housing assistance payments, as applicable.

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Initial Inspection: Existing Housing [24 CFR 983.103(c)]

The PHA must inspect and determine that all of the proposed PBV units fully comply with housing quality standards before entering into the HAP contract, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial inspection as a result of only non-life-threatening conditions (NLT option), or if the unit passed an alternative inspection, or both. The PHA must establish in its administrative plan the amount of time that may elapse between the initial inspection of existing housing and execution of a HAP contract for that unit.

CCA Policy

CCA will not provide assistance on behalf of the family until the unit fully complies with housing quality standards and will not rely on alternative inspections for initial inspections.

The HAP contract for existing housing must be executed within 60 calendar days of the initial inspection, except when there is reasonable cause to extend the time frame for contract execution.

Turnover Inspections [24 CFR 983.103(c)]

Before assisting a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide rental assistance on behalf of the family until the unit fully complies with housing quality standards.

Periodic Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months during the term of the HAP contract (or at least triennially for small rural PHAs), PHAs must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with NSPIRE. Turnover inspections are not counted toward meeting this inspection requirement. PHAs also have the option in certain mixed finance properties to rely on alternative inspections conducted at least triennially.

CCA Policy

CCA will inspect a random sample consisting of at least 20 percent of the contracted units in each project on an annual basis to determine if the contract units and the premises meet housing quality standards.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

This requirement also applies in the case of a HAP contract that is undergoing development activity after HAP contract execution; however, if the periodic inspection occurs during the period of development activity covered by the rider and fewer than 20 percent of contract units in each building are designated in the rider as available for occupancy, the PHA is only required to inspect the units in that building that are designated as available for occupancy.

Alternative Inspections [24 CFR 983.103(g); Notice PIH 2016-05]

In the case of mixed-finance properties that are subject to alternative inspections, PHAs may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements.

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CCA Policy

CCA will not rely on alternative inspection standards.

Interim Inspections [24 CFR 983.103(f)]

If a participant or government official notifies the PHA of a potential deficiency in a PBV unit or development, the following applies:

- If the reported deficiency is life-threatening, the PHA must, within 24 hours of notification, both inspect the housing unit and notify the owner if the life-threatening deficiency is confirmed. The owner must then make the repairs within 24 hours of PHA notification.
- If the reported deficiency is non-life-threatening, the PHA must, within 15 days of notification, both inspect the unit and notify the owner if the deficiency is confirmed. The owner must then make the repairs within 30 days of notification from the PHA or within any PHA-approved extension.

CCA Policy

During an interim inspection, CCA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the periodic inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled CCA will conduct a full inspection at the interim inspection appointment.

Follow Up Inspections [24 CFR 983103(f)(2)]

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected a housing quality standards violation and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violations of housing quality standards.

Supervisory Quality Control Inspections [24 CFR 983.103(f)(3)]

In conducting PHA supervisory quality control inspections, the PHA should include a representative sample of both tenant-based and project-based units.

Inspecting PHA-Owned Units [24 CFR 983.103(g)]

In the case of PHA-owned units, the inspections must be performed by an independent entity designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent entity, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

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PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

17-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance. Housing selected for this type of assistance *may not* be reclassified or "selected" later be selected for PBV assistance as existing housing.

17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

Except where the PHA decides not to use an AHAP or chooses to execute an AHAP after construction or rehabilitation has commenced, the PHA and owner must enter into an AHAP that will govern development activity. In the AHAP, the owner agrees to develop the PBV contract units to comply with housing quality standards, and the PHA agrees that upon timely completion of development in accordance with the terms of the AHAP, the PHA will enter into a HAP contract with the owner for the contract units. The AHAP must cover a single project, except one AHAP may cover multiple projects that each consist of a single-family building.

The effective date of the AHAP must be on or after the date the AHAP is executed. The AHAP must be executed and effective prior to the commencement of development activity as described in 24 CFR 983.154(d), except where the PHA decides not to use an AHAP or chooses to execute an AHAP after construction or rehabilitation has commenced. The AHAP must be in the form required by HUD.

The PHA and owner may agree to amend the contents of the AHAP by executing an addendum, so long as such amendments are consistent with all PBV requirements. The PHA and owner may only execute an addendum affecting a unit prior to the PHA accepting the completed unit.

Development activity must not commence after the date of proposal submission (for housing subject to competitive selection) or the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and before the effective date of the AHAP, except where the PHA decides not to use an AHAP or chooses to execute an AHAP after construction or rehabilitation has commenced. In the case of new construction, development activity begins with excavation or site preparation (including clearing of the land). Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

PHA Discretion Not to Use an AHAP [24 CFR 983.154(f)]

The PHA may decide not to use an AHAP or may choose to execute an AHAP after construction or rehabilitation that complied with applicable requirements of 24 CFR 983.153 has commenced. To do so, the PHA must explain the circumstances (if any) under which the PHA will enter into a PBV HAP contract for newly constructed or rehabilitated housing without first entering into an AHAP and under which the PHA will enter into an AHAP after construction or rehabilitation has commenced.

CCA Policy

CCA may exercise its discretion to not use an AHAP or to execute an AHAP after construction or rehabilitation depending upon the overall circumstances of the project.

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Content of the AHAP [24 CFR 983.154(e)]

At a minimum, the AHAP must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (square footage) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the AHAP. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the AHAP;
- A description of any required work item if the requirement to install broadband infrastructure applies;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the AHAP.
    - For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans.
    - For new construction units, the description must include the working drawings and specifications.
- The deadline for completion of the work to be performed under the AHAP; and
- Any additional requirements for quality, architecture, or design over and above housing quality standards. The PHA must specify the conditions under which it will require additional housing quality requirements in the administrative plan.

Execution of the AHAP [FR Notice 11/24/08]

The AHAP must be executed promptly after PHA notice of proposal selection to the selected owner.

CCA Policy

CCA will enter into an AHAP with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. DEVELOPMENT REQUIREMENTS

Labor Standards [24 CFR 983.153(c)]

If an AHAP covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing.

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Further, these Davis-Bacon requirements apply to existing PBV units when the nature of any work to be performed either before the execution of the HAP contract or within 18-months after execution constitutes project development. Any development initiated on existing units within 18-months after the effective date of the HAP contract on projects with nine or more contract units triggers Davis-Bacon requirements.

When the PHA exercises its discretion at 24 CFR 983.154(f) or 983.157(a) to allow the owner to conduct some or all development activity while the proposed PBV units are not under an AHAP or HAP contract, the applicable parties must comply with the labor standards outlined above from the date of proposal submission (for housing subject to competitive selection) or from the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection).

The AHAP will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates. The addendum to the HAP contract, Form HUD-5679, also includes the required labor standards clauses.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

For any project to which labor standards apply, the PHA's written notice to the party that submitted the selected proposal or board resolution approving project-basing of assistance at the specific project must state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

Development activity is also subject to the federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198), and 12138 (3 CFR, 1977 Comp., p. 393).

Accessibility [24 CFR 983.153(e)]

As applicable, the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205; the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, including 8.22 and 8.23; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations at 28 CFR Part 35, including 24 CFR 35.150 and 35.151, apply to development activity.

A description of any required work item resulting from these requirements must be included in the AHAP (if applicable) or HAP contract (if applicable).

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Broadband Infrastructure [24 CFR 983.153(f)]

Any development activity that constitutes substantial rehabilitation (as defined by 24 CFR 5.100) of a building with more than four rental units and where the proposal or project selection date or the start of the development activity while under a HAP contract is after January 19, 2017, must include installation of broadband infrastructure, as defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

- The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;
- The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or
- The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

A description of any required work item resulting from this requirement must be included in the AHAP (if applicable) or HAP contract (if applicable).

Owner Disclosure [24 CFR 983. .153(g)]

The AHAP and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the AHAP, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF WORK [24 CFR 983.155]

Evidence of Completion [24 CFR 983.155]

The owner must submit evidence and certify to the PHA, in the form and manner required by the PHA's administrative plan, that development activity or substantial improvement has been completed, and that all such work was completed in accordance with the applicable requirements. The PHA must review the evidence to determine whether the development activity or substantial improvement was completed in accordance with the applicable requirements.

In the case of PHA-owned units, the owner must submit evidence and certify to the independent entity, in the form and manner required by the PHA's administrative plan, that development activity or substantial improvement has been completed, and that all such work was completed in accordance with the applicable requirements. The independent entity must review the evidence to determine whether the development activity or substantial improvement was completed in accordance with the applicable requirements.

CCA Policy

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with housing quality standards,

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- and all requirements of the AHAP, and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

The AHAP may specify additional documentation that must be submitted by the owner as evidence of housing completion. For example, such documentation may include:

- A certificate of occupancy or other evidence that the units comply with local requirements (such as code and zoning requirements); and
- An architect's certification that the housing complies with:
    - HUD housing quality standards;
    - State, local, or other building codes;
    - Zoning;
    - The rehabilitation work write-up (for rehabilitated housing) or the work description (for newly constructed housing); or
    - Any additional design or quality requirements pursuant to the AHAP.

CCA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project and will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units [24 CFR 983.156]

After receiving all required evidence that the housing is completed and the owner's certification that all work was completed in accordance with applicable requirements, the PHA must inspect to determine if the housing has been completed in accordance with the AHAP, including compliance with housing quality standards and any additional design, architecture, or quality requirements imposed under the AHAP. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the AHAP, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the AHAP and that the owner has submitted all required evidence of completion, the PHA must :

- For units which will not undergo development activity after HAP contract execution, submit the HAP contract for execution by the owner and then execute the HAP contract;
- For rehabilitated housing projects for which development activity has commenced prior to HAP contract execution under 24 CFR 983.157(b), submit the HAP contract for execution by the owner and then execute the HAP contract;
- For development activity after the HAP contract execution, amend the HAP contract rider to designate the completed units as available for occupancy, or if the owner has completed all development activity as provided in the rider, amend the HAP contract to delete the rider; or

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- For units that underwent substantial improvement in order to be added to the HAP contract, amend the HAP contract to add the units to the HAP contract.

Staged Completion of Contract Units [24 CFR 983.156(c)]

Contract units that will not undergo development activity after HAP contract execution may be placed under the HAP contract in stages commencing on different dates. In such a case, the PHA must determine separately for each stage whether the development activity was completed in accordance with the applicable requirements and that the units meet housing quality standards and any additional design, architecture, or quality requirements specified by the PHA. If the first stage is determined compliant, then the PHA must submit the HAP contract for execution by the owner and must execute the HAP contract for PBV rehabilitated housing and newly constructed housing projects. As each subsequent stage is determined compliant, the PHA and owner must amend the HAP contract to add the units to the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW [24 CFR 983.202(a)]

PHAs must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With some exceptions, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. However, a PHA and owner may agree to place multiple projects, each consisting of a single-family building, under one HAP contract. The HAP contract must be in the form required by HUD.

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms,
- The project's name, street address, city or county, state and zip code, block, and lot number (if known), and any other information necessary to clearly identify the site and the building,
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit,
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner,
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant,
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8 and the Americans with Disabilities Act, as applicable,

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- The HAP contract term,
- The number of units in any increased program cap or excepted from the project cap that will be set aside for occupancy by families who qualify for such a unit,
- The initial rent to owner for the first 12 months of the HAP contract term, and
- Whether the PHA has chosen not to reduce rents below the initial rent to owner.

Execution of the HAP Contract [24 CFR 983.204]

Before execution of the HAP contract, the PHA must determine that applicable pre-HAP contract housing quality standards requirements have been met in accordance with 24 CFR 983.103(b) or (c) as applicable. The PHA may not execute the HAP contract for any contract unit that does not meet the pre-HAP contract housing quality standards requirements.

For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and the PHA determines that applicable pre-HAP contract housing quality standards requirements have been met.

For newly constructed or rehabilitated housing that will not undergo development activity after HAP contract execution, the HAP contract must be executed promptly after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the AHAP, and the owner furnishes all required evidence of completion.

For rehabilitated housing that will undergo development activity after HAP contract execution, the HAP contract must be executed and effective promptly after all proposed PBV units are added to the contract at this time, including units that do not comply with HQS or that will undergo development activity.

CCA Policy

For existing housing, the HAP contract will be executed within 10 business days of CCA verifying that all units pass inspection.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of CCA verifying that the units have been completed in accordance with the AHAP, all units meet housing quality standards, and the owner has submitted all required evidence of completion.

Effective Date of the HAP Contract [24 CFR 983.204(d)]

The effective date of the HAP contract must be on or after the date the HAP contract is executed. The HAP contract must be effective before the effective date of the first lease covering a contract unit occupied by an assisted family, and the PHA may not pay any housing assistance payment to the owner until the HAP contract is effective.

Term of HAP Contract [24 CFR 983.205, FR Notice 1/18/17, and Notice PIH 2017-21]

PHAs may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years.

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CCA Policy

The minimum term of PBV HAP Contracts will be three years. The maximum term of PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time before expiration of the HAP contract, the PHAand the owner may execute one or more extensions of the HAP contract term, but the following conditions apply: he

- extension does not exceed 20 years,
- At no time may the total remaining term of the HAP Contract, with extensions, exceed 40 years,
- Before agreeing to an extension, the PHA must determine that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities, and
- Each extension must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, CCA will consider factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority,
- The condition of the contract units,
- The owner's record of compliance with obligations under the HAP contract and lease(s),
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities, and
- Whether the funding could be used more appropriately for tenant-based assistance.

17-V.C. TERMINATION OF THE HAP CONTRACT

Termination by Agreement of PHA and Owner [24 CFR 983.206(e)]

The PHA and owner may agree to terminate the HAP contract prior to the end of the term. The owner is required to give notice in accordance 24 CFR 983.206(a) prior to termination, and families must be provided tenant-based assistance and may elect to remain in the project.

Termination by PHA [24 CFR 983.205(c)]

The HAP contract must provide that the PHA may terminate the contract for insufficient funding, subject to HUD requirements. The PHA has the option of terminating a PBV HAP contract based on "insufficient funding" only if:

- The PHA determines in accordance with HUD requirements that it lacks sufficient HAP funding (including HAP reserves) to continue to make housing assistance payments for all voucher units currently under a HAP contract;
- The PHA has taken cost-saving measures specified by HUD;
- The PHA notifies HUD of its determination and provides the information required by HUD; and

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- HUD determines that the PHA lacks sufficient funding and notifies the PHA it may terminate HAP contracts as a result.

If the PHA determines that the owner has breached the HAP contract, the PHA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination. The provisions of 24 CFR 983.208 apply for HAP contract breaches involving failure to comply with housing quality standards. For any other contract termination due to breach, 24 CFR 983.206(b) on provision of tenant-based assistance applies.

Non-extension by Owner – Notice Requirements [24 CFR 983.206(a)]

Not less than one year before the HAP contract terminates, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. The term *termination* for applicability of this notice requirement means the expiration of the HAP contract, termination of the HAP contract by agreement of PHA and owner, or an owner's refusal to renew the HAP contract.

If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner and the PHA may agree to renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Termination by Owner – Reduction Below Initial Contract Rent [24 CFR 983.206(d)]

If the amount of the rent to owner for any contract unit, as adjusted, is reduced below the amount of the initial rent to owner, the owner may terminate the HAP contract, upon notice to the PHA no fewer than 90 calendar days prior to the planned termination, and families must be provided tenant-based assistance and may elect to remain in the project. The owner is not required to provide the one-year notice of the termination of the HAP contract to the family and the PHA when terminating the HAP contract due to rent reduction below the initial rent to owner.

Termination or Expiration without Extensions – Required Provision of Tenant-Based Assistance [24 CFR 983.206(b)]

Unless a termination or expiration without extension occurs due to a determination of insufficient funding or other extraordinary circumstances determined by HUD, upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher no fewer than 60 calendar days prior to the planned termination or expiration of the PBV HAP contract. However, the PHA is not required to issue the family a voucher if the PHA has offered the family an alternative housing option (e.g., an assisted unit in another PBV project), and the family chooses to accept the alternative housing option instead of the voucher.

Tenant-based assistance would not begin until the owner's required notice period ends. The PHA must provide the family with a voucher and the family must also be given the option by the PHA and owner to remain in their unit with HCV tenant-based assistance subject to the following:

- The unit must comply with housing quality standards;
- The PHA must determine or have determined that the rent for the unit is reasonable;

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- The family must pay its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-based utilities) exceeds the applicable payment standard (the limitation at 24 CFR 982.508 regarding maximum family share at initial occupancy does not apply); and
- The owner may not refuse to initially lease a unit in the project to a family that elects to use their tenant-based assistance to remain in the same project, except where the owner will use the unit for a purpose other than a residential rental unit. The owner may not later terminate the tenancy of such a family, except for the following grounds:
- The grounds in 24 CFR 982.310, except paragraphs 24 CFR 982.310(d)(1)(iii) and (iv);
- The owner's desire to use the unit for a purpose other than a residential rental unit; and
- The owner's desire to renovate the unit, subject to the following:
    - The owner must consider whether a reasonable alternative to terminating the lease exists. If a reasonable alternative exists, the owner must not terminate the lease. The owner must consider the following alternatives:
    - Completing renovations without the family vacating the unit, if the renovations can be completed in a manner that does not result in life-threatening conditions, does not result in deficiencies under housing quality standards that are not corrected within 30 days, and is mutually agreeable to the owner and the family; and
    - Temporarily relocating the family to complete the renovations, if the relocation and renovations can be completed within a single calendar month (beginning no sooner than the first day of a month and ending no later than the last day of the same month) and the family can be relocated to a location and in a manner mutually agreeable to the owner and the family;
    - If the owner terminates the lease for renovation, the owner must make every reasonable effort to make available and lease the family another unit within the project that meets the tenant-based voucher program requirements; and
    - If no other unit within the project is available for the family to lease during the renovation period or the family chooses to move from the project during the renovation period, the owner must make every reasonable effort to make available and lease the family a unit within the project upon completion of renovations.

The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the PHA HCV tenant-based program and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

The voucher issued to the family is the voucher attached to its unit under the expiring or terminating PBV contract. Consequently, if the family vacates the contract unit following the issuance of the tenant-based

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voucher and prior to the contract termination or expiration date, the PHA must remove the unit from the PBV HAP contract at the time the family vacates the unit.

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The PBV HAP contract must provide that, if the units continue to be used for rental housing upon termination or expiration without extension of a PBV HAP contract, each assisted family may elect to use its tenant-based assistance to remain in the same project.

Enforcement of Housing Quality Standards [24 CFR 983.208(b)]

The PHA must vigorously enforce the owner's obligation to maintain contract units in accordance with housing quality standards. If the owner fails to maintain the dwelling unit in accordance with housing quality standards, the PHA must take enforcement action. The unit is in noncompliance with housing quality standards if:

The PHA or other inspector authorized by the state or local government determines the unit has housing quality standards deficiencies based upon an inspection;

- The agency or inspector notifies the owner in writing of the unit housing quality standards deficiencies; and
- The deficiencies are not remedied within the following timeframes:
- For life-threatening deficiencies, the owner must correct the deficiency within 24 hours of notification;
- For other deficiencies, the owner must correct the deficiency within 30 calendar days of notification (or any reasonable PHA-approved extension).

In the case of a housing quality standards deficiency that the PHA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant's control, other than any damage resulting from ordinary use, the PHA may waive the owner's responsibility to remedy the violation. Housing assistance payments to the owner may not be withheld or abated if the owner responsibility has been waived. However, the PHA may terminate assistance to a family because of a housing quality standards breach beyond damage resulting from ordinary use caused by any member of the household or any guest or other person under the tenant's control, which may result in removing the unit from the HAP contract.

CCA Policy

CCA will work with the owner regarding correcting for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected. The tenant must take all necessary steps permissible under the lease and state and local law to remedy the deficiency. However, the tenant is not the owner and should not make substantive repairs that impact the safety, value or potential for legal liability on the part of the owner. The owner will make such repairs and the tenant is responsible for paying the owner for the cost of the necessary repairs in accordance with the lease.

In the case of a housing quality standards deficiency that is caused by fire, natural disaster, or similar extraordinary circumstances, a PHA may permit the owner to undertake substantial improvement in accordance with 24 CFR 983.212. However, so long as the contract unit with deficiencies is occupied, the PHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract as described in this section.

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In the case of a project that is undergoing development activity after HAP contract execution, the remedies of 24 CFR 983.208(d) do not apply to units designated as unavailable for occupancy during the period of development activity in accordance with the rider. However, in the case of any contract unit with deficiencies that is occupied, the PHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract as described in this section.

Family Obligation [24 CFR 983.208(c)]

The family may be held responsible for a breach of housing quality standards caused by any of the following:

- Tenant-paid utilities not in service;
- Failure to provide or maintain appliances owned by the family; and
- Damage to the dwelling unit or premises caused by a household member or guest beyond ordinary wear and tear.

CCA Policy

Damages beyond ordinary wear and tear are considered to be damages which could be assessed against the security deposit under state law or in court practice.

When tenant caused damages, beyond normal wear and tear, are identified, the family must:

- take all steps permissible under the lease and state and local law to ensure life-threatening deficiencies are corrected within 24 hours of notification.
- take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any PHA-approved extension).

If a family has caused a breach of the housing quality standards, CCA will take prompt and vigorous action to enforce the family obligations including possible termination of assistance for the family in accordance with 24 CFR 982.552.

PHA Remedies [24 CFR 983.208(d)]

The remedies listed below apply when housing quality standards deficiencies are identified as the result of an inspection other than a pre-selection, initial, or turnover inspection. The PHA must identify in its administrative plan the conditions under which it will withhold HAP and the conditions under which it will abate HAP or terminate the HAP contract for units other than the unit with housing quality standards deficiencies.

CCA Policy

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies housing quality standards failures, CCA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

The PHA will not withhold assistance payments upon notification to the owner of the deficiencies.

When life-threatening conditions are identified, the PHA will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the PHA's notice.

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When failures that are not life-threatening are identified, the PHA will send the owner and the family a written notification of the inspection results within five business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 30 days will be allowed for the correction.

If the owner is responsible for correcting the deficiency, the notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any PHA-approved extension), the owner's HAP will be abated.

Likewise, if the family is responsible for correcting the deficiency, the notice will inform the family that if corrections are not made within the specified time frame (or any PHA-approved extension, if applicable) the family's assistance will be terminated in accordance with PHA policy (see Chapter 12).

HAP Withholding [24 CFR 983.208(d)(1)

A PHA may withhold assistance payments for units that have housing quality standards deficiencies once the PHA has notified the owner in writing of the deficiencies. The PHA's administrative plan must identify the conditions under which the PHA will withhold HAP. In this case, if the unit is brought into compliance during the applicable cure period, the PHA resumes assistance payments and provides assistance payments to cover the time period for which the payments were withheld.

CCA Policy

CCA will not withhold assistance payments during the cure period. Included in the notice of deficiency to the owner is a warning that HAP will be abated at the expiration of the cure period if the corrections are not made unless an extension to the cure period is granted prior to the expiration date.

HAP Abatement [24 CFR 983.208(d)(2)]

The PHA must abate the HAP, including amounts that had been withheld, if the owner fails to make the repairs within the applicable cure period. The PHA may choose to abate payments for all units covered by the HAP contract due to a contract unit's noncompliance with the housing quality standards, even if some of the contract units continue to meet housing quality standards. In this case, the PHA must notify the family and the owner that it is abating payments and, if the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will either terminate the HAP contract or remove the unit with deficiencies from the HAP contract, and any family residing in a unit that does not comply with housing quality standards will have to move if the family wishes to receive continued assistance.

The owner may not terminate the tenancy of any family due to the withholding or abatement of assistance. During the period that assistance is abated, the family may terminate the tenancy by notifying the owner and the PHA. The PHA must promptly issue the family a tenant-based voucher to move.

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CCA Policy

When the owner fails to make repairs, and any extension has expired, CCA will abate payments for those contract units that do not meet housing quality standards.

CCA will inspect abated units within five business days, or as soon as reasonably possible, of receiving notification from the owner that the work is complete. Payment will resume effective on the day the unit passes inspection.

During any abatement period, the family is responsible for paying its share of the rent.

Failure to Make Repairs

If an owner fails to make required repairs within 60 days (or a reasonable longer period established by the PHA) of the notice of abatement, the PHA must either remove the unit from the HAP contract or terminate the HAP contract in its entirety. The PHA must issue the family whose unit will be removed or all families residing in contract units, if the PHA is terminating the HAP contract, a tenant-based voucher to move at least 30 days prior to the removal of the unit from the HAP contract or termination of the HAP contract. A family may elect to remain in the project if the project contains a unit that meets the requirements of that section, with priority given to families who will remain in the same unit if there are insufficient units available to accommodate all families that wish to remain. The PHA must give any family residing in a unit that is either removed from the HAP contract or for which the HAP contract is terminated due to a failure to correct housing quality standards deficiencies at least 90 days or a longer period as the PHA determines is reasonably necessary following the termination of the HAP contract or removal of the unit from the HAP contract to lease a unit with tenant-based assistance.

CCA Policy

CCA will issue a voucher to a family whose unit is being removed from the HAP Contract or whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame. The voucher will be issued no later than 30 days prior to the termination of the HAP contract. The initial term of the voucher will be 120 calendar days. No briefing is required for these families.

In order to receive tenant-based assistance under the HCV program, the family must submit a Request for Tenancy Approval and proposed lease within the 120-day period, unless CCA grants an extension. The PHA will follow the policies set forth in Chapter 5 on voucher extension and expiration.

Relocation Assistance [24 CFR 983.208(d)(6)(iii)]

PHAs may assist families relocating due to the HAP contract being terminated as a result of the owner failing to make required repairs within the required time frame in finding a new unit, including using up to two months of the withheld and abated assistance payments for costs directly associated with relocating to a new unit, including security deposits, temporary housing costs, or other reasonable moving costs as determined by the PHA based on their locality.

If the PHA uses withheld and abated payments to assist with relocation costs, the PHA must provide security deposit assistance to the family as necessary. The PHA must assist families with disabilities with locating available accessible units in accordance with 24 CFR 8.28 (a)(3). If the family receives security deposit assistance from the PHA for the new unit, the PHA may require the family to remit the security deposit returned by the owner of the new unit as such time that the lease is terminated, up to the amount of security deposit provided by the PHA for that unit.

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CCA Policy

CCA will assist families with disabilities with locating available accessible units in accordance with program requirements.

CCA may use up to two months of withheld and abated payment to assist with any required security deposit at the new unit. Funds may also be used to assist with utility deposits or other reasonable relocation costs.

By State law, the owner must refund the balance of the Security Deposit collected at lease up. CCA will not require the family to reimburse the agency for the abated HAP funds used to help with relocation.

17-V.D. AMENDMENTS TO THE HAP CONTRACT TO ADD OR SUBSTITUTE UNITS [24 CFR 983.207(a)]

At a PHA's discretion, the PHA and owner may execute an amendment to the HAP contract to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract unit or to add additional contract units to the existing HAP contract without a new proposal selection.

The proposed substituted or added units may be vacant or occupied (subject to the requirements of 24 CFR 983.207(c) described below). Before any such substitution or addition can take place:

- The units must comply with housing quality standards;
- The rent to owner must be reasonable; and
- One of the following conditions must apply:
    - The units existed at the time of HAP contract execution; or
    - In the case of a project completed in stages, the units existed at the time of PHA acceptance of the last completed units; or
    - A unit, office space, or common area within the interior of a building containing contract units existed at the time described above, as applicable, and is reconfigured without impacting the building envelope, subject to 24 CFR 983.207(d), into one or more units to be added or substituted.

The PHA must describe in the administrative plan the circumstances under which it will add or substitute contract units, and how those circumstances support the goals of the PBV program.

CCA Policy

CCA may amend a HAP contract and add units to the contract in projects with existing HAP Contracts on a case-by-case basis to ensure the availability of affordable housing as long as the addition of units does not exceed allowable project caps.

Addition of Contract Units [24 CFR 983.207(b)]

Before adding any contract units, the units must comply with housing quality standards and the rent to owner must be reasonable. The additional PBV units, however, are still subject to the PBV program cap and project cap. However, added units that qualify for an exclusion from the program cap (as described in 24 CFR 983.59) or an exception to or exclusion from the project cap (as described in 24

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FR 983.54(c) and 24 CFR 983.59, respectively) do not count toward such caps.**Substituting or Adding Occupied Units [24 CFR 983.207(c)]**

The PHA may place occupied units on the HAP contract subject to the following:

- The family occupying the unit must be eligible for assistance;
- The unit must be the appropriate for the size of the family occupying the unit under the PHA's subsidy standards;
- The family must be selected from the waiting list in accordance with applicable selection policies; and
- The unit may be occupied by a family who was assisted with a tenant-based voucher immediately prior to the unit being placed on the PBV HAP contract. The tenant-based HAP contract for the unit must terminate before the unit may be placed under the PBV HAP contract. The family occupying the unit is not a new admission to the voucher program.
    - If the family is in the initial term of the tenant-based lease, the family agreed to mutually terminate the tenant-based lease with the owner and enter into a PBV lease.
    - If the initial term of the tenant-based lease has passed or the end of that term coincides with the time at which the unit will be placed on the PBV HAP contract, upon the owner's decision not to renew the tenant-based lease or to terminate the tenant-based lease in accordance with 24 CFR 982.308 or 982.310, respectively, the family agreed to relinquish the tenant-based voucher and enter into a PBV lease.

17-V.E. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b)(2), (g) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

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

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17-V.F. OWNER RESPONSIBILITIES UNDER THE HAP CONTRACT [24 CFR 983.210]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- The owner is maintaining contract units and the premises in accordance with housing quality standards,
- The owner is providing all services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases,
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements,
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence,
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit,
- The amount of the HAP the owner is receiving is correct under the HAP contract,
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units,
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit,
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative), and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken will comply with Davis-Bacon wage requirements.

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PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program.

This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

PHAs may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined prior to commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance using information received and verified by the PHA within a period of 60 days before commencement of PBV assistance. For all families, the PHA must determine the total tenant payment for the family is less than the gross rent, such that the unit will be eligible for a monthly HAP.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant- based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, meet asset limitation requirements, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)].

In addition, an applicant family must provide social security information for family members [24 CFR

5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. PHAs may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

CCA Policy

CCA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3. CCA will use a single waiting list for tenant-based and project-based vouchers.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list.

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Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

During the initial term of the lease under the tenant-based tenancy, an in-place tenant-based voucher family may agree, but is not required, to mutually terminate the lease with the owner and enter into a lease and tenancy under the PBV program. If the family chooses to continue the tenant-based assisted tenancy, the unit may not be added to the PBV HAP contract. The owner may not terminate the lease for other good cause during the initial term unless the owner is terminating the tenancy because of something the family did or failed to do in accordance with 24 CFR 982.310(d)(2). The owner is expressly prohibited from terminating the tenancy during the initial term of the lease based on the family's failure to accept the offer of a new lease or revision, or for a business or economic reason.

If, after the initial term, the owner chooses not to renew the lease or terminates the lease for other good cause (as defined in 24 CFR 982.310(d)) to end the tenant-based assisted tenancy, the family would be required to move with continued tenant-based assistance or relinquish the tenant-based voucher and enter into a new lease to receive PBV assistance in order to remain in the unit.

17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the waiting list for the PBV program. The PHA or owner (as applicable) may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list. The PHA must establish in the administrative plan the options it will use to structure the PBV waiting list. The PHA may:

- Use a separate, central, waiting list comprised of more than one or all PBV projects;
- Use the same waiting list for both tenant-based and some or all PBV projects;
- Use a separate waiting list for PBV units in individual projects or buildings (or for sets of such units) (which may be used in combination with either of the above options and may be maintained by the owner); or
- Merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA.

If a PHA decides to establish a separate PBV waiting list, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance. The PHA must specify the name of the PBV projects in its administrative plan.

CCA Policy

CCA will use a single waiting list for tenant-based and project-based assistance unless a project is developed for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units. In the case of projects for families who qualify for services, CCA may choose to maintain separate waiting lists for selected sites.

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PHA Waiting List Preferences [24 CFR 983.251(c)(3)]

The PHA may establish in its administrative plan any preferences for occupancy of particular units including the name of the projects and the specific preferences that are to be used by project. Criteria for occupancy of units (e.g., elderly families) may also be established, however, selection of families must be done through admission preference. The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above. For both excepted units and units under the increased program cap, 24 CFR 983.262(b)(2) requires that the PHA must select families from the waiting list though an admission preference for these types of units.

CCA Policy

CCA will offer waiting list preferences for PHA-maintained waiting lists similar to those used in the HCV program. CCA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, or mobility impaired persons for accessible units).

CCA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

17-VI.D. OWNER-MAINTAINED WAITING LISTS [24 CFR 983.251(c)(7)]

When the PHA uses separate waiting lists for individual projects or buildings, the PHA may establish in the administrative plan that owners will maintain the waiting lists.

CCA Policy

CCA does not permit owner-maintained waiting lists.

17-VI.E. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(9)]

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely low-income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(9)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner. The PHA must have some mechanism for referring to accessible PBV units a family that includes a person with a mobility or sensory impairment.

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17-VI.F. OFFER OF PBV ASSISTANCE OR OWNER'S REJECTION

Refusal of Offer [24 CFR 983.251(e)(3)]

If a family refuses the PHA's offer of PBV assistance or the owner rejects a family for admission, the family's position on the PHA waiting list for tenant-based assistance is not affected regardless of the type of PBV waiting list used by the PHA. The impact (of a family's rejection of the offer or the owner's rejection of the family) on a family's position on the PBV waiting list will be determined as follows:

- If a central PBV waiting list is used, the PHA's administrative plan must address the number of offers a family may reject without good cause before the family is removed from the PBV waiting list and whether the owner's rejection will impact the family's place on the PBV waiting list.
- If a project-specific PBV waiting list is used, the family's name is removed from the project's waiting list connected to the family's rejection of the offer without good cause or the owner's rejection of the family. The family's position on any other project-specific PBV waiting list is not affected.
- The PHA must define *good cause* in its administrative plan. The PHA's definition of *good cause* must include, at minimum, that:
  - The family determines the unit is not accessible to a household member with a disability or otherwise does not meet the member's disability-related needs;
  - The unit has housing quality standards deficiencies;
  - The family is unable to accept the offer due to circumstances beyond the family's control (such as hospitalization, temporary economic hardship, or natural disaster); and
  - The family determines the unit presents a health or safety risk to a household member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

CCA Policy

CCA will define *good cause* for rejection of a unit offer as any of the four factors listed above.

CCA will not take any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance, except that CCA is not required to open a closed waiting list to place the family on that waiting list,
- Deny an admission preference for which the applicant is currently qualified,
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection from the waiting list, or
- Remove the applicant from the tenant-based voucher waiting list.

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Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains:

- how the PHA determines the total tenant payment for a family,
- the family obligations under the program,
- Information on federal, state, and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification under Section 504, the Fair Housing Act, and the Americans with Disabilities Act
- PHA subsidy standards, including when the PHA will consider granting exceptions to the standards, and when exceptions are required as a reasonable accommodation for a person with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act, and
- The family's right to move .

The PHA and family must sign the Form HUD-52578-B PBV Statement of Family Responsibility.

CCA Policy

When families accept a unit offer, CCA will inform them of their requirement to participate in a PBV program briefing. Briefings will be conducted prior to the execution of the family's lease. Briefings may be conducted either individually or in a group setting and may also be either in person or remote. Remote briefings will follow the requirements of Notice PIH 2020-32.

Briefings will be conducted in English. Applicants who may require language assistance may bring an advocate, family member, friend, or other adult representative to assist in communications. CCA will also utilize available resources such as bilingual staff, community volunteer resources, responsible use of artificial intelligence technology, and/or machine translation to assist families with communication.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6 and 28 CFR Part 35, subpart E, and must provide information on the reasonable accommodation process in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

17-VI.G. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease.

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An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)]. The owner must provide a copy of the rejection notice to the PHA. During the term of the HAP contract, the owner must lease contract units to eligible families that are selected from the waiting list for the PBV program. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The PHA and the owner must make reasonable, good-faith efforts to minimize the likelihood and length of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. Contract units in a rehabilitated housing project undergoing development activity after HAP contract execution that are not available for occupancy are not subject to this requirement.

With a PHA-maintained waiting list is used, the owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies within 30 calendar days.

CCA Policy

The owner must notify CCA in writing within five business days of learning about any vacancy or expected vacancy. CCA will make every reasonable effort to refer families to the owner within 15 business days of receiving such notice from the owner.

If the owner rejects the family after conducting a suitability screening, the owner must provide a copy of the rejection notice to CCA within three business days.

Referrals will be made in writing. An owner may not offer a unit to a family that has not been referred by CCA, which occurs after the agency determines that a family is eligible for the program.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, and notwithstanding the reasonable good-faith efforts of the PHA and the owner to fill such vacancies, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

CCA Policy

If any contract units have been vacant for 120 days, CCA may give notice to the owner that the HAP contract may be amended to reduce the number of contract units that have been vacant for this period. CCA will work with the owner to determine the reason for the lengthy vacancy and amend the HAP contract, if necessary. An amendment to the contract will be effective on the 1st day of the month following the date CCA and the owner execute a contract amendment.

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17-VI.H. TENANT SCREENING [24 CFR 983.255]

PHA Option

PHAs are not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, PHAs may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

CCA Policy

CCA does not conduct screenings to determine a PBV applicant family's suitability for tenancy for third-party owners.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families with a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The protections for victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking in 24 CFR part 5, subpart L, apply to tenant screening. The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, except at the written request or with the written consent of the individual providing the documentation [see 24 CFR 5.2007(a)(4)].

CCA Policy

CCA informs owners of their responsibility to screen prospective tenants. However, CCA will provide owners with an applicant family's current and prior address as well as the name and address of the family's current landlord and any prior landlords to the extent the information is documented in the applicant's file. CCA will not provide tenancy history, criminal history, etc. to the owner.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

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

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PART VII: OCCUPANCY

17-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

17-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease ***must include*** the Form HUD-52530-C PBV Tenancy Addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner's lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

CCA Policy

CCA will review owners' leases for compliance to ensure they meet basic requirements for leases as specified in Chapter 9 and in the section below and to ensure they appear to be compliant with North Carolina law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant,
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit),
- The term of the lease (initial term and any provision for renewal),
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements,
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner, and
- The amount of any charges for food, furniture, or supportive services.

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Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements,
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide),
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f)]

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause,
- The tenant terminates the lease,
- The owner and tenant agree to terminate the lease,
- The PHA terminates the HAP contract,
- The PHA terminates assistance for the family.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" ***does not include*** doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose. The regulations at 24 CFR 5.858 through 5.861 on eviction for drug and alcohol abuse and 24 CFR Part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) apply to the PBV program.

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In addition, the owner may terminate the tenancy in accordance with the requirements related to lease terminations for development activity on units under a HAP contract and for substantial improvement to units under a HAP contract.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

Continuation of Housing Assistance Payments [24 CFR 982.258]

Housing assistance payments continue until the tenant rent equals the rent to the owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit will be removed from the HAP contract pursuant to 24 CFR 983.211.

CCA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, it is the family's responsibility to notify CCA of the change and request an interim reexamination *before* the expiration of the 180-day period.

Security Deposits [24 CFR 983.259]

The owner may collect a security deposit from the tenant. PHAs may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

CCA Policy

North Carolina General Statute Chapter 42 Article 6 § 42-50 sets limitation on landlords' ability to collect Security Deposits and governs how such deposits may be used.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

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

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

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17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

If a PHA determines that a family is occupying a wrong size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

CCA Policy

CCA will notify affected families and owners of a family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of making such a determination. The family will be offered the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project,
- PBV assistance in another project, and
- Tenant-based voucher assistance.

If no continued housing assistance is available, the PHA must remove the wrong-sized or accessible unit from the HAP contract to make voucher assistance available to issue the family a tenant-based voucher.

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-sized or accessible unit on the date of the expiration of the term of the family's voucher (including any extension granted by the PHA) or the date upon which the family vacates the unit, whichever is earlier. If the family does not move out of the wrong-sized unit, or accessible unit if applicable, by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract when:

- The PHA has offered PBV assistance or other project-based assistance in an appropriately sized unit, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA (not to exceed 90 days); or
- The PHA has offered other comparable tenant-based rental assistance, the family either accepts or does not accept the offer but does not move out of the PBV unit within a reasonable time as determined by the PHA (not to exceed 90 days).

In either of the above situations, the family may request, and the PHA may grant, one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate affordable, safe, and geographically proximate replacement housing.

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The PHA must terminate the housing assistance payments for the wrong-sized or accessible unit and remove the unit from the HAP contract when the PHA has offered PBV assistance or other project-based assistance in an appropriately sized unit, and the family accepts the offer but does not move out of the PBV unit within a reasonable time as determined by the PHA (not to exceed 90 days). No extensions may be granted in this case. The PHA may reinstate a removed unit to the HAP contract after the family vacates the property, in accordance with 24 CFR 983.207(b).

CCA Policy

When CCA offers a family another form of assistance that is not a tenant-based voucher, the family will have 30 days from the date of the offer to accept it. The family may be allowed up to 90 days to move out of the PBV unit. If the family does not move out within this 90-day time frame, CCA will terminate the housing assistance payments at the expiration of this 90-day period.

On a case-by-case basis, CCA may make exceptions to this policy by granting an extension if one is needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member. If the family wishes to request an extension, the family must make such a request in writing before the end of the 90-day period. CCA will only grant one extension not to exceed an additional 90 days.

Family Right to Move [24 CFR 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance before providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

CCA Policy

Except for families seeking protection under VAWA as described below, prior to providing notice to the owner to terminate the lease, any eligible family may submit a written request to the PHA for a voucher at any time after completing the 12-month occupancy requirement. CCA will process the request within 10 business days of receiving the family's request and will verify that the family has met the 12-month occupancy requirement and that the family is in good standing with the owner.

If the request is approved by the PHA, the family will receive the next available tenant-based voucher.

Families exercising their right to move are not required to vacate during their housing search. Prior to the move families must following the lease requirements for giving notice to the owner prior to moving. Families will be notified of their right to remain in their unit if they are unable find a rental unit using the tenant-based voucher.

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If family's search term (and any extensions) expires, the family's name will be removed from the priority list, and the family will be able to resubmit a request at a later time. CCA will issue the tenant-based voucher to the next eligible family.

Emergency Transfers under VAWA [Notice PIH 2017-08 and 24 CFR 983.261(f) and (g)]

In the case of a move due to domestic violence, dating violence, sexual assault, stalking, or human trafficking, PHAs must describe policies for facilitating emergency transfers for families with PBV assistance in their Emergency Transfer Plan, including when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

When the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member, the family is not required to give the owner advance written notice or contact the PHA before moving from the unit. Additionally, when any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move, the family is not required to give the owner advance written notice or contact the PHA before moving from the unit. A PHA may not terminate the assistance of a family due to a move occurring under these circumstances and must offer the family the opportunity for continued tenant-based assistance if the family had received at least one year of PBV assistance prior to moving.

If a family break-up results from an occurrence of domestic violence, dating violence, sexual assault, stalking or human trafficking, the PHA must ensure that the victim retains assistance.

CCA Policy

Except where special consideration is needed for the project-based voucher program, CCA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

When the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking has lived in the unit for less than one year, CCA will provide options for continued assistance including the following:

- Try to transfer the participant to another PBV unit in the same development or, if available, transfer to a different development in which CCA has PBV units. CCA will expedite the administrative processes to conduct the transfer as quickly as possible.
- If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to the tenant-based rental assistance (HCV) program based on the availability of tenant-based vouchers. CCA has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking in its HCV programs and will rely on this preference to expedite the process. See Section 4-III.C. of this administrative plan.

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- If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, CCA may offer the participant an internal transfer to another PBV unit in the same development or, if available, a transfer to a different development where CCA has PBV units. CCA will expedite the administrative processes to conduct the transfer.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW [24 CFR 983.301(a)]

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement AHAP states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

17-VIII.B. RENT LIMITS [24 CFR 983.301(b)]

Except for certain tax credit units (discussed below), the rent to owner ***must not exceed the lowest of*** the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance,
- The reasonable rent, or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986,
- The contract unit is not located in a qualified census tract,
- There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit, and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard,

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance,
- The reasonable rent, or
- The rent requested by the owner.

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Tax credit rent is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to the owner, a PHA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to the owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, a PHA may establish the initial rent using amounts in effect at any time during the 30-day period immediately *before* the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, PHAs may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

CCA Policy

Upon written request by the owner, CCA may consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. CCA will review and decide based on the circumstances and merit of each request.

In addition to considering a written request from an owner, CCA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if it is determined to be necessary due to budgetary constraints.

Use of Small Area FMRs (SAFMRs) [24 CFR 888.113(h)]

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If a PHA adopts this policy, it must apply to all future PBV projects and the PHA's entire jurisdiction. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy.

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Further, a PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective date of PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

CCA Policy

CCA does not plan to apply SAFMRs to any future PBV program.

17-VIII.C. REDETERMINATION OF RENT [24 CFR 983.302]

A PHA must redetermine the rent to owner when:

- there is a 10 percent or greater decrease in the published FMR,
- the owner makes a request consistent with requirements established in the PHA's administrative plan,
- At the time of the automatic adjustment by an operating cost adjustment factor (OCAF) in accordance with 24 CFR 983.302(b)(3).

Adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

Rent Increase [24 CFR 983.302(b)]

During the term of the HAP contract, any increase in rent to owner is effective on the annual anniversary of the HAP contract. A rent increase may occur either through automatic adjustment by an OCAF or as the result of an owner request for a rent increase. The owner does not need to request a rent adjust when a rent increase occurs through an OCAF since the PHA redetermines the rent automatically under that option.

OCAF [24 CFR 983.302(b)(3)]

If the PHA and owner agree, the HAP contract may provide for rent adjustments using an OCAF established by the HUD pursuant to Section 524(c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) at each annual anniversary of the HAP contract and published annually in the *Federal Register.* Further, the HAP contract may require an additional increase up to an amount determined by the PHA (pursuant to 24 CFR 983.301(b) and (c)) if requested by the owner in writing, periodically during the term of the contract. The HAP contract must require an additional increase up to an amount determined by the PHA at the point of contract extension, pursuant to 24 CFR 983.301(b) and (c), if requested by the owner in writing.

CCA Policy

CCA will allow for rent increases by OCAF rather than owner request on a case-by-case basis, including allowing for additional increases up to an amount determined by the PHA pursuant to 24 CFR 983.301(b) and (c) if requested by the owner in writing.

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An owner's request must be submitted to the PHA 60 days prior to the anniversary date of the HAP contract and must include the new rent amount the owner is proposing.

When the PHA allows for rent increases by OCAF, at the point of contract extension, the contract will require an additional increase up to an amount determined by the PHA if requested by the owner in writing. An owner's request must be submitted to the PHA 60 days prior to the anniversary date of the contract extension date and must include the new rent amount the owner is proposing.

Owner-Requested Rent Increases [24 CFR 983.302(b)(4)]

If the HAP contract does not provide for automatic adjustment by an OCAF, and if an owner wishes to request an increase in the rent to owner from the PHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.E.). The requestit must be must be in writing and in the form and manner required by the PHA. The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs). The administrative plan must specify any advance notice the owner must give the PHA and the form the request must take.

CCA Policy

An owner's request for a rent increase must be submitted in writing to CCA at least 60 days prior to the anniversary date of the HAP contract and must include the new rent amount the owner is proposing.

CCA will not approve any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with housing quality standards. The owner ***will not*** receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease [24 CFR 983.302(c)]

If the HAP contract does not provide for adjustment by an OCAF and there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

If the HAP contract provides for rent adjustments by an OCAF and there is a decrease in the fair market rent, tax credit rent, or reasonable rent that requires a decrease to the rent to owner, the rent to owner must be decreased.

However, at any time during the term of the HAP contract, the PHA may elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract. Where a PHA makes such an election, the rent to owner shall not be reduced below the initial rent to owner, except:

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- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required; or
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

Notice of Rent Change to Owner [24 CFR 983.203(d)]

Whenever there is a change in rent to owner, the PHA must provide written notice to the owner specifying the amount of new rent to the owner. The PHA notice of rent adjustment constitutes an amendment of the rent to the owner specified in the HAP contract. The adjusted amount of rent to the owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

CCA Policy

CCA will provide the owner with at least a 30-day written notice of any change in the amount of rent to the owner.

PHA-Owned Units [24 CFR 983.301(g)]

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

17-VIII.D. REASONABLE RENT [24 CFR 983.301(d) and 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

When Rent Reasonable Determinations Are Required

The PHA must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date,
- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant,
- The PHA accepts a completed unit after development activity that is conducted after HAP contract execution in accordance with 24 CFR 983.156(b)(3); and
- There is another change that may substantially affect the reasonable rent.

Rent Floor

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The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner, and upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent.

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However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55; and
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant.

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

CCA Policy

CCA may elect not to reduce rents below the initial level and will document this decision in the HAP Contract. The exception would be due to circumstances listed in 24 CFR 983.302(c)(2). When a floor rent option is chosen, and upon redetermination of the rent to owner, if the reasonable rent would result in a rent below the initial rent, the CCA will use the higher initial rent to owner amount.

How to Determine Reasonable Rent [24 CFR 983.303(c)]

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type, and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner. The reasonable rent determination must be based on the condition of the assisted unit at the time of the determination and not on anticipated future unit conditions.

Comparability Analysis [24 CFR 983.303(d)]

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA.

The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analysis may not have any direct or indirect interest in the property.

PHA-Owned Units [24 CFR 983.303(f)]

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent [24 CFR 983.303(e)]

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By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.E. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project,
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action,
- A Section 221(d)(3) below market interest rate (BMIR) project,
- A Section 515 project of the Rural Housing Service,
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

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PART IX: PAYMENTS TO OWNER

17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, a PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with NSPIRE standards and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit, ***even if household goods or property are left in the unit***.

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

Payment at Move-Out Month [24 CFR 983.352(a)]

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

CCA Policy

If CCA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, staff will notify the landlord of the amount of housing assistance payment that the owner must repay. The owner is required to repay the amount owed in accordance with the policies in Section 16-IV.B.

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Vacancy Payments [24 CFR 983.352(b)]

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The PHA must include in its administrative plan the PHA's policy on the conditions under which it will allow vacancy payments in a HAP contract, the duration of the payments, amount of vacancy payments it will make to an owner, and the required form and manner of requests for vacancy payments.

CCA Policy

CCA will decide on a case-by-case basis whether to provide vacancy payments to the owner. If CCA elects to provide the vacancy payment, the HAP contract with the owner will contain the details of the agreement including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge),
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed,
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy, and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

The vacancy payment to the owner for each month of the maximum two-month period is determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

CCA Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must notify CCA of the vacancy in accordance with the policy in Section 17-VI.G. regarding filling vacancies.

In order for a vacancy payment request to be considered, it must be made in writing within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications.

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CCA may require additional documentation from the owner to support the request. If the owner does not provide the information within 10 business days of CCA's request, no vacancy payments will be made.

If vacancy payments are made, the payments will cover the period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will not exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Vacancy payments will cover only the period the unit remains vacant.

17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA **may not** use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claims by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

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CCA Policy

Utility Assistance Payments are made to the utility providers on behalf of families. CCA will make utility reimbursements to the provider identified by the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

Except for PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. However, these charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. Non- payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.17-IX.E. PROJECT RECORD RETENTION [24 CFR 983.12]

The regulation at 24 CFR 982.158 applies to both the PHA's tenant-based and project-based programs. In addition, for each PBV project, the PHA must maintain the following records throughout the HAP contract term and for three years thereafter:

- Records to document the basis for PHA selection of the proposal, if selection is competitive, or project, if selection is noncompetitive, including records of the PHA's site selection determination (see 24 CFR 983.55) and records to document the completion of the review of the selection process in the case of PHA-owned units, and copies of the written notice of proposal selection and response of the appropriate party;
- The analysis of impact, if applicable;
- The subsidy layering determination, if applicable;
- The environmental review record, if applicable;
- The Agreement to enter into HAP contract (AHAP), if applicable;
- Evidence of completion, if applicable;
- The HAP contract and any rider and/or amendments, including amendments to extend the term of the contract;
- Records to document the basis for PHA determination and redetermination of rent to owner;
- Records to document HUD approval of the independent entity or entities, in the case of PHA-owned units;

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- Records of the accessibility features of the project and each contract unit; and
- Other records as HUD may require.

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Chapter 18 SPECIAL PURPOSE VOUCHERS

INTRODUCTION

Special purpose vouchers are specifically funded by Congress in separate appropriations from regular HCV program funding in order to target specific populations. Special purpose vouchers include vouchers for the following programs:

- Family Unification Program (FUP)
- Foster Youth to Independence (FYI) program
- Veterans Affairs Supportive Housing (VASH)
- Mainstream
- Non-Elderly Disabled (NED)
- Stability Voucher program

CCA Policy

CCA administers the following types of special purpose vouchers:

Non-Elderly Disabled (NED) Vouchers
Veterans Affairs Supportive Housing (VASH)

This chapter describes HUD regulations and PHA policies for administering special purpose vouchers. The policies outlined in this chapter are organized into five sections, as follows:

Part I: Family Unification Program (FUP)

Part II: Foster Youth to Independence (FYI) program

Part III: Veterans Affairs Supportive Housing (VASH)

Part IV: Mainstream voucher program

Part V: Non-Elderly Disabled (NED) vouchers

Part VI: Stability Voucher program

Except as addressed by this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to special purpose vouchers.

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PART I: FAMILY UNIFICATION PROGRAM (FUP)

18-I.A. PROGRAM OVERVIEW [Fact Sheet, Housing Choice Voucher Program Family Unification Program (FUP) ; Notice PIH 2025-08]

Overview

The Family Unification Program (FUP) was authorized by Congress in 1990 to help preserve and reunify families. PHAs that administer the program provide vouchers to two different populations—FUP families and FUP youth.

Families eligible for FUP are families for whom the lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care, or
- The delay in the discharge of the child or children to the family from out-of-home care.

There is no time limitation on FUP family vouchers, and the family retains their voucher as long as they are HCV-eligible. There is no requirement for the provision of supportive services for FUP family vouchers.

Youth eligible for FUP are those who:

- Are at least 18 years old and not more than 24 years of age,
- Have left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 and older, and
- Are homeless or at risk of becoming homeless.

FUP youth vouchers are limited by statute to a period between 36 and 60 months of housing assistance. Supportive services must also be provided to FUP-eligible youth by the Public Child Welfare Agency (PCWA) or by another agency or organization under contract with the PCWA for the period of time defined in the notice or Notice of Funding Availability/Opportunity (NOFA/O) for which funding was made available.

PHAs that wish to administer FUP vouchers must apply to HUD by submitting an application under an active Notice of Funding Opportunity (NOFO). While the FUP program is administered in accordance with HCV regulations, the FUP NOFOs issued by HUD provide specific program information and requirements.

In order to administer the program, the PHA must also form a partnership with a local PCWA who is responsible for determining if the family or youth meets FUP eligibility requirements and referring them to the PHA. Once the referral is received, the PHA is responsible for placing the FUP family or youth on the PHA's waiting list and determining whether they are eligible to receive assistance under the PHA's HCV program.

FUP and FYI vouchers are subject to the requirements in Section 8(x) of the 1937 Act and 24 CFR 982, 983 (as applicable) and the Fostering Stable Housing Opportunities (FSHO) Amendments *Federal Register* notice except as provided in Notice PIH 2025-08 and any subsequent notice issued by HUD.

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The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for FUP and FYI vouchers that are necessary for the effective delivery and administration of funds. HUD may waive or specify alternative requirements for regulatory provisions related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. Additionally, HUD may also waive or specify alternative requirements regarding the timing of referral of youth leaving foster care. HUD is not permitted to waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment.

Assigning Vouchers [FUP FAQs]

The PHA may, but is not required to, assign a specific number or percentage of FUP vouchers for FUP youths and FUP families. Unless the PHA assigns a specific number or percentage of FUP vouchers to a designated FUP population, the PHA must serve any referrals (youths or families) that meet all program eligibility requirements up to the PHA's designated FUP program size.

CCA Policy

CCA does not have an allocation of FUP vouchers at this time.

18-I.B. PUBLIC CHILD WELFARE AGENCY (PCWA) [Notice PIH 2025-08]

Families and youth do not apply directly to the PHA for FUP vouchers. Instead, they are referred by a PCWA with whom the PHA has entered into a Memorandum of Understanding (MOU). The partnering PCWA initially determines whether the family or youth meets the FUP program eligibility requirements listed in 18-I.C. and 18-I.D. and then refers those families or youths to the PHA who determines whether the family or youth meets HCV program eligibility requirements. The PHA conducts all other processes relating to voucher issuance and administration.Referrals may also be received from other agencies such as the Continuum of Care (CoC), or a state, local, educational, philanthropic, or faith-based organization. HUD strongly encourages PHAs and PCWAs to make decisions collaboratively on the administration of the program and to maintain open and continuous communication. In cases where the referral comes from a third-party partner, the PCWA and PHA are still responsible for determining eligibility as outlined above, including the PCWA's written certification that the youth is eligible. The PCWA must have a system for identifying FUP-eligible youth within the agency's caseload and for reviewing referrals from a Continuum of Care (COC) if applicable.

CCA Policy

N/A

Supportive Services

The PCWA must provide supportive services for the period of time defined in the notice or NOFA/O for which the funding was made available to all FUP-eligible youth regardless of their age. The MOU between the PHA and the PCWA should identify the period of time in which supportive services will be provided.

CCA Policy

The PCWA will provide supportive services for all FUP youth for a period of XX months.

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Supportive services may be provided to FUP-eligible youth by the PCWA or by another agency or organization under agreement or contract with the PCWA, including the PHA. The organization providing the services and resources must be identified in the MOU. The following services must be offered:

- Basic life skills information or counseling on money management, use of credit, housekeeping, proper nutrition or meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services),
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance or referrals for assistance on security deposits, utility hook-up fees, and utility deposits,
- Providing such assurances to owners of rental property as are reasonable and necessary to assist a FUP-eligible youth to rent a unit with a FUP voucher,
- Job preparation and attainment counseling (where to look and how to apply, dress, grooming, relationships with supervisory personnel, etc.), and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED), or attendance or financing of education at a technical school, trade school, or college, including successful work ethic and attitude models.

CCA Policy

N/A

A FUP-eligible youth cannot be required to participate in these services as condition of receipt of the FUP voucher.

18-I.C. FUP FAMILY VOUCHER ELIGIBILITY CRITERIA

FUP family assistance is reserved for eligible families that the PCWA has certified are a family for whom a lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care, or
- The delay in the discharge of the child or children to the family from out-of-home care.

Lack of adequate housing means the family meets any one of the following conditions:

- Living in substandard housing, which refers to a unit that meets any one of the following conditions:
  - Does not have operable indoor plumbing,
  - Does not have a usable flush toilet inside the unit for the exclusive use of a family or youth,
  - Does not have a usable bathtub or shower inside the unit for the exclusive use of a family or youth,
  - Does not have electricity, or has inadequate or unsafe electrical service,
  - Does not have a safe or adequate source of heat,
  - Should, but does not, have a kitchen,

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- Has been declared unfit for habitation by an agency or unit of government, or in its present condition otherwise endangers the health, safety, or well-being of the family or youth,
- Has one or more critical defects, or a combination of intermediate defects in sufficient number or to the extent that it requires considerable repair or rebuilding. The defects may result from original construction, from continued neglect or lack of repair, or from serious damage to the structure.

- Being homeless as defined in 24 CFR 578.3,
- Living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care,
- Living in housing not accessible to the family's disabled child or children due to the nature of the disability,
- Living in an overcrowded unit, which is defined as living in a unit where one of the following conditions has been met:
  - The family is separated from its child or children and the parents are living in an otherwise standard housing unit, but, after the family is reunited, the parents' housing unit would be overcrowded for the entire family and would be considered substandard, or
  - The family is living with its child or children in a unit that is overcrowded for the entire family and this overcrowded condition may result, in addition to other factors, in the imminent placement of its child or children in out-of-home care.
  - For purposes of this definition, the determination as to whether the unit is overcrowded is made in accordance with the PHA subsidy standards in Chapter 5, Part III of this policy.

Since HUD does not define *imminent placement*, the partnering PCWA may use its discretion to determine whether the potential out of home placement of the family's child or children is imminent [FUP FAQs].

18-I.D. FUP YOUTH VOUCHER ELIGIBILITY CRITERIA

While FUP family vouchers operate as regular HCVs after the family is referred from the PCWA, there are several aspects of the FUP youth vouchers that make them distinct from the FUP family vouchers and from regular HCVs.

Eligibility Criteria

A FUP-eligible youth is a youth the PCWA has certified:

- Is at least 18 years old and not more than 24 years of age (has not yet reached their 25th birthday),
  - The FUP youth must be no more than 24 years old at the time the PCWA certifies them as eligible and at the time of HAP contract execution.
- Has left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act,

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- Foster care placement can include, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes in accordance with 24 CFR 5.576.

- Is homeless or at risk of becoming homeless at age 16 or older,
  - *At risk of being homeless* is fully defined at 24 CFR 576.2.
    - This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution).
    - Therefore, youth being discharged from an institution may be eligible for a FUP voucher [FUP FAQs].
- Has an annual income at or below 30 percent of area median income, and
- Does not have sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to a supervised publicly or privately operated shelter designed to provide temporary living arrangements.

18-I.E. ASSISTANCE PERIOD [FR Notice 1/24/22]

Maximum Assistance Period

Although there is no time limit on FUP family vouchers, FUP youth vouchers are limited by statute. Unless the FUP youth meets an exception outlined below, after 36 months of assistance, the FUP youth voucher must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the 36-month limitation.

If the FUP youth does meet the requirements outlined below, the statutory limit on FUP assistance is a total of 60 months of FUP voucher assistance [FR Notice 1/24/22].

Extension of Assistance

FUP youth who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FUP youth cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FUP youth must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below).

Statutory Exceptions

A FUP youth will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in the PHA's FSS program if they certify that they meet one of the exceptions below:

- The FUP youth is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.

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CCA Policy

N/A

- The FUP youth is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

  CCA Policy

  N/A

- The FUP youth is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities as described below, as applicable, due to a documented medical condition.

  CCA Policy

  N/A

A FUP youth that meets one of the above exceptions must still be offered an opportunity to enroll in the PHA's FSS program (if it is available to them) and receive any supportive services available to FUP youth. A FUP youth may choose to participate in an FSS program or engage in education, workforce development, or employment activities, even if they meet one of the above statutory exceptions.

Education, Workforce Development, or Employment Activities

If a PHA that carries out an FSS program is unable to offer a FUP youth an FSS slot during their first 36 months of receiving FUP youth assistance, the youth is considered to have been "unable to enroll" in the program and may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

- The youth was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.

  CCA Policy

  N/A

- The youth was enrolled in an *institution of higher education*, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a *proprietary institution of higher education* or a *postsecondary vocational institution* under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.

  CCA Policy

  N/A

  The youth was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102). The term *career pathway* means a combination of rigorous and high-quality education, training, and other services that:

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- Aligns with the skill needs of industries in the economy of the state or regional economy involved,
- Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16,

  1937 (commonly known as the "National Apprenticeship Act", 50 Stat. 664, chapter 663, 29

  U.S.C. 50 et seq.) (referred to individually in this Act as an *apprenticeship*, except in section 3226 of this title),
- Includes counseling to support an individual in achieving the individual's education and career goals,
- Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster,
- Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable,
- Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential, and
- Helps an individual enter or advance within a specific occupation or occupational cluster.

- The youth was employed.

  CCA Policy

  N/A

FSS Enrollment at 24 Months

If the FUP youth has not been provided an opportunity to enroll in the FSS program during the first 24 months of FUP assistance, HUD encourages the PHA to remind the youth at the 24-month reexamination of the education, workforce development, and employment requirements described above so that the youth has enough time to meet these requirements prior to the expiration of the 36-month time period for FUP assistance.

CCA Policy

N/A

FSS Enrollment Between 36 and 48 Months

If an FSS slot becomes available between the 36-month and 48-month mark:

- The PHA must offer the slot to a FUP youth who had their voucher extended based on meeting the education, workforce development, or employment requirement listed above, or one of the statutory exceptions listed above (even if the youth previously declined an FSS slot because they met one of the statutory exceptions).

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- The PHA must work with the youth to determine whether enrollment in FSS is feasible and in their best interest given any education, workforce development, or employment activities that the youth is engaged in and any statutory exceptions that apply to the youth, as well as the remaining time on their voucher.
- If the FUP youth accepts the FSS slot, the PHA must work with the youth to establish Contract of Participation goals and an Individual Training and Services Plan (ITSP) that can be accomplished within the time period left on the voucher.

If the FUP youth is offered an FSS slot prior to the 36-month mark, the youth:

- Will be required to enroll in the FSS program in order to receive an extension of assistance at the end of the 36-month time period (unless they meet one of the statutory exceptions described above).
- Will not be considered to have been "unable to enroll" in the FSS program as described above, and as a result, will not be eligible to receive an extension of assistance based on meeting the education, workforce development, or employment requirements described above.

FSS Enrollment After 48 Months

The PHA may, but is not required to, offer a FUP youth an FSS slot that becomes available between the 48-month mark and the 60-month mark, since the youth will have already received their second and final extension.

CCA Policy

N/A

Extensions of Assistance

At the 36-month and 48-month reexamination, the PHA must extend FUP youth assistance if the youth is participating in and in compliance with the FSS program as long as the youth is still eligible for the HCV program.

In any case, the FUP youth cannot receive more than a total of 60 months of FUP youth voucher assistance, even if the FSS Contract of Participation time period extends beyond the voucher 60-month mark.

No FSS Program or Unable to Enroll in FSS

If a PHA does not carry out an FSS program or the FUP youth has been unable to enroll in the program during the first 36 months of receiving FUP assistance, the FUP youth is entitled to receive an extension of assistance for up to two successive 12-month periods beyond the 36-month time limit provided that the youth engaged in at least one of the education, workforce development, or employment activities described above for not less than nine months of the 12-month period preceding each extension. In order to meet the nine months out of the preceding 12 months requirement, the youth may have engaged in one of the education, workforce development, or employment activities described above or a combination of these activities.

Verification Prior to Annual Reexam

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In order to provide an extension of assistance, the PHA must verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. The PHA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

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To verify compliance with the education, workforce development, or employment requirement or one of the statutory exceptions, the PHA must provide the FUP youth written notification informing them that they may receive an extension of their FUP assistance and providing instructions on how the youth may demonstrate that they meet one of these conditions. This notification must be provided sufficiently in advance of the end of the 36-month or 48-month time periods, as applicable, to allow the FUP youth to demonstrate that they meet the education, workforce development, or employment requirement, or one of the statutory exceptions, and for the PHA to conduct an annual reexamination prior to the expiration of the FUP assistance.

CCA Policy

N/A

The PHA will use the following verification methods to verify a FUP youth's eligibility for voucher extensions:

1. To verify compliance with the FSS requirement, the PHA will examine its records to confirm, or obtain confirmation from the PHA's FSS program staff, that the FUP youth participant is in compliance with FSS program requirements and has not been terminated from the FSS program.
2. To meet the education, workforce development, or employment requirement, the PHA will verify that the FUP youth was engaged in at least one education, workforce development, or employment activity for at least nine months of the 12-month period immediately preceding the end of 36-month or 48-month time period, as applicable.
    a. Due to the timing of when the PHA verifies compliance and conducts the annual reexamination, the FUP youth may have not yet met the nine-month requirement but may be able to demonstrate that they will meet the nine-month requirement as of the end of the 36-month or 48-month time period. In such cases, the FUP/FYI youth will still be considered to have met the requirements.
3. In order for the FUP youth to meet one of the statutory exceptions described above, the youth must submit a certification to the PHA that they meet one of these exceptions. This certification is the only documentation that the FUP youth must submit in order to demonstrate that they meet one of the statutory exceptions.

A FUP youth who received an extension of voucher assistance at the end of the 36-month time period based on meeting one of the conditions described in this chapter does not have to meet the same conditions when they reach the end of the 48-month time period. The FUP youth may demonstrate that they meet a different condition in order to receive an extension of their assistance.

If the PHA determines that the youth meets one of the statutory conditions, the PHA would then conduct an annual reexamination. If the annual reexamination determines that the youth is still eligible for the HCV program, the PHA must provide the FUP youth with the extension of voucher assistance.

Termination of Assistance for Failure to Meet Conditions

Failure of the FUP youth to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FUP assistance prior to the annual reexam.

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If the FUP youth does not meet any of the conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FUP youth voucher must be terminated once the youth reaches this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the youth entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the youth, not the number of months that the youth is in the FUP youth program. Prior to termination, the PHA must offer the FUP youth the opportunity to request an informal hearing, in accordance with Chapter 16.

18-I.F. REFERRALS AND WAITING LIST MANAGEMENT

Referrals

The PCWA must establish and implement a system to identify FUP-eligible families and youths within the agency's caseload and make referrals to the PHA. The PCWA must certify that the FUP applicants they refer to the PHA meet FUP eligibility requirements. The PHA is not required to maintain full documentation that demonstrates the family's or youth's FUP eligibility as determined by the PCWA but should keep the referral or certification from the PCWA.

CCA Policy

N/A

A PHA must serve any referrals (youths or families) that meet all program eligibility requirements. If a PHA determines that it has received a sufficient number of referrals from the PCWA so that the PHA will be able to lease all FUP vouchers awarded, the PHA may request that the PCWA suspend transmission of referrals. If the PHA determines that additional referrals will be needed after it has made such a request, the PHA may request that the PCWA resume transmission of referrals [Notice PIH 2011-52].

Waiting List Placement [Notice PIH 2025-08]

A family that is already participating in the regular HCV program cannot be transferred to a FUP voucher.

HCV regulations require PHAs to use a single waiting list for admission to its Section 8 tenant-based assistance program. To enable PHAs to more effectively allocate FUP and FYI vouchers, HUD waived 24 CFR 982.204(f) and is establishing an optional waiver to allow PHAs to maintain a separate waiting list for FUP and FYI vouchers.

CCA Policy

N/A

Waiting List Selection [Notice PIH 2025-08]

The PHA selects FUP-eligible families or youths based on the PHA's regular HCV waiting list selection policies in Chapter 4, including any preferences that may apply , with the exception of any residency preferences which may not be applied to FUP or FYI applicants. In addition, the PHA may establish separate preferences for FUP and FYI applicants.

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CCA Policy
N/A

18-I.G. PHA HCV ELIGIBILITY DETERMINATION

Once a FUP-eligible family or youth is selected from the HCV waiting list, the PHA must determine whether the family or youth meets HCV program eligibility requirements. Applicants must be eligible under both FUP family or youth eligibility requirements, as applicable, and HCV eligibility requirements as outlined in Chapter 3 of this policy.

The PCWA may, but is not obligated to, provide information to the PHA on the family's criminal history.

CCA Policy

N/A

Additional FUP Eligibility Factors [FUP FAQs]

For FUP family vouchers, the family must remain FUP-eligible through lease-up.

- If, after a family is referred by the PCWA but prior to issuing a family FUP voucher, the PHA discovers that the lack of adequate housing is no longer a primary factor for the family not reunifying, the FUP voucher may not be issued to the family.
- Similarly, if the FUP voucher has already been issued before the PHA discovers that the reunification will not happen, but the family has not yet leased up under the voucher, the PHA must not execute the HAP contract, as the family is no longer FUP-eligible.

FUP-eligible youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a FUP youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FUP youth voucher. While a youth may be referred for a FUPY or FYI voucher before reaching the age of 18, the PHA must not enter into a HAP contract on behalf of the youth until the youth reaches the age of 18

CCA Policy

N/A

18.I.H. LEASE UP [FR Notice 1/24/22]

Once the PHA determines that the family or youth meets HCV eligibility requirements, the family or youth will be issued a FUP voucher in accordance with PHA policies.

Briefings [FR Notice 1/24/22]During the family briefing, PHAs must inform the FUP youth of:

- The extension of assistance provisions and requirements,
- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list (provided the PHA has an FSS program), and
- Supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FUP youth assistance.

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CCA Policy

N/A

Voucher Issuance [Notice PIH 2025-08]

The initial search term for FUP vouchers must be at least 120 days from the date the voucher is issued. The initial 120-day term also applies when a family or youth chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction.

PHAs must adopt an extension policy for FUP applicants that includes the following:

- Each extension must be for a minimum of 90 days;
- The PHA must approve the first extension request, regardless of how the request is made (written or oral) or when it is made, as long as the request is made on or before the voucher term expiration date and is consistent with applicable requirements;
- Subsequent requests should be processed in accordance with the PHA's administrative plan; and
- The PHA must, on at least one occasion after voucher issuance, notify the applicant prior to the initial term expiration, to remind them about the term expiration date and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

If a family or youth with a disability requires additional time to search for their unit, the PHA must provide an extension as a reasonable accommodation. The PHA's administrative plan must describe its policies for granting extensions of the initial 120-day term and provide clear instructions to the family and/or youth on the procedures for requesting an extension.CCA Policy

N/A

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension.

Once the family or youth locates a unit, the PHA conducts all other processes relating to voucher issuance and administration per HCV program regulations and the PHA's policies (including, but not limited to: NSPIRE inspection, determination of rent reasonableness, etc.). A FUP Youth may lease a unit prior to officially leaving foster care in order to ensure a smooth transition from foster care to independence, as long as all requirements of the FUP program and HCV program are met.

18-I.I. TERMINATION OF ASSISTANCE

General Requirements

With the exception of terminations of assistance for FUP youth after the statutorily required time period, terminations of FUP assistance are handled in the same way as the regular HCV program. Termination of a FUP voucher must be consistent with regulations for termination in 24 CFR Part 982, Subpart L and be in compliance with PHA policies (Chapter 12).

If the person who qualifies for the FUP voucher passes away, the family retains the FUP voucher. In the case of a FUP-youth voucher, assistance will terminate after the statutorily required time period, even if the FUP-eligible youth is no longer included in the household.

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If the person who qualifies for the FUP voucher moves, the remaining family members may keep the FUP voucher based on PHA policy (see administrative plan, Section 3-I.C., Family Breakup and Remaining Member of Tenant Family).

FUP Family Vouchers

If parents lose their parental rights or are separated from their children after voucher lease-up (or their children reach adulthood), the family is still eligible to keep their FUP assistance, as the regulations do not permit HCV termination for a family losing parental rights or the children reaching adulthood. However, the PHA may transfer the assistance of a FUP family voucher holder to regular HCV assistance if there are no longer children in the household.

CCA Policy

N/A

FUP Youth Vouchers

A PHA cannot terminate a FUP youth's assistance for noncompliance with PCWA case management, nor may the PHA terminate assistance for a FUP youth for not accepting services from the PCWA.

The PHA may not transfer the assistance of a FUP youth voucher holder to regular HCV assistance upon the expiration of the statutorily required time period. However, the PHA may issue a regular HCV to FUP youth if they were selected from the waiting list in accordance with PHA policies and may also adopt a preference for FUP youth voucher holders who are being terminated for this reason.

CCA Policy

N/A

Upon the expiration of the statutorily required time period, a FUP youth voucher holder who has children and who lacks adequate housing may qualify for a FUP family voucher provided they are referred by the PCWA as an eligible family and meet the eligibility requirements for the PHA's HCV program.

18-I.J. FUP PORTABILITY

Portability for a FUP family or youth is handled in the same way as for a regular HCV family. A PHA may not restrict or deny portability for a FUP family or youth for reasons other than those specified in the HCV program regulations, as reflected in Chapter 10 of the administrative plan.

A FUP family or youth does not have to port to a jurisdiction that administers FUP.

If the receiving PHA administers the FUP voucher on behalf of the initial PHA, the voucher is still considered a FUP voucher regardless of whether the receiving PHA has a FUP program.

If the receiving PHA absorbs the voucher, the receiving PHA may absorb the incoming port into its FUP program (if it has one) or into its regular HCV program (if the receiving PHA has vouchers available to do so) and the family or youth become regular HCV participants. In either case, when the receiving PHA absorbs the voucher, a FUP voucher becomes available to the initial PHA.

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Considerations for FUP Youth Vouchers

If the voucher is a FUP youth voucher and remains such upon lease-up in the receiving PHA's jurisdiction, termination of assistance must still take place once the youth has received assistance for the statutorily required time period. If the receiving PHA is administering the FUP youth voucher on behalf of the initial PHA, the two PHAs must work together to initiate termination upon expiration of the statutorily required time period.

18-I.K. PROJECT-BASING FUP VOUCHERS [Notice PIH 2017-21; FR Notice 5/7/24; 24 CFR 983.6(d)(2); 983.54(c); 983.262(c) and (e); and FR Notice 1/24/22]

The PHA may project-base FUP vouchers without HUD approval in accordance with Notice PIH 2017-21, FR Notice 1/24/22, and all statutory and regulatory requirements for the PBV program. See Chapter 17 for PHA policies related to project-basing FUP vouchers.

CCA Policy

N/A

PART II: FOSTER YOUTH TO INDEPENDENCE INITIATIVE

18-II.A. PROGRAM OVERVIEW [Notice PIH 2020-28; Notice PIH 2023-04; FR Notice 1/24/22; Notice PIH 2025-08]

The Foster Youth to Independence (FYI) initiative was announced in 2019. The FYI initiative allows PHAs who partner with a Public Child Welfare Agency (PCWA) to request targeted HCVs to serve eligible youth with a history of child welfare involvement that are homeless or at risk of being homeless. Rental assistance and supportive services are provided to qualified youth for a period of between 36 and 60 months.

Funding is available either competitively though an FYI NOFA or noncompetitively on a rolling basis in accordance with the application requirements outlined in Notice PIH 2020-28, Notice PIH 2021-26, or Notice PIH 2023-04, as applicable. Under the noncompetitive process, PHAs are limited to 25 vouchers in a fiscal year with the ability to request additional vouchers. Where the PHA has a combined FYI and/or FUP size of no more than 10 vouchers, the PHA may request FYI vouchers with at least 50 percent utilization of its FUP and/or FYI vouchers. Where the PHA has a combined FYI and/or FUP size of 11 or more vouchers, the PHA may request FYI vouchers with 90 percent or greater utilization of its FUP and/or FYI vouchers.

FUP and FYI vouchers are subject to the requirements in Section 8(x) of the 1937 Act and 24 CFR 982, 983 (as applicable) and the Fostering Stable Housing Opportunities (FSHO) Amendments *Federal Register* notice except as provided in Notice PIH 2025-08 and any subsequent notice issued by HUD.

The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for FUP and FYI vouchers that are necessary for the effective delivery and administration of funds. HUD may waive or specify alternative requirements for regulatory provisions related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. Additionally, HUD may also waive or specify alternative requirements regarding the timing of referral of youth leaving foster care. HUD is not permitted to

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waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment.

18-II.B. PARTNERING AGENCIES [Notice PIH 2023-04; FYI Updates and Partnering Opportunities Webinar]

Public Child Welfare Agency (PCWA)

The PHA must enter into a partnership agreement with a PCWA in the PHA's jurisdiction in the form of a Memorandum of Understanding (MOU) or letter of intent. The PCWA is responsible for identifying and referring eligible youth to the PHA and providing or securing a commitment for the provision of supportive services once youth are admitted to the program.

CCA Policy

CCA does not have a Foster Youth to Independence (FYI) program at this time.

The PCWA is responsible for:

- Identifying FYI-eligible youth,
- Developing a system of prioritization based on the level of need of the youth and the appropriateness of intervention,
- Providing a written certification to the PHA that the youth is eligible, and
- Providing or securing a commitment for the provision of supportive services that are required to be offered.

Continuum of Care (CoC) and Other Partners

HUD strongly encourages PHAs to add other partners into the partnership agreement with the PCWA such as state, local, philanthropic, faith-based organizations, and the CoC, or a CoC recipient it designates. The CoC plays a role in identifying eligible youth in the community at risk of or experiencing homelessness that are no longer part of the child welfare system. Through the CoC's coordinated entry process, referrals of eligible youth to the PCWA are made based on prioritization of need and appropriateness of the intervention. Further, CoC recipients may provide supportive services using CoC program funds to youth who qualify for CoC program assistance. Youth who are part of the PCWA's active caseload do not have to be added to the CoC's coordinated entry process.

CCA Policy

CCA does not have a Foster Youth to Independence (FYI) program at this time.

18-II.C. YOUTH ELIGIBILITY CRITERIA [Notice PIH 2023-04; FYI Q&As; FYI FAQs]

The PCWA is responsible for certifying that the youth has prior qualifying foster care involvement. As determined by the PCWA, eligible youth:

- Are at least 18 years of age and not more than 24 years of age (have not yet reached their 25th birthday),
  - Youth must be no more than 24 years of age at the time the PCWA certifies them as eligible and at the time of HAP contract execution.

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- Have left foster care or will leave foster care within180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act,
  - Placements can include, but are not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes in accordance with 24 CFR 5.576,
- Are homeless or at risk of becoming homeless at age 16 and older,
  - *At risk of being homeless* is fully defined at 24 CFR 576.2.
    - Includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution). Therefore, youth being discharged from an institution may be eligible for an FYI voucher [FYI FAQs].

Eligibility is not limited to single people. For example, pregnant and/or parenting youth are eligible to receive assistance assuming they otherwise meet eligibility requirements.

18-II.D. SUPPORTIVE SERVICES [Notice PIH 2023-04; FYI Updates and Partnering Opportunities Webinar; FYI Q&As]

Supportive services may be provided by the PHA, PCWA, or a third party. The PCWA must provide or secure a commitment to provide supportive services for participating youth for the period of time defined in the NOFA/O for which the funding was made available. At a minimum, the following supportive services must be offered:

- Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services),
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits,
- Providing such assurances to owners of rental property as are reasonable and necessary to assist eligible youth to rent a unit with a voucher,
- Job preparation and attainment counseling (where to look/how to apply, dress, grooming, relationships with supervisory personnel, etc.), and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED) or attendance/financing of education at a technical school, trade school, or college, including successful work ethic and attitude models.

CCA Policy

N/A

Since participation in supportive services is optional, but strongly encouraged, an FYI participant may decline supportive services.

Administrative fee reserves may be used to cover costs for the supportive services listed above with HUD approval in accordance with Notice PIH 2022-14 and Notice PIH 2022-18.

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18-II.E. REFERRALS AND WAITING LIST MANAGEMENT [Notice PIH 2023-04; FYI Updates and Partnering Opportunities Webinar FYI FAQs]

Referrals

The PCWA is responsible for certifying that the youth has prior qualifying foster care involvement. Once the PCWA sends the PHA the referral certifying the youth is program-eligible, the PHA determines HCV eligibility.

The PCWA must have a system for identifying eligible youth within the agency's caseload and reviewing referrals from other partners, as applicable. The PCWA must also have a system for prioritization of referrals to ensure that youth are prioritized for an FYI voucher based upon their level of need and appropriateness of the intervention. For youth still involved in the child welfare system, the permanency goals of the young person should be taken into account. Prioritization must be designed in a way that is consistent with fair housing and civil rights requirements.

Referrals may come from other organizations in the community who work with the population, but the PCWA must certify that the youth meets eligibility requirements, unless the PCWA has vested another organization with this authority.

The PHA is not required to maintain full documentation that demonstrates the youth's eligibility as determined by the PCWA but should keep the referral or certification from the PCWA. The PCWA is not required to provide the PHA with HCV eligibility documents.

CCA Policy

N/A

Waiting List Placement [Notice PIH 2023-04 and FYI FAQs]

The PHA must use the HCV waiting list for the FYI program. Youth already on the HCV program may not be transferred to an FYI voucher since they are not homeless or at-risk of homelessness.

HCV regulations require PHAs to use a single waiting list for admission to its Section 8 tenant-based assistance program. To enable PHAs to more effectively allocate FUP and FYI vouchers, HUD waived 24 CFR 982.204(f) and is establishing an optional waiver to allow PHAs to maintain a separate waiting list for FUP and FYI vouchers.

CCA Policy

N/A

Waiting List Selection [Notice PIH 2025-08]

The PHA selects eligible youths based on the PHA's regular HCV waiting list selection policies in Chapter 4, including any preferences that may apply with the exception of any residency preferences which may not be applied to FUP or FYI applicants. In addition, the PHA may establish separate preferences for FUP and FYI applicants.

CCA Policy

N/A

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18-II.F. PHA HCV ELIGIBILITY DETERMINATION [FYI FAQs]

Once an eligible youth is selected from the HCV waiting list, the PHA must determine whether the youth meets HCV program eligibility requirements. Applicants must be eligible under both FYI eligibility requirements and HCV eligibility requirements as outlined in Chapter 3 of this policy.

The PCWA may, but is not obligated to, provide information to the PHA on the youth's criminal history.

CCA Policy

N/A

Additional Eligibility Factors

Youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FYI voucher. While a youth may be referred for a FUPY or FYI voucher before reaching the age of 18, the PHA must not enter into a HAP contract on behalf of the youth until the youth reaches the age of 18.

CCA Policy

N/A

18-II.G. LEASE UP [FR Notice 1/24/22]

Once the PHA determines that the family or youth meets HCV eligibility requirements, the youth will be issued an FYI voucher in accordance with PHA policies.

Briefings [FR Notice 1/24/22]During the family briefing, PHAs must inform the FYI voucher holder of:

- The extension of assistance provisions and requirements,
- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list (provided the PHA has an FSS program), and
- The supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FYI assistance.

CCA Policy

N/A

Voucher Issuance [Notice PIH 2025-08]

The initial search term for FYI vouchers must be at least 120 days from the date the voucher is issued. The initial 120-day term also applies when a family or youth chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction.

PHAs must adopt an extension policy for FYI applicants that includes the following:

- Each extension must be for a minimum of 90 days;

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- The PHA must approve the first extension request, regardless of how the request is made (written or oral) or when it is made, as long as the request is made on or before the voucher term expiration date and is consistent with applicable requirements;
- Subsequent requests should be processed in accordance with the PHA's administrative plan; and
- The PHA must, on at least one occasion after voucher issuance, notify the applicant prior to the initial term expiration, to remind them of about the term expiration date and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

If a family or youth with a disability requires additional time to search for their unit, the PHA must provide an extension as a reasonable accommodation. The PHA's administrative plan must describe its policies for granting extensions of the initial 120-day term and provide clear instructions to the family and/or youth on the procedures for requesting an extension.

CCA Policy

N/A

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension.

Once the youth locates a unit, the PHA conducts all other processes relating to voucher issuance and administration per HCV program regulations and the PHA policy in Chapter 9.

An FYI youth may lease a unit prior to officially leaving foster care in order to ensure a smooth transition from foster care to independence, as long as all requirements of the FYI program and HCV program are met.

Should a youth fail to use the voucher, the PHA may issue the voucher to another eligible youth if one has been identified [Notice PIH 2023-04].

When providing education or counseling on renting housing that may include pre-1978 housing, the PHA must inform participating youth of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A) and the Lead Safe Housing Rule (subparts B, R, and, as applicable, F-M).

Turnover

Awards of FYI Tenant Protection Vouchers (TPVs) continue to be administered under the requirements of Notice PIH 2019-20. This includes turnover requirements and the requirement to inform HUD should a youth not use a voucher or leave the program. For example, FYI TPVs awarded under Notice PIH 2019-20 "sunset" when a youth leaves the program. This means that the PHA cannot reissue FYI TPV assistance issued under that notice to another youth when an initial youth exits the HCV program. HUD does not have the authority to allow the voucher to be used for a youth other than the one identified in the request.

For awards under Notice PIH 2023-04, if another eligible youth is not available, the PHA must notify HUD before the end of the calendar year, and HUD will reduce the PHA's HCV assistance to account for the removal of the FYI assistance from the PHA's HCV baseline.

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18-II.H. MAXIMUM ASSISTANCE PERIOD [Notice PIH 2023-04 and FYI FAQs; FR Notice 1/24/22]

Vouchers are limited by statute to a total of between 36 months and 60 months of housing assistance. At the end of the statutory time period, assistance must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the limitation. It is not permissible to reissue another FYI TPV to the same youth upon expiration of their FYI assistance.

Participants do not "age out" of the program. A participant may continue with the program until they have received the period of assistance for which they are eligible. Age limits are only applied for entry into the program.

Extension of Assistance

FYI voucher holders who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FYI voucher holders cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FYI voucher holders must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below).

Statutory Exceptions

FYI voucher holders will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in the PHA's FSS program if they certify that they meet one of the exceptions below:

- The FYI voucher holder is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.

  CCA Policy

  N/A

- The FYI voucher holder is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

  CCA Policy

  N/A

- The FYI voucher holder is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities as described below, as applicable, due to a documented medical condition.

  CCA Policy

  N/A

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An FYI voucher holder that meets one of the above exceptions must still be offered an opportunity to enroll in the PHA's FSS program (if it is available to them) and receive any supportive services available to FYI voucher holders. An FYI voucher holder may choose to participate in an FSS program or engage in education, workforce development, or employment activities, even if they meet one of the above statutory exceptions.

Education, Workforce Development, or Employment Activities

If a PHA that carries out an FSS program is unable to offer a FYI voucher holder an FSS slot during their first 36 months of receiving FYI assistance, the FYI voucher holder is considered to have been "unable to enroll" in the program and may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

- The FYI voucher holder was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.

  CCA Policy

  N/A

- The FYI voucher holder was enrolled in an *institution of higher education*, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a *proprietary institution of higher education* or a *postsecondary vocational institution* under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.

  CCA Policy

  N/A

- The FYI voucher holder was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).
- The FYI voucher holder was employed.

  CCA Policy

  N/A

FSS Enrollment at 24 Months

If the FYI voucher holder has not been provided an opportunity to enroll in the FSS program during the first 24 months of FYI assistance, HUD encourages the PHA to remind the FYI voucher holder at the 24-month reexamination of the education, workforce development, and employment requirements described above so that they have enough time to meet these requirements prior to the expiration of the 36-month time period for FYI assistance.

CCA Policy

N/A

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FSS Enrollment Between 36 and 48 Months

If an FSS slot becomes available between the 36-month and 48-month mark:

- The PHA must offer the slot to an FYI voucher holder who had their voucher extended based on meeting the education, workforce development, or employment requirement listed above, or one of the statutory exceptions listed above (even if the FYI voucher holder previously declined an FSS slot because they met one of the statutory exceptions).
- The PHA must work with the FYI voucher holder to determine whether enrollment in FSS is feasible and in their best interest given any education, workforce development, or employment activities that the FYI voucher holder is engaged in and any statutory exceptions that apply to the FYI voucher holder, as well as the remaining time on their voucher.
- If the FYI voucher holder accepts the FSS slot, the PHA must work with them to establish Contract of Participation goals and an Individual Training and Services Plan (ITSP) that can be accomplished within the time period left on the voucher.

If the FYI voucher holder is offered an FSS slot prior to the 36-month mark, the FYI voucher holder:

- Will be required to enroll in the FSS program in order to receive an extension of assistance at the end of the 36-month time period (unless they meet one of the statutory exceptions described above).
- Will not be considered to have been "unable to enroll" in the FSS program, and as a result, will not be eligible to receive an extension of assistance based on meeting the education, workforce development, or employment requirements described above.

FSS Enrollment After 48 Months

The PHA may, but is not required, offer an FYI voucher holder an FSS slot that becomes available between the 48-month mark and the 60-month mark, since the FYI voucher holder will have already received their second and final extension.

CCA Policy

N/A

Extensions of Assistance

At the 36-month and 48-month reexamination, the PHA must extend FYI assistance if the FYI voucher holder is participating in and in compliance with the FSS program as long as the FYI voucher holder is still eligible for the HCV program.

In any case, the FYI voucher holder cannot receive more than a total of 60 months of FYI assistance even if the FSS Contract of Participation time period extends beyond the voucher 60- month mark.

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No FSS Program or Unable to Enroll in FSS

If a PHA does not carry out an FSS program or the FYI voucher holder has been unable to enroll in the program during the first 36 months of receiving FYI assistance, the FYI voucher holder is entitled to receive an extension of assistance for up to two successive 12-month periods beyond the 36-month time limit provided that the FYI voucher holder engaged in at least one of the education, workforce development, or employment activities described above for not less than nine months of the 12-month period preceding each extension. In order to meet the nine months out of the preceding 12 months requirement, the FYI voucher holder may have engaged in one of the education, workforce development, or employment activities described above or a combination of these activities.

Verification Prior to Annual Reexam

In order to provide an extension of assistance, the PHA must verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. The PHA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

To verify compliance with the education, workforce development, or employment requirement or one of the statutory exceptions, the PHA must provide the FYI voucher holder written notification informing them that they may receive an extension of their FYI assistance and providing instructions on how the FYI voucher holder may demonstrate that they meet one of these conditions. This notification must be provided sufficiently in advance of the end of the 36-month or 48-month time periods, as applicable, to allow the FYI voucher holder to demonstrate that they meet the education, workforce development, or employment requirement, or one of the statutory exceptions, and for the PHA to conduct an annual reexamination prior to the expiration of the FYI assistance.

CCA Policy
N/A

An FYI voucher holder who received an extension of voucher assistance at the end of the 36-month time period based on meeting one of the conditions described in this chapter does not have to meet the same conditions when they reach the end of the 48-month time period. The FYI voucher holder may demonstrate that they meet a different condition in order to receive an extension of their assistance.

If the PHA determines that the FYI voucher holder meets one of the statutory conditions, the PHA would then conduct an annual reexamination. If the annual reexamination determines that the FYI voucher holder is still eligible for the HCV program, the PHA must provide the FYI voucher holder the extension of voucher assistance.

Termination of Assistance for Failure to Meet Conditions

Failure of the FYI voucher holder to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FYI assistance prior to the annual reexam.

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If the FYI voucher holder does not meet any of the statutory conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FYI voucher must be terminated once they reach this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the FYI voucher holder entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the FYI voucher holder, not the number of months that they are in the FYI program. Prior to termination, the PHA must offer the FYI voucher holder the opportunity to request an informal hearing, in accordance with Chapter 16.

18-II.I. TERMINATION OF ASSISTANCE [FYI FAQs]

Termination of a FYI voucher is handled in the same way as with any HCV; therefore, termination of a FYI voucher must be consistent with HCV regulations at 24 CFR Part 982, Subpart L and PHA policies in Chapter 12. Given the statutory time limit that requires FYI vouchers to sunset, a PHA must terminate the youth's assistance once the limit on assistance has expired.

A PHA cannot terminate a FYI youth's assistance for noncompliance with PCWA case management, nor may the PHA terminate assistance for a FYI youth for not accepting services from the PCWA.

The PHA may not transfer the assistance of FYI voucher holders to regular HCV assistance upon the expiration of the limit on assistance. However, the PHA may issue a regular HCV to FYI voucher holders if they were selected from the waiting list in accordance with PHA policies. The PHA may also adopt a waiting list preference for FYI voucher holders who are being terminated for this reason.

CCA Policy

N/A

18-II.J. PORTABILITY [FYI FAQs]

Portability for an FYI youth is handled in the same way as for a regular HCV family. A PHA may not restrict or deny portability for an FYI youth for reasons other than those specified in the HCV program regulations, as reflected in Chapter 10 of the administrative plan.

An FYI youth does not have to port to a jurisdiction that administers FYI vouchers.

If the receiving PHA absorbs the voucher, the PHA may absorb the youth into its regular HCV program if it has vouchers available to do so. If the receiving PHA absorbs the youth into its regular HCV program, that youth becomes a regular HCV participant with none of the limitations of an FYI voucher.

The initial and receiving PHA must work together to initiate termination of assistance upon expiration of the time limit on assistance.

18-II.K. PROJECT-BASING FYI VOUCHERS [FYI FAQs; FR Notice 1/24/22; Notice PIH 2024-03]

PHAs that have initiated the selection process to project-base FYI and/or FUP vouchers may be eligible to project-base FYI and FUP units formally identified for project basing in accordance with all applicable PBV regulations and PHA policies in Chapter 17. This includes FYI vouchers awarded under

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Notices PIH 2020-28, PIH 2021-26, and PIH 2023-04. Assistance awarded under Notice PIH 2019-20 is prohibited from being project-based.

CCA Policy

N/A

PART III: VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) PROGRAM

18-III.A. OVERVIEW

Since 2008, HCV program funding has provided rental assistance under a supportive housing program for homeless veterans. The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a designated service provider (DSP) as approved by the VA Secretary. Eligible families are homeless veterans and their families that agree to participate in VA case management and are referred to the VAMC's partner PHA for HCV assistance. The VAMC or DSP's responsibilities include:

- Screening homeless veterans to determine whether they meet VASH program participation criteria,
- Referring homeless veterans to the PHA,
  - The term *homeless veteran* means a veteran who is homeless (as that term is defined in subsection (a) or (b) of Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)). See 38 U.S.C. 2002.
- Providing appropriate treatment and supportive services to potential VASH participants, if needed, prior to PHA issuance of a voucher,
- Providing housing search assistance to VASH participants,
- Identifying the social service and medical needs of VASH participants, and providing or ensuring the provision of regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period, and
- Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

VASH vouchers are awarded noncompetitively based on geographic need and PHA administrative performance. Eligible PHAs must be located within the jurisdiction of a VAMC and in an area of high need based on data compiled by HUD and the VA. When Congress funds a new allocation of VASH vouchers, HUD invites eligible PHAs to apply for a specified number of vouchers.

Generally, the HUD-VASH program is administered in accordance with regular HCV program requirements. However, HUD is authorized to waive or specify alternative requirements to allow PHAs to effectively deliver and administer VASH assistance. Alternative requirements are established in the HUD-VASH Operating Requirements, which were originally published in the Federal Register on May 6, 2008, and updated September 27, 2021.

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Unless expressly waived by HUD, all regulatory requirements and HUD directives regarding the HCV program are applicable to VASH vouchers, including the use of all HUD-required contracts and other forms, and all civil rights and fair housing requirements. In addition, the PHA may request additional statutory or regulatory waivers that it determines are necessary for the effective delivery and administration of the program.

The VASH program is administered in accordance with applicable Fair Housing requirements since civil rights requirements cannot be waived under the program. These include applicable authorities under 24 CFR 5.105(a) and 24 CFR 982.53 including, but not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Age Discrimination Act and all PHA policies as outlined in Chapter 2 of this document.

When HUD-VASH recipients include veterans with disabilities or family members with disabilities, reasonable accommodation requirements in Part II of Chapter 2 of this policy apply.

18-III.B. REFERRALS [FR Notice 9/27/21 and HUD-VASH Qs and As]

VAMC case managers will screen all families in accordance with VA screening criteria and refer eligible families to the PHA for determination of program eligibility and voucher issuance. The PHA has no role in determining or verifying the veteran's eligibility under VA screening criteria, including determining the veteran's homelessness status. The PHA must accept referrals from the partnering VAMC and must maintain written documentation of referrals in VASH tenant files. Upon turnover, VASH vouchers must be issued to eligible veteran families as identified by the VAMC.

CCA Policy

CCA has an allocation of VASH vouchers. CCA accepts referrals from the VA medical centers (VAMCs) in North Carolina, who are responsible for determining veteran eligibility for the program. VASH vouchers will turn over to new referees from the VAMC and will not be used for HCV program applicants. Generally, CCA conducts intake with referred veterans within 10 business days of receiving the referral in order to ensure all needed information has been collected from the family.

18-III.C. HCV PROGRAM ELIGIBILITY [FR Notice 8/13/24]

Eligible participants are homeless veterans and their families who agree to participate in case management from the VAMC.

- A *VASH Veteran* or *veteran family* refers to either a single veteran or a veteran with a household composed of two or more related persons. It also includes one or more eligible persons living with the veteran who are determined to be important to the veteran's care or well-being.
- A veteran for the purpose of VASH is a person whose length of service meets statutory requirements, and who served in the active military, naval, or air service, was discharged or released under conditions other than dishonorable, and is eligible for VA health care.

Under VASH, PHAs do not have authority to determine family eligibility in accordance with HCV program rules and PHA policies. The only reasons for denial of assistance by the PHA are failure to meet the income eligibility requirements and/or that a family member is subject to a lifetime registration requirement under a state sex offender registration program. Under portability, the receiving PHA must also comply with these VASH screening requirements.

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Social Security Numbers

When verifying Social Security numbers (SSNs) for homeless veterans and their family members, an original document issued by a federal or state government agency, which contains the name and SSN of the individual along with other identifying information of the individual, is acceptable in accordance with Section 7-II.B. of this policy.

In the case of the homeless veteran, the PHA must accept the Certificate of Release or Discharge from Active Duty (DD-214) or the VA-verified Application for Health Benefits (10-10EZ) as verification of SSN and cannot require the veteran to provide a Social Security card. A VA-issued identification card may also be used to verify the SSN of a homeless veteran.

Proof of Age

The DD-214 or 10-10EZ must be accepted as proof of age in lieu of birth certificates or other PHA-required documentation as outlined in Section 7-II.C. of this policy. A VA-issued identification card may also be used to verify the age of a homeless veteran.

Photo Identification

A VA-issued identification card must be accepted in lieu of another type of government-issued photo identification. These cards also serve as verification of SSNs and date of birth.

Income Eligibility

The PHA must determine income eligibility for VASH families in accordance with 24 CFR 982.201 and policies in Section 3-II.A. Low-income families (80 percent of AMI) are eligible for assistance under VASH, and PHAs may not condition eligibility based on additional eligibility criteria specified in its administrative plan. If the family is over-income based on the most recently published income limits for the family size, the family will be ineligible for HCV assistance.

The following alternative requirements related to income apply to VASH families:

- The PHA must determine the applicant's annual income for purposes of income eligibility by excluding all VA service-connected benefits received by the applicant. This special income exclusion only applies to the definition of *annual income* for purposes of determining income eligibility. If the HUD-VASH applicant qualifies as a low-income family under the alternative requirement, the VA service-connected benefits (with the exception of the normally excluded deferred VA disability payments under 24 CFR 5.609(b)(16) and the payments related to aid and attendance under 24 CFR 5.609(b)(17)) must still be included as annual income when calculating the family's adjusted income. In other words, the VA service-connected disability benefits are excluded for purposes of determining income eligibility but included for purposes of calculating the family's total tenant payment (TTP), housing assistance payment (HAP), and family share.
- When a veteran family reports that they have zero income, the PHA must accept a self-certification of zero income from the family at admission and at reexamination without taking any additional steps to verify the family is indeed zero income. The self-certification does not need to be notarized. The PHA must verify families' income in the Enterprise Income Verification (EIV) system within 120 days after admission. The PHA may not deny zero income families.

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- Regardless of PHA policy, in determining compliance with the asset limitation at admission, for the VASH program, the PHA must accept a self-certification by the family that the family's total assets are equal to or less than the HUD-published asset limitation amount (adjusted annually) and that the family does not have any present ownership interest in real property, without taking additional steps to verify the accuracy of the declaration.
- The PHA must not enforce the asset limitation for VASH families at reexamination.
- In addition, because there needs to be a monthly housing assistance payment (HAP) in order to enter into a HAP contract on behalf of a tenant-based voucher family, the utilization of tenant-based VASH assistance by families determined income-eligible is limited to those areas where the family's (TTP) is less than the applicable payment standard or exception payment standard (including any VASH-specific exception payment standard established by the PHA). The family must select a unit with a gross rent that is above the family's TTP in order to lease a unit with the tenant-based VASH voucher.

While income-targeting does not apply to VASH vouchers, the PHA may include the admission of extremely low-income VASH families in its income targeting numbers for the fiscal year in which these families are admitted.

CCA Policy

The income limit for HUD-VASH vouchers is 80% of the Area Median Income (AMI).
CCA will include extremely low-income VASH families in its income targeting number each fiscal year.

Minimum Rent [FR Notice 8/13/24]

PHAs must consider hardship circumstances before charging a minimum rent in accordance with 24 CFR 5.630(b). The PHA may choose to charge a lower minimum rent (including a minimum rent of $0) specifically for their VASH program regardless of the minimum rent policies established in their administrative plan for other HCV families.

CCA Policy
The PHA will establish a minimum rent of $50 for VASH families. Minimum rent requirements are subject to hardship review.

Screening [FR Notice 8/13/24]

The PHA may not screen any potentially eligible family members or deny assistance for any grounds permitted under 24 CFR 982.552 and 982.553 with one exception: the PHAs is still required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. Accordingly, with the exception of denial for registration as a lifetime sex offender under state law and PHA policies on how sex offender screenings will be conducted, PHA policy in Sections 3-III.B. through 3-III.E. do not apply to VASH. The prohibition against screening families for anything other than lifetime sex offender status applies to all family members, not just the veteran.

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If a family member is subject to lifetime registration under a state sex offender registration program, the remaining family members may be served if the family agrees to remove the sex offender from its family composition. This is true unless the family member subject to lifetime registration under a state sex offender registration program is the homeless veteran, in which case the family would be denied admission to the program [FR Notice 8/13/24].

Denial of Assistance [Notice PIH 2008-37]

Once a veteran is referred by the VAMC, the PHA must either issue a voucher or deny assistance. If the PHA denies assistance, it must provide the family with prompt notice of the decision and a brief statement of the reason for denial in accordance with Section 3-III.F. Like in the standard HCV program, the family must be provided with the opportunity for an informal review in accordance with policies in Section 3-III.F. In addition, a copy of the denial notice must be sent to the VAMC case manager.

18-III.D. CHANGES IN FAMILY COMPOSITION

Adding Family Members [FR Notice 8/13/24]

When adding a family member after the family has been admitted to the program, PHA policies in Section 3-II.B. apply. Other than the birth, adoption, or court-awarded custody of a child, the PHA must approve additional family members and will apply its regular screening criteria in doing so.

Remaining Family Members [HUD-VASH Qs and As]

If the homeless veteran dies while the family is being assisted, the voucher would remain with the remaining members of the tenant family. The PHA may use one of its own regular vouchers, if available, to continue assisting this family and free up a VASH voucher for another VASH-eligible family. If a regular voucher is not available, the family would continue utilizing the VASH voucher. Once the VASH voucher turns over, however, it must go to a homeless veteran family.

Family Break Up [HUD-VASH Qs and As]

In the case of divorce or separation, since the set-aside of VASH vouchers is for veterans, the voucher must remain with the veteran. This overrides the PHA's policies in Section 3-I.C. on how to determine who remains in the program if a family breaks up.

18-III.E. LEASING [FR Notice 8/13/24]

Waiting List

The PHA does not have the authority to maintain a waiting list or apply local preferences for HUD–VASH vouchers. Policies in Chapter 4 relating to applicant selection from the waiting list, local preferences, special admissions, cross-listing, and opening and closing the waiting list do not apply to VASH vouchers.

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Exception Payment Standards [FR Notice 8/13/24]

To assist VASH participants in finding affordable housing, especially in competitive markets, HUD allows PHAs to establish a HUD-VASH exception payment standard. PHAs may go up to but no higher than 120 percent of the published area-wide fair market rent (FMR) or small area fair market rent (SAFMR) specifically for VASH families. PHAs who want to establish a VASH exception payment standard over 120 percent must still request a waiver from HUD through the regular waiver process outlined in Notice PIH 2018-16.

Exception payment standards implemented by the PHA under this section also apply in determining rents under 24 CFR 983.301(b) for PBV projects only when the project is comprised solely of units exclusively made available to VASH families.

The PHA may also establish an exception payment standard up to 140 percent of the published FMR or SAFMR only to be applied if required as a reasonable accommodation for a family that includes a person with a disability. Any unit approved under an exception payment standard must still meet reasonable rent requirements. The PHA may use a payment standard that is greater than 140 percent of FMR as a reasonable accommodation for a person with a disability, but only with HUD approval.

Voucher Issuance [FR Notice 8/13/24]

Unlike the standard HCV program which requires an initial voucher term of at least 60 days, VASH vouchers must have an initial search term of at least 120 days. PHA policies on extensions as outlined in Section 5-II.E. will apply.

CCA Policy
VASH vouchers will be issued for an initial term of 120 days. The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension.

The PHA must track issuance of HCVs for families referred by the VAMC or DSP in PIC as required in in FR Notice 8/13/24.

Special Housing Types [FR Notice 8/13/24]

The PHA must permit VASH clients to use the following special housing types for tenant-based VASH assistance, regardless of whether these types are permitted in their administrative plan for other families:

- Single room occupancy (SRO);
- Congregate housing;
- Group home;
- Shared housing; and
- Cooperative housing.

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Initial Lease Term [FR Notice 8/13/24]

Unlike the standard the HCV program, VASH voucher holders may enter into an initial lease that is for less than 12 months. Accordingly, PHA policy in Section 9-I.E., Term of Assisted Tenancy, does not apply.

Ineligible Housing [FR Notice 8/13/24]

Unlike the standard HCV program, VASH families are permitted to live on the grounds of a VA facility in units developed to house homeless veterans. This applies to both tenant-based assistance and PBV. Therefore, 24 CFR 982.352(a)(5) and 983.53(a)(2), which prohibit units on the physical grounds of a medical, mental, or similar public or private institution, do not apply to VASH for this purpose only. Accordingly, PHA policy in 9-I.D., Ineligible Units, does not apply for this purpose only.

Pre-Inspections [FR Notice 8/13/24]

To expedite the leasing process, PHAs may pre-inspect available units that veterans may be interested in leasing in order to maintain a pool of eligible units. If a VASH family selects a unit that passed an NSPIRE inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval (Form HUD-52517), the unit may be approved if it meets all other conditions under 24 CFR 982.305. However, the veteran must be free to select their unit and cannot be steered to these units.

CCA Policy

CCA may pre-inspect units for use with VASH voucher if it becomes practical to do so and expedites the PHA's ability to place VASH participants in housing.

18-III.F. PORTABILITY [FR Notice 8/13/24 and Notice PIH 2011-53]

General Requirements

Portability policies under VASH depend on whether the family wants to move within or outside of the initial VA facility's catchment area (the area in which the VAMC or DSP operates). In all cases, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. VASH participant families may only reside in jurisdictions that are accessible to case management services, as determined by case managers at the partnering VAMC or DSP.

Under VASH, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied. As a result, PHA policies in Section 10-II.B. about non-resident applicants do not apply.

If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

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Portability within the Initial VAMC or DSP's Catchment Area

A VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. If the initial PHA's partnering VAMC will still provide the case management services, the receiving PHA must process the move in accordance with portability procedures:

- If the receiving PHA has been awarded VASH vouchers, it can choose to either bill the initial PHA or absorb the family if it has a VASH voucher available to do so.
  - If the PHA absorbs the family, the VAMC or DSP providing the initial case management must agree to the absorption and the transfer of case management.
- If the receiving PHA does not administer a VASH program, it must always bill the initial PHA.

Portability Outside of the Initial VAMC or DSP's Catchment Area

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VAMC or DSP to provide case management services, the initial VAMC or DSP must first determine that the VASH family could be served by another VAMC or DSP that is participating in the VASH program, and the receiving PHA has an available VASH voucher.

In these cases, the family must be absorbed by the receiving PHA either as a new admission or as a portability move-in, as applicable. Upon absorption, the initial PHA's VASH voucher will be available to lease to a new VASH-eligible family, and the absorbed family will count toward the number of VASH slots awarded to the receiving PHA.

Portability Outside of the Initial VAMC or DSP's Catchment Area under VAWA

Veterans who request to port beyond the catchment area of the VAMC or DSP where they are receiving case management to protect the health or safety of a person who is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and who reasonably believes they are threatened with imminent harm from further violence by remaining in the unit may port prior to receiving approval from the receiving VAMC or DSP. The initial PHA must follow its emergency transfer plan (see Exhibit 16-3). PHAs may require verbal self-certification or a written request from a participant seeking a move beyond the catchment area of the VAMC or DSP.

The verbal self-certification or written request must include either a statement expressing why the participant reasonably believes that there is a threat of imminent harm from further violence if they were to remain in the same unit or a statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-day period preceding the participants request for the move.

The participant must still port to a PHA that has a VASH program. If the receiving PHA does not have a VASH voucher available to lease, they may bill the initial PHA until a VASH voucher is available, at which point the porting veteran must be absorbed into the receiving PHA's program.

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18-III.G. TERMINATION OF ASSISTANCE [FR Notice 8/13/24]

With the exception of terminations for failure to receive case management, HUD has not established any alternative requirements for termination of assistance for VASH participants. However, prior to terminating VASH participants, HUD strongly encourages PHAs to exercise their discretion under 24 CFR 982.552(c)(2) as outlined in Section 12-II.D. of this policy and consider all relevant circumstances of the specific case. This includes granting reasonable accommodation for persons with disabilities, as well as considering the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination.

VASH participant families may not be terminated after admission for a circumstance or activities that occurred prior to admission and were known to the PHA but could not be considered at the time of admission due to VASH program requirements. The PHA may terminate the family's assistance only for program violations that occur after the family's admission to the program.

Cessation of Case Management

As a condition of receiving HCV rental assistance, a HUD-VASH-eligible family must receive case management services from the VAMC or DSP. A VASH participant 's assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or DSP. However, a VAMC or DSP determination that the participant family no longer requires case management is not grounds for termination of voucher or PBV assistance. In such a case, at its option, the PHA may offer the family continued assistance through one of its regular vouchers. The decision to transfer assistance to a regular voucher must consider veteran preference and must be communicated to the VA prior to occurring. If the PHA has no voucher to offer, the family will retain its VASH voucher, or PBV unit, until such time as the PHA has an available voucher (or PBV unit not exclusively made available for VASH) for the family. If the PHA has no voucher to offer, the family will retain its VASH voucher or PBV unit until such time as the PHA has an available voucher for the family.

Serious Violation of the Lease

The regulation at 24 CFR 982.552(b)(2) states that the PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease. HUD waived this provision, and establishing the alternative requirement that the PHA may terminate program assistance in this case. Prior to terminating VASH participants for this reason, HUD strongly encourages PHAs to exercise their discretion under 24 CFR 982.552(c)(2) and consider all relevant circumstances of the specific case, as well as including the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination, prior to determining whether to terminate assistance.

VAWA [FR Notice 8/13/24]

When a veteran's family member is receiving protection under VAWA because the veteran is the perpetrator of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the victim must continue to be assisted. Upon termination of the perpetrator's VASH assistance, the victim must be given a regular HCV if one is available, and the perpetrator's VASH voucher must be used to serve another eligible veteran family. If a regular HCV is not available, the perpetrator must be terminated from assistance and the victim will continue to use the VASH voucher.

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18-III.H. PROJECT-BASING VASH VOUCHERS

General Requirements [Notice PIH 2017-21 and FR Notice 8/13/24]

PHAs are authorized to project-base their tenant-based VASH vouchers without additional HUD review or approval in accordance with Notice PIH 2017-21 and all PBV program requirements provided that the VAMC will continue to make supportive services available. In addition, since 2010, HUD has awarded VASH vouchers specifically for project-based assistance in the form of PBV HUD-VASH set-aside vouchers.

While these vouchers are excluded from the PBV program cap as long as they remain under PBV HAP contract at the designated project, all other VASH vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A. Note that VASH supportive services only need to be provided to VASH families receiving PBV assistance in the project, not all families receiving PBV assistance in the project. If a VASH family does not require or no longer requires case management, the unit continues to count as an excepted PBV unit as long as the family resides in the unit. In the description of units in Exhibit A of the HAP contract, PHAs must indicate the number of units that will be exclusively made available to VASH families. The PHA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a VASH PBV set-aside award.

If the PHA project-bases VASH vouchers, the PHA must consult with the partnering VAMC or DSP to ensure approval of the project or projects. PHAs may project-base VASH vouchers in projects alongside other PBV units and may execute a single HAP contract covering both the VASH PBVs and the other PBVs. The PHA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a HUD set-aside award.

If a VASH family is referred to the PHA and there is an available PBV unit that is not exclusively made available to VASH families, the PHA may offer to refer the family to the owner if allowable under the selection policy for that project, and the owner and PHA may amend the HAP contract to designate the PBV unit as a VASH PBV unit.

The PHA and owner may agree to amend a PBV HAP contract to redesignate a regular PBV unit as a unit specifically designated for VASH families so long as the PHA first consults with the VAMC or DSP. Additionally, the PHA and owner may agree to amend a PBV HAP contract to redesignate a unit specifically designated for VASH families as a regular PBV unit, so long as the unit is not funded through a VASH PBV set-aside award and is eligible for regular PBV (i.e., the unit is not on the grounds of a medical facility and the unit is eligible under the PHA's program and project caps).

Policies for VASH PBV units will generally follow PHA policies for the standard PBV program as listed in Chapter 17, with the exception of the policies listed below.

Ineligible Units

Unlike in the regular PBV program, the PHA may opt to select an occupied unit or admit a family to a unit if such unit is made exclusively available to VASH families if the PBV project is either on the grounds of a VA facility or there are VASH supportive services provided on-site at the project.

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Termination of Assistance Upon notification by the VAMC or DSP of the family's failure to participate, without good cause, in case management, the PHA must provide the family with a reasonable time period to vacate the unit. The PHA must terminate assistance to the family at the earliest of either the time the family vacates, or the expiration of the reasonable time period given to vacate.

A VASH family's PBV assistance must be terminated for failure to participate in case management when required by the VA. However, the PHA may allow the veteran family to receive a regular (non-VASH) tenant-based voucher or PBV unit instead of the family's assistance being terminated. In this case, the PHA may:

- Substitute the family's unit on the PBV HAP contract for another unit (the PHA may, in conjunction with such substitution, add the original unit to the PBV HAP contract with a non-VASH voucher if it is possible to do so;
- Remove the unit from the PBV HAP contract so the family may remain with tenant-based assistance, if the family and the owner agree to use the tenant-based voucher in the unit; or
- Change the unit's status in the PBV HAP contract from a unit exclusively made available for VASH to a regular PBV unit, if doing so is allowable under program rules.

If the PHA will not allow the veteran to receive a regular (non-VASH) tenant-based voucher or PBV unit instead of the family's assistance being terminated, then upon notification by the VA of the family's failure to participate in VA-required case management, the PHA must provide the family a reasonable period of time (as established by the PHA) to vacate the unit.

CCA Policy

CCA will terminate participation in the VASH voucher program, as required by the guidance within this chapter, when notified that the veteran family no longer participates in required case management as verified by the VAMC or DSP. This policy **does not** apply to families that have been released from case management by the VAMC or DSP because they no longer need case management.

If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, the PHA must remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially assisted. The PHA may add the removed unit to the HAP contract after the ineligible family vacates the property.

Moves [HUD-VASH Qs and As, FR Notice 9/27/21]

When a VASH PBV family is eligible to move from its PBV unit in accordance with Section 17-VIII.C. of this policy, but there is no other comparable tenant-based rental assistance, the following procedures must be implemented:

- If a VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the PHA may require a family who still requires case management to wait for a VASH tenant-based voucher for a period not to exceed 180 days,
- If a VASH tenant-based voucher is still not available after that period, the family must be allowed to move with its VASH voucher. Alternatively, the PHA may allow the family to move with its VASH voucher without having to meet this 180-day period. In either case, the PHA is required to replace the assistance in the PBV unit with one of its regular vouchers, unless the PHA and owner agree to temporarily remove the unit from the HAP contract, and

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- If a VASH veteran is determined to no longer require case management, the PHA must allow the family to move with the first available tenant-based voucher if no VASH voucher is immediately available and cannot require the family to wait for a VASH voucher to become available.

PART IV: MAINSTREAM VOUCHER PROGRAM

18-IV.A. PROGRAM OVERVIEW [Notice PIH 2020-01]

Mainstream vouchers assist non-elderly persons with disabilities and their families in the form of either project-based or tenant-based voucher assistance.

Aside from separate funding appropriations and serving a specific population, Mainstream vouchers follow the same program requirements as standard vouchers. The PHA does not have special authority to treat families that receive a Mainstream voucher differently from other applicants and participants. For example, the PHA cannot apply different payment standards, establish conditions for allowing portability, or apply different screening criteria to Mainstream families.

The Mainstream voucher program, (previously referred to as the Mainstream 5-Year program or the Section 811 voucher program) was originally authorized under the National Affordable Housing Act of 1990. Mainstream vouchers operated separately from the regular HCV program until the passage of the Frank Melville Supportive Housing Investment Act of 2010. Funding for Mainstream voucher renewals and administrative fees was first made available in 2012. In 2017 and 2019, incremental vouchers were made available for the first time since the Melville Act (in addition to renewals and administrative fees), and PHAs were invited to apply for a competitive award of Mainstream vouchers under the FY17 and FY19 NOFAs. In 2020, Notice PIH 2020-22 provided an opportunity for any PHA administering an HCV program to apply for Mainstream vouchers noncompetitively, while Notice PIH 2020-09 authorized an increase in Mainstream voucher units and budget authority for those PHAs already awarded Mainstream vouchers under the FY17 and FY19 NOFAs.

Funds for Mainstream vouchers may be recaptured and reallocated if the PHA does not comply with all program requirements or fails to maintain a utilization rate of 80 percent for the PHA's Mainstream vouchers.

The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for Mainstream Vouchers related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. HUD is not permitted to waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment. Prior to this, Mainstream vouchers follow the same program requirements as standard vouchers.

18-IV.B. ELIGIBLE POPULATION [Notice PIH 2020-01 and Notice PIH 2020-22]

All Mainstream vouchers must be used to serve non-elderly persons with disabilities and their families, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old as of the effective date of the initial HAP contract. The eligible disabled household member does not need to be the head of household.

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The definition of person with disabilities for purposes of Mainstream vouchers is the statutory definition under section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy.

Existing families receiving Mainstream vouchers, where the eligible family member is now age 62 or older, will not "age out" of the program as long as the family was eligible on the day it was first assisted under a HAP contract.

The PHA may not implement eligibility screening criteria for Mainstream vouchers that is different from that of the regular HCV program.

18-IV.C. PARTNERSHIP AND SUPPORTIVE SERVICES [Notice PIH 2020-01]

PHAs are encouraged but not required to establish formal and informal partnerships with a variety of organizations that assist persons with disabilities to help ensure eligible participants find and maintain stable housing.

CCA Policy

CCA does not have a mainstream voucher program at this time.

18-IV.D. WAITING LIST ADMINISTRATION [Notice PIH 2024-30]

For Mainstream vouchers, HUD has waived 24 CFR 982.204(f), which requires one waiting list for the HCV program and allows PHA the discretion to operate a Mainstream voucher waiting list that is separate from the general HCV waiting list. This is optional.

If the PHA chooses to create a separate Mainstream waiting list, the PHA must notify families on the HCV waiting list of the separate Mainstream waiting list and provide an opportunity for families on the HCV list to be placed on the Mainstream list.

If the PHA does not pursue the optional waiver to maintain a separate Mainstream waiting list, the PHA must still ensure program access for individuals with disabilities.

Upon turnover, vouchers must be provided to Mainstream-eligible families.

CCA Policy

Should CCA receive an award of Mainstream vouchers, the agency will create a separate waiting list but all policies in Chapter 4 for the opening, closing and updating of the waiting list will apply.

18-IV.E. PREFERENCES [Notice PIH 2024-30]

While PHAs may establish local preferences based on local housing needs and priorities in accordance with 24 CFR 982.207(a), HCV regulations do not permit PHAs to establish separate preferences for Mainstream voucher applicants. HUD waived 24 CFR 982.207(a)(1) and allows PHAs to establish separate preferences for Mainstream voucher applicants. However, PHAs may not apply a residency preference to Mainstream voucher applicants.

PHAs with outstanding Olmstead-related litigation or enforcement activities, as well as those undertaking affirmative Olmstead planning and implementation efforts, who wish to establish preferences that target individuals with specific disabilities must request HUD approval. The process for requesting approval for a remedial preference targeting individuals with specific disabilities is outlined in Notice PIH 2012-31.

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Regardless of whether a PHA chooses to adopt separate Mainstream voucher preferences, if the PHA claimed points for a preference in a NOFO application for Mainstream vouchers, the PHA must adopt a preference for at least one of the targeted groups identified in the NOFO. PHAs may choose to apply NOFO preferences to the entire HCV waiting list or only to Mainstream voucher applicants as a separate Mainstream voucher preference.

PHAs may use either date and time of application or a drawing or other random choice technique in selecting families from the Mainstream waiting list among applicants with the same preference status in accordance with the PHA's administrative plan.

CCA Policy

N/A

18-IV.F. VOUCHER ISSUANCE

Initial Search Term [Notice PIH 2024-30]

For Mainstream vouchers, HUD waived 24 CFR 982.303(a), which requires an initial search term of at least 60 days, and established an alternative requirement that the initial search term for a Mainstream voucher be at least 120 days. The initial 120-day term also applies when a family chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction. When issuing a Mainstream voucher, the PHA also must provide a current listing of available accessible units known to the PHA and, if necessary, otherwise assist the family in identifying an accessible unit.

CCA Policy

The initial voucher term for Mainstream vouchers, including those issued when a family wishes to exercise portability, will be 120 days.

Voucher Extension [Notice PIH 2024-30]

The PHA's administrative plan must describe the PHA's policies for granting extensions to the initial 120-day voucher term and provide clear instructions to families on the procedures for requesting an extension. If a family requires additional time, the PHA is required to provide an extension as a reasonable accommodation.

PHAs must adopt an extension policy for Mainstream vouchers that includes the following:

- Each extension must be for a minimum of 90 days;
- The PHA must approve the first extension request, regardless of how the request is made (written or verbal) or when it is made, as long as the request is made on or before the expiration date of the voucher and is consistent with applicable requirements (subsequent requests should be processed in accordance with the PHA's administrative plan); and

The PHA must, on at least one occasion after voucher issuance, notify the family prior to the expiration of the initial term to remind them of the expiration date, the process for requesting an extension, and to inquire if the family is in need of assistance with their housing search.

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As part of its search extension policy, the PHA may not restrict a first extension approval to certain circumstances or require documentation from applicants. For all extension requests, a written or verbal request is sufficient. In providing notice to families of the expiration date and extension request process, PHAs must ensure effective communication with persons with disabilities, including those with vision, hearing, speech, intellectual or other developmental disabilities, or any other communication-related disabilities. PHAs must approve all extensions made as a reasonable accommodation, and PHAs must provide this information during the family briefing.

CCA Policy

N/A

18-IV.G. PORTABILITY [Notice PIH 2020-01 and Mainstream Voucher Basics Webinar, 10/15/20]

Mainstream voucher participants are eligible for portability under standard portability rules and all PHA policies regarding portability in Chapter 10, Part II apply to Mainstream families.

The following special considerations for Mainstream vouchers apply under portability:

- If the receiving PHA has a Mainstream voucher available, the participant may remain a Mainstream participant.
  - If the receiving PHA chooses to bill the initial PHA, then the voucher will remain a Mainstream voucher.
  - If the receiving PHA chooses to absorb the voucher, the voucher will be considered a regular voucher, or a Mainstream voucher if the receiving PHA has a Mainstream voucher available, and the Mainstream voucher at the initial PHA will be freed up to lease to another Mainstream-eligible family.
- If the receiving PHA does not have a Mainstream voucher available, the participant may receive a regular voucher.

18-IV.F. PROJECT-BASING MAINSTREAM VOUCHERS [FY19 Mainstream Voucher NOFA Q&A]

The PHA may project-base Mainstream vouchers in accordance with all applicable PBV regulations and PHA policies in Chapter 17. PHAs are responsible for ensuring that, in addition to complying with project-based voucher program requirements, the project complies with all applicable federal nondiscrimination and civil rights statutes and requirements. This includes, but is not limited to, Section 504 of the Rehabilitation Act (Section 504), Titles II or III of the Americans with Disabilities (ADA), and the Fair Housing Act and their implementing regulations at 24 CFR Part 8; 28 CFR Parts 35 and 36; and 24 CFR Part 100. Mainstream vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A.

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PART V: NON-ELDERLY DISABLED (NED) VOUCHERS

18-V.A. PROGRAM OVERVIEW [Notice PIH 2013-19]

NED vouchers help non-elderly disabled families lease suitable, accessible, and affordable housing in the private market. Aside from separate funding appropriations and serving a specific population, NED vouchers follow the same program requirements as standard vouchers. The PHA does not have special authority to treat families that receive a NED voucher differently from other applicants and participants.

Some NED vouchers are awarded to PHAs through competitive NOFAs. The NOFA for FY2009 Rental Assistance for NED made incremental funding available for two categories of NED families:

- **Category 1** vouchers enable non-elderly persons or families with disabilities to access affordable housing on the private market.
- **Category 2** vouchers enable non-elderly persons with disabilities currently residing in nursing homes or other healthcare institutions to transition into the community. PHAs with NED Category 2 vouchers were required to partner with a state Medicaid or health agency or the state Money Follows the Person (MFP) Demonstration agency.

Since 1997, HCVs for NED families have been also awarded under various special purpose HCV programs: Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans (Designated Housing), Rental Assistance for Non-Elderly Persons with Disabilities Related to Certain Types of Section 8 Project-Based Developments (Certain Developments), One-Year Mainstream Housing Opportunities for Persons with Disabilities, and the Project Access Pilot Program (formerly Access Housing 2000).

- **Designated Housing** vouchers enable non-elderly disabled families, who would have been eligible for a public housing unit if occupancy of the unit or entire project had not been restricted to elderly families only through an approved Designated Housing Plan, to receive rental assistance. These vouchers may also assist non-elderly disabled families living in a designated unit/project/building to move from that project if they so choose. The family does not have to be listed on the PHA's voucher waiting list. Instead, they may be admitted to the program as a special admission. Once the impacted families have been served, the PHA may begin issuing these vouchers to non-elderly disabled families from their HCV waiting list. **Upon turnover, these vouchers must be issued to non-elderly disabled families from the PHA's HCV waiting list.**
- **Certain Developments** vouchers enable non-elderly families having a person with disabilities, who do not currently receive housing assistance in certain developments where owners establish preferences for, or restrict occupancy to, elderly families, to obtain affordable housing. These

  non-elderly families with a disabled person do not need to be listed on the PHA's HCV waiting list in order to be offered and receive housing choice voucher rental assistance. It is sufficient that these families' names are on the waiting list for a covered development at the time their names are provided to the PHA by the owner. Once the impacted families have been served, the PHA may begin issuing these vouchers to non-elderly disabled families from their HCV waiting list.

  Upon turnover, these vouchers must be issued to non-elderly disabled families from the PHA's HCV waiting list.

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- **One-Year Mainstream Housing Opportunities for Persons with Disabilities** (**One-Year Mainstream) vouchers** enable non-elderly disabled families on the PHA's waiting list to receive a voucher. After initial leasing, turnover vouchers must be issued to non-elderly disabled families from the PHA's voucher waiting list.

18-V.B. ELIGIBLE POPULATION

General Requirements [Notice PIH 2013-19]

Only eligible families whose head of household, spouse, or cohead is non-elderly (under age 62) and disabled may receive a NED voucher. Families with only a minor child with a disability are not eligible.

In cases where the qualifying household member now qualifies as elderly due to the passage of time since the family received the NED voucher, existing NED participant families do not "age out," as the family was eligible on the day it was first assisted under a housing assistance payments (HAP) contract.

The definition of person with disabilities for purposes of NED vouchers is the statutory definition under Section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy.

PHAs may not implement eligibility screening criteria for NED vouchers different from that of the regular HCV program.

NED Category 2 [Notice PIH 2013-19 and NED Category 2 FAQs]

In addition to being eligible for the PHA's regular HCV program and a non-elderly person with a disability, in order to receive a Category 2 voucher, the family's head, spouse, cohead, or sole member must be transitioning from a nursing home or other healthcare institution and provided services needed to live independently in the community.

Nursing homes or other healthcare institutions may include intermediate care facilities and specialized institutions that care for those with intellectual disabilities, developmentally disabled, or mentally ill, but do not include board and care facilities (e.g., adult homes, adult day care, adult congregate living).

The PHA cannot limit who can apply to just those persons referred or approved by a Money Follows the Person (MFP) Demonstration agency or state health agency. Other individuals could be placed on the waiting list if they can show, with confirmation by an independent agency or organization that routinely provides such services (this can be the MFP or partnering agency, but need not be), that the transitioning individual will be provided with all necessary services, including care or case management.

For each Category 2 family, there must be documentation (e.g., a copy of a referral letter from the partnering or referring agency) in the tenant file identifying the institution where the family lived at the time of voucher issuance.

18-V.C. WAITING LIST

General Requirements [Notice PIH 2013-19]

Families must be selected for NED vouchers from the PHA's waiting list in accordance with all applicable regulations and PHA policies in Chapter 4.

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Regardless of the number of NED families the PHA is required to serve, the next family on the waiting list must be served. Further, the PHA may not skip over NED-eligible families on the waiting list because the PHA is serving the required number of NED families.

NED Category 2 Referrals [NED Category 2 FAQs]

For NED Category 2 families, the partnering agency may make referrals of eligible families to the PHA for placement on the waiting list. The PHA will then select these families from the waiting list for voucher issuance. Because language in the NOFA established that vouchers awarded under the NOFA must only serve non-elderly disabled families transitioning from institutions, the PHA does not need to establish a preference in order to serve these families ahead of other families on the PHA's waiting list.

PHAs must accept applications from people living outside their jurisdiction or from people being referred from other Medicaid or MFP service agencies in their state.

If the PHA's waiting list is closed, the PHA must reopen its waiting list to accept referrals from its partnering agency. When opening the waiting list, PHAs must advertise in accordance with 24 CFR

982.206 and PHA policies in Section 4-II.C. In addition, the PHA must ensure that individuals living in eligible institutions are aware when the PHA opens its waiting list by reaching out to social service agencies, nursing homes, intermediate care facilities and specialized institutions in the local service area.

Reissuance of Turnover Vouchers [Notice PIH 2013-19]

All NED turnover vouchers must be reissued to the next NED family on the PHA's waiting list with the following exception: A Category 2 voucher must be issued to another Category 2 family upon turnover if a Category 2 family is on the PHA's waiting list. If there are no Category 2 families on the PHA's waiting list, the PHA must contact its partnering agency as well as conduct outreach through appropriate social service agencies and qualifying institutions to identify potentially eligible individuals. Only after all means of outreach have been taken to reach Category 2 families can the PHA reissue the voucher to another NED family on the PHA's waiting list. Any subsequent turnover of that voucher must again be used for a Category 2 family on the PHA's waiting list, and the PHA is under the same obligation to conduct outreach to Category 2 families if no such families are on the PHA's waiting list.

For PHAs that received both Category 1 and Category 2 vouchers, if at any time the PHA is serving fewer Category 2 families than the number of Category 2 HCVs awarded under the NOFA, when a Category 2 family applies to the waiting list and is found eligible, the PHA must issue the next NED voucher to that family. HUD monitors the initial leasing and reissuance of Category 2 HCVs. These vouchers may be recaptured and reassigned if not leased properly and in a timely manner.

All NED vouchers should be affirmatively marketed to a diverse population of NED-eligible families to attract protected classes least likely to apply. If at any time following the turnover of a NED HCV a PHA believes it is not practicable to assist NED families, the PHA must contact HUD.

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18-V.D. LEASE UP [Notice PIH 2013-19]

Briefings

In addition to providing families with a disabled person a list of accessible units known to the PHA, HUD encourages, but does not require, PHAs to provide additional resources to NED families as part of the briefing.

CCA Policy

CCA will provide NED applicants with information on accessible units in the area, as are known to us, along with a list of local supportive service and disability organizations that may provide assistance such as counseling services and funds to assist with moving expenses or security deposits as a part of the briefing. Organizations may include advocacy agencies, Centers for Independent Living, state Medicaid agencies, and disability advocacy groups that represent individuals with a variety of disabilities as well as any other governmental or non-governmental agencies that provide resources such as housing search counseling, moving expenses, security deposits, and utility deposits.

CCA will partner with area agencies, such as Trillium, to offer specialized housing search assistance to families with a disabled person to locate accessible units if requested.

Voucher Term

While the PHA is not required to establish different policies for the initial term of the voucher for NED vouchers, HUD has encouraged PHAs with NED vouchers to be generous in establishing reasonable initial search terms and subsequent extensions for families with a disabled person.

CCA Policy

All NED vouchers will have an initial term of 90 calendar days. The family must submit a Request for Tenancy Approval and proposed lease within the 90-day period unless CCA grants an extension. All other PHA policies on extensions and suspension of vouchers in Section 5-II.E. will apply.

Special Housing Types [Notice PIH 2013-19 and NED Category 2 FAQs]

In general, a PHA is not required to permit families to use any of the special housing types and may limit the number of families using such housing. However, the PHA must permit the use of a special housing type if doing so provides a reasonable accommodation so that the program is readily accessible to and usable by a person with disabilities.

Such special housing types include single room occupancy housing, congregate housing, group homes, shared housing, cooperative housing, and manufactured homes when the family owns the home and leases the manufactured home space.

Persons with disabilities transitioning out of institutional settings may choose housing in the community that is in a group or shared environment or where some additional assistance for daily living is provided for them on site. Under HUD regulations, group homes and shared housing are considered special housing types and are not excluded as an eligible housing type in the HCV program. Assisted living facilities are also considered eligible housing under the normal HCV program rules, as long as the costs for meals and other supportive services are not included in the housing assistance payments (HAP) made by the PHA to the owner, and as long as the person does not need continual medical or nursing care.

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18-V.E. PORTABILITY [NED Category 2 FAQs]

NED voucher participants are eligible for portability under standard portability rules and all PHA policies regarding portability in Chapter 10, Part II apply to NED families. However, the PHA may, but is not required to, allow applicant NED families to move under portability, even if the family did not have legal residency in the initial PHA's jurisdiction when they applied.

CCA Policy

If neither the head of household nor the spouse or cohead of a NED applicant family had a legal residence in CCA's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within the initial PHA's jurisdiction for at least 12 months before requesting portability. However, waivers to this policy may be granted as a reasonable accommodation. CCA will also consider exceptions to this policy for victims fleeing domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Exceptions to the policy may also be impacted by the availability of affordable housing within CCA's jurisdiction at the time the voucher is issued.

Any waivers of the policy will be documented in CCA's applicant file.

PART VI: STABILITY VOUCHER PROGRAM

18-VI.A. PROGRAM OVERVIEW [Notice PIH 2022-24]

The Consolidated Appropriations Act, 2021 (Public Law 116-260) (2021 Act) provided new incremental funding for voucher assistance through Stability Vouchers (SVs) for households who are:

- Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)),
- At-risk of homelessness,
- Those fleeing or attempting to flee domestic violence dating violence, sexual assault, stalking, or human trafficking, and
- Veterans and families that include a veteran family member that meet one of the above criteria.

HUD may waive certain statutory and regulatory provisions to administer the SVs (except for requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards and the environment) upon a finding that any such waivers or alternative requirements are necessary to facilitate the use of funds made available for SVs. Unless expressly waived below, all statutory and regulatory requirements and HUD directives regarding the HCV program are applicable to SVs, including the use of all HUD required contracts and other forms. A PHA may request additional good cause regulatory waivers as established in Notice PIH 2018-16 in connection with the use of the SVs, which HUD will consider and assess upon the request of the PHA.

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18-VI.B. PARTNERING ORGANIZATION [Notice PIH 2022-24]

SV funding is only awarded to PHAs that partner with eligible Continuums of Care (CoCs) or other entities that serve the targeted population, such as Victim Service Providers (VSPs) and Veteran Service Organizations (VSOs) serving the targeted population in the PHA's jurisdiction to implement coordinated approaches to reduce the prevalence of homelessness, improve service engagement, and promote housing stability while ensuring geographical need of assistance.

The PHA must enter into a Memorandum of Understanding (MOU) with the CoC to establish a partnership with the CoC to pair SVs with CoC-funded supportive services, and to collaborate with the CoC and other stakeholders to develop a prioritization plan for these vouchers.

CCA Policy

CCA does not have stability vouchers at this time.

18-VI.C. REFERRALS [Notice PIH 2022-24]

In general, families are issued SVs as the result of either:

- The direct referral process from the CoC or other partnering organizations; or
- A situation where the PHA makes an SV available in order to facilitate an emergency transfer for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking.

CoC Referrals

The primary responsibility of the CoC under the MOU is to make direct referrals of qualifying individuals and families to the PHA and to identify any CoC-funded available supportive services that may be paired with SVs.

The CoC or other partnering agency must certify that the SV applicants they refer to the PHA meet the definition of a qualifying individual or family for SV assistance.

The referring agency must provide documentation to the PHA of the referring agency's verification that the family meets one of the four eligible categories for SV assistance. The PHA must retain this documentation as part of the family's file.

CCA Policy

N/A

Referrals from Outside the CoC

The PHA must also take direct referrals from outside the CoC process if:

- The CoC does not have a sufficient number of eligible families to refer to the PHA; or
- The CoC does not identify families that may be eligible for SV assistance because they are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.

If a direct referral is taken from outside of the CoC, the PHA must enter into a partnership to receive direct referrals from another entity, assuming there are such additional organizations that can certify that an individual or family is eligible for an SV.

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The PHA must enter into an MOU with a partnering referral agency or may add the partnering referral agency to the MOU between the PHA and CoC.

18-VI.D. WAITING LIST [Notice PIH 2022-24]

HCV Waiting List

The regulation that requires the PHA to admit applicants as waiting list admissions or special admissions in accordance with admission policies in Chapter 4 does not apply to PHAs operating the SV program. Direct referrals are not added to the PHA's HCV waiting list.

The PHA must inform families on the HCV waiting list of the availability of SVs by, at a minimum, either by posting the information to their website or providing public notice in their respective communities in accordance with the requirements listed in Notice PIH 2022-24.

CCA Policy

N/A

SV Waiting List

The HCV regulations requiring the PHA to operate a single waiting list for admission to the HCV program do not apply to PHAs operating the SV program. Instead, when the number of applicants referred by the CoC or partnering agency exceeds the SVs available, the PHA must maintain a separate waiting list for SV referrals. Upon turnover, SV vouchers must continue to remain available for eligible families.

Further, the SV waiting list is not subject to PHA policies in Chapter 4 regarding opening and closing the HCV waiting list. The PHA will work directly with its CoC and other referral agency partners to manage the number of referrals and the size of the SV waiting list.

HCV Waiting List Preferences

If local preferences are established by the PHA for HCV in Chapter 4, they do not apply to SVs. However, if the PHA has a homelessness preference or a preference for survivors of domestic violence, dating violence, sexual assault, stalking, or human trafficking for the regular HCV program, the PHA must refer any applicant on the waiting list that indicated they qualified for this preference to the CoC, or the applicable partnering referral agency.

CCA Policy

N/A

SV Waiting List Preferences

With the exception of a residency preference, which may not be applied to the PHA's SV waiting list, the PHA may choose, in coordination with the CoC and other referral partners, to establish separate local preferences for SVs, or may simply choose not to establish any local preferences for the SV waiting list. The preference system may not prohibit SV admissions from any of the four qualifying categories of eligibility.

CCA Policy

N/A

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18-VI.E. FAMILY ELIGIBILITY [Notice PIH 2022-24]

Referring Agency Determination of Eligibility

The CoC or referring agency determines whether the individual or family meets any one of the eligibility criteria described in Notice PIH 2022-24 and then refers the family to the PHA. The PHA determines that the family meets other eligibility criteria for the HCV program, as modified for the SV program and outlined below.

In order to be eligible for an SV, a household must meet one of four eligibility criteria:

- Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)) and 24 CFR 578.3,
- At-risk of homelessness as defined in 24 CFR 5.78.3,
- Those fleeing or attempting to flee domestic violence dating violence, sexual assault, stalking, or human trafficking, and
- Veterans [as defined in 38 U.S.C. 101(2), 38 CFR 3.1(d)] and families that include a veteran family member that meet one of the above criteria.

Mandatory Denials

HUD waived 24 CFR 982.552 and 982.553 in part for the SV applicants and established alternative requirements for mandatory and permissive prohibitions of admissions. Except where applicable, PHA policies regarding denials in Chapter 3 of this policy do not apply to screening individuals and families for eligibility for an SV. Instead, the SV alternative requirement listed in this section will apply to all SV applicants.

The mandatory and permissive prohibitions listed in Notice PIH 2022-24 and in this chapter, however, apply only when screening the individual or family for eligibility for an SV. When adding a family member after the family has been placed under a HAP contract with SV assistance, the regulations at 24 CFR 982.551(h)(2) apply. Other than the birth, adoption, or court-awarded custody of a child, the PHA must approve additional family members and may apply its regular HCV screening criteria in Chapter 3 in doing so.

Under alternative requirements for the SV program, mandatory denials for SV applicants include:

- 24 CFR 982.553(a)(1)(ii)(C), which prohibits admission if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- 24 CFR 982.553(a)(2)(i), which prohibits admission to the program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

The PHA will also deny assistance to household members already receiving assistance from another program.

The PHA must deny admission to the program if any member of the family fails to sign and submit consent forms for obtaining information as required by 24 CFR 982.552(b)(3) but should notify the family of the limited SV grounds for denial of admission first.

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CCA Policy

N/A

Permissive Denial

Notice PIH 2022-24 lists permissive prohibitions for which the PHA may, but is not required to, deny admission to SV families. The notice also lists prohibitions that, while allowable under the HCV program, may not be used to deny assistance for SV families.

If the PHA intends to establish permissive prohibition policies for SV applicants, the PHA must first consult with its CoC partner to understand the impact that the proposed prohibitions may have on referrals and must take the CoC's recommendations into consideration.

CCA Policy

N/A

Self-Certification of Income at Admission

The requirement to obtain third-party verification of income in accordance with Notice PIH 2018-18 does not apply to the SV program applicants at admission, and alternatively, PHAs may consider self-certification the highest form of income verification at admission. As such, PHA policies related to the verification of income in Section 7-I.B. do not apply to SV families at admission. Instead, applicants must submit an affidavit attesting to their reported income, assets, expenses, and other factors that would affect an income eligibility determination.

Additionally, applicants may provide third-party documentation that represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of the PHA's request.

CCA Policy

N/A

Recently Conducted Income Determinations

PHAs may accept income calculations and verifications from third-party providers or from an examination that the PHA conducted on behalf of the family for another subsidized housing program in lieu of conducting an initial examination of income as long as:

- The income was calculated in accordance with rules outlined at 24 CFR Part 5 and within the last six months; and
- The family certifies there has been no change in income or family composition in the interim.

  CCA Policy

  N/A

At the time of the family's annual reexamination, the PHA must conduct the annual reexamination of income as outlined at 24 CFR 982.516 and the PHA policies in Chapter 11.

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EIV Income Validation

Once HUD makes the EIV data available to PHAs under this waiver and alternative requirement, the PHA must:

- Review the EIV Income and Income Validation Tool (IVT) reports to confirm and validate family-reported income within 90 days of the PIC submission date,
- Print and maintain copies of the EIV Income and IVT Reports in the tenant file, and
- Resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.

Prior to admission, PHAs must continue to use HUD's EIV system to search for all household members using the Existing Tenant Search in accordance with PHA policies in Chapter 3.

If a PHA later determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program in accordance with Chapter 12.

Social Security Number and Citizenship Status Verification

For the SV program, the PHA is not required to obtain and verify SSN documentation and documentation evidencing eligible noncitizen status before admitting the family to the SV program. Instead, PHAs may adopt policies to admit SV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. As an alternative requirement, such individuals must provide the required documentation within 180 days of admission to be eligible for continued assistance, pending verification, unless the PHA provides an extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation.

If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

CCA Policy

N/A

Age and Disability Verifications

PHAs may accept self-certification of date of birth and disability status if a higher level of verification is not immediately available. If self-certification is used, the PHA must obtain a higher level of verification within 90 days of admission or verify the information in EIV.

If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

CCA Policy

N/A

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Income Targeting

The PHA must determine income eligibility for SV families in accordance with 24 CFR 982.201 and PHA policy in Chapter 3; however, income targeting requirements do not apply for SV families. The PHA may still choose to include the admission of extremely low-income SV families in its income targeting numbers for the fiscal year in which these families are admitted.

CCA Policy

N/A

18-VI.F. HOUSING SEARCH AND LEASING

Initial Voucher Term

Unlike the standard HCV program, which requires an initial voucher term of at least 60 days, SV vouchers must have an initial search term of at least 120 days. PHA policies on extensions as outlined in Section 5-II.E. will apply.

CCA Policy

N/A

Pre-Inspections

To expedite the leasing process, PHAs may pre-inspect available units that SV families may be interested in leasing in order to maintain a pool of eligible units.

CCA Policy

N/A

Initial Lease Term

Unlike in the standard the HCV program, SV voucher holders may enter into an initial lease that is for less than 12 months, regardless of the PHA policy in Section 9-I.E., Term of Assisted Tenancy.

Portability

The normal HCV portability procedures and requirements outlined in Chapter 10 generally apply to SVs. Exceptions are addressed below.

- Under SV, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied, regardless of PHA policy in Section 10-II.B.
- A receiving PHA cannot refuse to assist an incoming SV family, regardless of whether the PHA administers SVs under its own ACC.
- If the SV family moves under portability to another PHA that administers SVs under its own ACC:
  - The receiving PHA may only absorb the incoming SV family with an SV (assuming it has an SV voucher available to do so).

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- If the PHA does not have an SV available to absorb the family, it must bill the initial PHA. The receiving PHA must allow the family to lease the unit with SV assistance and may not absorb the family with a regular HCV when the family leases the unit.
- Regardless of whether the receiving PHA absorbs or bills the initial PHA for the family's SV assistance, the SV administration of the voucher is in accordance with the receiving PHA's SV policies.

- If the SV family moves under portability to another PHA that does not administer SVs under its own ACC, the receiving PHA may absorb the family into its regular HCV program or may bill the initial PHA.

Family Briefing

In addition to the applicable family briefing requirements at 24 CFR 982.301(a)(2) as to how portability works and how portability may affect the family's assistance, the initial PHA must inform the family how portability may impact the special SV services and assistance that may be available to the family.

The initial PHA is required to help facilitate the family's portability move to the receiving PHA and inform the family of this requirement in writing.

CCA Policy

N/A

18-VI.G. PAYMENT STANDARDS

Overview

For the SV program, HUD has waived the regulation requiring a single payment standard for each unit size. Instead, the PHA may, but is not required to, establish separate higher payment standards for SVs. Lower SV payment standards are not permitted. If the PHA is increasing the regular HCV payment standard, the PHA must also increase the SV payment standard if it would be otherwise lower than the new regular HCV payment standard. The separate SV payment standard must comply with all other HCV requirements with the exception of the alternative requirements discussed below.

Further, if the PHA chooses to establish higher payments standards for SVs, HUD has provided other regulatory waivers:

- Defining the "basic range" for payment standards as between 90 and 120 percent of the published Fair Market Rent (FMR) for the unit size (rather than 90 to 110 percent).
- Allowing a PHA that is not in a designated Small Area FMR (SAFMR) area or has not opted to voluntarily implement SAFMRs to establish exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD-published SAFMRs. The PHA may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published Small Area FMR for that ZIP code area. The exception payment standard must apply to the entire ZIP code area.

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CCA Policy
N/A

All rent reasonableness requirements apply to SV units, regardless of whether the PHA has established an alternative or exception SV payment standard.

Increases in Payment Standards

The requirement that the PHA apply increased payment standards at the family's first regular recertification on or after the effective date of the increase does not apply to SV. The PHA may, but is not required to, establish an alternative policy on when to apply the increased payment standard, provided the increased payment standard is used to calculate the HAP no later than the effective date of the family's first regular reexamination following the change.

CCA Policy

N/A

18-VI.H. PROJECT-BASED UNITS

All tenant-based SV awards can be converted to Project-Based Vouchers (PBV) at any time after award without HUD approval provided all the established PBV regulations and requirements are followed.

All PBV requirements in 24 CFR Part 983 and in Chapter 17 apply to project-based SVs with the exception of 24 CFR 983.251(c)(1), which requires PHAs to select families for project-based units from its HCV or PBV waiting list. HUD is waiving this requirement and establishing an alternative requirement that PHAs receive SV referrals from CoC partners for vouchers as well as project-based assistance.

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CCA Administrative Plan

EXHIBITS

(in chapter order)

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment.

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or 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
- 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.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such 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.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or 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 that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users,
- People whose alcohol use interferes with the rights of others,
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program.

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The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not have such a disability is not entitled to reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the elderly/disabled household deduction, the dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.

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EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) In General

The term "developmental disability" means a severe, chronic disability of an individual that:

(i) is attributable to a mental or physical impairment or combination of mental and physical impairments,

(ii) is manifested before the individual attains age 22,

(iii) is likely to continue indefinitely,

(iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self- sufficiency, and

(v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and Young Children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes their ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

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. 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:

(1) Physical or mental impairment includes:

   (a) 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.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) 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.

(4) *Is regarded as having an impairment* means:

   (a) 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,

   (b) 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

   (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient.

EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION [20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' means an educational institution in any State that

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

(2) Is legally authorized within such State to provide a program of education beyond secondary education;

(3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;

(4) Is a public or other nonprofit institution; and

(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' also includes—

(1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and

(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(A) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term ''institution of higher education'' for purposes of subchapter IV of this chapter and part C

of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(i) A proprietary institution of higher education (as defined in subsection (b) of this section);

(ii) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(iii) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(B) Institutions outside the United States

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

(ii) In the case of a graduate medical school located outside the United States—

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

(iii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(C) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(D) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(E) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(2) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

(A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;

(B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

(C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(i) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution

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serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(D) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(i) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(ii) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(3) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(4) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term ''proprietary institution of higher education'' means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(E) Has been in existence for at least 2 years; and

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(F) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(G) Additional institutions. The term ''proprietary institution of higher education'' also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(H) Postsecondary vocational institution.

(2) Principal criteria. For the purpose of this section, the term ''postsecondary vocational institution'' means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation,

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title, and

(C) Has been in existence for at least 2 years.

(3) Additional institutions. The term ''postsecondary vocational institution'' also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students, persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

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EXHIBIT 6-1: ANNUAL INCOME FULL DEFINITION

24 CFR 5.609

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b)Annual income does not include the following:

(1) Any imputed return on an asset when net family assets are less than or equal to the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from— (

1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (

3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)€ of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph

(b)(9)(ii) is determined as follows: (1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); (ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. 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 unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

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

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) 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.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law. (22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or

State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the 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; and

(ii) 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.

EXHIBIT 6-2: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all nonnecessary items of personal property if the combined total value does not exceed the HUD-published threshold amount (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by,

or under the control of, any member of the family or household.

EXHIBIT 6-3: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

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

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall

be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

EXHIBIT 7-1:
SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS
[HCV GB, pp. 5-9 and 5-10]

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all eligible noncitizens must sign a verification consent form.
- Additional documents are required based upon the person's status.

Elderly Noncitizens

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.

All other Noncitizens

Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - "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"

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - 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).

- Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210".

- Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

- 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 *Federal Register.*

EXHIBIT 7-2:

SAVE System Responses and Section 214 Eligibility for HUD Assistance
[HUD Secretary Letter 12/16/25]

Eligible for Assistance

- United States Citizen;
- Lawful Permanent Resident (LPR) – Employment Authorized;
- Lawful Permanent Resident (LPR) – Employment Authorized Indefinitely;
- Conditional Resident – Employment Authorized;
- Conditional Resident;
- Conditional Entrant – Employment Authorized Indefinitely;
- Parolee;
- Parolee Indefinite – Not Employment Authorized;
- Parolee Indefinite – Temporary Employee Authorized;
- Parolee Expires – Not Employment Authorized;
- Parolee Expires – Temporary Employment Authorized;
- Refugee – Employment Authorized;
- Refugee – Employment Authorized – Indefinite;
- Asylee – Employment Authorized;
- Asylee – Employment Authorized – Indefinite;
- Family Unity -Temporary Employment Authorized;
- Non-Immigrant Employment Authorized – Indefinite;
    - Non-immigrants who are citizens of either the Federated States of Micronesia, the Republic of the Marhsall Islands, or Palau
- Cuban/Haitian Entrant;
- No Status – Granted Withholding of Removal – Employment Authorized Indefinitely;
- Violence Against Women Act (VAWA) – Self-Petitioner – Temporary Employment Authorized;
- VAWA Self-Petitioner; and
- VAWA Self-Petitioner – Not Employment Authorized.

Ineligible for Assistance

- Non-Immigrant
- Non-Immigrant – Temporary Employment Authorized;

Non-Immigrant – Temporary Employment Authorized – Indefinite;

- Non-Immigrant – Not Employment Authorized;
- Non-Immigrant – Employment Authorized CNMI Only;
- Student Status Temporary Authorized;
- If Principal – Temporary Employment Authorized;
- If Principal or Spouse – Temporary Employment Authorized;
- Temporary Resident – Temporary Employment Authorized;
- Deferred Action for Childhood Arrivals (DACA) – Employment Authorized;
- Temporary Protected Status (TPS) – Employment Authorized;
- Application Pending (Form I-589 Asylum);
- Application Pending (Form I-485 Adjustment of Status) – Temporary Employment Authorized;
- Application Pending;
- Application Pending – Temporary Employment Authorization;
- Application Pending – Not Temporary Employment Authorization;
- Deferred Action Status (DAS);
- Deferred Action Status (DAS) – Not Employment Authorized;
- Deferred Enforced Departure (DED); and
- No Status;
- No Status – Released on an Order of Supervision – Temporary Employment Authorized;
- No Status – Employment Authorized Indefinitely; and

No Status Temporary Employment Authorized.

If more information is required to classify the individual's immigration status, following up with DHS and/or the individual may be necessary.

- Immigration Enumerator Required – Resubmit with Additional Information;
- Institute Additional Verification;
- Institute Third Level Verification;
- No Record Found with SSA – Resubmit with Additional Information;
- Temporary Employment Authorized;
- Resubmit Doc;
- Verification in Process;
- Continue to Process;
- Unable to Process;
- Null;
- Expired Document;
- Document Appears to be Altered; and
- Document Appears to be Counterfeit

EXHIBIT 8-1: AFFIRMATIVE HABITABILITY REQUIREMENTS

Affirmative Habitability Requirements: Inside
Must include at least 1 battery-operated or hard-wired smoke detector, in proper working condition, on each level of the property.
Must meet or exceed the carbon monoxide detection standards set by the Secretary through *Federal Register* notification.
Any outlet installed within 6 feet of a water source must be GFCI protected.
Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
Must have permanently mounted light fixtures in any kitchens and each bathroom.
May not contain unvented space heaters that burn gas, oil or kerosene.

Affirmative Habitability Requirements: Outside
Any outlet installed within 6 feet of a water source must be GFCI-protected.
Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.

Affirmative Habitability Requirements: Unit
Must have hot and cold running water in the bathroom and kitchen, including an adequate source of safe drinking water in the bathroom and kitchen.
Must include its own bathroom or sanitary facility that is in proper operating condition and usable in privacy. It must contain a sink, a bathtub or shower, and an interior flushable toilet.
Must have at least one battery-operated or hard-wired smoke detector, in proper working condition, in the following locations: • On each level of the unit AND • Inside each bedroom or sleeping area AND • With 21 feet of any door toa bedroom measured along a path of travel AND • Where a smoke detector is installed outside a bedroom is separated from an adjacent living area by a door, a smoke detector must also be installed in the living area side of the door.
If the unit is occupied by a hearing-impaired person, the smoke detectors must have an alarm system designed for hearing-impaired persons.
Must have a living room and a kitchen area with a sink, cooking appliance, refrigerator, food preparation area and food storage area.
Must have two working outlets or one working outlet and one permanent light fixture within all habitable rooms.
Must have a permanently mounted light fixture in each bathroom and in the kitchen.
Outlets within 6 feet of water source must be GFCI-protected.
Must have permanently installed heating source.
No units may contain unvented space heaters that burn gas, oil or kerosene.
Must have a guard rail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
Must have at least one bedroom or living/sleeping room for each two persons.

CALCULATING INCOME AT ANNUAL REEXAMINATION

Example 1: Calculating Annual Income at Annual Reexamination Using EIV

Staff are processing the March annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the PHA since the previous annual reexamination. The SSA published 2024 COLA is 7 percent.
Last reexamination – Annual Reexamination
Ruby: Wages: $30,000 — Georgia: SSI: $10,980 ($915 monthly)s

The EIV Report pulled on 12/15 shows:

Ruby:

Wages Total: $33,651

Quarter 3 of last year: $8,859 (City Public School)

Quarter 2 of last year: $8,616 (City Public School)

Quarter 1 of last year: $8,823 (City Public School)

Quarter 4 of previous year: $7,353 (City Public School)

Georgia:

SSI Total: $10,980

Last Year $915 monthly benefit

<table>
<tr><td colspan="2">Income Reported on Reexamination Application</td></tr>
<tr><td>Ruby:

Wages at City Public School: $32,000 (switched jobs but no permanent change to amount)</td><td>Georgia:

SSI benefits: $10,980 (no changes)</td></tr>
<tr><td>Calculating Ruby's wages:

Step 1: Determine prior annual income from EIV (i.e., Q4 prev. year through Q3 last year:

$33,651).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).

Step 3: Ruby certifies that the $33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA will use

$33,651 for annual wages for the March 1 annual reexamination given there have been no additional changes to annual income.</td><td>Calculating Georgia's SSI benefit:

Step 1: Determine the prior annual income from EIV (i.e., $915 x 12 months: $10,980).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).

Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA must adjust the prior-year income (last year SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the March 1 annual reexamination:

COLA: $64.05 ($915 x 0.07)

New gross SSI benefit: $11,748.60 ($979.05 x 12 months)</td></tr>
<tr><td colspan="2">If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.</td></tr>
<tr><td colspan="2">Summary of Annual Income (as reported on the HUD-50058)</td></tr>
<tr><td>Ruby (Head of Household):

Other Wage: $33,651

Myers Family Total Annual Income: $45,399</td><td>Georgia (Other Youth Under 18): SSI:

$11,748</td></tr>
</table>

Example 2: Calculating Annual Income at Annual Reexamination

Using EIV: Family Disagrees with EIV

Staff are processing Paul Hewson's May 1 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from $28,000 to $7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective July 1. After the July 1 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
<u>May 1 Annual Reexamination</u>
<u>Wages: $28,000</u>

The EIV report pulled 1/15 shows:

Wages Total: $18,271

Quarter 3 of last year: $2,500 (Viking Bakery)

Quarter 3 of last year: $796 (Sweet Tooth Candy Bar)

Quarter 2 of last year: $1,300 (Sasha's Sweets)

Quarter 2 of last year: $584 (Larry's Concessions)

Quarter 2 of last year: $2,401 (Viking Bakery)

Quarter 1 of last year: $6,500 (Sasha's Sweets)

Quarter 4 of previous year: $600 (Sasha's Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application

Wages: $0 (permanent change; no longer receiving)

Social Security: $14,400 ($1,200 monthly)

Paul certified on the PHA's annual reexamination paperwork that he does not agree with the annual wages of $18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of $1,200 effective March 1.

Calculating Wages and SS Benefit

Step 1: Determine prior annual income taking into consideration the July 1 interim reexamination (i.e., EIV wages reflected Q4 last year through Q3 this year: $18,271)

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a July 1 interim that reduced wages to

$7,500.

Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all.

Process the annual reexamination effective May 1 using annual SS income of $14,400 and $0 wages.

Summary of Annual Income (as reported on the HUD-50058)

Paul (Head of Household): $14,400 (SS)

Hewson Family Total Annual Income:

$14,400

Example 3: Calculating Annual Income at Annual Reexamination

Staff are processing the November 1 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On February 14 of this year Samantha reported her monthly child support payment was reduced from $200 to $100 per month, but an interim reexamination was not processed because the reduction in child support income for Samantha's daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the PHA did not establish a lower threshold. Samantha did not report any additional changes to the PHA.
Last reexamination – November 1 Annual Reexamination

Samantha:	Fergus:
Business income: $28,000	Wages: $8,250
VA disability pension: $12,000	Other non-wage income: $3,000 (Go Fund Me online fundraiser)
Child support: $2,400	

The EIV report pulled on 9/16 shows:

Samantha:	Fergus:
Wages Total: $0 (no wage data reported since Q1 last year)	Wages Total: $8,600
	Quarter 1 of this year: $2,100 (Ian's Fish 'n' Chips)
	Quarter 1 of this year: $500 (Claire's Healthcare Supplies)
	Quarter 4 of last year: $1,000 (Claire's Healthcare Supplies)
	Quarter 3 of last year: $1,800 (The Onion Garden Shop)
	Quarter 2 of last year: $3,200 (Ivar's Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on PHA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to the PHA for the November 1 annual reexamination.

Samantha:

Business income: $28,750 (last year); has decreased to $18,000 (permanent change)

VA disability benefit: $12,000 (last year); has increased to $12,300 (permanent change)

Child support: $2,400 (last year); has decreased to $1,200 (permanent change)

Fergus:

Wages: $6,000

Calculating Samantha's Net Business Income

Step 1: Determine prior annual net business income (i.e., $28,000 on last HUD–50058.

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to $18,000. The PHA must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is $18,000. Process the annual reexamination effective November 1 using annual net business income determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual VA pension income (i.e., $12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was $1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The PHA needs to adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of $1,025, or $12,300 annually. Process the annual reexamination effective November 1 using annual VA pension income determined in Step 3 ($12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual child support income (i.e., $2,400 on the last HUD–50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from $200 to

$100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so the PHA must adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular $100 monthly child supports payments beginning March 1 through the current month. Process the annual reexamination effective November 1 using current annual child support income determined in Step 3 ($1,200 in this example).

Calculating Fergus' Wages

Step 1: Determine prior annual income from wages in EIV (i.e., Q2 last year through Q1 of this year: $8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so the PHA must verify and adjust to reflect current annual income from wages. Fergus reported $6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. The PHA projected annual income of $7,800 based on the two paystubs for this employer, and EIV shows $8,600 earned in the most recent four quarters in EIV. To complete Step 3, the PHA must do the following:

- Resolve the discrepancy between EIV wages, the $6,000 annual income Fergus reported, and the $7,800 projected based on the paystubs he provided, and
- Verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies.

The PHA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of $9,000. The PHA verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn $9,360 annually. Process the annual reexamination effective November 1 using income from wages determined in Step 3 ($9,360 in this example).

<table>
<tr><td colspan="2">Calculating Fergus' Other Non-Wage Income</td></tr>
<tr><td colspan="2">Step 1: Determine prior annual income from other non-wage income (i.e., $3,000 on the last HUD– 50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. The PHA must verify and adjust to reflect current non-wage income. The PHA must verify no income was received through a "Go Fund Me" online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn't solicited funds online and doesn't plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective November 1 using annual non-wage income of $0 determined in Step 3.</td></tr>
<tr><td colspan="2">Summary of Annual Income (as reported on the HUD-50058)</td></tr>
<tr><td>Samantha (Head of Household):

Own business: $18,000

Pension: $12,300

Child support: $1,200</td><td>Fergus (Co-head):

Wages: $9,360</td></tr>
<tr><td colspan="2">Poole Family Total Annual Income: $40,860</td></tr>
</table>

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EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a list of a participant family's obligations under the HCV program:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.

  Families must comply with the notices and requirements of the agency when completing annual and interim recertifications of eligibility. Families who fail to complete recertification of eligibility timely are subject to termination of participation in the program.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any deficiencies under the National Standards for the Physical Inspection of Real Estate (NSPIRE) by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond ordinary wear and tear caused by any member of the household or guest.

  Damage beyond normal wear and tear is damage which could be assessed against the security deposit.
- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.
  CCA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

  Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion applies whether the reason for the eviction was the fault of the tenant or guests.

  Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim [see 24 CFR 5.2005(c)(1)].

- The family must notify CCA and the owner before moving out of the unit or terminating the lease.

  The family must comply with lease requirements regarding written notice to the owner. The family must also provide written notice to CCA at the same time the owner is notified.

- The family must promptly give CCA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify CCA in writing of the birth, adoption, or court-awarded custody of a child. The family must request CCA approval to add any other family member as an occupant of the unit.

  The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. CCA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify CCA in writing if any family member no longer lives in the unit.
- If CCA has given approval, a foster child or a live-in aide may reside in the unit. CCA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.
  Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a household member.
- The family must supply any information requested by CCA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify CCA when the family is absent from the unit.
  Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as more than 30 calendar days. Written notice must be given to CCA at the start of the extended absence.
- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

Corrupt acts include, but are not limited, threats, coercion, or harassment of the landlord, property management staff, and CCA staff including volunteers and partners.

- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state, or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE AGAINST WOMEN ACT, FORM HUD-5380

Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking

When should I receive this form? A covered housing provider must provide a copy of the Notice of Occupancy Rights Under The Violence Against Women Act (Form HUD-5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382) when you are admitted as a tenant, when you receive an eviction or termination notice and prior to termination of tenancy, or when you are denied as an applicant. A covered housing provider may provide these forms at additional times.

What is the Violence Against Women Act ("VAWA")? This notice describes protections that may apply to you as an applicant or a tenant under a housing program covered by a federal law called the Violence Against Women Act ("VAWA"). VAWA provides housing protections for victims of domestic violence, dating violence, sexual assault or stalking. VAWA protections must be in leases and other program documents, as applicable. VAWA protections may be raised at any time. You do not need to know the type or name of the program you are participating in or applying in order to seek VAWA protections.

What if I require this information in a language other than English? To read this information in Spanish or another language, please contact **Coastal Community Action**. You can read translated VAWA forms at https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4. If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

What do the words in this notice mean?

- *VAWA violence/abuse* means one or more incidents of domestic violence, dating violence, sexual assault, or stalking.
- *Victim* means any victim of VAWA violence/abuse, regardless of actual or perceived sexual orientation, gender identity, sex, or marital status.
- *Affiliated person* means the tenant's spouse, parent, sibling, or child; or any individual, tenant, or lawful occupant living in the tenant's household; or anyone for whom the tenant acts as parent/guardian.
- Covered housing program includes the following HUD programs:
    - Public Housing
    - Tenant-based vouchers (TBV, also known as Housing Choice Vouchers or HCV) and Project-based Vouchers (PBV) Section 8 programs
    - Section 8 Project-Based Rental Assistance (PBRA)
    - Section 8 Moderate Rehabilitation Single Room Occupancy
    - Section 202 Supportive Housing for the Elderly
    - Section 811 Supportive Housing for Persons with Disabilities
    - Section 221(d)(3)/(d)(5) Multifamily Rental Housing
    - Section 236 Multifamily Rental Housing

- Housing Opportunities for Persons With AIDS (HOPWA) program
- HOME Investment Partnerships (HOME) program
- The Housing Trust Fund
- Emergency Solutions Grants (ESG) program
- Continuum of Care program
- Rural Housing Stability Assistance program

- Covered housing provider means the individual or entity under a covered housing program that is responsible for providing or overseeing the VAWA protection in a specific situation. The covered housing provider may be a public housing agency, project sponsor, housing owner, mortgagor, housing manager, State or local government, public agency, or a nonprofit or for-profit organization as the lessor.
- For information about non-HUD covered housing programs under VAWA, see Interagency Statement on the Violence Against Women Act's Housing Provisions at https://www.hud.gov/sites/dfiles/PA/documents/InteragencyVAWAHousingStmnt092024.pdf.

What if I am an applicant under a program covered by VAWA? You can't be denied housing, housing assistance, or homeless assistance covered by VAWA just because you (or a household member) are or were a victim or just because of problems you (or a household member) had as a direct result of being or having been a victim. For example, if you have a poor rental or credit history or a criminal record, and that history or record is the direct result of you being a victim of VAWA abuse/violence, that history or record cannot be used as a reason to deny you housing or homeless assistance covered by VAWA.

What if I am a tenant under a program covered by VAWA? You cannot lose housing, housing assistance, or homeless assistance covered by VAWA or be evicted just because you (or a household member) are or were a victim of VAWA violence/abuse. You also cannot lose housing, housing assistance, or homeless assistance covered by VAWA or be evicted just because of problems that you (or a household member) have as a direct result of being or having been a victim. For example, if you are a victim of VAWA abuse/violence that directly results in repeated noise complaints and damage to the property, neither the noise complaints nor property damage can be used as a reason for evicting you from housing covered by VAWA. You also cannot be evicted or removed from housing, housing assistance, or homeless assistance covered by VAWA because of someone else's criminal actions that are directly related to VAWA abuse/violence against you, a household member, or another affiliated person.

How can tenants request an emergency transfer? Victims of VAWA violence/abuse have the right to request an emergency transfer from their current unit to another unit for safety reasons related to the VAWA violence/abuse. An emergency transfer cannot be guaranteed, but you can request an emergency transfer when:

1. You (or a household member) are a victim of VAWA violence/abuse;
2. You expressly request the emergency transfer; AND
3. EITHER
    a. you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the same dwelling unit; OR

b. if you (or a household member) are a victim of sexual assault, either you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) were to stay in the unit, or the sexual assault occurred on the premises and you request an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

You can request an emergency transfer even if you are not lease compliant, for example if you owe rent. If you request an emergency transfer, your request, the information you provided to make the request, and your new unit's location must be kept strictly confidential by the covered housing provider. The covered housing provider is required to maintain a VAWA emergency transfer plan and make it available to you upon request.

To request an emergency transfer or to read the covered housing provider's VAWA emergency transfer plan, you may request a copy by contacting Coastal Community Action and speaking with a Housing Specialist. The VAWA emergency transfer plan includes information about what the covered housing provider does to make sure your address and other relevant information are not disclosed to your perpetrator.

Can the perpetrator be evicted or removed from my lease? Depending on your specific situation, your covered housing provider may be able to divide the lease to evict just the perpetrator. This is called "lease bifurcation."

What happens if the lease bifurcation ends up removing the perpetrator who was the only tenant who qualified for the housing or assistance? In this situation, the covered housing provider must provide you and other remaining household members an opportunity to establish eligibility or to find other housing. If you cannot or don't want to establish eligibility, then the covered housing provider must give you a reasonable time to move or establish eligibility for another covered housing program. This amount of time varies, depending on the covered housing program involved. The table below shows the reasonable time provided under each covered housing program with HUD. Timeframes for covered housing programs operated by other agencies are determined by those agencies.

Covered Housing Program(s)	**Reasonable Time for Remaining Household Members to Continue to Receive Assistance, Establish Eligibility, or Move.**
HOME and Housing Trust Fund, Continuum of Care Program (except for permanent supportive housing), ESG program, Section 221(d)(3) Program, Section 221(d)(5) Program, Rural Housing Stability Assistance Program	Because these programs do not provide housing or assistance based on just one person's status or characteristics, the remaining tenant(s), or family member(s) in the CoC program, can keep receiving assistance or living in the assisted housing as applicable.
Permanent supportive housing funded by the Continuum of Care Program	The remaining household member(s) can receive rental assistance until expiration of the lease that is in effect when the qualifying member is evicted.

Housing Choice Voucher, Project-based Voucher, and Public Housing programs (for Special Purpose Vouchers (e.g., HUD-VASH, FUP, FYI, etc.), see also program specific guidance)	If the person removed was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing. For HUD-VASH, if the veteran is removed, the remaining family member(s) can keep receiving assistance or living in the assisted housing as applicable. If the veteran was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days to establish program eligibility or find alternative housing.
Section 202/811 PRAC and SPRAC	The remaining household member(s) must be given 90 calendar days from the date of the lease bifurcation or until the lease expires, whichever is first, to establish program eligibility or find alternative housing.
Section 202/8	The remaining household member(s) must be given 90 calendar days from the date of the lease bifurcation or when the lease expires, whichever is first, to establish program eligibility or find alternative housing. If the person removed was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.
Section 236 (including RAP); Project-based Section 8 and Mod Rehab/SRO	The remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.
HOPWA	The remaining household member(s) must be given no less than 90 calendar days, and not more than one year, from the date of the lease bifurcation to establish program eligibility or find alternative housing. The date is set by the HOPWA Grantee or Project Sponsor.

Are there any reasons that I can be evicted or lose assistance? VAWA does not prevent you from being evicted or losing assistance for a lease violation, program violation, or violation of other requirements that are not due to the VAWA violence/abuse committed against you or an affiliated person.

However, a covered housing provider cannot be stricter with you than with other tenants, just because you or an affiliated person experienced VAWA abuse/violence. VAWA also will not prevent eviction, termination, or removal if other tenants or housing staff are shown to be in immediate, physical danger that could lead to serious bodily harm or death if you are not evicted or removed from assistance.

Only if no other action can be taken to reduce or eliminate the threat should a covered housing provider evict you or end your assistance, if the VAWA abuse/violence happens to you or an affiliated person. A covered housing provider must provide a copy of the Notice of Occupancy Rights Under the *Violence Against Women Act* (Form HUD-5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382) when you receive an eviction or termination notice and prior to termination of tenancy.

What do I need to document that I am a victim of VAWA abuse/violence? If you ask for VAWA protection, the covered housing provider may request documentation showing that you (or a household member) are a victim. The covered housing provider must make this request in writing and must give you at least 14 business days (weekends and holidays do not count) to respond, and you are free to choose any one of the following:

1. A self-certification form (for example, Form-HUD 5382), which the covered housing provider must give you along with this notice. Either you can fill out the form or someone else can complete it for you;
2. A statement from a victim/survivor service provider, attorney, mental health professional or medical professional who has helped you address incidents of VAWA violence/abuse. The professional must state "under penalty of perjury" that he/she/they believe that the incidents of VAWA violence/abuse are real and covered by VAWA. Both you and the professional must sign the statement;
3. A police report, administrative record, or court record (such as a protective order) that shows you (or a household member) were a victim of VAWA violence/abuse; OR
4. If allowed by your covered housing provider, any other statement or evidence provided by you.

It is your choice which documentation to provide and the covered housing provider must accept any one of the above as documentation. The covered housing provider is prohibited from seeking additional documentation of victim status or requiring more than one of these types of documentation, unless the covered housing provider receives conflicting information about the VAWA violence/abuse.

If you do not provide one of these types of documentation by the deadline, the covered housing provider does not have to provide the VAWA protections you requested. If the documentation received by the covered housing provider contains conflicting information about the VAWA violence/abuse, the covered housing provider may require you to provide additional documentation from the list above, but the covered housing provider must give you another 30 calendar days to do so.

Will my information be kept confidential? If you share information with a covered housing provider about why you need VAWA protections, the covered housing provider must keep the information you share strictly confidential. This information should be securely and separately kept from your other tenant files.

No one who works for your covered housing provider will have access to this information, unless there is

a reason that specifically calls for them to access this information, your covered housing provider explicitly authorizes their access for that reason, and that authorization is consistent to applicable law.

Your information **will not be disclosed** to anyone else or put in a database shared with anyone else, except in the following situations:

1. If you give the covered housing provider written permission to share the information for a limited time;
2. If the covered housing provider needs to use that information in an eviction proceeding or hearing; or
3. If other applicable law requires the covered housing provider to share the information.

How do other laws apply? VAWA does not limit the covered housing provider's duty to honor court orders about access to or control of the property, or civil protection orders issued to protect a victim of VAWA abuse/violence. Additionally, VAWA does not limit the covered housing provider's duty to comply with a court order with respect to the distribution or possession of property among household members during a family break up. The covered housing provider must follow all applicable fair housing and civil rights requirements.

Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. To request a reasonable accommodation, please contact **[INSERT STAFF MEMBER CONTACT INFO]**. Your covered housing provider must also ensure effective communication with individuals with disabilities.

Have your protections under VAWA been denied? If you believe that the covered housing provider has violated these rights, you may seek help by contacting **the HUD Regional Field office on (404) 331-5140 or (800) 440-8091** . You can also find additional information on filing VAWA complaints at https://www.hud.gov/VAWA and https://www.hud.gov/program_offices/fair_housing_equal_opp/VAWA. To file a VAWA complaint, visit https://www.hud.gov/fairhousing/fileacomplaint.

Need further help?

- For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa.
- To talk with a housing advocate, contact Legal Aid of North Carolina's Fair Housing Project 1-855-797-FAIR (3247) or contact the general legal aid helpline at 1-866-219-5262(M-F, 9 am to 3 pm).

Public reporting burden for this collection of information is estimated to range from 45 to 90 minutes per each covered housing provider's response, depending on the program. This includes time to print and distribute the form. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, D.C. 20410. This notice is required for covered housing programs under section 41411 of VAWA and 24 CFR 5.2003. Covered housing providers must give this notice to applicants and tenants to inform them of the VAWA protections as specified in section 41411(d)(2). This is a model notice, and no information is being collected. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION, FORM HUD-5382

U.S. Department of Housing and Urban Development
OMB Approval No. 2577-0286
Exp. 1/31/2028

Confidentiality Note: Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

Purpose of Form: If you are a tenant of or applicant for housing assisted under a covered housing program, or if you are applying for or receiving transitional housing or rental assistance under a covered housing program and ask for protection under the Violence Against Women Act ("VAWA"), you may use this form to comply with a covered housing provider's request for written documentation of your status as a "victim". This form is accompanied by a "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.

VAWA protects individuals and families regardless of a victim's age or actual or perceived sexual orientation, gender identity, sex, or marital status. You are not expected and cannot be asked or required to claim, document, or prove victim status or VAWA violence/abuse other than as stated in "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.

This form is **one of your available options** for responding to a covered housing provider's written request for documentation of victim status or the incident(s) of VAWA violence/abuse. If you choose, you may submit one of the types of third-party documentation described in Form HUD-5380, in the section titled, "What do I need to document that I am a victim?". Your covered housing provider must give you at least 14 business days (weekends and holidays do not count) to respond to their written request for this documentation.

Will my information be kept confidential? Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person's access for that reason, and (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, or (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

What if I require this information in a language other than English? To read this in Spanish or another language, please contact **Coastal Community Action** or go to the HUD website, where you can read translated VAWA forms at: https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4.

If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms).

You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities.

Need further help? For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa. To speak with a housing advocate, contact Legal Aid of North Carolina's Fair Housing Project 1-855-797-FAIR (3247) or contact the general legal aid helpline at 1-866-219-5262(M-F, 9 am to 3 pm).

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. **Name of victim:** _____
2. **Your name (if different from victim's):** _____
3. **Name(s) of other household:** _____

   _____
4. **Name of other household member(s) who would transfer with the victim:** _____

   _____

5. **Name of perpetrator** *(if known and can be safely disclosed)***:** _____
6. **Address of location from which the victim seeks to transfer:** _____
7. **Current Unit Size (# of Bedrooms):** _____
8. **What is the safest and most secure way to contact you? (You may choose more than one.)**
   If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

   ☐ Phone Phone Number: _____

   Safe to receive a voicemail: ☐ Yes ☐ No

   ☐ E-mail E-mail address: _____

   Safe to receive an e-mail: ☐ Yes ☐ No

   ☐ Mail Mailing Address: _____
   Safe to receive mail from your housing provider: ☐ Yes ☐ N

   ☐ Other Please List: _____

9. **Is there anything else your housing provider should know to safely communicate with you?**

   _____

10. What features are requested for a safe unit? You may list here any information that would facilitate a suitable transfer, such as accessibility needs, and a description of where it is safe or unsafe for you to live. *(Please note that the ability to provide an emergency transfer is based on unit availability.)*

☐ New Neighborhood ☐ New Building

☐ First Floor Unit ☐ Second Floor Unit (and above)

☐ Near an Exit ☐ Well-lit hallways/walkways

☐ 24-hour Security ☐ Accessible unit

☐ Other _____

_____

11. To approve your request for an emergency transfer, your covered housing provider may require that you provide written documentation that you (or a household member) are a victim of VAWA violence/abuse. Your covered housing provider must make this request for documentation in writing. You can choose to submit any one of the following types of documentation:

- Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation, which asks your name and the perpetrator's name (if known and safe to provide);
- A document signed by a victim service provider, attorney, mental health professional, or medical professional who has helped you address the VAWA violence/abuse. The professional must state "under penalty of perjury" that he/she/they believe in the occurrence of the incident of VAWA violence/abuse and that it is covered by VAWA. Both you and the professional must sign the statement;
- A police, administrative, or court record (such as a protective order) that shows you (or a household member) are a victim of VAWA violence/abuse; OR
- If permitted by your covered housing provider, a statement or other evidence provided by you.

Certification of Tenant: By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that I meet the conditions described on this form to qualify for an emergency transfer.

Signature _____ Date _____

Public reporting burden for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Covered housing providers in programs covered by VAWA may ask for a written request for an emergency transfer for a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking. Housing providers may distribute this form to tenants and tenants may use it to request an emergency transfer. The information is subject to the confidentiality requirements of VAWA. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Attachment: Certification form HUD-5382

Coastal Community Action, Inc.

Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
Housing Choice Voucher Program

Emergency Transfers

CCA is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), the PHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. VAWA protections are not limited to women and are available regardless of age or actual or perceived sexual orientation, gender identity, sex, or marital status. Victims cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex (including perceived or actual sexual orientation or gender identity), familial status, disability, or age. HUD-assisted and HUD-insured housing must also be made available to all otherwise eligible individuals and families regardless of age, or actual or perceived gender identity, sexual orientation, or marital status.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the **public housing and housing choice voucher (HCV) programs** are in compliance with VAWA.

Definitions

- **External emergency transfer** refers to an emergency relocation of a tenant to another unit where the tenant would be categorized as a new applicant; that is, the tenant must undergo an application process in order to reside in the new unit. Such as transferring from a unit in one area of the County to a unit in another area of the County that is owned by a different owner.

- **Internal emergency transfer** refers to an emergency relocation of a tenant to another unit where the tenant would not be categorized as a new applicant; that is, the tenant may reside in the new unit without having to undergo an application process. Such as transferring from one unit to another in a different building but in the same apartment complex.

- **Safe unit** refers to a unit that the victim of VAWA violence/abuse believes is safe.

- **VAWA violence/abuse means** an incident or incidents of domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in 24 CFR 5.2003 and "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking" (Form HUD-5382).

Eligibility for Emergency Transfers

A tenant may seek an emergency transfer to another unit if they or their household member is a victim of VAWA violence/abuse, as outlined in the "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380. This emergency transfer plan provides further information on emergency transfers, and the PHA must provide a copy if requested. The PHA may ask for submission of a written request for an emergency transfer, such as form HUD-5383, to certify eligibility for the emergency transfer.

A Tenant is eligible for an emergency transfer if:

1. The tenant (or their household member) is a victim of VAWA violence/abuse;
2. The tenant expressly requests the emergency transfer; **AND EITHER**
    a. The tenant reasonably believes that there is a threat of imminent harm from further violence, including trauma, if they or (their household member) stays in the same dwelling unit; OR
    b. If the tenant (or their household member) is a victim of sexual assault, either the tenant reasonably believes that there is a threat of imminent harm from further violence, including trauma, if the tenant (or their household member) were to stay in the unit, or the sexual assault occurred on the premises and the tenant requested an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

The PHA, in response to an emergency transfer request, should not evaluate whether the tenant is in good standing as part of the assessment or provision of an emergency transfer. Whether or not a tenant is in good standing does not impact their ability to request an emergency transfer under VAWA.

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

Emergency Transfer Policies:

Internal transfers when a safe unit is immediately available:

Tenant-based assistance: If you are a participant in the tenant-based HCV program and request an emergency transfer as described in this plan, the PHA will assist you to move to a safe unit quickly using your existing voucher assistance. The PHA will make exceptions to program regulations restricting moves as required.

At your request, the PHA will refer you to organizations that may be able to further assist you.

Project-based assistance: If you are assisted under the project-based voucher (PBV) program, you may request an emergency transfer under the following programs for which you are not required to apply:

- Tenant-based voucher, if available

- Project-based assistance in the same project (if a vacant unit is available and you determine that the vacant unit is safe)

Internal transfers when a safe unit is not immediately available:

If an internal transfer to a safe unit is not immediately available, the PHA will assist you in seeking an external emergency transfer either within or outside the PHA's programs.

External transfers:

You may also request an emergency transfer under the following programs for which you are required to apply:

- Public housing program
- PBV assistance in another development not owned by the PHA

While you must be placed on the waiting list for these programs, a VAWA admissions preference may be applied depending on whether the external program allows this. At your request, the PHA will refer you to organizations that may be able to further assist you. VAWA provisions do not supersede eligibility or other occupancy requirements that may apply under a covered housing program. The PHA may be unable to transfer a tenant to a particular unit if the tenant cannot establish eligibility for that unit.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant must notify the PHA and submit a written request for a transfer. If the PHA does not already have documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA may ask for this documentation in accordance with 24 CFR 5.2007. Unless the PHA receives documentation that contains conflicting information, as described in 24 CFR 5.2007(b)(2), the PHA cannot require third-party documentation to determine status as a VAWA victim for emergency transfer eligibility. The PHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under the PHA's program; OR
2. In the case of a tenant (or household member) who is a victim of sexual assault, **either** a statement that the tenant reasonably believes there is a threat of imminent harm from further violence or trauma if the tenant (or household member stays in the same dwelling unit), **or** a statement that the sexual assault occurred on the premises and the tenant requested an emergency transfer within 90 days (including holidays and weekend days) of when the assault occurred.

Form HUD-5383 may be used for making a written request for an emergency transfer.

Any request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The PHA may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, the PHA will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by the PHA will be in writing.

Once the victim provides documentation, the PHA will acknowledge receipt of the documentation within 10 business days.

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

If the PHA accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the PHA will document acceptance of the statement or evidence in the individual's file.

Confidentiality

If a tenant asks about or requests any VAWA protections or represents that they or a household member are a victim of VAWA violence/abuse entitled to VAWA protections, the PHA must keep any information they provide concerning the VAWA violence/abuse, their request for an emergency transfer, and their or a household member's status as a victim strictly confidential. This information should be securely and separately kept from tenant files.

All the information provided by or on behalf of the tenant to support an emergency transfer request, including information on the Certification Form (HUD-5382) and the Emergency Transfer Request Form (HUD-5383) (collectively referred to as "Confidential Information") may only be accessed by PHA employees or contractors if explicitly authorized by the PHA for reasons that specifically call for those individuals to have access to that information under applicable federal, State, or local law.

Confidential information must not be entered into any shared database or disclosed to any other entity or individual, except if:

- Written permission by the victim in a time-limited release;
- Required for use in an eviction proceeding or hearing regarding termination of assistance; or
- Otherwise required by applicable law.

In addition, HUD's VAWA regulations require emergency transfer plans to provide strict confidentiality measures to ensure that the location of the victim's dwelling unit is never disclosed to a person who committed or threatened to commit the VAWA violence/abuse. Accordingly, CCA will take all reasonable measures necessary to maintain confidentiality for the safety of the victim and the family.

Emergency Transfer Timing and Availability

The PHA cannot specify how long it will take from the time a transfer request is approved until the tenant can be placed in a new, safe unit. The PHA will, however, act as quickly as possible to assist a tenant who qualifies for an emergency transfer. If the PHA identifies an available unit and the tenant believes that unit would not be safe, the tenant may request a transfer to a different unit. The PHA may be unable to transfer a tenant and their household to a particular unit if the tenant and their household has not established or cannot establish eligibility for that unit.

Since the PHA has no PHA-owned units available, we will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, the PHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Making the Emergency Transfer Plan Available

The PHA will post a copy of the Emergency Transfer Plan in its offices and on its website. It will also make the information available to anyone who requests it. All materials will ensure effective communication with individuals with disabilities, including making materials available in alternative accessible formats, as well as providing reasonable accommodation. Additionally, the PHA will make VAWA forms available in the language(s) outlined in their language access plan to meet limited English proficiency (LEP) obligations.

Safety and Security of Tenants

When the PHA receives any inquiry or request regarding an emergency transfer, the PHA will encourage the person to make the inquiry or request to take all reasonable precautions to be safe, including seeking guidance and assistance from a victim service provider. However, tenants are not required to receive guidance or assistance from a victim service provider.

For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa.

Tenants who are or have been victims of domestic violence are encouraged, but not required, to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE or visit the online hotline at: https://ohl.rainn.org/online/.

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

Your Housing Specialist will provide you with a current list of Victim Service Providers for Carteret County and the surrounding area.

EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, FORM HUD-5383

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286
Exp. 1/31/2028

Confidentiality Note: Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

Purpose of Form: If you are a tenant of housing assisted under a covered housing program, or if you are receiving transitional housing or rental assistance under a covered housing program, you may use this form to request an emergency transfer and certify that you qualify for an emergency transfer under the Violence Against Women Act ("VAWA"). This form refers to domestic violence, dating violence, sexual assault, or stalking as "VAWA violence/abuse."

VAWA protects individuals and families regardless of a victim's age or actual or perceived sexual orientation, gender identity, sex, or marital status.

You may request an emergency transfer when:

1. You (or a household member) are a victim of VAWA violence/abuse;
2. You expressly request the emergency transfer; **AND EITHER**
    a. you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the same dwelling unit; or
    b. if you (or a household member) are a victim of sexual assault, either you reasonably believe there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the unit, or the sexual assault occurred on the premises and you request an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

A covered housing provider, in response to an emergency transfer request, should not evaluate whether you are in good standing as part of the assessment or provision of an emergency transfer. Whether or not you are in good standing does not impact your ability to request an emergency transfer under VAWA.

However, submitting this form does not necessarily mean that you will receive an emergency transfer. See your covered housing provider's VAWA Emergency Transfer Plan for more information about VAWA emergency transfers and see "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380, for additional housing rights you may be entitled to.

Am I required to submit any documentation to my covered housing provider? Your covered housing provider may request documentation proving that you, or a household member, are a victim of VAWA violence/abuse, in addition to completing this emergency transfer request form. The request can be met by completing and submitting the VAWA Self-certification Form (Form HUD-5382), unless the covered housing provider receives conflicting information about the VAWA violence/abuse. If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you may, instead, choose to submit that documentation to your covered housing provider. See "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380, for more information.

Will my information be kept confidential? Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files.

This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person's access for that reason, and (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, or (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

What if I need this information in a language other than English? To read this in Spanish or another language, please **Coastal Community Action** or go to the HUD website, where you can read translated VAWA forms at: https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4.

If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities. Need further help? For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa. To speak with a housing advocate, contact To speak with a housing advocate, contact Legal Aid of North Carolina's Fair Housing Project 1-855-797-FAIR (3247) or contact the general legal aid helpline at 1-866-219-5262(M-F, 9 am to 3 pm).

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

TO BE COMPLETED BY OR ON BEHALF OF THE TENANT REQUESTING AN EMERGENCY TRANSFER

1. Name(s) of victim(s): _____

2. Your name *(if different from victim's)***:_____**

3. Name(s) of other household member(s):_____

_____

4. Name(s) of other household member(s) who would transfer with the victim: _____

_____

5. Name of the perpetrator *(if known and can be safely disclosed)*:**_____**

_____

6. Address of location from which the victim seeks to transfer:**_____**

_____

7. Current Unit Size (# of bedrooms):**_____**

8. What is the safest and most secure way to contact you? (You may choose more than one.)

If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

☐ Phone Phone Number: _____

Safe to receive a voicemail: ☐ Yes ☐ No

☐ E-mail E-mail address: _____

Safe to receive an e-mail: ☐ Yes ☐ No

☐ Mail Mailing Address: _____

Safe to receive mail from your housing provider: ☐ Yes ☐ No

☐ Other Please List: _____

9. Anything else your housing provider should know to safely communicate with you?

_____

_____

_____

10. What features are requested for a safe unit? You may list here any information that would facilitate a suitable transfer, such as accessibility needs, and a description of where it is safe or unsafe for you to live. *(Please note that the ability to provide an emergency transfer is based on unit availability.)*

☐ New Neighborhood ☐ New Building

☐ First Floor Unit ☐ Second Floor Unit (and above)

☐ Near an Exit ☐ Well-lit hallways/walkways

☐ 24-hour Security ☐ Accessible unit

☐ Other _____

_____

11. To approve your request for an emergency transfer, your covered housing provider may require that you provide written documentation that you (or a household member) are a victim of VAWA violence/abuse. Your covered housing provider must make this request for documentation in writing. You can choose to submit any one of the following types of documentation:

- Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation, which asks your name and the perpetrator's name (if known and safe to provide);
- A document signed by a victim service provider, attorney, mental health professional, or medical professional who has helped you address the VAWA violence/abuse. The professional must state "under penalty of perjury" that he/she/they believe in the occurrence of the incident of VAWA violence/abuse and that it is covered by VAWA. Both you and the professional must sign the statement;
- A police, administrative, or court record (such as a protective order) that shows you (or a household member) are a victim of VAWA violence/abuse; OR
- If permitted by your covered housing provider, a statement or other evidence provided by you.

Certification of Tenant: By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that I meet the conditions described on this form to qualify for an emergency transfer.

Signature _____ Date _____

Public reporting burden for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Covered housing providers in programs covered by VAWA may ask for a written request for an emergency transfer for a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking. Housing providers may distribute this form to tenants and tenants may use it to request an emergency transfer. The information is subject to the confidentiality requirements of VAWA. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

COASTAL COMMUNITY ACTION

Notice of Your Rights and Obligations under the Violence Against Women Act (VAWA)

VAWA provides protections for Section 8 Housing Choice Voucher (HCV) and PBV applicants, tenants, and participants from being denied assistance on the basis or as a direct result of being a victim of domestic violence, dating violence, sexual assault, stalking and human trafficking.

Purpose

Many of VAWA's protections to victims of domestic violence, dating violence, sexual assault stalking, and human trafficking involve action by the public housing agency (PHA), but some situations involve action by owners of assisted housing. The purpose of this notice (herein called "Notice") is to explain your rights and obligations under VAWA, as an owner of housing assisted through **Coastal Community Action** HCV program. Each component of this Notice also provides citations to HUD's applicable regulations.

Denial of Tenancy

Protections for applicants: Owners cannot deny tenancy based on the applicant having been or currently being a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking. However, the applicant must be otherwise eligible for tenancy. (See 24 Code of Federal Regulations (CFR) 982.452(b)(1).)

Eviction

*Protections for HCV participants***:** Incidents or threats of domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be considered a serious or repeated lease violation by the victim, or good cause to terminate the tenancy of the victim (see 24 CFR 5.2005(c)). Protection also applies to criminal activity related directly to domestic violence, dating violence, sexual assault, stalking, or human trafficking, conducted by a member of a tenant's household or any guest or other person under the tenant's control, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, stalking, or human trafficking (24 CFR 5.2005(b)(2)).

Limitations of VAWA protections:

a. Nothing in VAWA limits the authority of an owner, when notified of a court order, to comply with a court order with respect to (24 CFR 5.2005(d)(1)):

1) The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking; or

2) The distribution or possession of property among members of a household in a case.

b. Nothing in VAWA limits an owner from evicting a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking for a lease violation that is not premised on an act of domestic violence, dating violence, sexual assault, stalking, or human trafficking, as long as the owner does not subject the victim to more demanding standards than other tenants when deciding whether to evict. (See 24 CFR 5.2005(d)(2).)

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c. Nothing in VAWA limits an owner from evicting a tenant (including the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking) if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the HCV property would be present if the tenant or lawful occupant is not evicted. (See 24 CFR 5.2005(d)(3).)

i. In this context, words, gestures, actions, or other indicators will be considered an "actual and imminent threat" if they meet the following standards: An actual and imminent threat consists of a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. (See 24 CFR 5.2003.)

ii. Any eviction due to "actual and imminent threat" should be utilized by an owner only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. (See 24 CFR 5.2005(d)(4).)

Documentation of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

If an applicant or tenant requests VAWA protection based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the owner has the option to request that the victim document or provide written evidence to demonstrate that the violence occurred. However, nothing in HUD's regulation requires a covered housing provider to request this documentation. (See 24 CFR 5.2007(b)(3).)

If the owner chooses to request this documentation, the owner must make such request in writing. The individual may satisfy this request by providing any one document type listed under 24 CFR 5.2007(b)(1):

a. Form HUD-55383 (Self-Certification Form); or

b. A document: 1) Signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional or a mental health professional (collectively, "professional") from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, stalking, or human trafficking, or the effects of abuse:

- Signed by the applicant or tenant; and
- That specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking that is the ground for protection and remedies under 24 CFR part 5, subpart L, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, stalking, or human trafficking under 24 CFR 5.2003; **or**

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- A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- At the discretion of a covered housing provider, a statement or other evidence provided by the applicant or tenant.

The owner must accept any of the above items (a – c). The owner has discretion to accept a statement or other evidence (d).

The owner is prohibited from requiring third-party documentation of the domestic violence, dating violence, sexual assault, stalking, or human trafficking, unless the submitted documentation contains conflicting information.

If the owner makes a written request for documentation, the owner may require submission of that documentation within 14 business days after the date that the individual received the written request for documentation. (24 CFR 5.2007(a)(2)). The owner may extend this time period at its discretion. During the 14 business day period and any granted extensions of that time, no adverse actions, such as evictions or terminations, can be taken against the individual requesting VAWA protection.

Once a victim provides documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the owner is encouraged to acknowledge receipt of the documentation in a timely manner.

If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation or within the designated extension period, nothing in VAWA may be construed to limit the authority of the covered housing provider to:

a. Deny admission by the applicant or tenant to the housing or program;

b. Deny assistance under the covered housing program to the applicant or tenant;

c. Terminate the participation of the tenant in the covered housing program; or

d. Evict the tenant, or a lawful occupant that commits a violation of a lease.

An individual's failure to timely provide documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking does not result in a waiver of the individual's right to challenge the denial of assistance or termination, nor does it preclude the individual's ability to raise an incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking at eviction or termination proceedings.

Owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWAs (See FR Notice 1/4/23.)

Moves

A victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking may move in violation of their lease if the move is required to protect their safety. If a move results in the termination of the Housing Assistance Payment Contract, the lease is automatically terminated.

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Lease Bifurcation

Owners may choose to bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking, or human trafficking against an affiliated individual or other individual. (See 24 CFR 5.2009(a).) If an owner chooses to bifurcate the lease, the owner must comply with the reasonable time to establish eligibility under the covered housing program or find alternative housing following lease bifurcation provision in 24 CFR 5.2009(b). VAWA protections, including bifurcation, do not apply to guests or unreported members of a household or anyone else residing in a household who is not a tenant.

Eviction, removal, termination of occupancy rights, or termination of assistance must be effected in accordance with the procedures prescribed by federal, state, or local law for termination of leases.

To avoid unnecessary delay in the bifurcation process, HUD recommends that owners seek court-ordered eviction of the perpetrator pursuant to applicable laws. This process results in the underlying lease becoming null and void once the owner regains possession of the unit. The owner would then execute a new lease with the victim.

Evictions Due to "Actual and Imminent Threat" or Violations Not Premised on Abuse

VAWA generally prohibits eviction on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, if the applicant or tenant otherwise qualifies for assistance, participation or occupancy. (See 24 CFR 5.2005.)

However, VAWA does not prohibit an owner from evicting a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, stalking, or human trafficking that is in question against the tenant or an affiliated individual of the tenant. Nor does VAWA prohibit an owner from evicting a tenant if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to property of the owner would be present if that tenant or lawful occupant is not evicted or terminated from assistance. (See 5.2005(d)(2) and (3).)

In order to demonstrate an actual and imminent threat to other tenants or employees at the property, the covered housing provider must have objective evidence of words, gestures, actions, or other indicators that meet the standards in the following definition:

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm.

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In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk;
- The nature and severity of the potential harm;
- The likelihood that the potential harm will occur; and
- The length of time before the potential harm would occur.

(See 24 CFR 5.2003 and 5.2005(d)(2).)

Confidentiality

Any information submitted to a covered housing provider under 24 CFR 5.2007, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, must be maintained in strict confidence by the covered housing provider. (See 24 CFR 5.2007(c).)

Employees of the owner (or those within their employ, e.g., contractors) must not have access to the information unless explicitly authorized by the owner for reasons that specifically call for these individuals to have access to this information under applicable federal, state, or local law (e.g., the information is needed by an employee to provide the VAWA protections to the victim).

The owner must not enter this information into any shared database, or disclose this information to any other entity or individual, except to the extent that disclosure is:

a. Requested or consented to in writing by the individual (victim) in a time-limited release;

b. Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or

c. Otherwise required by applicable law.

When communicating with the victim, owners must take precautions to ensure compliance with these confidentiality requirements.

Service Providers:

Coastal Community Action has extensive relationships with local service providers. **Coastal Community Action** staff are available to provide referrals to shelters, counselors, and advocates. These resources are also provided in **Coastal Community Action** Annual and 5-Year Plan, Administrative Plan, VAWA Notice of Occupancy Rights, and Emergency Transfer Plan. A list of local service providers is attached to this Notice.

Definitions:

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

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Affiliated individual, with respect to an individual, means:

(1) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or

(2) Any individual, tenant, or lawful occupant living in the household of that individual.

Bifurcate means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

Dating violence means violence committed by a person:

(1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and

(2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:

(i) The length of the relationship;

(ii) The type of relationship; and

(iii) The frequency of interaction between the persons involved in the relationship.

Domestic violence includes felony or misdemeanor crimes of committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against an youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

Sexual assault means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

(1) Fear for the person's individual safety or the safety of others; or

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(2) Suffer substantial emotional distress.

Attachments:

Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Coastal Community Action VAWA Notice of Occupancy Rights.

Legal services and the domestic violence resources for the area:

Legal Aid of North Carolina's Fair Housing Project 1-855-797-FAIR (3247) or

The Legal aid helpline at 1-866-219-5262(M-F, 9 am to 3 pm).

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact **Carteret County Domestic Violence Program, 24/7 HOTLINE: (252) 728-3788**.

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

For help regarding sexual assault, contact **Carteret County Rape Crisis Program, (252)725-4040.**

Victims of stalking seeking help contact **Carteret County Domestic Violence Program, 24/7 HOTLINE: (252) 728-3788**.

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CCA Administrative Plan
NC General Statutes
Exhibits I & J

NC General Statute, Chapter 42. Landlord and Tenant.

Article 1.

General Provisions.

§ 42-1. Lessor and lessee not partners.

No lessor of property, merely by reason that he is to receive as rent or compensation for its use a share of the proceeds or net profits of the business in which it is employed, or any other uncertain consideration, shall be held a partner of the lessee. (1868-9, c. 156, s. 3; Code, s. 1744; Rev., s. 1982; C.S., s. 2341.)

§ 42-2. Attornment unnecessary on conveyance of reversions, etc.

Every conveyance of any rent, reversion, or remainder in lands, tenements or hereditaments, otherwise sufficient, shall be deemed complete without attornment by the holders of particular estates in said lands: Provided, no holder of a particular estate shall be prejudiced by any act done by him as holding under his grantor, without notice of such conveyance. (4 Anne, c. 16, s. 9; 1868-9, c. 156, s. 17; Code, s. 1764; Rev., s. 947; C.S., s. 2342.)

§ 42-3. Term forfeited for nonpayment of rent.

In all verbal or written leases of real property of any kind in which is fixed a definite time for the payment of the rent reserved therein, there shall be implied a forfeiture of the term upon failure to pay the rent within 10 days after a demand is made by the lessor or his agent on said lessee for all past-due rent, and the lessor may forthwith enter and dispossess the tenant without having declared such forfeiture or reserved the right of reentry in the lease. (1919, c. 34; C.S., s. 2343; 2001-502, s. 2; 2004-143, s. 1.)

§ 42-4. Recovery for use and occupation.

When any person occupies land of another by the permission of such other, without any express agreement for rent, or upon a parol lease which is void, the landlord may recover a reasonable compensation for such occupation, and if by such parol lease a certain rent was reserved, such reservation may be received as evidence of the value of the occupation. (1868-9, c. 156, s. 5; Code, s. 1746; Rev., s. 1986; C.S., s. 2344.)

§ 42-5. Rent apportioned, where lease terminated by death.

If a lease of land, in which rent is reserved, payable at the end of the year or other certain period of time, is determined by the death of any person during one of the periods in which the rent was growing due, the lessor or his personal representative may recover a part of the rent which becomes due after the death, proportionate to the part of the period elapsed before the death, subject to all just allowances; and if any security was given for such rent it shall be apportioned in like manner. (1868-9, c. 156, s. 6; Code, s. 1747; Rev., s. 1987; C.S., s. 2345.)

§ 42-6. Rents, annuities, etc., apportioned, where right to payment terminated by death.

In all cases where rents, rent charges, annuities, pensions, dividends, or any other payments of any description, are made payable at fixed periods to successive owners under any instrument, or by any will, and where the right of any owner to receive payment is terminable by a death or other uncertain event, and where such right so terminates during a period in which a payment is growing due, the payment becoming due next after such terminating event shall be apportioned among the successive owners according to the parts of such periods elapsing before and after the terminating event. (1868-9, c. 156, s. 7; Code, s. 1748; Rev., s. 1988; C.S., s. 2346.)

§ 42-7. In lieu of emblements, farm lessee holds out year, with rents apportioned.

When any lease for years of any land let for farming on which a rent is reserved determines during a current year of the tenancy, by the happening of any uncertain event determining the estate of the lessor, or by a sale of said land under any mortgage or deed of trust, the tenant in lieu of emblements shall continue his occupation to the end of such current year, and shall then give up such possession to the succeeding owner of the land, and shall pay to such succeeding owner a part of the rent accrued since the last payment became due, proportionate to the part of the period of payment elapsing after the termination of the estate of the lessor to the giving up such possession; and the tenant in such case shall be entitled to a reasonable compensation for the tillage and seed of any crop not gathered at the expiration of such current year from the person succeeding to the possession. (1868-9, c. 156, s. 8; Code, s. 1749; Rev., s. 1990; C.S., s. 2347; 1931, c. 173, s. 1.)

§ 42-8. Grantees of reversion and assigns of lease have reciprocal rights under covenants.

The grantee in every conveyance of reversion in lands, tenements or hereditaments has the like advantages and remedies by action or entry against the holders of particular estates in such real property, and their assigns, for nonpayment of rent, and for the nonperformance of other conditions and agreements contained in the instruments by the tenants of such particular estates, as the grantor or lessor or his heirs might have; and the holders of such particular estates, and their assigns, have the like advantages and remedies against the grantee of the reversion, or any part thereof, for any conditions and agreements contained in such instruments, as they might have had against the grantor or his lessors or his heirs. (32 Hen. VIII, c. 34; 1868-9, c. 156, s. 18; Code, s. 1765; Rev., s. 1989; C.S., s. 2348.)

§ 42-9. Agreement to rebuild, how construed in case of fire.

An agreement in a lease to repair a demised house shall not be construed to bind the contracting party to rebuild or repair in case the house shall be destroyed or damaged to more than one half of its value, by accidental fire not occurring from the want of ordinary diligence on his part. (1868-9, c. 156, s. 11; Code, s. 1752; Rev., s. 1985; C.S., s. 2349.)

§ 42-10. Tenant not liable for accidental damage.

A tenant for life, or years, or for a less term, shall not be liable for damage occurring on the demised premises accidentally, and notwithstanding reasonable diligence on his part, unless he so contract. (1868-9, c. 156, s. 10; Code, s. 1751; Rev., s. 1991; C.S., s. 2350.)

§ 42-11. Willful destruction by tenant misdemeanor.

If any tenant shall, during his term or after its expiration, willfully and unlawfully demolish, destroy, deface, injure or damage any tenement house, uninhabited house or other outhouse, belonging to his landlord or upon his premises by removing parts thereof or by burning, or in any other manner, or shall unlawfully and willfully burn, destroy, pull down, injure or remove any fence, wall or other enclosure or any part thereof, built or standing upon the premises of such landlord, or shall willfully and unlawfully cut down or destroy any timber, fruit, shade or ornamental tree belonging to said landlord, he shall be guilty of a Class 1 misdemeanor. (1883, c. 224; Code, s. 1761; Rev., s. 3686; C.S., s. 2351; 1993, c. 539, s. 402; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 42-12. Lessee may surrender, where building destroyed or damaged.

If a demised house, or other building, is destroyed during the term, or so much damaged that it cannot be made reasonably fit for the purpose for which it was hired, except at an expense exceeding one year's rent of the premises, and the damage or destruction occur without negligence on the part of the lessee or his agents or servants, and there is no agreement in the lease respecting repairs, or providing for such a case, and the use of the house damaged or destroyed was the main inducement to the hiring, the lessee may surrender his estate in the demised premises by a writing to that effect delivered or tendered to the landlord within 10 days from the damage or destruction, and by paying or tendering at the same time all rent in arrear, and a part of the rent growing due at the time of the damage or destruction, proportionate to the time between the last period of payment and the occurrence of the damage or destruction, and the lessee shall be thenceforth discharged from all rent accruing afterwards; but not from any other agreement in the lease. This section shall not apply if a contrary intention appear from the lease. (1868-9, c. 156, s. 12; Code, s. 1753; Rev., s. 1992; C.S., s. 2352.)

§ 42-13. Wrongful surrender to other than landlord misdemeanor.

Any tenant or lessee of lands who shall willfully, wrongfully and with intent to defraud the landlord or lessor, give up the possession of the rented or leased premises to any person other than his landlord or lessor, shall be guilty of a Class 1 misdemeanor. (1883, c. 138; Code, s. 1760; Rev., s. 3682; C.S., s. 2353; 1993, c. 539, s. 403; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 42-14. Notice to quit in certain tenancies.

A tenancy from year to year may be terminated by a notice to quit given one month or more before the end of the current year of the tenancy; a tenancy from month to month by a like notice of seven days; a tenancy from week to week, of two days. Provided, however, where the tenancy involves only the rental of a space for a manufactured home as defined in G.S. 143-143.9(6), a notice to quit must be given at least 60 days before the end of the current rental period, regardless of the term of the tenancy. (1868-9, c. 156, s. 9; Code, s. 1750; 1891, c. 227; Rev., s. 1984; C.S., s. 2354; 1985, c. 541; 2005-291, s. 1.)

§ 42-14.1. Rent control.

No county or city as defined by G.S. 160A-1 may enact, maintain, or enforce any ordinance or resolution which regulates the amount of rent to be charged for privately owned, single-family or multiple unit residential or commercial rental property. This section shall not be construed as prohibiting any county or city, or any authority created by a county or city for that purpose, from:

(1) Regulating in any way property belonging to that city, county, or authority;

(2) Entering into agreements with private persons which regulate the amount of rent charged for subsidized rental properties; or

(3) Enacting ordinances or resolutions restricting rent for properties assisted with Community Development Block Grant Funds. (1987, c. 458, s. 1.)

§ 42-14.2. Death, illness, or conviction of certain crimes not a material fact.

In offering real property for rent or lease it shall not be deemed a material fact that the real property was occupied previously by a person who died or had a serious illness while occupying the property or that a person convicted of any crime for which registration is required by Article 27A of Chapter 14 of the General

Statutes occupies, occupied, or resides near the property; provided, however, that no landlord or lessor may knowingly make a false statement regarding any such fact. (1989, c. 592, s. 2; 1998-212, s. 17.16A(b).)

§ 42-14.3. Notice of conversion of manufactured home communities.

(a) In the event that an owner of a manufactured home community (defined as a parcel of land, whether undivided or subdivided, that has been designed to accommodate at least five manufactured homes) intends to convert the manufactured home community, or any part thereof, to another use that will require movement of the manufactured homes, the owner of the manufactured home community shall give each owner of a manufactured home and the North Carolina Housing Finance Agency notice of the intended conversion at least 180 days before the owner of a manufactured home is required to vacate and move the manufactured home, regardless of the term of the tenancy. Failure to give notice to each manufactured home owner as required by this section is a defense in an action for possession. The respective rights and obligations of the community owner and the owner of the manufactured home under their lease shall continue in effect during the notice period.

(b) Notwithstanding subsection (a) of this section, if a manufactured home community is being closed pursuant to a valid order of any unit of State or local government, the owner of the community shall be required to give notice of the closure of the community to each resident of the community and the North Carolina Housing Finance Agency within three business days of the date on which the order is issued. (2003-400, s. 5; 2008-107, s. 28.27(c).)

§ 42-14.4. Notice to State Bar of attorney default on lease.

(a) If a landlord has actual knowledge that a tenant is an attorney, the landlord shall deliver notice to the North Carolina State Bar (hereinafter "State Bar") at least 15 days prior to the destruction or discard of any "potentially confidential materials" remaining in the premises after the landlord obtains possession of the premises, whether by summary ejectment under Article 3 of this Chapter or by any other means, including the tenant vacating the premises. For purposes of this section, the term "potentially confidential materials" means client files, trust or operating account records, or other materials relating to client matters. For purposes of this section, the term "landlord" means any owner and any rental management company, rental agency, or any other person having the actual or apparent authority of an agent to perform the duties imposed by this Article. The landlord's notice to the State Bar shall contain the name of the attorney who is presumed to be the tenant, the location of the potentially confidential materials, and a phone number, address, or other means to contact the landlord. During the 15-day period after notice, a landlord may move for storage purposes, but shall not throw away, dispose of, or sell, potentially confidential materials remaining in the premises.

(b) The State Bar or its designee may take possession of the materials, at its sole expense, within the 15-day period provided for in subsection (a) of this section without the necessity of a court order. Upon the request of the State Bar, the landlord shall cooperate with and allow the State Bar to take possession of the potentially confidential materials, and the landlord shall not be liable in any way to the tenant for his or her cooperation. However, if the tenant elects to take possession of the potentially confidential materials prior to the State Bar obtaining possession of them, and there is no court order to the contrary having been previously delivered to the landlord, the landlord may deliver possession of the potentially confidential materials to the tenant and shall promptly notify the State Bar of his or her actions. If neither the State Bar nor its designee takes possession of the potentially confidential materials within the 15-day period provided for in subsection (a) of this section, the

landlord may destroy or discard the materials in accordance with the lease agreement with the defaulting tenant.

(c) A landlord that attempts in good faith to comply with the requirements of this section shall not be liable for losses to any person arising directly or indirectly out of the disposal of any potentially confidential materials. Failure to comply with this section shall not constitute an unfair trade practice under G.S. 75-1.1. (2012-76, s. 1.)

§ 42-14.5. Foreseeability not created by criminal record; no duty to screen.

Notwithstanding any other duty or obligation which may be defined by this Chapter or otherwise provided by law or any theory of liability, the criminal record of any prospective or current residential lessee, occupant, or guest shall not make any future injury or damage arising from that residential lessee, occupant, or guest foreseeable by the residential lessor or residential lessor's agent, nor shall a residential lessor or a residential lessor's agent have a duty to screen for, or to refuse to rent because of, the criminal record of a prospective or current residential lessee, occupant, or guest. This statute does not prohibit a residential lessor or residential lessor's agent from using a criminal background check as grounds for refusing to rent to any prospective residential lessee or current lessee. (2021-71, s. 2.1.)

Article 2.

Agricultural Tenancies.

§ 42-15. Landlord's lien on crops for rents, advances, etc.; enforcement.

When lands are rented or leased by agreement, written or oral, for agricultural purposes, or are cultivated by a cropper, unless otherwise agreed between the parties to the lease or agreement, any and all crops raised on said lands shall be deemed and held to be vested in possession of the lessor or his assigns at all times, until the rents for said lands are paid and until all the stipulations contained in the lease or agreement are performed, or damages in lieu thereof paid to the lessor or his assigns, and until said party or his assigns is paid for all advancements made and expenses incurred in making and saving said crops.

This lien shall be preferred to all other liens, and the lessor or his assigns is entitled, against the lessee or cropper, or the assigns of either, who removes the crop or any part thereof from the lands without the consent of the lessor or his assigns, or against any other person who may get possession of said crop or any part thereof, to the remedies given in an action upon a claim for the delivery of personal property.

Provided, that when advances have been made by the federal government or any of its agencies, to any tenant or tenants on lands under the control of any guardian, executor and/or administrator for the purpose of enabling said tenant or tenants to plant, cultivate and harvest crops grown on said land, the said guardian, executor, and/or administrator may waive the above lien in favor of the federal government, or any of its agencies, making said advances. (1876-7, c. 283; Code, s. 1754; Rev., s. 1993; 1917, c. 134; C.S., s. 2355; 1933, c. 219; 1985, c. 689, s. 11.)

Article 2A.

Ejectment of Residential Tenants.

§ 42-25.6. Manner of ejectment of residential tenants.

It is the public policy of the State of North Carolina, in order to maintain the public peace, that a residential tenant shall be evicted, dispossessed or otherwise constructively or actually removed from his dwelling unit only in accordance with the procedure prescribed in Article 3 or Article 7 of this Chapter. (1981, c. 566, s. 1; 1995, c. 419, s. 1.1.)

§ 42-25.7. Distress and distraint not permitted.

It is the public policy of the State of North Carolina that distress and distraint are prohibited and that landlords of residential rental property shall have rights concerning the personal property of their residential tenants only in accordance with G.S. 42-25.9(d), 42-25.9(g), 42-25.9(h), 42-36.2, 28A-25-2, or 28A-25-7. (1981, c. 566, s. 1; 1995, c. 460, s. 8; 2012-17, s. 8; 2021-71, s. 2.2.)

§ 42-25.8. Contrary lease provisions.

Any lease or contract provision contrary to this Article shall be void as against public policy. (1981, c. 566, s. 1.)

§ 42-25.9. Remedies.

(a) If any lessor, landlord, or agent removes or attempts to remove a tenant from a dwelling unit in any manner contrary to this Article, the tenant shall be entitled to recover possession or to terminate his lease and the lessor, landlord or agent shall be liable to the tenant for damages caused by the tenant's removal or attempted removal. Damages in any action brought by a tenant under this Article shall be limited to actual damages as in an action for trespass or conversion and shall not include punitive damages, treble damages or damages for emotional distress.

(b) If any lessor, landlord, or agent seizes possession of or interferes with a tenant's access to a tenant's or household member's personal property in any manner not in accordance with G.S. 44A-2(e2), 42-25.9(d), 42-25.9(g), 42-25.9(h), or G.S. 42-36.2 the tenant or household member shall be entitled to recover possession of his personal property or compensation for the value of the personal property, and, in any action brought by a tenant or household member under this Article, the landlord shall be liable to the tenant or household member for actual damages, but not including punitive damages, treble damages or damages for emotional distress.

(c) The remedies created by this section are supplementary to all existing common-law and statutory rights and remedies.

(d) If any tenant abandons personal property of seven hundred fifty dollar ($750.00) value or less in the demised premises, or fails to remove such property at the time of execution of a writ of possession in an action for summary ejectment, the landlord may, as an alternative to the procedures provided in G.S. 42-25.9(g), 42-25.9(h), or 42-36.2, deliver the property into the custody of a nonprofit organization regularly providing free or at a nominal price clothing and household furnishings to people in need, upon that organization agreeing to identify and separately store the property for 30 days and to release the property to the tenant at no charge within the 30-day period. A landlord electing to use this procedure shall immediately post at the demised premises a notice containing the name and address of the property recipient, post the same notice for 30 days or more at the place

where rent is received, and send the same notice by first-class mail to the tenant at the tenant's last known address. Provided, however, that the notice shall not include a description of the property.

(e) For purposes of subsection (d), personal property shall be deemed abandoned if the landlord finds evidence that clearly shows the premises has been voluntarily vacated after the paid rental period has expired and the landlord has no notice of a disability that caused the vacancy. A presumption of abandonment shall arise 10 or more days after the landlord has posted conspicuously a notice of suspected abandonment both inside and outside the premises and has received no response from the tenant.

(f) Any nonprofit organization agreeing to receive personal property under subsection (d) shall not be liable to the owner for a disposition of such property provided that the property has been separately identified and stored for release to the owner for a period of 30 days.

(g) Seven days after being placed in lawful possession by execution of a writ of possession, a landlord may dispose of personal property remaining on the premises in accordance with the provisions of this section and G.S. 42-36.2(b), except that in the case of the lease of a space for a manufactured home as defined in G.S. 143-143.9(6), G.S. 44A-2(e2) shall apply to the disposition of a manufactured home with a current value in excess of five hundred dollars ($500.00) and its contents by a landlord after being placed in lawful possession by execution of a writ of possession. During the seven-day period after being placed in lawful possession by execution of a writ of possession, a landlord may move for storage purposes, but shall not throw away, dispose of, or sell any items of personal property remaining on the premises unless otherwise provided for in this Chapter. Upon the tenant's request prior to the expiration of the seven-day period, the landlord shall release possession of the property to the tenant during regular business hours or at a time agreed upon. If the landlord elects to sell the property at public or private sale, the landlord shall give written notice to the tenant by first-class mail to the tenant's last known address at least seven days prior to the day of the sale. The seven-day notice of sale may run concurrently with the seven-day period which allows the tenant to request possession of the property. The written notice shall state the date, time, and place of the sale, and that any surplus of proceeds from the sale, after payment of unpaid rents, damages, storage fees, and sale costs, shall be disbursed to the tenant, upon request, within seven days after the sale, and will thereafter be delivered to the government of the county in which the rental property is located. Upon the tenant's request prior to the day of sale, the landlord shall release possession of the property to the tenant during regular business hours or at a time agreed upon. The landlord may apply the proceeds of the sale to the unpaid rents, damages, storage fees, and sale costs. Any surplus from the sale shall be disbursed to the tenant, upon request, within seven days of the sale and shall thereafter be delivered to the government of the county in which the rental property is located.

(h) If the total value of all property remaining on the premises at the time of execution of a writ of possession in an action for summary ejectment is less than five hundred dollars ($500.00), the property shall be deemed abandoned five days after the time of execution, and the landlord may throw away or dispose of the property. Upon the tenant's request prior to the expiration of the five-day period, the landlord shall release possession of the property to the tenant during regular business hours or at a time agreed upon. (1981, c. 566, s. 1; 1985, c. 612, ss. 1-4; 1995, c. 460, ss. 1-3; 1999-278, ss. 1, 2; 2012-17, s. 2(a), (b); 2013-334, s. 4.)

Article 3.

Summary Ejectment.

§ 42-26. Tenant holding over may be dispossessed in certain cases.

(a) Any tenant or lessee of any house or land, and the assigns under the tenant or legal representatives of such tenant or lessee, who holds over and continues in the possession of the demised premises, or any part thereof, without the permission of the landlord, and after demand made for its surrender, may be removed from such premises in the manner hereinafter prescribed in any of the following cases:

(1) When a tenant in possession of real estate holds over after his term has expired.

(2) When the tenant or lessee, or other person under him, has done or omitted any act by which, according to the stipulations of the lease, his estate has ceased.

(3) When any tenant or lessee of lands or tenements, who is in arrear for rent or has agreed to cultivate the demised premises and to pay a part of the crop to be made thereon as rent, or who has given to the lessor a lien on such crop as a security for the rent, deserts the demised premises, and leaves them unoccupied and uncultivated.

(b) An arrearage in costs owed by a tenant for water or sewer services pursuant to G.S. 62-110(g) or electric service pursuant to G.S. 62-110(h) shall not be used as a basis for termination of a lease under this Chapter. Any payment to the landlord shall be applied first to the rent owed and then to charges for electric service, or water or sewer service, unless otherwise designated by the tenant.

(c) In an action for ejectment based upon G.S. 42-26(a)(2), the lease may provide that the landlord's acceptance of partial rent or partial housing subsidy payment does not waive the tenant's breach for which the right of reentry was reserved, and the landlord's exercise of such a provision does not constitute a violation of Chapter 75 of the General Statutes. (4 Geo. II, c. 28; 1868-9, c. 156, s. 19; Code, ss. 1766, 1777; 1905, cc. 297, 299, 820; Rev., s. 2001; C.S., s. 2365; 2001-502, s. 3; 2004-143, s. 2; 2011-252, s. 1; 2012-17, s. 3.)

§ 42-26.1: Expired.

§ 42-27. Local: Refusal to perform contract ground for dispossession.

When any tenant or cropper who enters into a contract for the rental of land for the current or ensuing year willfully neglects or refuses to perform the terms of his contract without just cause, he shall forfeit his right of possession to the premises. This section applies only to the following counties: Alamance, Alexander, Alleghany, Anson, Ashe, Beaufort, Bertie, Bladen, Brunswick, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Chowan, Cleveland, Columbus, Craven, Cumberland, Currituck, Davidson, Duplin, Edgecombe, Forsyth, Franklin, Gaston, Gates, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Hyde, Jackson, Johnston, Jones, Lee, Lenoir, Martin, Mecklenburg, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Pasquotank, Pender, Perquimans, Pitt, Polk, Randolph, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stokes, Surry, Swain, Tyrrell, Union, Wake, Warren, Washington, Wayne, Wilson, Yadkin. (4 Geo. II, c. 28; 1868-9, c. 156, s. 19; Code, ss. 1766, 1777; 1905, cc. 297, 299, 820; Rev., s. 2001, subsec. 4; 1907, cc. 43, 153; 1909, cc. 40, 550; C.S., s. 2366; Pub. Loc. Ex. Sess. 1924, c. 66; 1931, cc. 50, 194, 446; 1933, cc. 86, 485; 1935, c. 39; 1943, cc. 69, 115, 459; 1951, c. 279; 1953, c. 271; c. 499, s. 2; 1955, c. 93; 1961, c. 25; 1995 (Reg. Sess., 1996), c. 566, s. 1.)

§ 42-28. Summons issued by clerk.

When the lessor or his assignee files a complaint pursuant to G.S. 42-26 or 42-27, and asks to be put in possession of the leased premises, the clerk of superior court shall issue a summons requiring the defendant to appear at a certain time and place not to exceed seven days from the issuance of the summons, excluding weekends and legal holidays, to answer the complaint. The plaintiff may claim rent in arrears, and damages for the occupation of the premises since the cessation of the estate of the lessee, not to exceed the jurisdictional amount established by G.S. 7A-210(1), but if he omits to make such claim, he shall not be prejudiced thereby in any other action for their recovery. (1868-9, c. 156, s. 20; 1869-70, c. 212; Code, s. 1767; Rev., s. 2002; C.S., s. 2367; 1971, c. 533, s. 4; 1973, c. 1267, s. 4; 1979, c. 144, s. 4; 1981, c. 555, s. 4; 1983, c. 332, s. 2; 1985, c. 329, s. 1; 1989, c. 311, s. 3; 1993, c. 553, s. 73(c); 1995, c. 460, s. 4.)

§ 42-29. Service of summons.

The officer receiving the summons shall mail a copy of the summons and complaint to the defendant no later than the end of the next business day or as soon as practicable at the defendant's last known address in a stamped addressed envelope provided by the plaintiff to the action. The officer may, within five days of the issuance of the summons, attempt to telephone the defendant requesting that the defendant either personally visit the officer to accept service, or schedule an appointment for the defendant to receive delivery of service from the officer.

If the officer does not attempt to telephone the defendant or the attempt is unsuccessful or does not result in service to the defendant, the officer shall make at least one visit to the place of abode of the defendant within five days of the issuance of the summons, but at least two days prior to the day the defendant is required to appear to answer the complaint, excluding legal holidays, at a time reasonably calculated to find the defendant at the place of abode to attempt personal delivery of service. He then shall deliver a copy of the summons together with a copy of the complaint to the defendant, or leave copies thereof at the defendant's dwelling house or usual place of abode with some person of suitable age and discretion then residing therein. If such service cannot be made the officer shall affix copies to some conspicuous part of the premises claimed and make due return showing compliance with this section. (1868-9, c. 156, s. 21; Code, s. 1768; Rev., s. 2003; C.S., s. 2368; 1973, c. 87; 1983, c. 332, s. 1; 1985, c. 102; 1995, c. 460, s. 5; 2009-246, s. 1.)

§ 42-30. Judgment by confession, where plaintiff has proved case, or failure to appear.

The summons shall be returned according to its tenor, and if on its return it appears to have been duly served, and if (i) the plaintiff proves his case by a preponderance of the evidence, (ii) the defendant admits the allegations of the complaint, or (iii) the defendant fails to appear on the day of court, and the plaintiff requests in open court a judgment for possession based solely on the filed pleadings where the pleadings allege defendant's failure to pay rent as a breach of the lease for which reentry is allowed and the defendant has not filed a responsive pleading, the magistrate shall give judgment that the defendant be removed from, and the plaintiff be put in possession of, the demised premises; and if any rent or damages for the occupation of the premises after the cessation of the estate of the lessee, not exceeding the jurisdictional amount established by G.S. 7A-210(1), be claimed in the oath of the plaintiff as due and unpaid, the magistrate shall inquire thereof, and if supported by a preponderance of the evidence, give judgment as he may find the fact to be. (1868-9, c. 156, s. 22; Code, s. 1769; Rev., s. 2004; C.S., s. 2369; 1971, c. 533, s. 5;

1973, c. 10; c. 1267, s. 4; 1979, c. 144, s. 5; 1981, c. 555, s. 5; 1985, c. 329, s. 1; 1989, c. 311, s. 4; 1993, c. 553, s. 73(d); 2005-423, s. 10.)

§ 42-31. Trial by magistrate.

If the defendant by his answer denies any material allegation in the oath of the plaintiff, the magistrate shall hear the evidence and give judgment as he shall find the facts to be. (1868-9, c. 156, s. 23; Code, s. 1770; Rev., s. 2005; C.S., s. 2370; 1971, c. 533, s. 6.)

§ 42-32. Damages assessed to trial.

On appeal to the district court, the jury trying issues joined shall assess the damages of the plaintiff for the detention of his possession to the time of the trial in that court; and, if the jury finds that the detention was wrongful and that the appeal was without merit and taken for the purpose of delay, the plaintiff, in addition to any other damages allowed, shall be entitled to the amount of rent in arrears, or which may have accrued, to the time of trial in the district court. Judgment for the rent in arrears and for the damages assessed may, on motion, be rendered against the sureties to the appeal. (1868-9, c. 156, s. 28; Code, s. 1775; Rev., s. 2006; C.S., s. 2371; 1945, c. 796; 1971, c. 533, s. 7; 1979, c. 820, s. 7.)

§ 42-33. Rent and costs tendered by tenant.

If, in any action brought to recover the possession of demised premises upon a forfeiture for the nonpayment of rent, the tenant, before judgment given in such action, pays or tenders the rent due and the costs of the action, all further proceedings in such action shall cease. If the plaintiff further prosecutes his action, and the defendant pays into court for the use of the plaintiff a sum equal to that which shall be found to be due, and the costs, to the time of such payment, or to the time of a tender and refusal, if one has occurred, the defendant shall recover from the plaintiff all subsequent costs; the plaintiff shall be allowed to receive the sum paid into court for his use, and the proceedings shall be stayed. (4 Geo. II, c. 28, s. 4; 1868-9, c. 156, s. 26; Code, s. 1773; Rev., s. 2007; C.S., s. 2372.)

§ 42-34. Undertaking on appeal and order staying execution.

(a) Upon appeal to the district court, either party may demand that the case be tried at the first session of the court after the appeal is docketed, but the presiding judge, in his discretion, may first try any pending case in which the rights of the parties or the public demand it. If the case has not been previously continued in district court, the court shall continue the case for an appropriate period of time if any party initiates discovery or files a motion to allow further pleadings pursuant to G.S. 7A-220 or G.S. 7A-229, or for summary judgment pursuant to Rule 56 of the Rules of Civil Procedure.

(b) During an appeal to district court, it shall be sufficient to stay execution of a judgment for ejectment if the defendant appellant pays to the clerk of superior court any rent in arrears as determined by the magistrate and signs an undertaking that he or she will pay into the office of the clerk of superior court the amount of the tenant's share of the contract rent as it becomes due periodically after the judgment was entered and, where applicable, comply with subdivision (c) below. For the sole purpose of determining the amount of rent in arrears pursuant to a judgment for possession pursuant to G.S. 42-30(iii), the magistrate's determination shall be based upon (i) the available evidence presented to the magistrate or (ii) the amounts listed on the face of the filed Complaint in Summary Ejectment. Provided however, when the magistrate makes a finding in the record, based on evidence presented in court, that there is an actual dispute as to the amount of rent in arrears that is due and the magistrate specifies the specific amount of rent in arrears in dispute, in order to stay execution of a judgment for ejectment, the defendant appellant shall not be required to pay to the clerk of superior

court the amount of rent in arrears found by the magistrate to be in dispute, even if the magistrate's judgment includes this amount in the amount of rent found to be in arrears. If a defendant appellant appeared at the hearing before the magistrate and the magistrate found an amount of rent in arrears that was not in dispute, and if an attorney representing the defendant appellant on appeal to the district court signs a pleading stating that there is evidence of an actual dispute as to the amount of rent in arrears, then the defendant appellant shall not be required to pay the rent in arrears alleged to be in dispute to stay execution of a judgment for ejectment pending appeal. Any magistrate, clerk, or district court judge shall order stay of execution upon the defendant appellant's paying the undisputed rent in arrears to the clerk and signing the undertaking.

If either party disputes the amount of the payment or the due date in the undertaking, the aggrieved party may move for modification of the terms of the undertaking before the clerk of superior court or the district court. Upon such motion and upon notice to all interested parties, the clerk or court shall hold a hearing within 10 calendar days of the date the motion is filed and determine what modifications, if any, are appropriate. No writ of possession or other execution of the magistrate's judgment shall take place during the time the aggrieved party's motion for modification is pending before the clerk of court.

(c) In an ejectment action based upon alleged nonpayment of rent where the judgment is entered more than five business days before the day when the next rent will be due under the lease, the appellant shall make an additional undertaking to stay execution pending appeal. Such additional undertaking shall be the payment of the prorated rent for the days between the day that the judgment was entered and the next day when the rent will be due under the lease.

(c1) Notwithstanding the provisions of subsection (b) of this section, an indigent defendant appellant, as set forth in G.S. 1-110, who prosecutes his or her appeal as an indigent and who meets the requirement of G.S. 1-288 shall pay the amount of the contract rent as it becomes periodically due as set forth in subsection (b) of this section, but shall not be required to pay rent in arrears as set forth in subsection (b) of this section in order to stay execution pending appeal.

(d) The undertaking by the appellant and the order staying execution may be substantially in the following form:

"State of North Carolina, "County of _

"_____, Plaintiff

vs. Bond to

"_____, Defendant Stay Execution

On Appeal to District Court

"Now comes the defendant in the above entitled action and respectfully shows the court that judgment for summary ejectment was entered against the defendant and for the plaintiff on the

_day of __, __, by the Magistrate. Defendant has appealed the judgment to the District Court.

"Pursuant to the terms of the lease between plaintiff and defendant, defendant is obligated to pay rent in the amount of $_per __, due on the _day of each __.

"Where the payment of rent in arrears or an additional undertaking is required by G.S. 42-34, the defendant hereby tenders $_to the Court as required.

"Defendant hereby undertakes to pay the periodic rent hereinafter due according to the aforesaid terms of the lease and moves the Court to stay execution on the judgment for summary ejectment until this matter is heard on appeal by the District Court.

"This the __day of __, __.

Defendant "Upon execution of the above bond, execution on said judgment for summary ejectment is

hereby stayed until the action is heard on appeal in the District Court. If defendant fails to make any rental payment to the clerk's office within five business days of the due date, upon application of the plaintiff, the stay of execution shall dissolve and the sheriff may dispossess the defendant.

"This __day of __, __.

Assistant Clerk of Superior Court."

(e) Upon application of the plaintiff, the clerk of superior court shall pay to the plaintiff any amount of the rental payments paid by the defendant into the clerk's office which are not claimed by the defendant in any pleadings.

(f) If the defendant fails to make a payment within five business days of the due date according to the undertaking and order staying execution, the clerk, upon application of the plaintiff, shall issue execution on the judgment for possession.

(g) When it appears by stipulation executed by all of the parties or by final order of the court that the appeal has been resolved, the clerk of court shall disburse any accrued moneys of the undertaking remaining in the clerk's office according to the terms of the stipulation or order. (1868-9, c. 156, s. 25; 1883, c. 316; Code, s. 1772; Rev., s. 2008; C.S., s. 2373; 1921, c. 90; Ex. Sess., 1921, c. 17; 1933, c. 154; 1937, c. 294; 1949, c. 1159; 1971, c. 533, s. 8; 1979, c. 820, ss. 1-6; 1998-125, s. 1; 1999-456, s. 59; 2005-423, s. 11; 2009-279, s. 2; 2019-243, s. 16.)

§ 42-34.1. Rent pending execution of judgment; post bond pending appeal.

(a) If the judgment in district court is against the defendant appellant, it is sufficient to stay execution of the judgment during the 30-day time period for taking an appeal provided for in Rule 3 of the North Carolina Rules of Appellate Procedure if the defendant appellant posts a bond as provided in G.S. 42-34(b). No additional security under G.S. 1-292 is required. If the defendant appellant fails to make rental payments as provided in the undertaking within five business days of the day rent is due under the terms of the residential rental agreement, the clerk of superior court shall, upon application of the plaintiff appellee, immediately issue a writ of possession, and the sheriff shall dispossess the defendant appellant as provided in G.S. 42-36.2.

(a1) If the judgment in district court is against the defendant appellant and the defendant appellant does not appeal the judgment, the defendant appellant shall pay rent to the plaintiff for the time the defendant appellant remains in possession of the premises after the judgment is given. Rent shall be prorated if the judgment is executed before the day rent would become due under the terms of the lease. The clerk of court shall disburse any rent in arrears paid by the defendant appellant in accordance with a stipulation executed by all parties or, if there is no stipulation, in accordance with the judge's order.

(b) If the judgment in district court is against the defendant appellant and the defendant appellant appeals the judgment, it is sufficient to stay execution of the judgment if the defendant appellant

posts a bond as provided in G.S. 42-34(b). No additional security under G.S. 1-292 is required. If the defendant appellant fails to perfect the appeal or the appellate court upholds the judgment of the district court, the execution of the judgment shall proceed. The clerk of court shall not disburse any rent in arrears paid by the defendant appellant until all appeals have been resolved. (1998-125, s. 2; 2012-17, s. 1; 2021-47, s. 8; 2021-88, s. 5.)

§ 42-35. Restitution of tenant, if case quashed, etc., on appeal.

If the proceedings before the magistrate are brought before a district court and quashed, or judgment is given against the plaintiff, the district or other court in which final judgment is given shall, if necessary, restore the defendant to the possession, and issue such writs as are proper for that purpose. (1868-9, c. 156, s. 27; Code, s. 1774; Rev., s. 2009; C.S., s. 2374; 1971, c. 533, s. 9.)

§ 42-36. Damages to tenant for dispossession, if proceedings quashed, etc.

If, by order of the magistrate, the plaintiff is put in possession, and the proceedings shall afterwards be quashed or reversed, the defendant may recover damages of the plaintiff for his removal. (1868-9, c. 156, s. 30; Code, s. 1776; Rev., s. 2010; C.S., s. 2375; 1971, c. 533, s. 10.)

§ 42-36.1. Lease or rental of manufactured homes.

The provisions of this Article shall apply to the lease or rental of manufactured homes, as defined in G.S. 143-145. (1971, c. 764; 1985, c. 487, s. 8.)

§ 42-36.1A. Judgments for possession more than 30 days old.

Prior to obtaining execution of a judgment that has been entered for more than 30 days for possession of demised premises, a landlord shall sign an affidavit stating that the landlord has neither entered into a formal lease with the defendant nor accepted rental money from the defendant for any period of time after entry of the judgment. (1995, c. 460, s. 7.)

§ 42-36.2. Notice to tenant of execution of writ for possession of property; storage of evicted tenant's personal property.

(a) When Sheriff May Remove Property. – Before removing a tenant's personal property from demised premises pursuant to a writ for possession of real property or an order, the sheriff shall give the tenant notice of the approximate time the writ will be executed. The time within which the sheriff shall have to execute the writ shall be no more than five days from the sheriff's receipt thereof. The sheriff shall remove the tenant's property, as provided in the writ, no earlier than the time specified in the notice, unless:

(1) The landlord, or his authorized agent, signs a statement saying that the tenant's property can remain on the premises, in which case the sheriff shall simply lock the premises; or

(2) The landlord, or his authorized agent, signs a statement saying that the landlord does not want to eject the tenant because the tenant has paid all court costs charged to him and has satisfied his indebtedness to the landlord.

Upon receipt of a statement described in subdivision (2) of this subsection, the sheriff shall return the writ unexecuted to the issuing clerk of court and shall make a notation on the writ of his reasons. The sheriff shall attach a copy of the landlord's statement to the writ. If the writ is returned unexecuted because the landlord signed a statement described in subdivision (2) of this subsection, the clerk shall make an entry of

satisfaction on the judgment docket. If the sheriff padlocks, the costs of the proceeding shall be charged as part of the court costs.

(b) Sheriff May Store Property. – When the sheriff removes the personal property of an evicted tenant from demised premises pursuant to a writ or order the tenant shall take possession of his property. If the tenant fails or refuses to take possession of his property, the sheriff may deliver the property to any storage warehouse in the county, or in an adjoining county if no storage warehouse is located in that county, for storage. The sheriff may require the landlord to advance the cost of delivering the property to a storage warehouse plus the cost of one month's storage before delivering the property to a storage warehouse. If a landlord refuses to advance these costs when requested to do so by the sheriff, the sheriff shall not remove the tenant's property, but shall return the writ unexecuted to the issuing clerk of court with a notation thereon of his reason for not executing the writ. Except for the disposition of manufactured homes and their contents as provided in G.S. 42-25.9(g) and G.S. 44A-2(e2), within seven days of the landlord's being placed in lawful possession by execution of a writ of possession and upon the tenant's request within that seven-day period, the landlord shall release possession of the property to the tenant during regular business hours or at a time agreed upon.

During the seven-day period after being placed in lawful possession by execution of a writ of possession, a landlord may move for storage purposes, but shall not throw away, dispose of, or sell any items of personal property remaining on the premises unless otherwise provided for in this Chapter. If, after being placed in lawful possession by execution of a writ, the landlord has offered to release the tenant's property and the tenant fails to retrieve such property during the landlord's regular business hours within seven days after execution of the writ, the landlord may throw away, dispose of, or sell the property in accordance with the provisions of G.S. 42-25.9(g). If the tenant does not request release of the property within seven days, all costs of summary ejectment, execution and storage proceedings shall be charged to the tenant as court costs and shall constitute a lien against the stored property or a claim against any remaining balance of the proceeds of a warehouseman's lien sale.

(c) Liability of the Sheriff. – A sheriff who stores a tenant's property pursuant to this section and any person acting under the sheriff's direction, control, or employment shall be liable for any claims arising out of the willful or wanton negligence in storing the tenant's property.

(d) Notice. – The notice required by subsection (a) shall, except in actions involving the lease of a space for a manufactured home as defined in G.S. 143-143.9(6), inform the tenant that failure to request possession of any property on the premises within seven days of execution may result in the property being thrown away, disposed of, or sold. Notice shall be made by one of the following methods:

(1) By delivering a copy of the notice to the tenant or his authorized agent at least two days before the time stated in the notice for serving the writ;

(2) By leaving a copy of the notice at the tenant's dwelling or usual place of abode with a person of suitable age and discretion who resides there at least two days before the time stated in the notice for serving the writ; or

(3) By mailing a copy of the notice by first-class mail to the tenant at his last known address at least five days before the time stated in the notice for serving the writ. (1983, c. 672, s. 1; 1995, c. 460, s. 6; 1999-278, ss. 3, 4; 2013-334, s. 5; 2015-55, s. 1.)

§ 42-36.3. Death of residential tenant; landlord may file affidavit to remove personal property from the dwelling unit.

Notwithstanding any other provision of this Chapter, when a decedent who is the sole occupant of a dwelling unit dies leaving tangible personal property in the dwelling unit, the landlord may, instead of commencing a summary ejectment action, file an affidavit as provided in G.S. 28A-25-7. (2012-17, s. 9.)

Article 4. Forms.

§ 42-37: Repealed by Session Laws 1971, c. 533, s. 11.

Article 4A. Retaliatory Eviction.

§ 42-37.1. Defense of retaliatory eviction.

(a) It is the public policy of the State of North Carolina to protect tenants and other persons whose residence in the household is explicitly or implicitly known to the landlord, who seek to exercise their rights to decent, safe, and sanitary housing. Therefore, the following activities of such persons are protected by law:

(1) A good faith complaint or request for repairs to the landlord, his employee, or his agent about conditions or defects in the premises that the landlord is obligated to repair under G.S. 42-42;

(2) A good faith complaint to a government agency about a landlord's alleged violation of any health or safety law, or any regulation, code, ordinance, or State or federal law that regulates premises used for dwelling purposes;

(3) A government authority's issuance of a formal complaint to a landlord concerning premises rented by a tenant;

(4) A good faith attempt to exercise, secure or enforce any rights existing under a valid lease or rental agreement or under State or federal law; or

(5) A good faith attempt to organize, join, or become otherwise involved with, any organization promoting or enforcing tenants' rights.

(b) In an action for summary ejectment pursuant to G.S. 42-26, a tenant may raise the affirmative defense of retaliatory eviction and may present evidence that the landlord's action is substantially in response to the occurrence within 12 months of the filing of such action of one or more of the protected acts described in subsection (a) of this section.

(c) Notwithstanding subsections (a) and (b) of this section, a landlord may prevail in an action for summary ejectment if:

(1) The tenant breached the covenant to pay rent or any other substantial covenant of the lease for which the tenant may be evicted, and such breach is the reason for the eviction; or

(2) In a case of a tenancy for a definite period of time where the tenant has no option to renew the lease, the tenant holds over after expiration of the term; or

(3) The violation of G.S. 42-42 complained of was caused primarily by the willful or negligent conduct of the tenant, member of the tenant's household, or their guests or invitees; or

(4) Compliance with the applicable building or housing code requires demolition or major alteration or remodeling that cannot be accomplished without completely displacing the tenant's household; or

(5) The landlord seeks to recover possession on the basis of a good faith notice to quit the premises, which notice was delivered prior to the occurrence of any of the activities protected by subsections (a) and (b) of this section; or

(6) The landlord seeks in good faith to recover possession at the end of the tenant's term for use as the landlord's own abode, to demolish or make major alterations or remodeling of the dwelling unit in a manner that requires the complete displacement of the tenant's household, or to terminate for at least six months the use of the property as a rental dwelling unit. (1979, c. 807.)

§ 42-37.2. Remedies.

(a) If the court finds that an ejectment action is retaliatory, as defined by this Article, it shall deny the request for ejectment; provided, that a dismissal of the request for ejectment shall not prevent the landlord from receiving payments for rent due or any other appropriate judgment.

(b) The rights and remedies created by this Article are supplementary to all existing common law and statutory rights and remedies. (1979, c. 807.)

§ 42-37.3. Waiver.

Any waiver by a tenant or a member of his household of the rights and remedies created by this Article is void as contrary to public policy. (1979, c. 807.)

Article 5.

Residential Rental Agreements.

§ 42-38. Application.

This Article determines the rights, obligations, and remedies under a rental agreement for a dwelling unit within this State. (1977, c. 770, s. 1.)

§ 42-39. Exclusions.

(a) The provisions of this Article shall not apply to transient occupancy in a hotel, motel, or similar lodging subject to regulation by the Commission for Public Health.

(a1) The provisions of this Article shall not apply to vacation rentals entered into under Chapter 42A of the General Statutes.

(b) Nothing in this Article shall apply to any dwelling furnished without charge or rent. (1973, c. 476, s. 128; 1977, c. 770, ss. 1, 2; 1999-420, s. 3; 2007-182, s. 2.)

§ 42-40. Definitions.

For the purpose of this Article, the following definitions shall apply:

(1) "Action" includes recoupment, counterclaim, defense, setoff, and any other proceeding including an action for possession.

(2) "Premises" means a dwelling unit, including mobile homes or mobile home spaces, and the structure of which it is a part and facilities and appurtenances therein and grounds, areas, and facilities normally held out for the use of residential tenants.

(3) "Landlord" means any owner and any rental management company, rental agency, or any other person having the actual or apparent authority of an agent to perform the duties imposed by this Article.

(4) "Protected tenant" means a tenant or household member who is a victim of domestic violence under Chapter 50B of the General Statutes or sexual assault or stalking under Chapter 14 of the General Statutes. (1977, c. 770, s. 1; 1979, c. 880, ss. 1, 2; 1999-420, s. 2; 2005-423, s. 5.)

§ 42-41. Mutuality of obligations.

The tenant's obligation to pay rent under the rental agreement or assignment and to comply with G.S. 42-43 and the landlord's obligation to comply with G.S. 42-42(a) shall be mutually dependent. (1977, c. 770, s. 1.)

§ 42-42. Landlord to provide fit premises.

(a) The landlord shall:

(1) Comply with the current applicable building and housing codes, whether enacted before or after October 1, 1977, to the extent required by the operation of such codes; no new requirement is imposed by this subdivision (a)(1) if a structure is exempt from a current building code.

(1a) Comply with all applicable elevator safety requirements in G.S. 143-143.7.

(2) Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition.

(3) Keep all common areas of the premises in safe condition.

(4) Maintain in good and safe working order and promptly repair all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances supplied or required to be supplied by the landlord provided that notification of needed repairs is made to the landlord in writing by the tenant, except in emergency situations.

(5) Provide operable smoke alarms, either battery-operated or electrical, having an Underwriters' Laboratories, Inc., listing or other equivalent national testing laboratory approval, and install the smoke alarms in accordance with either the standards of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions, which the landlord shall retain or provide as proof of compliance. The landlord shall replace or repair the smoke alarms within 15 days of receipt of notification if the landlord is notified of needed

replacement or repairs in writing by the tenant. The landlord shall ensure that a smoke alarm is operable and in good repair at the beginning of each tenancy. Unless the landlord and the tenant have a written agreement to the contrary, the landlord shall place new batteries in a battery-operated smoke alarm at the beginning of a tenancy and the tenant shall replace the batteries as needed during the tenancy, except where the smoke alarm is a tamper-resistant, 10-year lithium battery smoke alarm as required by subdivision (5a) of this subsection. Failure of the tenant to replace the batteries as needed shall not be considered as negligence on the part of the tenant or the landlord.

(5a) After December 31, 2012, when installing a new smoke alarm or replacing an existing smoke alarm, install a tamper-resistant, 10-year lithium battery smoke alarm. However, the landlord shall not be required to install a tamper-resistant, 10-year lithium battery smoke alarm as required by this subdivision in either of the following circumstances:

a. The dwelling unit is equipped with a hardwired smoke alarm with a battery backup.

b. The dwelling unit is equipped with a smoke alarm combined with a carbon monoxide alarm that meets the requirements provided in subdivision (7) of this section.

(6) If the landlord is charging for the cost of providing water or sewer service pursuant to G.S. 42-42.1 and has actual knowledge from either the supplying water system or other reliable source that water being supplied to tenants within the landlord's property exceeds a maximum contaminant level established pursuant to Article 10 of Chapter 130A of the General Statutes, provide notice that water being supplied exceeds a maximum contaminant level.

(7) Provide a minimum of one operable carbon monoxide alarm per rental unit per level, either battery-operated or electrical, that is listed by a nationally recognized testing laboratory that is OSHA-approved to test and certify to American National Standards Institute/Underwriters Laboratories Standards ANSI/UL2034 or ANSI/UL2075, and install the carbon monoxide alarms in accordance with either the standards of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions, which the landlord shall retain or provide as proof of compliance. A landlord that installs one carbon monoxide alarm per rental unit per level shall be deemed to be in compliance with standards under this subdivision covering the location and number of alarms. The landlord shall replace or repair the carbon monoxide alarms within 15 days of receipt of notification if the landlord is notified of needed replacement or repairs in writing by the tenant. The landlord shall ensure that a carbon monoxide alarm is operable and in good repair at the beginning of each tenancy. Unless the landlord and the tenant have a written agreement to the contrary, the landlord shall place new batteries in a battery-operated carbon monoxide alarm at the beginning of a tenancy, and the tenant shall replace the batteries as needed during the tenancy. Failure of the tenant to replace the batteries as needed shall not be considered as negligence on the part of the tenant or the landlord. A carbon monoxide alarm may be combined

with smoke alarms if the combined alarm does both of the following: (i) complies with ANSI/UL2034 or ANSI/UL2075 for carbon monoxide alarms and ANSI/UL217 for smoke alarms; and (ii) emits an alarm in a manner that clearly differentiates between detecting the presence of carbon monoxide and the presence of smoke. This subdivision applies only to dwelling units having a fossil-fuel burning heater, appliance, or fireplace, and in any dwelling unit having an attached garage. Any operable carbon monoxide detector installed before January 1, 2010, shall be deemed to be in compliance with this subdivision.

(8) Within a reasonable period of time based upon the severity of the condition, repair or remedy any imminently dangerous condition on the premises after acquiring actual knowledge or receiving notice of the condition. Notwithstanding the landlord's repair or remedy of any imminently dangerous condition, the landlord may recover from the tenant the actual and reasonable costs of repairs that are the fault of the tenant. For purposes of this subdivision, the term "imminently dangerous condition" means any of the following:

a. Unsafe wiring.

b. Unsafe flooring or steps.

c. Unsafe ceilings or roofs.

d. Unsafe chimneys or flues.

e. Lack of potable water.

f. Lack of operable locks on all doors leading to the outside.

g. Broken windows or lack of operable locks on all windows on the ground level.

h. Lack of operable heating facilities capable of heating living areas to 65 degrees Fahrenheit when it is 20 degrees Fahrenheit outside from November 1 through March 31.

i. Lack of an operable toilet.

j. Lack of an operable bathtub or shower.

k. Rat infestation as a result of defects in the structure that make the premises not impervious to rodents.

l. Excessive standing water, sewage, or flooding problems caused by plumbing leaks or inadequate drainage that contribute to mosquito infestation or mold.

(b) The landlord is not released of his obligations under any part of this section by the tenant's explicit or implicit acceptance of the landlord's failure to provide premises complying with this section, whether done before the lease was made, when it was made, or after it was made, unless a governmental subdivision imposes an impediment to repair for a specific period of time not to exceed six months. Notwithstanding the provisions of this subsection, the landlord and tenant are not prohibited from making a subsequent written contract wherein the tenant agrees to perform specified work on the premises, provided that said

contract is supported by adequate consideration other than the letting of the premises and is not made with the purpose or effect of evading the landlord's obligations under this Article. (1977, c. 770, s. 1; 1995, c. 111, s. 2; 1998-212, s. 17.16(i); 2004-143, s. 3; 2008-219, ss. 2, 6; 2009-279, s. 3; 2010-97, s. 6(a); 2012-92, s. 1; 2022-56, s. 2.)

§ 42-42.1. Water, electricity, and natural gas conservation.

(a) For the purpose of encouraging water, electricity, and natural gas conservation, pursuant to a written rental agreement, a lessor may charge for the cost of providing water or sewer service to lessees pursuant to G.S. 62-110(g), electric service pursuant to G.S. 62-110(h), natural gas service pursuant to G.S. 62-110(i), or for electricity or natural gas used by a central system pursuant to G.S. 62-110(j).

(b) The lessor may not disconnect or terminate the lessee's electric service, water or sewer services, or natural gas service, nor may the landlord terminate the lessee's receipt of the benefits of the use of a central system, due to the lessee's nonpayment of the amount due for electric service, water or sewer services, or natural gas service. (2004-143, s. 4; 2011-252, s. 2; 2017-10, s. 2.2(a); 2017-172, s. 1; 2021-23, s. 27(a).)

§ 42-42.2. Victim protection – nondiscrimination.

A landlord shall not terminate a tenancy, fail to renew a tenancy, refuse to enter into a rental agreement, or otherwise retaliate in the rental of a dwelling based substantially on: (i) the tenant, applicant, or a household member's status as a victim of domestic violence, sexual assault, or stalking; or (ii) the tenant or applicant having terminated a rental agreement under G.S. 42-45.1. Evidence provided to the landlord of domestic violence, sexual assault, or stalking may include any of the following:

(1) Law enforcement, court, or federal agency records or files.

(2) Documentation from a domestic violence or sexual assault program.

(3) Documentation from a religious, medical, or other professional. (2005-423, s. 6.)

§ 42-42.3. Victim protection – change locks.

(a) If the perpetrator of domestic violence, sexual assault, or stalking is not a tenant in the same dwelling unit as the protected tenant, a tenant of a dwelling may give oral or written notice to the landlord that a protected tenant is a victim of domestic violence, sexual assault, or stalking and may request that the locks to the dwelling unit be changed. A protected tenant is not required to provide documentation of the domestic violence, sexual assault, or stalking to initiate the changing of the locks, pursuant to this subsection. A landlord who receives a request under this subsection shall change the locks to the protected tenant's dwelling unit or give the protected tenant permission to change the locks within 48 hours.

(b) If the perpetrator of the domestic violence, sexual assault, or stalking is a tenant in the same dwelling unit as the victim, any tenant or protected tenant of a dwelling unit may give oral or written notice to the landlord that a protected tenant is a victim of domestic violence, sexual assault, or stalking and may request that the locks to the dwelling unit be changed. In these circumstances, the following shall apply:

(1) Before the landlord or tenant changes the locks under this subsection, the tenant must provide the landlord with a copy of an order issued by a court that orders the perpetrator to stay away from the dwelling unit.

(2) Unless a court order allows the perpetrator to return to the dwelling to retrieve personal belongings, the landlord has no duty under the rental agreement or by law to allow the perpetrator access to the dwelling unit, to provide keys to the perpetrator, or to provide the perpetrator access to the perpetrator's personal property within the dwelling unit once the landlord has been provided with a court order requiring the perpetrator to stay away from the dwelling. If a landlord complies with this section, the landlord is not liable for civil damages, to a perpetrator excluded from the dwelling unit, for loss of use of the dwelling unit or loss of use or damage to the perpetrator's personal property.

(3) The perpetrator who has been excluded from the dwelling unit under this subsection remains liable under the lease with any other tenant of the dwelling unit for rent or damages to the dwelling unit.

A landlord who receives a request under this subsection shall change the locks to the protected tenant's dwelling unit or give the protected tenant permission to change the locks within 72 hours.

(c) The protected tenant shall bear the expense of changing the locks. If a landlord fails to act within the required time, the protected tenant may change the locks without the landlord's permission. If the protected tenant changes the locks, the protected tenant shall give a key to the new locks to the landlord within 48 hours of the locks being changed. (2005-423, s. 6.)

§ 42-43. Tenant to maintain dwelling unit.

(a) The tenant shall:

(1) Keep that part of the premises that the tenant occupies and uses as clean and safe as the conditions of the premises permit and cause no unsafe or unsanitary conditions in the common areas and remainder of the premises that the tenant uses.

(2) Dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner.

(3) Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits.

(4) Not deliberately or negligently destroy, deface, damage, or remove any part of the premises, nor render inoperable the smoke alarm or carbon monoxide alarm provided by the landlord, or knowingly permit any person to do so.

(5) Comply with any and all obligations imposed upon the tenant by current applicable building and housing codes.

(6) Be responsible for all damage, defacement, or removal of any property inside a dwelling unit in the tenant's exclusive control unless the damage, defacement or removal was due to ordinary wear and tear, acts of the landlord or the landlord's agent, defective products supplied or repairs authorized by the landlord, acts of third parties not invitees of the tenant, or natural forces.

(7) Notify the landlord, in writing, of the need for replacement of or repairs to a smoke alarm or carbon monoxide alarm. The landlord shall ensure that a smoke alarm and carbon monoxide alarm are operable and in good repair at the beginning of each

tenancy. Unless the landlord and the tenant have a written agreement to the contrary, the landlord shall place new batteries in a battery-operated smoke alarm and battery-operated carbon monoxide alarm at the beginning of a tenancy and the tenant shall replace the batteries as needed during the tenancy, except where the smoke alarm is a tamper-resistant, 10-year lithium battery smoke alarm as required by G.S. 42-42(a)(5a). Failure of the tenant to replace the batteries as needed shall not be considered as negligence on the part of the tenant or the landlord.

(b) The landlord shall notify the tenant in writing of any breaches of the tenant's obligations under this section except in emergency situations. (1977, c. 770, s. 1; 1995, c. 111, s. 3; 1998-212, s. 17.16(j); 2008-219, s. 3; 2012-92, s. 2.)

§ 42-44. General remedies, penalties, and limitations.

(a) Any right or obligation declared by this Chapter is enforceable by civil action, in addition to other remedies of law and in equity.

(a1) If a landlord fails to provide, install, replace, or repair a smoke alarm under the provisions of G.S. 42-42(a)(5) or a carbon monoxide alarm under the provisions of

G.S. 42-42(a)(7) within 30 days of having received written notice from the tenant or any agent of State or local government of the landlord's failure to do so, the landlord shall be responsible for an infraction and shall be subject to a fine of not more than two hundred fifty dollars ($250.00) for each violation. After December 31, 2012, if the landlord installs a new smoke alarm or replaces an existing smoke alarm, the smoke alarm shall be a tamper-resistant, 10-year lithium battery smoke alarm, except as provided in G.S. 42-42(a)(5a). The landlord may temporarily disconnect a smoke alarm or carbon monoxide alarm in a dwelling unit or common area for construction or rehabilitation activities when such activities are likely to activate the smoke alarm or carbon monoxide alarm or make it inactive.

(a2) If a smoke alarm or carbon monoxide alarm is disabled or damaged, other than through actions of the landlord, the landlord's agents, or acts of God, the tenant shall reimburse the landlord the reasonable and actual cost for repairing or replacing the smoke alarm or carbon monoxide alarm within 30 days of having received written notice from the landlord or any agent of State or local government of the need for the tenant to make such reimbursement. If the tenant fails to make reimbursement within 30 days, the tenant shall be responsible for an infraction and subject to a fine of not more than one hundred dollars ($100.00) for each violation. The tenant may temporarily disconnect a smoke alarm or carbon monoxide alarm in a dwelling unit to replace the batteries or when it has been inadvertently activated.

(b) Repealed by Session Laws 1979, c. 820, s. 8.

(c) The tenant may not unilaterally withhold rent prior to a judicial determination of a right to do so.

(c1) A real estate broker or firm as defined in G.S. 93A-2 managing a rental property on behalf of a landlord shall not be personally liable as a party in a civil action between the landlord and tenant solely because the real estate broker or firm fails to identify the landlord of the property in the rental agreement.

(d) A violation of this Article shall not constitute negligence per se. (1977, c. 770, s. 1; 1979, c. 820, s. 8; 1998-212, s. 17.16(k); 2008-219, s. 4; 2012-92, s. 3; 2016-98, s. 1.6.)

§ 42-45. Early termination of rental agreement by military personnel, surviving family members, or lawful representative.

(a) Any military technician under section 10216 of Title 10 of the United States Code who (i) is required to move pursuant to permanent change of station orders to depart 50 miles or more from the location of the dwelling unit, or (ii) is prematurely or involuntarily discharged or released from active duty with the Armed Forces of the United States, may terminate the member's rental agreement for a dwelling unit by providing the landlord with a written notice of termination to be effective on a date stated in the notice that is at least 30 days after the landlord's receipt of the notice. The notice to the landlord must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer.

(a1) Any military technician under section 10216 of Title 10 of the United States Code who is deployed with a military unit for a period of not less than 90 days may terminate the member's rental agreement for a dwelling unit by providing the landlord with a written notice of termination. The notice to the landlord must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer. Termination of a lease pursuant to this subsection is effective 30 days after the first date on which the next rental payment is due or 45 days after the landlord's receipt of the notice, whichever is shorter, and payable after the date on which the notice of termination is delivered.

(a2) Upon termination of a rental agreement under this section, the tenant is liable for the rent due under the rental agreement prorated to the effective date of the termination payable at such time as would have otherwise been required by the terms of the rental agreement. The tenant is not liable for any other rent or damages due to the early termination of the tenancy except the liquidated damages provided in subsection (b) of this section. If a member terminates the rental agreement pursuant to this section 14 or more days prior to occupancy, no damages or penalties of any kind shall be due.

(a3) If a military technician under section 10216 of Title 10 of the United States Code dies while on active duty, then an immediate family member, or a lawful representative of the member's estate, may terminate the member's rental agreement for a dwelling unit by providing the landlord with a written notice of termination to be effective on the date described in subsection (a1) of this section. A copy of the death certificate, official military personnel casualty report, or letter from the commanding officer verifying the member's death must accompany the notice for this subsection to be effective. Termination of the member's lease obligations under this subsection shall also terminate the lease obligations of any cotenants who are immediate family members. If the member was a cotenant with a person who is not an immediate family member, then the termination shall relate only to the obligation of the member under the rental agreement. The prorated charges in subsection (a2) of this section and the liquidated damages provisions of subsection (b) of this section shall apply to any claims against the member's estate.

(b) In consideration of early termination of the rental agreement, the tenant is liable to the landlord for liquidated damages provided the tenant has completed less than nine months of the tenancy and the landlord has suffered actual damages due to loss of the tenancy. The liquidated damages shall be in an amount no greater than one month's rent if the tenant has completed less than six months of the tenancy as of the effective date of termination, or one-half of one month's rent if the tenant has completed at least six but less than nine months of the tenancy as of the effective date of termination.

(c) The provisions of this section may not be waived or modified by the agreement of the parties under any circumstances. Nothing in this section shall affect the rights established by G.S. 42-3. (1987, c. 478, s. 1; 2005-445, s. 4.1; 2011-183, s. 29(a), (b); 2012-64, s. 1; 2017-156, s. 2; 2019-161, s. 1(d).)

§ 42-45.1. Early termination of rental agreement by victims of domestic violence, sexual assault, or stalking.

(a) Any protected tenant may terminate his or her rental agreement for a dwelling unit by providing the landlord with a written notice of termination to be effective on a date stated in the notice that is at least 30 days after the landlord's receipt of the notice. The notice to the landlord shall be accompanied by either: (i) a copy of a valid order of protection issued by a court pursuant to Chapter 50B or 50C of the General Statutes, other than an ex parte order, (ii) a criminal order that restrains a person from contact with a protected tenant, or (iii) a valid Address Confidentiality Program card issued pursuant to G.S. 15C-4 to the victim or a minor member of the tenant's household. A victim of domestic violence or sexual assault must submit a copy of a safety plan with the notice to terminate. The safety plan, dated during the term of the tenancy to be terminated, must be provided by a domestic violence or sexual assault program which substantially complies with the requirements set forth in G.S. 50B-9 and must recommend relocation of the protected tenant.

(b) Upon termination of a rental agreement under this section, the tenant who is released from the rental agreement pursuant to subsection (a) of this section is liable for the rent due under the rental agreement prorated to the effective date of the termination and payable at the time that would have been required by the terms of the rental agreement. The tenant is not liable for any other rent or fees due only to the early termination of the tenancy. If, pursuant to this section, a tenant terminates the rental agreement 14 days or more before occupancy, the tenant is not subject to any damages or penalties.

(c) Notwithstanding the release of a protected tenant from a rental agreement under subsection (a) of this section, or the exclusion of a perpetrator of domestic violence, sexual assault, or stalking by court order, if there are any remaining tenants residing in the dwelling unit, the tenancy shall continue for those tenants. The perpetrator who has been excluded from the dwelling unit under court order remains liable under the lease with any other tenant of the dwelling unit for rent or damages to the dwelling unit.

(d) The provisions of this section may not be waived or modified by agreement of the parties. (2005-423, s. 7.)

§ 42-45.2. Early termination of rental agreement by tenants residing in certain foreclosed property.

Any tenant who resides in residential real property containing less than 15 rental units that is being sold in a foreclosure proceeding under Article 2A of Chapter 45 of the General Statutes may terminate the rental agreement for the dwelling unit after receiving notice pursuant to

G.S. 45-21.17(4) by providing the landlord with a written notice of termination to be effective on a date stated in the notice of termination that is at least 10 days, but no more than 90 days, after the sale date contained in the notice of sale, provided that the mortgagor has not cured the default at the time the tenant provides the notice of termination. Upon termination of a rental agreement under this section, the tenant is liable for the rent due under the rental agreement prorated to the effective date of the termination payable at the time that would have been required by the terms of the rental agreement. The tenant is not liable for

any other rent or damages due only to the early termination of the tenancy. (2007-353, s. 3; 2015-178, s. 1(b); 2017-102, s. 35.1.)

§ 42-46. Authorized fees, costs, and expenses.

(a) Late Fee. – In all residential rental agreements in which a definite time for the payment of the rent is fixed, the parties may agree to a late fee not inconsistent with the provisions of this subsection, to be chargeable only if any rental payment is five days or more late. If the rent:

(1) Is due in monthly installments, a landlord may charge a late fee not to exceed fifteen dollars ($15.00) or five percent (5%) of the monthly rent, whichever is greater.

(2) Is due in weekly installments, a landlord may charge a late fee not to exceed four dollars ($4.00) or five percent (5%) of the weekly rent, whichever is greater.

(3) Repealed by Session Laws 2009-279, s. 4, effective October 1, 2009, and applicable to leases entered into on or after that date.

(b) A late fee under subsection (a) of this section may be imposed only one time for each late rental payment. A late fee for a specific late rental payment may not be deducted from a subsequent rental payment so as to cause the subsequent rental payment to be in default.

(c) Repealed by Session Laws 2009-279, s. 4, effective October 1, 2009, and applicable to leases entered into on or after that date.

(d) A lessor shall not charge a late fee to a lessee pursuant to subsection (a) of this section because of the lessee's failure to pay for water or sewer services provided pursuant to G.S. 62-110(g).

(e) Complaint-Filing Fee. – Pursuant to a written lease, a landlord may charge an administrative complaint-filing fee not to exceed fifteen dollars ($15.00) or five percent (5%) of the monthly rent, whichever is greater, only if the tenant was in default of the lease, the landlord filed and served a complaint for summary ejectment and/or money owed, the tenant cured the default or claim, and the landlord dismissed the complaint prior to judgment. The landlord can include this fee in the amount required to cure the default.

(f) Court-Appearance Fee. – Pursuant to a written lease, a landlord may charge an administrative court-appearance fee in an amount equal to ten percent (10%) of the monthly rent only if the tenant was in default of the lease and the landlord filed, served, and prosecuted successfully a complaint for summary ejectment and/or monies owed in the small claims court. If the tenant appeals the judgment of the magistrate, and the magistrate's judgment is vacated, any fee awarded by a magistrate to the landlord under this subsection shall be vacated.

(g) Second Trial Fee. – Pursuant to a written lease, a landlord may charge a second administrative trial fee for a new trial following an appeal from the judgment of a magistrate. To qualify for the fee, the landlord must prove that the tenant was in default of the lease and the landlord prevailed. The landlord's fee may not exceed twelve percent (12%) of the monthly rent in the lease.

(h) Limitations on Charging and Collection of Administrative Fees and Out-of-Pocket Expenses and Litigation Costs. –

(1) A landlord who claims administrative fees under subsections (e) through (g) of this section is entitled to charge and retain only one of the above fees for the landlord's complaint for summary ejectment and/or money owed.

(2) A landlord who earns an administrative fee under subsections (e) through (g) of this section may not deduct payment of that fee from a tenant's subsequent rent payment or declare a failure to pay the fee as a default of the lease for a subsequent summary ejectment action.

(3) It is contrary to public policy for a landlord to put in a lease or claim any administrative fee for filing a complaint for summary ejectment and/or money owed other than the ones expressly authorized by subsections (e) through (g) of this section. This limitation does not apply to out-of-pocket expenses or litigation costs.

(3a) It is contrary to public policy for a landlord to claim, or for a lease to provide for the payment of, any out-of-pocket expenses or litigation costs for filing a complaint for summary ejectment and/or money owed other than those expressly authorized under subsection (i) of this section.

(4) Any provision of a residential rental agreement contrary to the provisions of this section is against the public policy of this State and therefore void and unenforceable.

(5) If the rent is subsidized by the United States Department of Housing and Urban Development, by the United States Department of Agriculture, by a State agency, by a public housing authority, or by a local government, any fee charged pursuant to this section shall be calculated on the tenant's share of the contract rent only, and the rent subsidy shall not be included.

(i) Out-of-Pocket Expenses and Litigation Costs. – In addition to the late fees referenced in subsections (a) and (b) of this section and the administrative fees of a landlord referenced in subsections (e) through (g) of this section, a landlord also is permitted to charge and recover from a tenant the following actual out-of-pocket expenses:

(1) Filing fees charged by the court.

(2) Costs for service of process pursuant to G.S. 1A-1, Rule 4 of the North Carolina Rules of Civil Procedure and G.S. 42-29.

(3) Reasonable attorneys' fees actually paid or owed, pursuant to a written lease, not to exceed fifteen percent (15%) of the amount owed by the tenant, or fifteen percent (15%) of the monthly rent stated in the lease if the eviction is based on a default other than the nonpayment of rent.

(j) The out-of-pocket expenses and litigation costs listed in subsection (i) of this section are allowed to be included by the landlord in the amount required to cure a default.

(k) As used in this section, the term "administrative fees" does not include out-of-pocket expenses, litigation costs, or other fees. (1987, c. 530, s. 1; 2001-502, s. 4; 2003-370, s. 1; 2004-143, s. 5; 2009-279, s. 4; 2016-98, s. 1.7; 2018-50, s. 1.1; 2021-71, s. 1.1.)

§§ 42-47 through 42-49: Reserved for future codification purposes.

Article 6.

Tenant Security Deposit Act.

§ 42-50. Deposits from the tenant.

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and federally insured depository institution or a trust institution authorized to do business in this State, or the landlord may, at the landlord's option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of the deposits. The landlord or the landlord's agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where the tenant's deposit is currently located or the name of the insurance company providing the bond. (1977, c. 914, s. 1; 2015-93, s. 2; 2017-25, s. 2(a).)

§ 42-51. Permitted uses of the deposit.

(a) Security deposits for residential dwelling units shall be permitted only for the following:

(1) The tenant's possible nonpayment of rent and costs for water or sewer services provided pursuant to G.S. 62-110(g) and electric service pursuant to G.S. 62-110(h).

(2) Damage to the premises, including damage to or destruction of smoke alarms or carbon monoxide alarms.

(3) Damages as the result of the nonfulfillment of the rental period, except where the tenant terminated the rental agreement under G.S. 42-45, G.S. 42-45.1, or because the tenant was forced to leave the property because of the landlord's violation of Article 2A of Chapter 42 of the General Statutes or was constructively evicted by the landlord's violation of G.S. 42-42(a).

(4) Any unpaid bills that become a lien against the demised property due to the tenant's occupancy.

(5) The costs of re-renting the premises after breach by the tenant, including any reasonable fees or commissions paid by the landlord to a licensed real estate broker to re-rent the premises.

(6) The costs of removal and storage of the tenant's property after a summary ejectment proceeding.

(7) Court costs.

(8) Any fee permitted by G.S. 42-46.

(b) The security deposit shall not exceed an amount equal to two weeks' rent if a tenancy is week to week, one and one-half months' rent if a tenancy is month to month, and two months' rent for terms greater than month to month. These deposits must be fully accounted for by the landlord as set forth in G.S. 42-52. (1977, c. 914, s. 1; 1983, c. 672, s. 3; 2001-502, s. 5; 2004-143, s. 6; 2011-252, s. 3; 2012-17, s. 4; 2012-194, s. 59(a), (b).)

§ 42-52. Landlord's obligations.

Upon termination of the tenancy, money held by the landlord as security may be applied as permitted in G.S. 42-51 or, if not so applied, shall be refunded to the tenant. In either case the landlord in writing shall itemize any damage and mail or deliver same to the tenant, together with the balance of the security deposit, no later than 30 days after termination of the tenancy and delivery of possession of the premises to the landlord. If the extent of the landlord's claim against the security deposit cannot be determined within 30 days, the landlord shall provide the tenant with an interim accounting no later than 30 days after termination of the tenancy and delivery of possession of the premises to the landlord and shall provide a final accounting within 60 days after termination of the tenancy and delivery of possession of the premises to the landlord. If the tenant's address is unknown the landlord shall apply the deposit as permitted in G.S. 42-51 after a period of 30 days and the landlord shall hold the balance of the deposit for collection by the tenant for at least six months. The landlord may not withhold as damages part of the security deposit for conditions that are due to normal wear and tear nor may the landlord retain an amount from the security deposit which exceeds his actual damages. (1977, c. 914, s. 1; 2009-279, s. 5.)

§ 42-53. Pet deposits.

Notwithstanding the provisions of this section, the landlord may charge a reasonable, nonrefundable fee for pets kept by the tenant on the premises. (1977, c. 914, s. 1.)

§ 42-54. Transfer of dwelling units.

Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within 30 days, do one of the following acts, either of which shall relieve him of further liability with respect to such payment or deposit:

(1) Transfer the portion of such payment or deposit remaining after any lawful deductions made under this section to the landlord's successor in interest and thereafter notify the tenant by mail of such transfer and of the transferee's name and address; or

(2) Return the portion of such payment or deposit remaining after any lawful deductions made under this section to the tenant. (1977, c. 914, s. 1.)

§ 42-55. Remedies.

If the landlord or the landlord's successor in interest fails to account for and refund the balance of the tenant's security deposit as required by this Article, the tenant may institute a civil action to require the accounting of and the recovery of the balance of the deposit. The willful failure of a landlord to comply with the deposit, bond, or notice requirements of this Article shall void the landlord's right to retain any portion of the tenant's security deposit as otherwise permitted under G.S. 42-51. In addition to other remedies at law and equity, the tenant may recover damages resulting from noncompliance by the landlord; and upon a finding by the court that the party against whom judgment is rendered was in willful noncompliance with this Article, such willful noncompliance is against the public policy of this State and the court may award attorney's fees to be taxed as part of the costs of court. (1977, c. 914, s. 1; 2009-279, s. 6.)

§ 42-56. Application of Article.

The provisions of this Article shall apply to all persons, firms, or corporations engaged in the business of renting or managing residential dwelling units, excluding single rooms, on a weekly, monthly or annual basis. (1977, c. 914, s. 2.)

§ 42-57. Reserved for future codification purposes.

§ 42-58. Reserved for future codification purposes.

Article 7.

Expedited Eviction of Drug Traffickers and Other Criminals.

§ 42-59. Definitions.

As used in this Article:

(1) "Complete eviction" means the eviction and removal of a tenant and all members of the tenant's household.

(2) "Criminal activity" means (i) activity that would constitute a violation of G.S. 90-95 other than a violation of G.S. 90-95(a)(3), or a conspiracy to violate any provision of G.S. 90-95 other than G.S. 90-95(a)(3); or (ii) other criminal activity that threatens the health, safety, or right of peaceful enjoyment of the entire premises by other residents or employees of the landlord.

(3) "Entire premises" or "leased residential premises" means a house, building, mobile home, or apartment, whether publicly or privately owned, which is leased for residential purposes. These terms include the entire building or complex of buildings or mobile home park and all real property of any nature appurtenant thereto and used in connection therewith, including all individual rental units, streets, sidewalks, and common areas. These terms do not include a hotel,

motel, or other guest house or part thereof rented to a transient guest.

(4) "Felony" means a criminal offense that constitutes a felony under North Carolina law.

(5) "Guest" means any natural person who has been given express or implied permission by a tenant, a member of the tenant's household, or another guest of the tenant to enter an individual rental unit or any portion of the entire premises.

(6) "Individual rental unit" means an apartment or individual dwelling or accommodation which is leased to a particular tenant, whether or not it is used or occupied or intended to be used or occupied by a single family or household.

(7) "Landlord" means a person, entity, corporation, or governmental authority or agency who or which owns, operates, or manages any leased residential premises.

(8) "Partial eviction" means the eviction and removal of specified persons from a leased residential premises.

(9) "Resident" means any natural person who lawfully resides in a leased residential premises who is not a signatory to a lease or otherwise has no contractual relationship to a landlord. The term includes members of the household of a tenant.

(10) "Tenant" means any natural person or entity who is a named party or signatory to a lease or rental agreement, and who occupies, resides in, or has a legal right to possess and use an individual rental unit. (1995, c. 419, s. 1.)

§ 42-59.1. Statement of Public Policy.

The General Assembly recognizes that the residents of this State have the right to the peaceful, safe, and quiet enjoyment of their homes. The General Assembly further recognizes that these rights, as well as the health, safety, and welfare of residents, are often jeopardized by the criminal activity of other residents of rented residential property, but that landlords are often unable to remove those residents engaged in criminal activity. In order to ensure that residents of this State can have the peaceful, safe, and quiet enjoyment of their homes, the provisions of this Article are deemed to apply to all residential rental agreements in this State. (1995, c. 419, s. 1.)

§ 42-60. Nature of actions and jurisdiction.

The causes of action established in this Article are civil actions to remove tenants or other persons from leased residential premises. These actions shall be brought in the district court of the county where the individual rental unit is located. If the plaintiff files the complaint as a small claim, the parties shall not be entitled to discovery from the magistrate. However, if such

a case is filed originally in the district court or is appealed from the judgment of a magistrate for a new trial in the district court, all of the procedures and remedies in this Article shall be applicable. (1995, c. 419, s. 1.)

§ 42-61. Standard of proof.

The civil causes of action established in this Article shall be proved by a preponderance of the evidence, except as otherwise expressly provided in G.S. 42-64. (1995, c. 419, s. 1.)

§ 42-62. Parties.

(a) Who May Bring Action. – A civil action pursuant to this Article may be brought by the landlord of a leased residential premises, or the landlord's agent, as provided for in G.S. 1-57 of the General Statutes and in Article 3 of this Chapter.

(b) Defendants to the Action. – A civil action pursuant to this Article may be brought against any person within the jurisdiction of the court, including a tenant, adult or minor member of the tenant's household, guest, or resident of the leased residential premises. If any defendant's true name is unknown to the plaintiff, process may issue against the defendant under a fictitious name, stating it to be fictitious and adding an appropriate description sufficient to identify him or her.

(c) Notice to Defendants. – A complaint initiating an action pursuant to this Article shall be served in the same manner as serving complaints in civil actions pursuant to G.S. 1A-1, Rule 4 and G.S. 42-29. (1995, c. 419, s. 1.)

§ 42-63. Remedies and judicial orders.

(a) Grounds for Complete Eviction. – Subject to the provisions of G.S. 42-64 and pursuant to G.S 42-68, the court shall order the immediate eviction of a tenant and all other residents of the tenant's individual unit where it finds that:

(1) Criminal activity has occurred on or within the individual rental unit leased to the tenant; or

(2) The individual rental unit leased to the tenant was used in any way in furtherance of or to promote criminal activity; or

(3) The tenant, any member of the tenant's household, or any guest has engaged in criminal activity on or in the immediate vicinity of any portion of the entire premises; or

(4) The tenant has given permission to or invited a person to return or reenter any portion of the entire premises, knowing that the person has been removed and barred from the entire premises pursuant to this Article or the reasonable rules and regulations of a publicly assisted landlord; or The tenant has failed to notify law enforcement or the landlord immediately upon learning that a person who has been removed and barred from the tenant's individual rental unit

pursuant to this Article has returned to or reentered the tenant's individual rental unit.

(b) Grounds for Partial Eviction and Issuance of Removal Orders. – The court shall, subject to the provisions of G.S. 42-64, order the immediate removal from the entire premises of any person other than the tenant, including an adult or minor member of the tenant's household, where the court finds that such person has engaged in criminal activity on or in the immediate vicinity of any portion of the leased residential premises. Persons removed pursuant to this section shall be barred from returning to or reentering any portion of the entire premises.

(c) Conditional Eviction Orders Directed Against the Tenant. – Where the court finds that a member of the tenant's household or a guest of the tenant has engaged in criminal activity on or in the immediate vicinity of any portion of the leased residential premises, but such person has not been named as a party defendant, has not appeared in the action or otherwise has not been subjected to the jurisdiction of the court, a conditional eviction order issued pursuant to subsection (b) of this section shall be directed against the tenant, and shall provide that as an express condition of the tenancy, the tenant shall not give permission to or invite the barred person or persons to return to or reenter any portion of the entire premises. The tenant shall acknowledge in writing that the tenant understands the terms of the court's order, and that the tenant further understands that the failure to comply with the court's order will result in the mandatory termination of the tenancy pursuant to G.S. 42-68. (1995, c. 419, s. 1.)

§ 42-64. Affirmative defense or exemption to a complete eviction.

(a) Affirmative Defense. – The court shall refrain from ordering the complete eviction of a tenant pursuant to G.S. 42-63(a) where the tenant has established that the tenant was not involved in the criminal activity and that:

(1) The tenant did not know or have reason to know that criminal activity was occurring or would likely occur on or within the individual rental unit, that the individual rental unit was used in any way in furtherance of or to promote criminal activity, or that any member of the tenant's household or any guest has engaged in criminal activity on or in the immediate vicinity of any portion of the entire premises; or

(2) The tenant had done everything that could reasonably be expected under the circumstances to prevent the commission of the criminal activity, such as requesting the landlord to remove the offending household member's name from the lease, reporting prior criminal activity to appropriate law enforcement authorities, seeking assistance from social service or counseling agencies, denying permission, if feasible, for the offending household member to reside in the unit, or seeking assistance from church or religious organizations.

Notwithstanding the court's denial of eviction of the tenant, if the plaintiff has proven that an evictable offense under G.S. 42-63 was committed by someone other than the tenant, the court shall order such other relief as the court deems appropriate to protect the interests of the landlord and neighbors of the tenant, including the partial eviction of the culpable household members pursuant to G.S. 42-63(b) and conditional eviction orders under G.S. 42-63(c).

(b) Subsequent Affirmative Defense to a Complete Eviction. – The affirmative defense set forth in subsection (a) of this section shall not be available to a tenant in a subsequent action brought pursuant to this Article unless the tenant can establish by clear and convincing evidence that no reasonable person could have foreseen the occurrence of the subsequent criminal activity or that the tenant had done everything reasonably expected under the circumstances to prevent the commission of the second criminal activity.

(c) Exemption. – Where the grounds for a complete eviction have been established, the court shall order the eviction of the tenant unless, taking into account the circumstances of the criminal activity and the condition of the tenant, the court is clearly convinced that immediate eviction or removal would be a serious injustice, the prevention of which overrides the need to protect the rights, safety, and health of the other tenants and residents of the leased residential premises. The burden of proof for the exemption set forth shall be by clear and convincing evidence. (1995, c. 419, s. 1.)

§ 42-65. Obstructing the execution or enforcement of a removal or eviction order.

Any person who knowingly violates any order issued pursuant to this Article or who knowingly interferes with, obstructs, impairs, or prevents any law enforcement officer from enforcing or executing any order issued pursuant to this Article, shall be subject to criminal contempt under Article 1 of Chapter 5A of the General Statutes. Nothing in this section shall be construed in any way to preclude or preempt prosecution for any other criminal offense. (1995, c. 419, s. 1.)

§ 42-66. Motion to enforce eviction and removal orders.

(a) A motion to enforce an eviction or removal order issued pursuant to G.S. 42-63(b) or

(c) shall be heard on an expedited basis and within 15 days of the service of the motion.

(b) Mandatory Eviction. – The court shall order the immediate eviction of the tenant where it finds that:

(1) The tenant has given permission to or invited any person removed or barred from the leased residential premises pursuant to this Article to return to or reenter any portion of the premises; or

(2) The tenant has failed to notify appropriate law enforcement authorities or the landlord immediately upon learning that any person who had been removed and barred pursuant to this Article has returned to or reentered the tenant's individual rental unit; or

(3) The tenant has otherwise knowingly violated an express term or condition of any order issued by court pursuant to this Article. (1995, c. 419, s. 1.)

§ 42-67. Impermissible defense.

It shall not be a defense to an action brought pursuant to this Article that the criminal activity was an isolated incident or otherwise has not recurred. Nor is it a defense that the person who actually engaged in the criminal activity no longer resides in the tenant's individual rental unit. However, evidence of such facts may be admissible if offered to support affirmative defenses or grounds for an exemption pursuant to G.S. 42-64. (1995, c. 419, s. 1.)

§ 42-68. Expedited proceedings.

Where the complaint is filed as a small claim, the expedited process for summary ejectment, as provided in Article 3 of this Chapter and Chapter 7A of the General Statutes, applies. Where the complaint is filed initially in the district court or a judgment by the magistrate is appealed to the district court, the procedure in G.S. 42-34(b) through (g), if applicable, and the following procedures apply:

(1) Expedited Hearing. – When a complaint is filed initiating an action pursuant to this Article, the court shall set the matter for a hearing which shall be held on an expedited basis and within the first term of court falling after 30 days from the service of the complaint on all defendants or from service of notice of appeal from a magistrate's judgment, unless either party obtains a continuance. However, where a defendant files a counterclaim, the court shall reset the trial for the first term of court falling after 30 days from the defendant's service of the counterclaim.

(2) Standards for Continuances. – The court shall not grant a continuance, nor shall it stay the civil proceedings pending the disposition of any related criminal proceedings, except as required to complete permitted discovery, to have the plaintiff reply to a counterclaim, or for compelling and extraordinary reasons or on application of the district attorney for good cause shown.

(3) When Presented. – The defendant in an action brought in district court pursuant to this Article shall serve an answer within 20 days after service of the summons and complaint, or within 20 days after service of the appeal to district court when the action was initially brought in small claims court. The plaintiff shall serve a reply to a counterclaim in the answer within 20 days after service of the answer.

(4) Extensions of Time for Filing. – The parties to an action brought pursuant to this Article shall not be entitled to an extension of time for completing an act required by subdivision (3) of this section, except for compelling and extraordinary reasons.

(5) Default. – A party to an action brought pursuant to this Article who fails to plead in accordance with the time periods in subdivision (3) of this section shall be subject to the provisions of G.S. 1A-1, Rule 55.

(6) Rules of Civil Procedure. – Unless otherwise provided for in this Article, G.S. 1A-1, the Rules of Civil Procedure, shall apply in the district court to all actions brought pursuant to this Article. (1995, c. 419, s. 1.)

§ 42-69. Relation to criminal proceedings.

(a) Criminal Proceedings, Conviction, or Adjudication Not Required. – The fact that a criminal prosecution involving the criminal activity is not commenced or, if commenced, has not yet been concluded or has terminated without a conviction or adjudication of delinquency shall not preclude a civil action or the issuance of any order pursuant to this Article.

(b) Effect of Conviction or Adjudication. – Where a criminal prosecution involving the criminal activity results in a final criminal conviction or adjudication of delinquency, such adjudication or conviction shall be considered in the civil action as conclusive proof that the criminal activity occurred.

(c) Admissibility of Criminal Trial Recordings or Transcripts. – Any evidence or testimony admitted in the criminal proceeding, including recordings or transcripts of the adult or juvenile criminal proceedings, whether or not they have been transcribed, may be admitted in the civil action initiated pursuant to this Article.

Use of Sealed Criminal Proceeding Records. – In the event that the evidence or records of a criminal proceeding which did not result in a conviction or adjudication of delinquency have been sealed by court order, the court in a civil action brought pursuant to this Article may order such evidence or records, whether or not they have been transcribed, to be unsealed if the court finds that such evidence or records would be relevant to the fair disposition of the civil action. (1995, c. 419, s. 1.)

§ 42-70. Discovery.

(a) The parties to an action brought pursuant to this Article shall be entitled to conduct discovery, if the action is filed originally in or appealed to the district court, only in accordance with this section.

(b) Any defendant must initiate all discovery within the time allowed by this Article for the filing of an answer or counterclaim.

(c) The plaintiff must initiate all discovery within 20 days of service of an answer or counterclaim by a defendant.

(d) All parties served with interrogatories, requests for production of documents, and requests for admissions under G.S. 1A-1, Rules 33, 34, and 36 shall serve their responses within 20 days.

(e) Upon application by the plaintiff, or agreement of the parties, the court shall issue a preliminary injunction against all alleged illegal activity by the defendant or other identified parties who are residents of the individual rental unit or guests of defendants, pending the completion of discovery and any other wait before the trial has occurred. (1995, c. 419, s. 1.)

§ 42-71. Protection of threatened witnesses or affiants.

If proof necessary to establish the grounds for eviction depends, in whole or in part, upon the affidavits or testimony of witnesses who are not peace officers, the court may, upon a showing of prior threats of violence or acts of violence by any defendant or any other person, issue orders to protect those witnesses, including the nondisclosure of the name, address, or any other information which may identify those witnesses. (1995, c. 419, s. 1.)

§ 42-72. Availability of law enforcement resources to plaintiffs or potential plaintiffs.

A law enforcement agency may make available to any person or entity authorized to bring an action pursuant to this Article any police report or edited portion thereof, or forensic laboratory report or edited portion thereof, concerning criminal activity committed on or in the immediate vicinity of the leased residential premises. A law enforcement agency may also make any officer or officers available to testify as a fact witness or expert witness in a civil action brought pursuant to this Article. The agency shall not disclose such information where, in the agency's opinion, such disclosure would jeopardize an investigation, prosecution, or other proceeding, or where such disclosure would violate any federal or State statute. (1995, c. 419, s. 1.)

§ 42-73. Collection of rent.

A landlord shall be entitled to collect rent due and owing with knowledge of any illegal acts that violate the provisions of this act without such collection constituting a waiver of the alleged defaults. (1995, c. 419, s. 1.)

§ 42-74. Preliminary or emergency relief.

The district court shall have the authority at any time to issue a temporary restraining order, grant a preliminary injunction, or take such other actions as the court deems necessary to enjoin or prevent the commission of criminal activity on or in the immediate vicinity of leased residential premises, or otherwise to protect the rights and interests of all tenants and residents. A violation of any such duly issued order or preliminary relief shall subject the violator to civil or criminal contempt. (1995, c. 419, s. 1.)

§ 42-75. Cumulative remedies.

The causes of action and remedies authorized by this Article shall be cumulative with each other and shall be in addition to, not in lieu of, any other causes of action or remedies which may be available at law or equity, including causes of action and remedies based on express provisions of the lease not contrary to this Article. (1995, c. 419, s. 1.)

§ 42-76. Civil immunity.

Any person or organization who, in good faith, institutes, participates in, or encourages a person or entity to institute or participate in a civil action brought pursuant to this Article, or who in good faith provides any information relied upon by any person or entity in instituting or participating in a civil action pursuant to this Article shall have immunity from any civil liability that might otherwise be incurred or imposed. Any such person or organization shall have the same immunity from civil liability with respect to testimony given in any judicial proceeding conducted pursuant to this Article. (1995, c. 419, s. 1.)

Article 6.

Tenant Security Deposit Act.

§ 42-50. Deposits from the tenant.

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and federally insured depository institution or a trust institution authorized to do business in this State, or the landlord may, at the landlord's option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of the deposits. The landlord or the landlord's agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where the tenant's deposit is currently located or the name of the insurance company providing the bond. (1977, c. 914, s. 1; 2015-93, s. 2; 2017-25, s. 2(a).)

§ 42-51. Permitted uses of the deposit.

(a) Security deposits for residential dwelling units shall be permitted only for the following:

(1) The tenant's possible nonpayment of rent and costs for water or sewer services provided pursuant to G.S. 62-110(g) and electric service pursuant to G.S. 62-110(h).

(2) Damage to the premises, including damage to or destruction of smoke alarms or carbon monoxide alarms.

(3) Damages as the result of the nonfulfillment of the rental period, except where the tenant terminated the rental agreement under G.S. 42-45, G.S. 42-45.1, or because the tenant was forced to leave the property because of the landlord's violation of Article 2A of Chapter 42 of the General Statutes or was constructively evicted by the landlord's violation of G.S. 42-42(a).

(4) Any unpaid bills that become a lien against the demised property due to the tenant's occupancy.

(5) The costs of re-renting the premises after breach by the tenant, including any reasonable fees or commissions paid by the landlord to a licensed real estate broker to re-rent the premises.

(6) The costs of removal and storage of the tenant's property after a summary ejectment proceeding.

(7) Court costs.

(8) Any fee permitted by G.S. 42-46.

(b) The security deposit shall not exceed an amount equal to two weeks' rent if a tenancy is week to week, one and one-half months' rent if a tenancy is month to month, and two months' rent for terms greater than month to month.

These deposits must be fully accounted for by the landlord as set forth in G.S. 42-52. (1977, c. 914, s. 1; 1983, c. 672, s. 3; 2001-502, s. 5; 2004-143,

s. 6; 2011-252, s. 3; 2012-17, s. 4; 2012-194, s. 59(a), (b).)

§ 42-52. Landlord's obligations.

Upon termination of the tenancy, money held by the landlord as security may be applied as permitted in G.S. 42-51 or, if not so applied, shall be refunded to the tenant. In either case the landlord in writing shall itemize any damage and mail or deliver same to the tenant, together with the balance of the security deposit, no later than 30 days after termination of the tenancy and

delivery of possession of the premises to the landlord. If the extent of the landlord's claim against the security deposit cannot be determined within 30 days, the landlord shall provide the tenant with an interim accounting no later than 30 days after termination of the tenancy and delivery of possession of the premises to the landlord and shall provide a final accounting within 60 days after termination of the tenancy and delivery of possession of the premises to the landlord. If the tenant's address is unknown the landlord shall apply the deposit as permitted in G.S. 42-51 after a period of 30 days and the landlord shall hold the balance of the deposit for collection by the tenant for at least six months. The landlord may not withhold as damages part of the security deposit for conditions that are due to normal wear and tear nor may the landlord retain an amount from the security deposit which exceeds his actual damages. (1977, c. 914, s. 1; 2009-279, s. 5.)

§ 42-53. Pet deposits.

Notwithstanding the provisions of this section, the landlord may charge a reasonable, nonrefundable fee for pets kept by the tenant on the premises. (1977, c. 914, s. 1.)

§ 42-54. Transfer of dwelling units.

Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within 30 days, do one of the following acts, either of which shall relieve him of further liability with respect to such payment or deposit:

(1) Transfer the portion of such payment or deposit remaining after any lawful deductions made under this section to the landlord's successor in interest and thereafter notify the tenant by mail of such transfer and of the transferee's name and address; or

(2) Return the portion of such payment or deposit remaining after any lawful deductions made under this section to the tenant. (1977, c. 914, s. 1.)

§ 42-55. Remedies.

If the landlord or the landlord's successor in interest fails to account for and refund the balance of the tenant's security deposit as required by this Article, the tenant may institute a civil action to require the accounting of and the recovery of the balance of the deposit. The willful failure of a landlord to comply with the deposit, bond, or notice requirements of this Article shall void the landlord's right to retain any portion of the tenant's security deposit as otherwise permitted under

G.S. 42-51. In addition to other remedies at law and equity, the tenant may recover damages resulting from noncompliance by the landlord; and upon a finding by the court that the party against whom judgment is rendered was in willful noncompliance with this Article, such willful noncompliance is against the public policy of this State and the court may award attorney's fees to be taxed as part of the costs of court. (1977, c. 914, s. 1; 2009-279, s. 6.)

§ 42-56. Application of Article.

The provisions of this Article shall apply to all persons, firms, or corporations engaged in the business of renting or managing residential dwelling units, excluding single rooms, on a weekly, monthly or annual basis. (1977, c. 914, s. 2.)

NC General Statutes - Article 6.

Tenant Security Deposit Act.

§ 42-50. Deposits from the tenant.

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and federally insured depository institution or a trust institution authorized to do business in this State, or the landlord may, at the landlord's option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of the deposits. The landlord or the landlord's agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where the tenant's deposit is currently located or the name of the insurance company providing the bond. (1977, c. 914, s. 1; 2015-93, s. 2; 2017-25, s. 2(a).)

§ 42-51. Permitted uses of the deposit.

(a) Security deposits for residential dwelling units shall be permitted only for the following:

(1) The tenant's possible nonpayment of rent and costs for water or sewer services provided pursuant to G.S. 62-110(g) and electric service pursuant to G.S. 62-110(h).

(2) Damage to the premises, including damage to or destruction of smoke alarms or carbon monoxide alarms.

(3) Damages as the result of the nonfulfillment of the rental period, except where the tenant terminated the rental agreement under G.S. 42-45, G.S. 42-45.1, or because the tenant was forced to leave the property because of the landlord's violation of Article 2A of Chapter 42 of the General Statutes or was constructively evicted by the landlord's violation of G.S. 42-42(a).

(4) Any unpaid bills that become a lien against the demised property due to the tenant's occupancy.

(5) The costs of re-renting the premises after breach by the tenant, including any reasonable fees or commissions paid by the landlord to a licensed real estate broker to re-rent the premises.

(6) The costs of removal and storage of the tenant's property after a summary ejectment proceeding.

(7) Court costs.

(8) Any fee permitted by G.S. 42-46.

(b) The security deposit shall not exceed an amount equal to two weeks' rent if a tenancy is week to week, one and one-half months' rent if a tenancy is month to month, and two months' rent for terms greater than month to month. These deposits must be fully accounted for by the landlord as set forth in G.S. 42-52. (1977, c. 914, s. 1; 1983, c. 672, s. 3; 2001-502, s. 5; 2004-143,

s. 6; 2011-252, s. 3; 2012-17, s. 4; 2012-194, s. 59(a), (b).)

§ 42-52. Landlord's obligations.

Upon termination of the tenancy, money held by the landlord as security may be applied as permitted in G.S. 42-51 or, if not so applied, shall be refunded to the tenant. In either case the landlord in writing shall itemize any damage and mail or deliver same to the tenant, together with the balance of the security deposit, no later than 30 days after termination of the tenancy and

delivery of possession of the premises to the landlord. If the extent of the landlord's claim against the security deposit cannot be determined within 30 days, the landlord shall provide the tenant with an interim accounting no later than 30 days after termination of the tenancy and delivery of possession of the premises to the landlord and shall provide a final accounting within 60 days after termination of the tenancy and delivery of possession of the premises to the landlord. If the tenant's address is unknown the landlord shall apply the deposit as permitted in G.S. 42-51 after a period of 30 days and the landlord shall hold the balance of the deposit for collection by the tenant for at least six months. The landlord may not withhold as damages part of the security deposit for conditions that are due to normal wear and tear nor may the landlord retain an amount from the security deposit which exceeds his actual damages. (1977, c. 914, s. 1; 2009-279, s. 5.)

§ 42-53. Pet deposits.

Notwithstanding the provisions of this section, the landlord may charge a reasonable, nonrefundable fee for pets kept by the tenant on the premises. (1977, c. 914, s. 1.)

§ 42-54. Transfer of dwelling units.

Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within 30 days, do one of the following acts, either of which shall relieve him of further liability with respect to such payment or deposit:

(1) Transfer the portion of such payment or deposit remaining after any lawful deductions made under this section to the landlord's successor in interest and thereafter notify the tenant by mail of such transfer and of the transferee's name and address; or

(2) Return the portion of such payment or deposit remaining after any lawful deductions made under this section to the tenant. (1977, c. 914, s. 1.)

§ 42-55. Remedies.

If the landlord or the landlord's successor in interest fails to account for and refund the balance of the tenant's security deposit as required by this Article, the tenant may institute a civil action to require the accounting of and the recovery of the balance of the deposit. The willful failure of a landlord to comply with the deposit, bond, or notice requirements of this Article shall void the landlord's right to retain any portion of the tenant's security deposit as otherwise permitted under

G.S. 42-51. In addition to other remedies at law and equity, the tenant may recover damages resulting from noncompliance by the landlord; and upon a finding by the court that the party against whom judgment is rendered was in willful noncompliance with this Article, such willful noncompliance is against the public policy of this State and the court may award attorney's fees to be taxed as part of the costs of court. (1977, c. 914, s. 1; 2009-279, s. 6.)

§ 42-56. Application of Article.

The provisions of this Article shall apply to all persons, firms, or corporations engaged in the business of renting or managing residential dwelling units, excluding single rooms, on a weekly, monthly or annual basis. (1977, c. 914, s. 2.)

CCA Administrative Plan

Exhibit K

Glossary

GLOSSARY OF SUBSIDIZED HOUSING TERMS

***Absorption*.** In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

***Accessible*.** The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

***Adjusted income*.** Annual income, less allowable HUD deductions and allowances.

***Administrative fee*.** Fee paid by HUD to the PHA for administration of the program. See §982.152.

***Administrative plan*.** The plan describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

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

***Affiliated person*.** The tenant's spouse, parent, sibling, or child, or lawful occupant living in the tenant's household, or anyone for whom the tenant acts as parent/guardian of a victim of domestic violence, dating violence, sexual assault, or stalking .

***Amortization payment*.** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

***Annual*.** Happening once a year.

***Annual contributions contract (ACC)*.** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

***Annual income*.** All amounts not specifically excluded in 24 CFR 5.609(b), received from all sources by each member of the family who is 18 years of age or older or is the head of household, spouse or cohead, plus unearned income by or on behalf of each dependent who is under 18 years of age.

***Applicant (applicant family)*.** A family that has applied for admission to a program but is not yet a participant in the program.

***Area exception rent*.** An amount that exceeds the published FMR. See 24 CFR 982.504(b).

***As-paid states*.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

***Assets*.** (See *net family assets*.)

***Authorized voucher units*.** The number of units for which a PHA is authorized to make assistance payments to owners under its annual contributions contract.

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Biennial. Happening every two years.

Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Budget authority. An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Building. A structure with a roof and walls that contains one or more dwelling units.

Child. *A* member of the family other than the family head or spouse who is under 18 years of age.

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

Citizen. *A* citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease as the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

Common space. In shared housing, the space available for use by the assisted family and other occupants of the unit.

Computer match. The automated comparison of databases containing records about individuals.

Confirmatory review. An on-site review performed by HUD to verify the management performance of a PHA.

Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606–609.

Contiguous MSA. In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

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

Contract authority. The maximum annual payment by HUD to a PHA for a funding increment.

Cooperative (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).

Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the people involved in the relationship.

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

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

Dependent. A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full- time student.

Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

Disability assistance expenses. Reasonable expenses that that, when combined with health and medical care expenses, exceed 10 percent of annual income and are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family. A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person. See *person with disabilities*.

Disallowance. Exclusion from annual income.

Displaced family. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Domestic violence. Felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim,
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner,
- A person with whom the victim shares a child in common,
- A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction.

Domicile. The legal residence of the household head or spouse as determined in accordance with state and local law.

Drug-related criminal activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

Earned income. Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Economic abuse. Behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitle, including using coercion, fraud, and manipulation to:

- Restrict a person's access to money, assets, credit, or financial information,
- Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage,
- Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations,

exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty.

Economic self-sufficiency program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

Elderly family. A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person. An individual who is at least 62 years of age.

Eligible family A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR. See also *family*.

Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. See 24 CFR 5.508(b).

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. See 24 CFR 5.603.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- Family includes a single person, who may be:
- An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
- An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90

days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or

- Family also includes a group of persons residing together, and such group includes, but is not limited to:
- A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
- An elderly family;
- A near-elderly family;
- A disabled family;
- A displaced family; and
- The remaining member of a tenant family.

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program (FSS program). A program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the coordination of supportive services to these families (24 CFR 984.103).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

Family unit size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

Federal agency. A department of the executive branch of the federal government.

Foster adult. A member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child. A member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster childcare payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). See 24 CFR 5.603.

Funding increment. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

Gender identity. Actual or perceived gender-related characteristics.

Gross rent. The sum of the rent to owner plus any utility allowance.

Group home. A dwelling unit that is licensed by the state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (A special housing type: see 24 CFR 982.610–614.)

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

HAP contract. The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

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

Health and medical care expenses. Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Household. A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

Housing assistance payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing agency (HA). See *public housing agency*.

Housing quality standards (HQS). The minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program, including any variations approved by HUD for the PHA under 24 CFR 5.705(a)(3).

HUD. The U.S. Department of Housing and Urban Development.

Human trafficking. A crime involving the exploitation of a person for labor, services, or commercial sex. The Trafficking Victims Protection Act of 2000 and its subsequent reauthorizations recognize and define two primary forms of human trafficking:

- Sex trafficking is the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age. See 22 U.S.C. § 7102(11)(A).
- Forced labor is the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the

purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. See 22 U.S.C. § 7102(11)(B).

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

Income for eligibility. Annual income.

Independent contractor. An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

Independent entity. The unit of general local government; however, if the PHA itself is the unit of general local government or an agency of such government, then only the next level of general local government (or an agency of such government) or higher may serve as the independent entity; or a HUD-approved entity that is autonomous and recognized under state law as a separate legal entity from the PHA. The entity must not be connected financially (except regarding compensation for services performed for PHA-owned units) or in any other manner that could result in the PHA improperly influencing the entity.

Individual with handicaps. See *person with disabilities*.

Inflationary index. An index based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) used to make annual adjustments to the deduction for elderly disabled families, the cap for imputing returns on assets, the restriction on net family assets, the amount of net assets the PHA may determine based on self-certification by the family, and the dependent deduction.

Initial PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Initial payment standard. The payment standard at the beginning of the HAP contract term.

Initial rent to owner. The rent to owner at the beginning of the HAP contract term.

Inside. Under NSPIRE, the inside of HUD housing (or "inside areas") refers to the common areas and building systems that can be generally found within the building interior and are not inside a unit. Examples of "inside" common areas may include, basements, interior or attached garages, enclosed carports, restrooms, closets, utility rooms, mechanical rooms, community rooms, day care rooms, halls, corridors, stairs, shared kitchens, laundry rooms, offices, enclosed porches, enclosed patios, enclosed balconies, and trash collection areas. Examples of building systems include those components that provide domestic water such as pipes, electricity, elevators, emergency power, fire protection, HVAC, and sanitary services.

Institution of higher education. An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

***Jurisdiction*.** The area in which the PHA has authority under state and local law to administer the program.

***Landlord*.** Either the owner of the property or their representative, or the managing agent or their representative, as designated by the owner.

***Lease*.** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

***Life Threatening deficiency*.** Under NSPIRE, the life-threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death or severe illness or injury to a resident.

***Live-in aide*.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons,
- Is not obligated for the support of the persons, and
- Would not be living in the unit except to provide the necessary supportive services.

***Local preference*.** A preference used by the PHA to select among applicant families.

***Low deficiency*.** Under NSPIRE, deficiencies critical to habitability but not presenting a substantive health or safety risk to resident.

***Low-income family*.** A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

***Manufactured home*.** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence and meets the HQS. (A special housing type: see 24 CFR 982.620 and 982.621.)

***Manufactured home space*.** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

***Minor*.** A member of the family household other than the family head or spouse, who is under 18 years of age.

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

***Moderate deficiency*.** Under NSPIRE, this includes deficiencies that, if evident in the home or on the property, present a moderate risk of an adverse medical event requiring a healthcare visit; cause temporary harm; or if left untreated, cause or worsen a chronic condition that may have long-lasting adverse health effects; or that the physical security or safety of a resident or their property could be compromised.

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

Mutual housing. Included in the definition of cooperative.

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

National Standards for the Physical Inspection of Real Estate. HUD's housing inspection approach. NSPIRE is a single inspection standard for all units under the Public Housing, HCV, Multifamily, and Community Planning and Development (CPD) programs. NSPIRE's focus is on the areas that impact residents the most, such as the dwelling unit.

Near-elderly family. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets. The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment. In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Noncitizen. *A* person who is neither a citizen nor national of the United States.

Notice of funding availability (NOFA). For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Office of General Counsel (OGC). The General Counsel of HUD.

Outside. Under NSPIRE, outside of HUD housing (or "outside areas") refers to the building site, building exterior components, and any building systems located outside of the building or unit. Examples of "outside" components may include fencing, retaining walls, grounds, lighting, mailboxes, project signs, parking lots, detached garage or carport, driveways, play areas and equipment, refuse disposal, roads, storm drainage, non-dwelling buildings, and walkways. Components found on the exterior of the building are also considered outside areas, and examples may include doors, attached porches, attached patios, balconies, car ports, fire escapes, foundations, lighting, roofs, walls, and windows.

Overcrowded. A unit that does not have at least one bedroom or living/sleeping room for every two persons.

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

PHA-owned unit. A dwelling unit in a project that is: (A) Owned by the PHA (including having a controlling interest in the entity that owns the project); (B) Owned by an entity wholly controlled by the PHA; or (C) Owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner. A controlling interest is: (A) Holding more than 50 percent of the stock of any corporation; (B) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a nonprofit corporation); (C) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; (D) Holding more than 50 percent of all managing member interests in an LLC; (E) Holding more than 50 percent of all general partner interests in a partnership; or (F) Equivalent levels of control in other ownership structures.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

PHA's quality control sample. An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

Participant (participant family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Person with disabilities. *For the purposes of program eligibility*. A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes people with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Portability. Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

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

Private space. In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

Project owner. The person or entity that owns the housing project containing the assisted dwelling unit.

Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

Public housing agency (PHA). Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Qualified census tract. With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

Real property. Real property has the same meaning as that provided under the law of the state in which the property is located.

Reasonable rent. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

Receiving PHA. In portability: A PHA that receives a family selected for participation in the tenant- based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Recertification. *Sometimes called reexamination*. The process of documenting total family income for use in determining the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow, age 47, who is not disabled).

Rent to owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Residency preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

Residency preference area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing and the Section 8 tenant-based assistance, project- based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

Secretary. The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937.

Section 8 covered programs. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

Section 8 Management Assessment Program (SEMAP). A system used by HUD to measure PHA performance in key Section 8 program areas. See 24 CFR Part 985.

Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended.

Section 214 covered programs. The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Seasonal worker. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Set-up charges. In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

Severe deficiency. Under NSPIRE, the severe category includes deficiencies that, if evident in the home or on the property, present a high risk of permanent disability, or serious injury or illness, to a resident; or the physical security or safety of a resident or their property would be seriously compromised.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

Sexual orientation. Homosexuality, heterosexuality, or bisexuality.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

Single person. A person living alone or intending to live alone.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

Small Area Fair Market Rents (SAFMRs). FMRs established for ZIP code areas

Small rural public housing agency (PHA). Section 38 defines the term "small public housing agency" as a public housing agency "for which the sum of the number of public housing dwelling units administered by the agency and the number of vouchers under section 8(o) administered by the agency is 550 or fewer" and "that predominantly operates in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations." After consideration of the public comments discussed above, HUD is interpreting "predominantly operates in a rural area" to mean a small PHA that:

(1) Has a primary administrative building with a physical address in a rural area as described in 12 CFR 1026.35(b)(2)(iv)(A); or

(2) more than 50 percent of its combined public housing units and voucher units under section 8(o) are in rural areas as described in 12 CFR 1026.35(b)(2)(iv)(A). HUD also clarifies that voucher units under section 8(o) include those in the tenant-based Housing Choice Voucher (HCV) program and the Project-Based Voucher (PBV) program.

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Special admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

Special housing types. See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

Specified welfare benefit reduction. Reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self- sufficiency program.

Spouse. The marriage partner of the head of household.

Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; 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.

State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an

alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Subsidy standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension. The term on the family's voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied. This practice is also called *tolling*.

Tax credit rent. With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Technological abuse. An act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

- Internet-enabled devices
- Online spaces and platforms
- Computers
- Mobile devices
- Cameras and imaging programs
- Apps
- Location tracking devices
- Communication technologies
- Any other emergency technologies

Tenancy addendum. For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.

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

Tenant-paid utilities. Utilities and services that are not included in the rent to owner and are the responsibility of the assisted family, regardless of whether the payment goes to the utility company or the owner. The utilities and services are necessary in the locality to provide housing that complies with HQS. The utilities and services may also include those required by HUD through a *Federal Register* notice after providing opportunity for public comment.

Tenant rent to owner. See *family rent to owner*.

Term of lease. The amount of time a tenant agrees in writing to live in a dwelling unit.

Total tenant payment (TTP). The total amount of the HUD rent formula requires the tenant to pay toward rent and utilities.

Unearned income. Any annual income, as calculated under 24 CFR 5.609, that is not earned income.

Unit. Under NSPIRE, a unit (or "dwelling unit") of HUD housing refers to the interior components of an individual unit. Examples of components included in the interior of a unit may include the balcony, bathroom, call-for-aid (if applicable), carbon monoxide devices, ceiling, doors, electrical systems, enclosed patio, floors, HVAC (where individual units are provided), kitchen, lighting, outlets, smoke detectors, stairs, switches, walls, water heater, and windows.

Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy- conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. In the voucher program, the portion of the housing assistance payment that exceeds the amount of rent to owner.

Utility hook-up charge. In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Very low-income family. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area based on its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable. Veteran means an individual who has served in the United States Armed Forces.

Victim. Any victim of VAWA violence/abuse, regardless of actual or perceived sexual orientation, gender identity, sex, or marital status.

Violence Against Women Act (VAWA). Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Violent criminal activity. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher *(housing choice voucher).* A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Voucher holder. A family holding a voucher with an unexpired term (search time).

Voucher program. The housing choice voucher program.

Waiting list. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

Waiting list admission. An admission from the PHA waiting list.

Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, childcare or other services for working families. For the FSS program (24 CFR 984.103), *welfare assistance* includes only cash maintenance payments designed to meet a family's ongoing basic needs.

Does not include nonrecurring short term benefits designed to address individual crisis situations, work subsidies, supportive services such as child care and transportation provided to families who are employed, refundable earned income tax credits, contributions to and distributions from Individual Development Accounts under TANF, services such as counseling, case management, peer support, child care information and referral, financial empowerment, transitional services, job retention, job advancement, and other employment-related services that to not provide basic income support, amounts solely directed to meeting housing expenses, amounts for health care, Supplemental Nutrition Assistance Program (SNAP) and emergency rental and utilities assistance, SSI, SSDI, or social security, and child-only or non- needy TANF grants made to or on behalf of a dependent child solely on the basis of the child's need and not the need of the child's current non-parental caretaker.

Withholding. Stopping HAP payments to an owner while holding them for potential retroactive disbursement.