

CHAPTER 7
RESIDENT COUNSELING AND RESIDENT SERVICES

Strong counseling and resident relations initiatives are two important ways for an Indian Housing Authority (IHA) to build a solid community. IHAs are required to provide homeownership counseling to families entering the Mutual Help (MH) homeownership program. While renter counseling is not required, IHAs are encouraged to provide it as well, and to find ways to work creatively to provide resident services.

This chapter provides guidelines on how to develop a counseling program, and how to get R approved and funded by HUD. The chapter also discusses resident services and building collaborative relationships with resident organizations.

PART 1: OVERVIEW

7.1 THE BASICS

What Counseling Can Do:
Counseling can make the difference between families succeeding or failing as homeowners. While HUD requires IHAs to provide homeownership counseling, it is the IHA's responsibility to plan how the counseling will be offered and what the curriculum will include.

Families must complete an approved counseling program as a condition of participating in the MH program. Counseling should provide these families with:

- o an overall sense of their responsibilities as homeowners and their ability to carry out those responsibilities,
- o information on the families' specific responsibilities under the MH program,
- o an understanding of how to work with the IHA,

The Benefits of Housing Counseling

A good housing counseling program will teach MH program participants the new responsibilities of homeownership. This knowledge will make:

- . better homeowners,
- . better maintenance,
- . better payment records, and
- . better programs.

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- o help in building cooperative relationships with fellow homeowners, and
- o information on local resources that can be of help to them as homeowners.

Flexibility and Responsiveness: A successful counseling program should be flexible and responsive to the needs of the participating families. Sessions should be offered at convenient times and locations. Programs may combine group sessions with one-on-one meetings, to give attendees a chance to discuss

matters they may not wish to discuss in a group setting.

Use Existing Resources: IHAs should leverage their resources by taking advantage of existing services, information and technical assistance for housing counselees. IHAs may also find useful information from the Housing Counseling Clearinghouse. The Clearinghouse works with housing counseling agencies nationwide and, while it does not specialize in IHA programs, may provide general information and model curricula. The Clearinghouse can be reached at 1-800-217-6970.

7.2 HUD FUNDING FOR COUNSELING

HUD provides funding for MH homeownership counseling programs from two sources: development cost budgets (DCB) for new projects, and operating subsidies.

DCBs: IHAs should include an appropriate amount for counseling in their DCBs. When an IHA is developing new homes through the MH program, the families designated for those homes must undergo counseling before they can move in. In this case, counseling is an up-front cost, to be included in the DCB, just as architect or engineering costs would be included.

Operating Subsidy: MH operating subsidy may be paid to an IHA for the cost of a HUD-approved counseling program.

MH homes will likely change hands over the years. Each of the new resident families will need counseling when they move into their new homes. Costs for this counseling are considered ongoing expenses rather than up-front costs and would therefore be included under the operating subsidy.

Since rental programs do not require counseling operating funds are not available specifically to conduct a rental program counseling and training program. However, the IHA may include costs for such programs in its operating budget.

7.3 APPLICATION FOR FUNDS

Counseling Plan: To receive funding for counseling, the IHA must submit to the area Office of Native American Programs (ONAP) a proposed plan for the counseling program.

HUD does not have specific requirements for what a plan must include. However, the guidelines discussed below give the IHA an idea of the elements of a successful proposal. (Appendix 16 provides a suggested outline and sample plan.)

The plan should include:

- o information on the IHA;
- o a description of the scope and content of the proposed counseling program, including details and schedules of tasks needed to create the program;

- o information on proposed counseling methods and techniques;
 - o information on the experience, qualifications and capacity of the organization and individuals who will conduct the counseling; reports are strengthened by a track record for
 - o who will conduct the services. counseling; reason why keeping
- Accomplishments
- Documenting Program
- IHA proposals and reports are documented
- That is one good records is so important.
- o information on local community resources and a description of any services or funding to be provided by non-HUD sources;; and
 - o estimated costs and payment methods for work needed as part of the counseling program, broken down by phases of counseling (pre-occupancy, move-in and post-occupancy).

When to Submit a Proposal: The plan must be submitted before the IHA incurs any counseling costs.

Progress Reports: The IHA must submit an annual progress report to the area ONAP within 45 days of the end of the fiscal year. The area Office of Native American Programs (ONAP) may grant extensions for filing this report. See Appendix 17 for a sample annual progress report form.

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 PART II: BEST PRACTICE: GUIDELINES FOR AN
 EFFECTIVE COUNSELING PROGRAM

7.4 THE FRAMEWORK

- A Good Counseling Program
- What to Think About: Answering these questions will give the IHA a strong framework for planning an effective homeownership counseling program.
- A good counseling program:
- . is an integral part of IHA operations,
 - . meets the individual needs of each family,
 - . maintains an ongoing relationship with each family, and
 - . uses community resources.
- o What are the needs of the individuals receiving counseling?
 - o What is the most practical and appropriate training method?
 - o What is the most practical and appropriate training method?
 - o Are community resources available to help with the counseling?
 - o Should outside contractors or organizations be used to conduct or help with the counseling?

o Are existing resources/experience available to help conduct the counseling?

Integrating Counseling into IHA Operations: Counseling staff serve their clientele on a range of maintenance and occupancy issues. Therefore, it is important that the counselors are treated as an integral part of the IHA staff and that they have full knowledge of IHA operations.

Some of the most successful counseling programs in Indian country have put counseling into the organizational structure by integrating it into their occupancy departments. In those cases, counselors and occupancy staff are cross-trained to handle all aspects of counseling and occupancy. This arrangement broadens staff knowledge and strengthens the staff relationship with homebuyers and renters.

Meeting Each Homebuyer's Needs: Counseling programs should be planned with the individual in mind -- every homebuyer's needs are different, and counseling is only successful if it meets each homebuyer's needs.

To meet this goal, it is a good idea to prepare a counseling plan for each participant, taking into account different circumstances, needs and levels of knowledge about homeownership. The plan should set counseling goals, a timetable and a method for evaluating progress.

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Follow-Up Meeting: A successful counseling program includes an ongoing relationship with the homebuyers. Counselors should continue to meet with homebuyers on a regular basis, even after they are in their new homes, to answer questions as the homebuyers confront the challenges of homeownership.

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Staffing and Contracts

The IHA may want to structure counseling/training contracts to phase-in IHA staff, so that the IHA will eventually be able to provide the training in-house.

To effectively track each homeowner's status, it helps to document each contact with the homeowner. (Appendix 18 provides a sample contact form.)

Hiring Outside Assistance: The IHA may decide to hire private contractors, agencies or organizations to present specific counseling/training sessions. Such help should be hired in keeping with the IHAs procurement policies and HUD Handbook 7460.8.

Using Community Resources:
The IHA should consider using local agencies and educational institutions to help in conducting/ implementing portions of the training. These resources can often be obtained at no cost to the IHA.

It is important for the IHA to make sure that outside contractors hold the right qualifications for the job. At the very least, contractors should demonstrate:

Using local trainers and

. knowledge of the housing

counselors who understand the community and local cultural norms can strengthen lines of communications with those being counseled and improve the overall effectiveness of the counseling.

programs that they will be discussing,

- . skills as effective communicators who understand and can respond to the needs and concerns of those they will be counseling,
- . awareness of and sensitivity to local and cultural norms, and
- . availability to accommodate the training schedule.

7.5 WHAT THE COUNSELING PROGRAM SHOULD COVER

MH Counseling: Counseling to prepare individuals to participate in the MH program should be divided into three phases:

- o Pre-occupancy: This should build the resident's knowledge of the MH program, and provide an overview of the financial, property management and community responsibilities of being a homeowner.
- o Move-in: This should explain the move-in process. It should cover topics including the move-in inspection, appliances and warranties, and setting up utilities.

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- o Post-occupancy: This should cover the details of maintenance and financial management once the resident lives in the home.

Appendix 19 provides a sample outline of a MH curriculum for homebuyer counseling program.

Counseling for Rental Programs: HUD does not require counseling for residents of IHA rental housing. However, counseling for these residents can be helpful in giving them a better idea of what is expected of them, and what they can expect of the IHA.

Appendix 20 provides a sample outline of what may be covered in a rental housing counseling program.

PART III: RESIDENT SERVICES

7.6 THE IMPORTANCE OF GOOD IHA-RESIDENT RELATIONS

The participation and cooperation of residents can make all the difference in creating a positive community environment. This, in turn, can mean better managed properties.

Often, residents participate in their community through resident organizations. Building a working relationship with resident organizations is an important way for IHAs to forge strong resident relations. HUD encourages IHAs to develop positive and collaborative relationships with individual residents and resident organizations.

7.7 GOOD COMMUNICATIONS AND COLLABORATIVE RELATIONSHIPS

Residents and resident organizations can also be invaluable allies-for IHAs and should be given the opportunity to voice their views and concerns. Toward this end, HUD encourages IHAs to go beyond the minimum requirements for resident involvement.

Keeping Residents Informed: One aspect of solid resident relations is a well-informed resident population. Keeping residents informed of IHA policies, particularly, can prevent troublesome misunderstandings.

Comments and Suggestions: IHAs are encouraged to request constructive comments and suggestions from residents. Resident suggestions often reveal cost-effective ways to reduce maintenance or other problems.

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Prompt Problem-Solving: Encouraging staff to respond to resident complaints promptly will send the message that response to resident concerns is important. The IHA should establish a system to track resident complaints and requests.

7.8 RESIDENT ORGANIZATIONS

IHAs should provide residents and any resident organizations with current information concerning the IHA's policies.

Recognition of Resident Organizations: A resident organization may ask to be recognized as an official organization representing residents in meeting with the IHA or other entities.

Funding for Resident Organizations: The IHA may, at its discretion and subject to the availability of funds, provide reasonable in-kind and cash assistance of up to \$3 per unit per year for resident organizations.

There are also grant funds available for resident organizations, as discussed below.

- o Under the Comprehensive Grant Program (CGP) or the Comprehensive Improvement Assistance Program (CIAP), IHAs can use 20 percent of their funds for management improvement. Resident organizations qualify as a management improvement activity, so the IHA can include a request for resident organization funds in its CGP or CIAP application.
- o HUD's Tenant Opportunities Grant Program (TOP) also offers funds for resident organizations. This is a competitive grant awarded once a year. The IHA can apply for TOP funds to start a new resident organization. Established resident organizations can apply for TOP funds themselves.

Memorandum of Understanding: The IHA and all recognized resident organizations should have a written agreement, typically a memorandum of understanding (MOU), that clarifies their

relationship.

Conflicts of Interest: Resident organization officers cannot serve as contractors or employees of the resident organization if they are in policy-making or supervisory positions at the IHA.

Consultation with Resident Organizations: Consultation is often required prior to HUD approval for certain IHA programs and activities.

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7.9 USE OF HOUSING UNITS FOR NON-DWELLING PURPOSES

Using Housing Units to Provide Resident Services: The IHA is permitted, with HUD approval, to use housing units to support resident services that promote economic self-sufficiency among residents and assist in the fight against drugs. Such services can help improve housing conditions and can serve to decrease the number of vacant units in IHA housing.

Obtaining a waiver for operating subsidy: Under the Performance Funding System (PFS), the loss of a dwelling unit for non-dwelling purposes results in a loss of operating subsidy for the IHA. However, IHAs may request area ONAP authorization for approval of operating subsidy for certain non-dwelling units used in support of economic self-sufficiency and anti-drug programs.

Acceptable Non-Dwelling Purposes

HUD encourages the use of IHA space to promote resident services. Examples of economic self-sufficiency and anti-drug activities include, but are not limited to:

- . child care facilities,
- . adult day care,
- . training facilities and literacy programs,
- . resident operated businesses,
- . space for law enforcement officers,
- . drug rehabilitation programs,
- . educational programs,
- . Youth Sports and Boys and Girls Clubs, and
- . similar activities directed toward and for the benefit of residents of the development

Approval will be considered for not more than three years, subject to renewal and the following conditions. The IHA:

- o documents that space for the service or activity is not available elsewhere in the locality,
- o documents that the space to be used is safe and suitable for its intended use or that resources are committed to make the space safe and suitable, and
- o must demonstrate satisfactorily that other means of funding are not available to pay the operating costs.

Number of Units: Area ONAPs are authorized to approve only one site within a development for a single unit or contiguous units (attached or adjoining units) and the number of units involved should be the minimum necessary to support the service or program. Area ONAPs shall not grant approval for

non-contiguous units at one site or at multiple sites per development.

Act: The United States Housing Act of 1937, as amended (42 U.S.C. 1437-1440).

Adjusted income: Annual income minus allowed deductions for dependents, elderly families, elderly medical expenses, handicap assistance, child care and excessive travel.

Administration charge: The amount budgeted by the IHA for monthly operating expenses, excluding expenses for which the HUD operating subsidy is provided (see 24 CFR 950.434).

Admissions and Occupancy (A&O) Policy: Outlines eligibility requirements for IHA programs and describes the IHA's procedures for selecting and screening applicants. It also establishes basic management practices for such activities as application intake and waiting list management.

Allowances: Items that may be deducted from a family's annual income to calculate adjusted income. Allowances include dependents, elderly families, elderly medical expenses, handicap assistance, child care and excessive travel.

Annual Contributions Contract (ACC): A contract under the Act between HUD and the IHA containing the terms and conditions under which HUD assists the IHA in providing decent, safe and sanitary housing for low-income families. The ACC must be in a form prescribed by HUD under which HUD agrees to provide assistance in the development, modernization, and/or operation of- a low-income housing development under the Act; and the IHA agrees to develop, modernize and operate the development in compliance with all provisions of the ACC and the Act, and all HUD regulations and implementing requirements and procedures.

Annual income: The anticipated total income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of the initial determination or reexamination of income. (See 24 CFR 950.102 or Chapter 3 for lists of items to be included and excluded from annual income.)

Area Office of Native American Programs (ONAP): The HUD offices in Chicago (Eastern/Woodlands), Oklahoma City (Southern Plains), Denver (Northern Plains), Phoenix (Southwest), Seattle (Northwest) and Anchorage (Alaska) are area ONAP offices. These have been delegated authority under 24 CFR Part 950) to administer programs under the United States Housing Act of 1937 for the areas in which the IHAs are located.

As-paid localities: A jurisdiction where assistance for housing costs is established separately from the rest of welfare assistance and can be adjusted based on the recipient's actual housing costs. The as-paid

jurisdiction may be a county (in the case of general assistance) or a state (in the case of Aid to Families with Dependent Children (AFDC)).

Bureau of Indian Affairs (BIA): A federal agency housed in the Department of the Interior. It is the principal bureau responsible for the administration of federal programs for federally recognized Indian tribes and for promoting Indian self-determination. BIA has trust responsibilities for treaties and other agreements with Native groups. BIA provides federal services to federally recognized tribes and administers tribally-owned, individually-owned and federally-owned land which is held in trust.

Cash value: An asset's market value minus reasonable expenses for converting the asset into cash. (Examples of reasonable expenses include penalties or fees for converting mutual funds or selling a property.)

Ceiling rents: Ceiling rents place an upper limit on the amount that families must pay for rents. They are established to keep higher income residents from paying unreasonably high rents for IHA housing.

Citizen: A citizen or national of the United States.

Corrective action order: When ONAP reviews an IHA's administrative capability and finds deficiencies, ONAP may issue a corrective action order to require the IHA to address the deficiency. The order makes the correction of the deficiency a condition of the ACC grant.

Development cost budget (DCB): A detailed document that shows the estimated costs of the developments. The DCB serves as a valuable planning and management tool, and may be amended several times during the development process to more accurately reflect costs as they become known. The amount of funds reflected in the DCB should not exceed the development grant approved by HUD, plus any public/private contributions to the project.

Development grant: The grant that provides IHAS, in response to an application for housing, funds to enable the IHA to plan and construct either rental or Mutual Help (homeownership) housing. The development grant is for a fixed amount of funding and ends when the housing development is through the warranty period (normally six years from initial development grant approval).

Displaced persons: A subset of involuntarily displaced persons. They are displaced as a result of government action or a disaster declared by the government.

Due process: The elements of due process in eviction or termination proceedings include: (a) adequate notice to the resident of the grounds for terminating tenancy or eviction; (b) right of the resident to be represented by counsel; (c) opportunity for the resident to refute the evidence presented by the IHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense that the resident might have; (d) a decision on

merits.

Earned Home Payments Account (EHPA): Used to credit Turnkey III homebuyers with the value of the routine maintenance work for which the homebuyer is responsible. Each month, the EHPA is credited with the portion of the required monthly payment that is equivalent to the IHA's estimate of the monthly cost of routine maintenance for the unit size and type the family is purchasing. When the family performs routine maintenance, they may draw from this account to cover their costs.

Existing Housing Fair Market Rent (FMR): Established by HUD as a rent that is considered reasonable for existing housing of a given unit size based on market conditions in a specific geographic area.

Fair market value: An asset's dollar value in an arms-length transaction.

Family. Includes but is not limited to: (a) an elderly family or elderly single person as defined in 24 CFR 950.1026, (b) the remaining member of a tenant family; and (c) a displaced person. The IHA may develop its own definition of family, but it must include the groups listed in this HUD definition.

Family income: The total earned income of all family members.

Federal preferences: Used to determine the order in which families are assisted by IHAS. They allow for certain types of eligible families to be served before other eligible families. (Current preferences include families who are rent burdened, families who are involuntarily displaced and families living in substandard housing.) These preferences are established by Congress.

Federally recognized tribe: Any Indian tribe, band, nation or other organized group or community, including any Alaska Native village or regional corporation or village as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Fee simple: Denotes land for which the owner is entitled to dispose of the entire property or various interests in the property without hindrance.

Grievance procedures: The IHA's formal written set of procedures for applicants and residents who are adversely affected by IHA actions. The procedures inform applicants and residents of their rights and the procedures for making an appeal.

Gross income: See annual income.

Homebuyer agreement: Under both the Mutual Help and the Turnkey III programs, homebuyers must sign homebuyer agreements stipulating their rights and responsibilities under the program. Under the Mutual Help program, the agreement is called a Mutual Help and Occupancy Agreement

(MHO) and under the Turnkey III program it is called a Homebuyer Ownership Opportunity Agreement (HOOA).

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Homebuyer Ownership Opportunity Agreement (HOOA): An agreement between an IHA and a homebuyer which outlines each party's responsibilities during a Turnkey III development.

Housing Quality Standards (HQS): Physical standards established by HUD to ensure that housing meets certain basic standards and is decent, safe and sanitary.

HUD: The Department of Housing and Urban Development.

Imputed asset income: An estimate of the income derived from an asset. It is calculated as the total cash value of assets multiplied by a HUD-approved passbook rate.

Indian: Any person recognized as being an Indian or Alaska Native by an Indian tribe, the federal government or any state.

Indian area: The area within which an Indian Housing Authority is authorized to provide low-income housing.

Indian Civil Rights Act: Enacted in 1968. It provides, among other things, that, "No Indian Tribe, in exercising powers of self-government shall deny any person within its jurisdiction the equal protection of its laws or deprive any person of liberty or property without due process of law."

Indian Health Service (IHS): A federal agency within the Department of Health and Human Services. It is responsible for providing federal health services to Indians and Alaskan Natives. IHS is the principal federal health care provider and health advocate for Indian people. The IHS has the general responsibility to provide water supply and sewerage services under the Indian Facilities and Construction Act.

Indian Housing Authority (IHA): An entity that is authorized to engage in or assist in the development or operation of low-income housing for Indians that is established by either: (a) the exercise of power of self-government of an Indian tribe, independent of state law; or (b) the operation of state law providing specifically for housing authorities for Indians, including regional housing authorities in the state of Alaska.

Indian Housing Programs: Programs administered by an IHA to serve low-income families. They include rental and homeownership programs.

Interim reexamination: If a resident family's circumstances change, the IHA can conduct an interim reexamination to adjust the family's rent payment. This process involves all the procedures of a standard reexamination.

Involuntary displacement: Families qualify as involuntarily displaced if they are displaced for a variety of reasons beyond their control, such as government action, natural disasters, domestic abuse and

witness protection.

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Lease-purchase: A purchase arrangement whereby the homebuyer occupies a home and makes monthly payments towards its purchase. The buyer assumes title to the home when he/she accrues enough equity to purchase the property.

Local preferences: Preferences established by the IHA in response to local circumstances and used to select applicants from the waiting list. They can be used to rank federal preference holders or to select the 30 percent of the applicants that are not required to be federal preference holders.

Low-income family (limit): A family whose annual income does not exceed the low-income limit determined by HUD for the area. The low-income limit is generally established by HUD at 80 percent of the median income for an area, adjusted for family size. HUD may establish the low-income limit at higher or lower than 80 percent of the area median income based on local market conditions.

Maintenance policy: Describes the maintenance responsibilities of the IHA and program residents. It should include provisions outlined in 24 CFR 950.345 (rental) and 24 CFR 950.428 (Mutual Help).

Management Improvement Plan (MIP): A document developed by the IHA in accordance with 24 CFR 950.135 that specifies the actions to be taken, including timetables, to correct deficiencies identified as a result of a management assessment.

Market value: An asset's dollar value in an arms-length transaction.

Memorandum of Understanding (MOU): A written document that confirms the understanding that multiple parties have reached in a verbal agreement.

Mixed family: A family that includes members with citizenship or eligible immigration status and members without citizenship or eligible immigration status.

Monthly debt service: The monthly amount required to repay the purchase of the unit over the time period and at the interest rate specified by the IHA.

Mutual Help (MH): A term used for the Mutual Help Homeownership Opportunities Program, whereby families are given an opportunity to purchase their housing unit. A portion of the family's monthly payment is put in an account that is eventually used to help the family buy the house. Mutual Help homes under ACCs executed prior to March 9, 1976 are known as Old MH units. Those under ACCs executed on or after March 9, 1976 are known as New MH units.

Mutual Help and Occupancy (MHO) Agreement: An agreement between and IHA and a homebuyer which outlines each party's responsibilities for a Mutual Help development.

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Mutual Help (MH) Contribution: Land, labor, cash, materials or equipment -- or a combination of these -- contributed toward the development cost of a unit in accordance with a homebuyer's MHO Agreement, credit for which is to be used toward purchase of a home.

Mutual Help Equity Payments Account (MEPA): Records the equity which Mutual Help homebuyers accrue over time as they make their monthly payments.

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.

New MH: A term used for Mutual Help units developed under ACCs executed on or after March 9, 1976.

Non-citizen: A person who is neither a citizen nor national of the United States.

Non-routine maintenance: Involves the replacement or improvement of building structures, basic systems and major equipment. It also includes emergency maintenance activities.

Non-routine maintenance reserves (NRM): An account established in the Turnkey III Program and maintained in accordance with 24 CFR 950.519. Homebuyers in the Turnkey III program make monthly payments into the NRM. This account is drawn down when funds are used for non-routine maintenance.

Notice of Deficiency: When ONAP reviews an IHA's administrative capability and finds a deficiency, ONAP may issue a written notice of deficiency stating the nature of the deficiency and the timeframe in which it must be corrected.

Office of Native American Programs (ONAP): The office which has been delegated authority to administer HUD's programs under for Native Americans.

Old MH: A term used for Mutual Help units developed under ACCs executed prior to March 9, 1976.

Operating subsidy: Annual contributions for IHA operations made by HUD under the authority of Section 9 of the United States Housing Act of 1937. (See 24 CFR 950 Subpart J for rental developments, 24 CFR 950.434 for Mutual Help operating subsidy, and 24 CFR 950.523 for Turnkey III operating subsidy.)

Payment and collections policy: Provides instructions for making payments, specifies charges established by the IHA, and describes actions the IHA will take in the case of nonpayment.

Performance Funding System (PFS): The standards, policies and procedures established by HUD for determining the amount of operating subsidy an IHA is eligible to receive for its owned rental developments, based on the cost of operating a comparable well-managed development.

Personnel policy: A written document which states the rights and responsibilities of IHA employees. It must be written in accordance with all local and federal requirements.

Preventive maintenance: The regular maintenance of facilities and equipment to keep them in good working order and to prolong their life span.

Procurement policy: A written policy for procuring needed goods and services. It must contain meet requirements outlined in 24 CFR 950 Subpart B.

Pro-rated assistance: Assistance calculated for mixed families based on the number of family members with eligible citizenship status. The pro-rated assistance is a fraction of the amount of assistance that the family would otherwise receive if all family members were eligible.

Reexamination: The IHA must reexamine residents on an annual basis to determine if there have been any changes in family status or income. Based on the information collected, rent or homebuyer payments may be recalculated.

Rent-burdened: Families are considered rent-burdened if they are paying more than 50 percent of their gross income for housing costs (including rent and utilities).

Rent payment policy: See payment and collections policy.

Routine maintenance: Includes the day-to-day minor repairs and upkeep of facilities and equipment.

Sanitation Facilities Construction Program (SFC): An IHS program that provides funding and technical assistance for the development of safe water, waste water, and solid waste systems and facilities.

Self-Help: A term used for Self-Help development under the Mutual Help program. The Self-Help program is a cooperative owner-built program under which a small group of families build a substantial portion of the homes they will purchase, using technical assistance and materials provided by the IHA. The families' work is supplemented by skilled contract labor.

Settlement costs: The costs incidental to acquiring ownership, including the costs and fees for credit reports, field surveys, title examinations, title insurance, inspections and other such items.

Substandard housing: Includes housing that does not meet certain basic standards. Under federal preferences, families living in substandard housing, including homeless persons, qualify for federal preference.

Tenant accounts receivable (TAR): Receipts due the IHA from tenants, including rent and homebuyer payments, charges for maintenance and utilities, and other costs incurred by residents and owed to the IHA.

Tenant file: Includes all documentation pertaining to the tenant's eligibility and occupancy. Documents include, but are not limited to, the application, income verifications, reexaminations and the lease.

Total tenant payment (TTP): The monthly amount calculated under 24 CFR 950 Subpart D. TTP does not include any surcharge for excess utility consumption or other miscellaneous charges. The TTP represents the maximum a tenant can pay for rent and utilities.

Tribal member admissions preference: A preference system that allows the IHA to give preference in admissions to IHA housing to tribal-member Indians over other Indians, and to Indians over non-Indians.

Tribe: Any tribe, band, pueblo, group, community or nation of Indians or Alaska Natives.

Turnkey III: A term used to refer to the Turnkey III Homeownership program. The Turnkey III program provides homeownership opportunities to eligible low-income families. The program uses a lease-purchase arrangement, whereby the homebuyer family takes occupancy of the unit on a rental basis, under a homebuyer agreement which constitutes a lease with an option to purchase. The purchase price is set at the time of initial occupancy. During the period of rental tenancy, the homebuyer makes monthly rental payments based on a percentage of family income. The buyer is also responsible for routine maintenance.

Utilities: For purposes of determining utility allowances, utilities include electricity, gas, heating fuel, water, sewerage service, septic tank plumbing/maintenance, sewer system hookup charges (after development), and trash and garbage collection. Telephone service is not included as a utility. For the purposes of IHA accounting, PFS and non-PFS, trash and garbage collection and maintenance and repair of any systems are considered maintenance expenses and not utility expenses.

Utility reimbursement: A reimbursement to tenants whose total tenant payment (TTP) is lower than their utility allowance. It is equal to the difference between the TTP and the utility allowance.

Utility surcharge: In units where the IHA provides utilities, the IHA must establish a utility surcharge to collect additional amounts from families using excess utilities.

Very low-income family (limit): A family whose annual income does not exceed the very low-income limit determined by HUD for the area. The very low-income limit is generally established by HUD at 50 percent of the median income for an area, adjusted for family size. HUD may establish the very low-income limit at higher or lower than 50 percent of the area median income based on local market conditions.

Waiting list: When applicants cannot be served immediately by IHA programs, they are placed on a waiting list. This list is used to keep track of the order in which people apply for assistance. As units become available, families are selected for occupancy from the waiting list.

Warranty: A guarantee of quality by a contractor or material/equipment supplier.

Warranty inspection: An inspection that takes place before a contractor's warranty period expires. The inspection helps ensure that defects in items under warranty are addressed by the warrantor prior to the expiration of the warranty period.

Welfare rent: The maximum amount of assistance that a welfare agency will provide a recipient to cover housing costs. (This definition applies only in as-paid localities.)

Work order: Used to record intake of and response to maintenance calls. They are used to document, track and prioritize work.