

# PHA Plans

## Streamlined Annual Version

U.S. Department of Housing and  
Urban Development  
Office of Public and Indian  
Housing

OMB No. 2577-0226  
(exp. 08/31/2009)

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937 that introduced 5-year and annual PHA Plans. The full PHA plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form allows eligible PHAs to make a streamlined annual Plan submission to HUD consistent with HUD's efforts to provide regulatory relief for certain types of PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Information in PHA plans is publicly available.

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# Streamlined Annual PHA Plan

## for Fiscal Year: 2008

**PHA Name: *Municipality of Vega Alta***

**NOTE: This PHA Plan template (HUD-50075-SA) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue.**

## Streamlined Annual PHA Plan Agency Identification

**PHA Name:** Municipality of Vega Alta

**PHA Number:** RQ056

**PHA Fiscal Year Beginning: (mm/yyyy)** 07/2008

**PHA Programs Administered:**

**Public Housing and Section 8**

Number of public housing units:  
 Number of S8 units:

**Section 8 Only**

Number of S8 units: **76**

**Public Housing Only**

Number of public housing units:

**PHA Consortia: (check box if submitting a joint PHA Plan and complete table)**

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

**PHA Plan Contact Information:**

Name: Mrs. Glenda J. Concepción Bruno  
 TDD:

Phone: (787) 270-1194

Email (if available): seccion8mva@yahoo.com

**Public Access to Information**

**Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)**

PHA's main administrative office     PHA's development management offices

**Display Locations For PHA Plans and Supporting Documents**

The PHA Plan revised policies or program changes (including attachments) are available for public review and inspection.     Yes     No.

If yes, select all that apply:

- Main administrative office of the PHA
- PHA development management offices
- Main administrative office of the local, county or State government
- Public library     PHA website     Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA     PHA development management offices
- Other (list below)

**Streamlined Annual PHA Plan**  
**Fiscal Year 2008**  
[24 CFR Part 903.12(c)]

**Table of Contents**

[24 CFR 903.7(r)]

Provide a table of contents for the Plan, including applicable additional requirements, and a list of supporting documents available for public inspection.

**A. PHA PLAN COMPONENTS**

- 1. Site-Based Waiting List Policies  
**903.7(b)(2) Policies on Eligibility, Selection, and Admissions**
- 2. Capital Improvement Needs  
**903.7(g) Statement of Capital Improvements Needed**
- 3. Section 8(y) Homeownership  
**903.7(k)(1)(i) Statement of Homeownership Programs**
- 4. Project-Based Voucher Programs
- 5. PHA Statement of Consistency with Consolidated Plan. Complete only if PHA has changed any policies, programs, or plan components from its last Annual Plan.
- 6. Supporting Documents Available for Review
- 7. Capital Fund Program and Capital Fund Program Replacement Housing Factor, Annual Statement/Performance and Evaluation Report
- 8. Capital Fund Program 5-Year Action Plan

**B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE**

**Form HUD-50076, PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Streamlined Annual Plan** identifying policies or programs the PHA has revised since submission of its last Annual Plan, and including Civil Rights certifications and assurances the changed policies were presented to the Resident Advisory Board for review and comment, approved by the PHA governing board, and made available for review and inspection at the PHA's principal office;

For PHAs Applying for Formula Capital Fund Program (CFP) Grants:

**Form HUD-50070, Certification for a Drug-Free Workplace;**

**Form HUD-50071, Certification of Payments to Influence Federal Transactions; and**

**Form SF-LLL & SF-LLL a, Disclosure of Lobbying Activities.**

**1. Site-Based Waiting Lists (Eligibility, Selection, Admissions Policies)**

[24 CFR Part 903.12(c), 903.7(b)(2)]

Exemptions: Section 8 only PHAs are not required to complete this component.

**A. Site-Based Waiting Lists-Previous Year**

1. Has the PHA operated one or more site-based waiting lists in the previous year? If yes, complete the following table; if not skip to B.

Site-Based Waiting Lists				
Development Information: (Name, number, location)	Date Initiated	Initial mix of Racial, Ethnic or Disability Demographics	Current mix of Racial, Ethnic or Disability Demographics since Initiation of SBWL	Percent change between initial and current mix of Racial, Ethnic, or Disability demographics

2. What is the number of site based waiting list developments to which families may apply at one time?
3. How many unit offers may an applicant turn down before being removed from the site-based waiting list?
4.  Yes  No: Is the PHA the subject of any pending fair housing complaint by HUD or any court order or settlement agreement? If yes, describe the order, agreement or complaint and describe how use of a site-based waiting list will not violate or be inconsistent with the order, agreement or complaint below:

**B. Site-Based Waiting Lists – Coming Year**

If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to next component.

1. How many site-based waiting lists will the PHA operate in the coming year?
2.  Yes  No: Are any or all of the PHA’s site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?  
If yes, how many lists?

3.  Yes  No: May families be on more than one list simultaneously  
If yes, how many lists?
4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
- PHA main administrative office
  - All PHA development management offices
  - Management offices at developments with site-based waiting lists
  - At the development to which they would like to apply
  - Other (list below)

## **2. Capital Improvement Needs**

[24 CFR Part 903.12 (c), 903.7 (g)]

Exemptions: Section 8 only PHAs are not required to complete this component.

### **A. Capital Fund Program**

1.  Yes  No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete items 7 and 8 of this template (Capital Fund Program tables). If no, skip to B.
2.  Yes  No: Does the PHA propose to use any portion of its CFP funds to repay debt incurred to finance capital improvements? If so, the PHA must identify in its annual and 5-year capital plans the development(s) where such improvements will be made and show both how the proceeds of the financing will be used and the amount of the annual payments required to service the debt. (Note that separate HUD approval is required for such financing activities.).

### **B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)**

Applicability: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

1.  Yes  No: Has the PHA received a HOPE VI revitalization grant? (if no, skip to #3; if yes, provide responses to the items on the chart located on the next page, copying and completing as many times as necessary).
2. Status of HOPE VI revitalization grant(s):

<b>HOPE VI Revitalization Grant Status</b>	
a. Development Name:	
b. Development Number:	
c. Status of Grant:	
	<input type="checkbox"/> Revitalization Plan under development
	<input type="checkbox"/> Revitalization Plan submitted, pending approval
	<input type="checkbox"/> Revitalization Plan approved
	<input type="checkbox"/> Activities pursuant to an approved Revitalization Plan underway

3.  Yes  No: Does the PHA expect to apply for a HOPE VI Revitalization grant in the Plan year?  
If yes, list development name(s) below:

4.  Yes  No: Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year? If yes, list developments or activities below:

5.  Yes  No: Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement? If yes, list developments or activities below:

### **3. Section 8 Tenant Based Assistance--Section 8(y) Homeownership Program**

(if applicable) [24 CFR Part 903.12(c), 903.7(k)(1)(i)]

1.  Yes  No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to the next component; if "yes", complete each program description below (copy and complete questions for each program identified.)

***The PHA continues implementing the Program.***

2. Program Description:

a. Size of Program

Yes  No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

If the answer to the question above was yes, what is the maximum number of participants this fiscal year? 15 families

b. PHA-established eligibility criteria

Yes  No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?  
If yes, list criteria:

c. What actions will the PHA undertake to implement the program this year (list)?

- 1. The Municipality will continue providing orientation to potential tenant.**
- 2. The program staff will undertake various meeting with the Puerto Rico Department of Housing HOME program to identify additional funding sources for down payment and closing costs assistance.**
- 3. In addition a meeting will be coordinated with the banking sector to identify other financial sources and possible technical assistance. A housing fair will be undertaken during the second semester of the program year.**

3. Capacity of the PHA to Administer a Section 8 Homeownership Program:

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- Establishing a minimum homeowner down payment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.
- Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.
- Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below):
- Demonstrating that it has other relevant experience (list experience below):

#### **4. Use of the Project-Based Voucher Program**

##### **Intent to Use Project-Based Assistance**

Yes  No: Does the PHA plan to "project-base" any tenant-based Section 8 vouchers in the coming year? If the answer is "no," go to the next component. If yes, answer the following questions.

1.  Yes  No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option? If yes, check which circumstances apply:
  - low utilization rate for vouchers due to lack of suitable rental units
  - access to neighborhoods outside of high poverty areas
  - other (describe below:)
2. Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts):

## **5. PHA Statement of Consistency with the Consolidated Plan**

[24 CFR Part 903.15]

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary) only if the PHA has provided a certification listing program or policy changes from its last Annual Plan submission.

1. Consolidated Plan jurisdiction: (provide name here)

***Puerto Rico State Consolidated Plan***

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families on its waiting lists on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
  - ***Apply for additional Federal Funds.***
  - ***Make alliances with public and private organizations to provide supportive and educational services to tenants.***

Other: (list below)

3. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

***Share information on Federal Programs, including NOFA's deadlines and other important data related to federal funds.***

## **6. Supporting Documents Available for Review for Streamlined Annual PHA Plans**

PHAs are to indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Related Plan Component</b>
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans;</i>	5 Year and Annual Plans
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Streamlined Annual Plan</i>	Streamlined Annual Plans
X	<i>Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.</i>	5 Year and standard Annual Plans
X	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA’s public housing and Section 8 tenant-based waiting lists.	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP] and the Site-Based Waiting List Procedure.	Annual Plan: Eligibility, Selection, and Admissions Policies
	Deconcentration Income Analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. <input type="checkbox"/> Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public housing rent determination policies, including the method for setting public housing flat rents. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation).	Annual Plan: Operations and Maintenance
	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Related Plan Component</b>
		Community Service & Self-Sufficiency
<b>X</b>	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
<b>X</b>	Any policies governing any Section 8 special housing types <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
	Public housing grievance procedures <input type="checkbox"/> Check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
<b>X</b>	Section 8 informal review and hearing procedures. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Grievance Procedures
	The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year.	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants.	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing.	Annual Plan: Capital Needs
	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. See PIH Notice 99-52 (HA).	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing.	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans).	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937.	Annual Plan: Conversion of Public Housing
	Documentation for required Initial Assessment and any additional information required by HUD for Voluntary Conversion.	Annual Plan: Voluntary Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
<b>X</b>	Policies governing any Section 8 Homeownership program (Section <b>ADDENDUM</b> of the Section 8 Administrative Plan)	Annual Plan: Homeownership
	Public Housing Community Service Policy/Programs <input type="checkbox"/> Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency
	FSS Action Plan(s) for public housing and/or Section 8.	Annual Plan: Community Service & Self-Sufficiency
	Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Pet Policy
<b>X</b>	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit
<b>X</b>	Other supporting documents (optional) (list individually; use as many lines as necessary) <b>FSS Action Plan</b> <b>Homeownership Plan</b>	(specify as needed)
	Consortium agreement(s) and for Consortium Joint PHA Plans <u>Only</u> :	Joint Annual PHA Plan for

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Related Plan Component</b>
	Certification that consortium agreement is in compliance with 24 CFR Part 943 pursuant to an opinion of counsel on file and available for inspection.	Consortia: Agency Identification and Annual Management and Operations

## 7. Capital Fund Program Annual Statement/Performance and Evaluation Report and Replacement Housing Factor

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary					
PHA Name:		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:			Federal FY of Grant:
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:    ) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1501 Collateralization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				





## 8. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan					
Part I: Summary					
PHA Name				<input type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No:	
Development Number/Name/HA-Wide	Year 1	Work Statement for Year 2  FFY Grant: PHA FY:	Work Statement for Year 3  FFY Grant: PHA FY:	Work Statement for Year 4  FFY Grant: PHA FY:	Work Statement for Year 5  FFY Grant: PHA FY:
	Annual Statement				
CFP Funds Listed for 5-year planning					
Replacement Housing Factor Funds					





**B. CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE**

**Form HUD-50076**, *PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Streamlined Annual Plan identifying policies or programs the PHA has revised since submission of its last Annual Plan, and including Civil Rights certifications and assurances the changed policies were presented to the Resident Advisory Board for review and comment, approved by the PHA governing board, and made available for review and inspection at the PHA's principal office.*

**(Attached next)**

## **B. CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE**

Abr. 12. 2007 4:49PM OFICINA DEL ALCALDE

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### **Streamlined PHA Plan PHA Certifications of Compliance**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

#### **PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Streamlined Annual PHA Plan**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the streamlined Annual PHA Plan for PHA fiscal year beginning JULY 2007, hereinafter referred to as the Streamlined Annual Plan, of which this document is a part and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of the Streamlined Plan and implementation thereof:*

1. The streamlined Annual Plan is consistent with the applicable comprehensive housing affordability strategy (or any streamlined Plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, and provided this Board or Boards an opportunity to review and comment on any program and policy changes since submission of the last Annual Plan.
3. The PHA made the proposed streamlined Annual Plan, including policy and program revisions since submission of the last Annual Plan, and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the streamlined Plan and invited public comment.
4. The PHA will carry out the streamlined Annual Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
6. For streamlined Annual Plans that include a policy or change in policy for site-based waiting lists:  
The PHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(b)(2).
7. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
8. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
9. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
10. The PHA has submitted with the streamlined Plan a certification with regard to a drug-free workplace required by 24 CFR Part 24, Subpart F.
11. The PHA has submitted with the streamlined Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
14. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

**B. CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE**

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17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.  
 18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).

19. The PHA will undertake only activities and programs covered by the streamlined Annual Plan in a manner consistent with its streamlined Annual Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its streamlined Plan.

20. All certifications and attachments (if any) to the streamlined Plan have been and will continue to be available at all times and all locations that the PHA streamlined Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the streamlined Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its streamlined Annual Plan and will continue to be made available at least at the primary business office of the PHA.

21. The PHA certifies that the following policies, programs, and plan components have been revised since submission of its last Annual PHA Plan (check all policies, programs, and components that have been changed):

- 903.7a Housing Needs
- 903.7b Eligibility, Selection, and Admissions Policies
- 903.7c Financial Resources
- 903.7d Rent Determination Policies
- 903.7h Demolition and Disposition
- 903.7k Homeownership Programs
- 903.7r Additional Information
  - A. Progress in meeting 5-year mission and goals
  - B. Criteria for substantial deviation and significant amendments
  - C. Other information requested by HUD
    - 1. Resident Advisory Board consultation process
    - 2. Membership of Resident Advisory Board
    - 3. Resident membership on PHA governing board

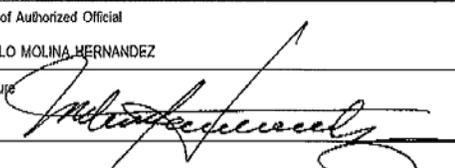
22. The PHA provides assurance as part of this certification regarding its streamlined annual PHA Plan that:  
 (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;  
 (ii) The changes were duly approved by the PHA board of directors (or similar governing body); and  
 (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.

MUNICIPALITY OF VEGA ALTA  
 PHA Name

RQ056  
 PHA Number

Streamlined Annual PHA Plan for Fiscal Year: 2007

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
ISABELO MOLINA HERNANDEZ	MAYOR
Signature	Date
X 	4/11/07

## C. COMPLIANCE WITH §903.11(c)(3)

To comply with the requirements of 24 CFR Part 903.11(c)(3) and as established in the Federal Register of November 8, 2004 (Vol. 69, No. 215, Page 64826), the PHA lists as follows, the policies and programs on §903.11(c)(3)) that have been revised since submission of its last Annual Plan:

(Other reference: Notice PIH 2003-21 (HA))

<b>Policies/Programs on §903.11(c)(3)</b>	<b>Related Certification or Plan Component (of this template)</b>
<i>(a) A statement of housing needs.</i>	Component A ( <i>Section 5: Consistency w/Consolidated Plan + Section 6: Supporting Documents</i> ); Component B ( <i>Certification Form HUD-50076</i> ); and, Component D ( <i>Other Components: Attachment 3</i> )
<i>(b) A statement of the PHA's deconcentration and other policies that govern eligibility, selection, and admissions.</i>	Component B ( <i>Certification Form HUD-50076</i> )
<i>(c) A statement of financial resources.</i>	Component A ( <i>Section 6: Supporting Documents</i> );and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(d) A statement of the PHA's rent determination policies.</i>	Component A ( <i>Section 6: Supporting Documents</i> ); Component B ( <i>Certification Form HUD-50076</i> ); and, Component D ( <i>Other Components: Attachment 1</i> )
<i>(e) A statement of the PHA's operation and management.</i>	Component A ( <i>Section 6: Supporting Documents</i> ); and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(f) A statement of the PHA grievance procedures.</i>	Component A ( <i>Section 6: Supporting Documents</i> ); and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(k) A statement of homeownership programs administered by the PHA.</i>	Component A ( <i>Section 3: Homeownership + Section 6: Supporting Documents</i> ); and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(l) A statement of the PHA's community service and self-sufficiency programs.</i>	Component A ( <i>Section 6: Supporting Documents</i> ); and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(o) Civil rights certification.</i>	Component A ( <i>Section 6: Supporting Documents</i> ); and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(p) Recent results of PHA's fiscal year audit.</i>	Component A ( <i>Section 6: Supporting Documents</i> ); and, Component B ( <i>Certification Form HUD-50076</i> )
<i>(r) Additional information to be provided.</i>	Component D ( <i>Other Components: Attachments 1 to 8</i> )

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

***List of Additional Information and Attachments:***

1. Amendment from Last Annual Plan:
2. Progress in meeting 5-year mission and goals
3. Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan
4. List of Persons assisting the meeting to designate the Participant Board and to revise the draft for Public Hearing and Review
5. Newspaper Ad Promoting and Announcing the Hearing Process
6. List of Persons Assisting the Public Hearing
7. Consultation Process: Comments of the Resident Advisory Board or Boards & Explanation of PHA Response
8. Membership of the Resident Advisory Board or Boards

## **D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

### **Amendment from Last Annual Plan: Admission Policies**

#### **1. Administrative Plan**

The following changes were made to the HCVP Administrative Plan:

PAGE 5:

##### **Admission Preferences**

\*The PHA actually does not have awards for special funding. But considering families under preferences establish in the annual plan we accepted thirty (30) applicants per fiscal year if the waiting list is close. Specifically for Disable, Elderly, Involuntary Displacement, VAWA **as a reasonableness accommodation.**

Except for special admissions, participants must be selected from the PHA Waiting List. Eligible applicants are entitled to be placed on the Section 8 Waiting List and received preference in selection for vouchers if they meet certain preferences. The PHA manages and applies preferences as stated on its most recent PHA's 5 year/Annual Plan or PHA's Annual Plan and as established on 24 CFR 982.207.

PAGE 6

For the residency preference the participant must actually be or has been a permanent resident of Vega Alta for a voucher even if actually status of residency is outside of the municipality of Vega Alta for the past year to date of eligibility of a voucher.

#### **INDICATOR 7: EXPANDING HOUSING OPPORTUNITIES**

In compliance with the selection and admission procedures the administrative plan includes a policy to expand housing opportunities in low poverty areas. Our efforts ensure greater mobility to areas and includes develop and implement a landlord marketing program, identifying units in areas of low poverty, market to owners of those properties and solicit participation in the program. We include that Municipality of Vega Alta Map and others local maps pointed the surrounded poverty areas in our municipality. (See attachments)

#### **Puerto Rico Map**

## **D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

This map shows the location of our municipality and our PHA jurisdiction in which the participants located units outside areas of poverty.

### **Municipality of Vega Alta Map**

In the briefing packet for initial issuance or one mover issuance assuring they get the information about locating units outside poverty areas we will include this map. We encourage participation by owners with units located outside areas of poverty to be part of our program leasing their houses by Section 8 Program by public notice announcements.

We develop and implement a landlord listing to include available units; conduct drive by inspection prior to placing units in the available list. In addition we designate landlord liaison on staff; establish semi-annual landlord meetings and quarterly newsletter to landlords.

### **ISSUANCE OR DENYING VOUCHERS**

Please to insert in 2<sup>nd</sup> paragraph

To maintain the lease up standards we apply the rule “First come, first serve”.

### **PAGE 14**

### **SECURITY AND DEPOSITS (24 CFR 982.313)**

The owner may collect a security deposit from the tenant family that does not exceed one month's contract rent. If collects less than one months rent as security deposit on the owner's other (unassisted) rental units the security deposits on the Section 8 Assisted units must be established at the same amount.

Owner may use the security deposit to cover unpaid tenant rent owing at time of move out, damages and/or other cost allowed under State Landlord –Tenant Act. The Municipality of Vega Alta Housing Agency will provide a prior Section 8 owner with current address of a family who continues to receive Section 8 assistance when the owner provides evidence that (1) the unpaid rent/damage exceed the security deposit collected and (2) the owner has received a court judgment for additional amounts owed.

## **D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

### **INTERIM REPORTING POLICY AND PROCEDURES**

#### **Standard Timely Reporting of Changes and Tenant Penalties for Untimely Reporting**

The family must report any required change within fifteen (15) days calendar days of when income or change in household composition occurs.

If the family does not bring the required information with them to the interview, a new interview date will be set within that month. In addition, third party verification will be sent out to verify the change(s).

An increase in tenant rent may be made retroactively while any decrease will be implemented prospectively, when the family does not keep the second schedule interview appointment and fails to return by the end of the month. The total tenant paid is calculated when the verification is received, and it will be considered “untimely reporting” by the tenant.

The tenant may report any of the following changes that would result in a decrease in the tenant’s rent:

Loss of income

Increase in allowable expenses (income earnings, child care, handicapped assistance, medical)

Decreases in the tenant’s portion of the rent will be effective the first day of the month following the month in which the change occurs, sometimes resulting in a retroactive decrease.

However the PHA agency of the Municipality of Vega Alta will not reduce a tenant’s rent for loss/reduction in welfare income (TANF) due to family:

- Fraud
- Failure to participate in a required work activity
- Failure to participate in a required economic self sufficiency activity

Any reported reduction in welfare benefits will be verified with the local welfare (TANF) department.

Tenants must report all income increases within 15 days of change. A change of employers, or a family member becoming employed after having reported being unemployed, will result in an interim re-determination of tenant’s rent. Other family changes resulting in an interim re-determination of tenant’s rent.

## **D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

A new source of income and/or unreported increases in income (where required by this policy) that remains unreported for more than thirty (30) days, will be considered a program violation resulting in a retroactive increase in tenant's rent. A family with retroactive increase may be eligible for a repayment agreement if the act constitutes the first strike. The PHA may not offer a payment agreement in all circumstances. See page 64 Payment agreement.

The PHA will not enter into more than one payment agreement with the family. The family may be allowed thirty (30) days to pay the second debt in full and the family is notified by mail of the determination on termination of assistance and the rights of the family to request in fifteen (15) days an informal written review in accordance to 24 CFR982.551, 24 CFR982.554 and 24CFR 982.555.

Page 18 of the Plan

Effective in August 2007, participants with more than \$20,000 debt in child support the PHA can not include the amount in reference as income following the HUD trainings and seminars.

**Page 28 – 1 A**

### **Preventing Crime in Federally Assisted Housing- Denying Admission and Terminating Tenancy for Criminal Activity or Alcohol Abuse**

#### **Policy for Sexual Offenders**

Under the 24 CFR 5.856 states when must prohibit admission to sex offenders. The PHA must establish standards to a lifetime registration requirement under a State sex offender registration program. In the screening of applicants, you must perform necessary criminal history backgrounds checks in the State where the housing is located and in other States where the household members are known to have resided.

#### Screening and Tenant Selection Criteria

Tenant(s) will be terminated or denied admission if any member of the family has ever been convicted for sexual offense or who is subject to the lifetime registration with federal, state or local law enforcement agencies or sexual offenders not required to register shall not be admitted.

#### Denying Admissions

Our PHA will not admit a sexual offender, even if he is not required to register. Anyone convicted of any type of sexual offense whether subject to lifetime registration requirement under state or not required to register shall not be admitted.

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**Note: In this part add 24 CFR Part 5 (5.856, 5.905)**

**Page 45 – 1 A**

**Policy for VAWA**

According to the PIH notice 2006-42 Violence Against Women Act the PHA of Municipality of Vega Alta protects participants and family members who are victims of domestic violence, dating violence or stalking from housing assistance based on acts of such violence against them.

In general, the law provides in part that criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. These kind of incidents under VAWA will not be construed as serious or repeated violations of the lease by victim or threatened victim of that violence and will not be "good cause" for termination of the assistance, tenancy or occupancy rights of a victim.

In this case the PHA provide a form HUD 50066 to be completed in full by the tenant, sign and submit the form within 14 business days of the request, a HUD – approved certification form. If the participant failure to submit the certification and the evidence request by the PHA; Federal, State, Police Records, Court Records or other documentation signed and attested to by an employee, agent or volunteer of a victim service provider, an attorney or a medical provider the PHA would therefore be free to evict, or terminate assistance, in the circumstances authorized by otherwise applicable law provisions state in the PHA administrative plan, without regard to the amendments made by Section 606 and 607.

For additional information the PHA includes a copy of the PIH notice 2006 – 42 as part of this policy.

**Note: Please add PIH Notice 2006-42 addendum and HUD form 50066**

## **D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

### **Progress in Meeting 5-Year Plan's Mission and Goals**

During the past year, the municipality made progress toward accomplishing these objectives. Highlights of achievements are as follows:

#### **PHA Goal: Expand the supply of assisted housing:**

The municipality's efforts under this goal include:

- *The Municipality of Vega Alta kept searching for opportunities to apply for additional rental voucher by a Proposal to the Fair Share Allocation of Incremental Voucher Funding (NOFA) as they become available, and requirements are met*

#### **HUD Strategic Goal: Increase the availability of decent, safe and affordable housing.**

The municipality's efforts under this goal include:

- *Several landlords were oriented about the section 8 program requirements and enrollment requirements*
- *In the initial briefings and as required, tenants were oriented about the mobility and portability options of the voucher program*
- *Reviewing the payment standards*
- *Mondays and Wednesday counseling is given to those interested, related to renting a house or giving a house for rent*

#### **HUD Strategic Goal: Improve community quality of life and economic vitality.**

The municipality's efforts under this goal include:

- *Briefings were given to the participants interested in the Homeownership Option*
- *Supportive services are offered to the elderly and families with disabilities through out the "Oficina de Servicios al Ciudadano", which continues receiving the endorsement of the Municipality of Vega Alta*

#### **HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals.**

The municipality's efforts under this goal include:

- *Tenants were oriented about job training and placement opportunities in the municipality and referrals were made to designate (private and governmental) agencies / It includes: coordinate job training and placement opportunities through out a Consortium (Law 52) with others Municipalities*

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

*HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans  
The municipality's efforts under this goal include:*

- *Equal opportunity was offered to all participants including persons with disabilities*
- *Equal opportunity handouts and other orientation material are available for participants*
- *Equal opportunity handout is placed on the PHA main office*

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan**

(This certification is required due to the fact that an amendment was made since the last Annual Plan.)

**(Attached next)**

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**AQUI SE INCLUIRA CERTIFICACION 2008**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

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**Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan**

I, Angel M. Castillo Rodriguez, Esq. the Commissioner certify that the Five Year and Annual PHA Plan of the Municipality of Vega Alta is consistent with the Consolidated Plan of Puerto Rico prepared pursuant to 24 CFR Part 91.

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**List of Persons Assisting the Meeting to Designate the Participant the Participant (Resident) Advisory Board and to Revise the Plan Draft**

**(Attached next)**

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**COPIA DE DOCUMENTO DE LA JUNTA APROBANDO EL PLAN SE INCLUIRA EN VERSION FINAL DESPUES DE VISTA PUBLICA**

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**Newspaper Ad Promoting and Announcing the Hearing Process**

**(Attached next)**

**Copia del anuncio invitando a Vista Publica**

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**List of Persons Assisting to the Public Hearing**

**(Attached next)**

**Lista de personas que participaron en vista publica SE  
INCLUIRA EN VERSION FINAL DESPUES DE  
VISTA PUBLICA**

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**Consultation Process: Comments or the Residents Advisory Board or Boards & Explanation of PHA Response**

**BEFORE THE PUBLIC HEARING:**

On \_\_\_\_\_, 2008, a meeting was held to designate the Participants Advisory Board and to review the Plan Draft. The program participants were oriented regarding the role and responsibilities of the Board. The proposed changes were presented as well as the plan draft and the last approved plan. The plan and its processes were fully discussed. Due to the fact that questions were clarified, the Board endorses the plan draft.

**AFTER THE PUBLIC HEARING:**

The Hearing was initiated with the lecture and presentation of the ad announcing the availability of the Plan Draft and the date of the hearing. Following this, the Plan Draft, the attachments, amendments and its relation with the last approved Plan were discussed; as well as a summary of the inquiries from the previous meeting and its commentaries.

One of the tenants, states that also homeownership is a good offer, he is not interested at the moment, for which he would like no to be invited to the homeownership briefings that he knows that the PHA offers. In the other hand, he was more than willing to serve and participate in other activities of the PHA.

Due to the fact that the Plan was revised, doubts were clarified and there were no further changes or comments, the Board endorses the PHA's Annual Plan.

**D. OTHER COMPONENTS (CERTIFICATIONS TO BE SUBMITTED TO LOCAL HUD FIELD OFFICE)**

**Membership of the Resident Advisory Board or Boards**

List members of the Resident Advisory Board or Boards: (If the list would be unreasonably long, list organizations represented or otherwise provide a description sufficient to identify how members are chosen.)

*A Notice is posted in the PHA's Main Office's Bulletin Board, announcing the meeting to designate the Participant Advisory Board and to revise the Plan Draft.*

*All the head of the participants' families, that are model representatives of the Section 8 Program, were invited to a meeting where they were invited to become part of the Participants' Board. Those who accepted are the designated members of the Board.*

*They were appointed on January 2006 and were appointed again in December 2007.*

*In the PHA (Municipality of Vega Alta) the Mayor is the Executive Director (Section 8 – HCV - Program). Governing Board is for Public Housing. In Tenant Based (Section 8 - HCV) there is, instead, a Participants Advisory Board. The Official in charged for designating the Participants Advisory Board is the Section 8 (HCV), Federal Affairs or Housing Department Director or Coordinator. In the Municipality of Vega Alta, Mrs. Glenda J. Concepción Bruno is the Section 8 Program Acting Director.*

***The Participant Advisory Board's members for the PHA are:***

1. Yohara Trinidad Santos
- \*2. Ernesto Santana
- \*3. Mayra Rosado
4. Luz Borrero
- \*5. Ines Ramirez Castro

\*New members appointed in 2007.

The following advisory board members are no Longer participant of the program are were substituted:

- Ivonne Castro-Bauta
- Concepción Rosado
- Esther Rosado-Molina

## INTRODUCTION

### i. PURPOSE OF THE PLAN [24 CFR 982.54]

The purpose of this Administrative Plan (Plan) is to establish policies for carrying out the programs in a manner consistent with HUD requirements, and in a manner consistent with local goals and objectives outlined in the agency plan. All pre-merger regular tenancy contracts, Housing Voucher contracts, and over fair market rent tenancy contracts have been transitioned to the Housing Choice Voucher Program as of October 1, 2001.

The Municipality of Vega Alta (hereinafter referred to as the PHA or HA) is responsible for complying with all changes in HUD regulations pertaining to the HUD programs it administers. If such changes conflict with this Plan, **HUD regulations will have precedence**. The PHA Board of Commissioners or other authorized PHA official/s must formally adopt the original Plan, and any changes. The pertinent sections must be included in the agency plan with a copy provided to HUD.

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR 984: Self Sufficiency Program
- 24 CFR 985: Management Assessment Program

Local rules incorporated in this Plan are intended to promote local housing objectives consistent with the intent of federal housing legislation.

### ii. RULES AND REGULATIONS [24 CFR 982.52]

This Plan defines the PHA's local policies for operation of the housing programs in the context of federal laws and regulations. **All Section 8 issues not addressed in this document are governed by: the federal regulations, HUD memos, notices, guidelines, or other applicable law.** The policies in this Plan have been designed to ensure compliance with the consolidated annual contributions contract (ACC) and all HUD approved applications for program funding.

### iii. TRANSLATION OF DOCUMENTS

The primary language of the Housing Agency of Vega Alta is Spanish and the Agency has bilingual staff to assist non-Spanish speaking families and translates documents into other languages upon request. Many standardized HUD documents are available only in English and the HA staff will provide verbal translations as needed.

In determining whether it is feasible to provide translation of documents into other languages, the HA will consider the following factors: Number of applicants and participants in the jurisdiction who do not speak English and speak the other language; and, Availability of bi-lingual staff to provide translation for non-English speaking families.

## **I. SELECTION AND ADMISSION PROCEDURES**

The Housing Authority has developed detailed procedures for the administration of Section 8 Housing Choice Voucher Programs (former Section 8 Existing Certificate Program). These procedures provide the framework for directing, managing, supervising and monitoring program activities. They include local procedures and policies for the treatment of applicants and participants as follow:

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

The overall objective of this activity is to assure that program availability is adequately publicized in order to reach eligible families and owners of rental housing units. Affirmative marketing efforts are a key component, since certain groups are difficult to reach by conventional means, in order to ensure that all eligible candidates have an opportunity to participate in the program.

Each time the Section 8 Office enters into Annual Contributions Contract for new units, it makes known to the public- via publication in the Section 8 Bulletin Board and/or other suitable means- the availability and nature of housing assistance for very low-income families. This notice contains the following information:

- When families may apply for the program (Including datelines, when applicable);
- A brief description of the Section 8 Program, including the possibility of families receiving assistance for the units, which they are currently occupying;
- It states that occupants and applicants of public and/or other housing may apply for the Section 8 Housing Programs if they wish to participate;
- Special outreach for handicapped families.

The following steps are undertaken annually to assure a successful outreach program for attracting families (if necessary):

- Identify resources available for performing outreach functions, including staff, community service and housing counseling agencies, churches, employers, unions, etc.;
- Review methods for taking applications in order to ensure that adequate provisions are made for hardship cases, and review desirability of pooling application resources with other HA services, in order to provide information on a wider range of housing opportunities;
- Plan to implement outreach, aimed at the families least likely to apply, in advance of the date on which formal application-taking procedures are given;
- Alternative means of delivering the outreach message are analyzed, including those listed below:

- a.) Newspaper announcements in widely circulated newspapers and/or other suitable means. It may include posting announcements/notifications in the bulletin boards of the Municipality's City Hall and the U.S. Local Postal Office; and when feasible, by the local media;
- b.) The "Word of Mouth" approach by currently assisted and/or applicant families, encouraging them to inform their friends, relatives and neighbors about the program;
- c.) Supportive outreach assistance provide by other organizations.

## **2. Applying for Admission**

The application process will involve two phases. The first is the "initial" application for assistance, where a full application is filled and certified by the family. This first phase results in the family's placement on the waiting list. The second phase is the "final determination of eligibility". At this phase, the full application is verified; it takes place when the family reaches the top of the waiting list. At this time, the PHA verifies all HUD and PHA eligibility factors in order to determine the family's eligibility for the issuance of a voucher. The PHA must receive information verifying that an applicant is eligible within the period of 60 days before the PHA issues a voucher to the applicant. (§982.201(e)). To warranty transparency process the family submitted the required documentation in closed envelopes with the logo or signed by the representative technician of the local and state agencies.

All persons who wish to apply for any of the Housing Choice Voucher Program's (Section 8) programs must fill an application. Applications will be made accessible upon request from a person with a handicap.

To provide specific reasonable accommodation to persons with handicaps/disabilities, upon request, the information may be mailed to the applicant, mailed to the applicant's contact person, completed by a designee, or any other specified reasonable accommodation.

The application is completed in the applicant's own handwriting, unless the applicant is a handicapped/disabled person who requests assistance or other accommodation. Applicants may be interviewed by the PHA staff to review the information on the full application form.

Verification of handicap/disability as it relates to Section 504, Fair Housing, or ADA reasonable accommodation may be requested at that time, or mailed to the applicant. All applicants are advised that reasonable accommodations are available.

To be eligible for admission, an applicant must be a "family"("Family" may be a single person or a group of persons), must be income eligible, must be a citizen or a non-citizen who has eligible immigration status in accordance with 24 CFR parts 5 and 982.201, must meet the additional criteria established below, including provisions on Social Security Numbers. (See section IV: Occupancy policies; below; or, applicable regulation).

Even if applicant is eligible because of family status, citizenship and income, the PHA is not required to assist such applicant for the grounds stated below. (See sections II -"Denial of Assistance", IV, X, XV and XXI; below; or applicable regulation).

*Limits on Who May Apply*

When the waiting list is open:

Any family asking to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application.

When the application is submitted to the PHA:

It establishes the family's date and time of application, and preferences for placement order on the waiting list. Also a register number will be assigned.

The PHA will collect the following information necessary for proper selection from the waiting list:

- Applicant name
- Family unit size (number of bedrooms family qualifies for under PHA subsidy standards)
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Gross annual income
- Income classification
- Disabled household
- Other targeted program qualifications and/or commentaries

*Insufficient funding (§ 982.454 Termination of HAP contract)*

The PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

*Briefing to Families Willing to Participate in the Program*

The PHA briefs the person who is interested in the housing assistance and as deemed necessary, they must be referred to other Local Programs or pertinent agencies.

Any family asking to be placed on the waiting list for Section 8 rental assistance will be given the following information:

- Applying process
- Requirements to qualify (income limits)
- Preferences
- Verification procedures (terms, requirements)

- Terms and process for leasing
- Applicant responsibilities (inform changes, respond on specified datelines and time frames, etc.)
- They are oriented about the deposit and housing maintenance
- Benefits and facilities that can be gathered through out the municipality and its jurisdictional area
- Any other information deemed necessary

### 3. Waiting List

The PHA's initial determination of eligibility for placement on the waiting list will be made in accordance with the information provided by the applicant, which will not be verified until the applicant is selected for issuance of a voucher (as per 24CFR§ 982.201). That is, verification on eligibility requirements will be verified prior to the family being offered Section 8 (including the status of the preference claimed or by which the family qualifies).

Families who have completed applications (after all required documents have been received, evaluated and accepted by the HA), and are in the application pool are considered according to the date and time of the application.

*Family: (24 CFR: §5.403 and §982.4) a single or a group of persons living together, subject to the provisions and eligibility criteria established under the program [Family Composition §982.201 (c)].*

*Single person family for the PHA is: a single person with a child or children temporary away (placed in foster care), an elderly person, a disabled person, a displaced family and a remaining member of the original assisted family (which qualifies to continue in the program).*

#### Admission Preferences

The PHA actually does not have grants or awards special funding. But considering families under preferences establish in the annual plan, we accepted thirty (30) applicants or less per fiscal year if the waiting list is close. Specifically disable, elderly, involuntary displacement, VAWA as a reasonableness accommodation.

Except for Special Admissions, participants must be selected from the PHA Waiting List. Eligible applicants are entitled to be placed on the Section 8 Waiting List and receive preference in selection for Vouchers if they meet certain Preferences. The PHA manages and applies preferences as stated on its most recent PHA's 5 year/ Annual Plan or PHA's Annual Plan and as established on 24 CFR 982.207.

For those years where there have been no admission preferences, the applicants must be selected based on the date and time they applied. This also applies, when admission preferences are employed and there are two or more applicants with equal preferences status.

The PHA will give preference to applicants residing on the Municipality of Vega Alta (§982.207(b)). This residency preference will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family; and, will not be based on how long an applicant has resided in the residency preference area. Applicants who are working or who have been notified that they are hired to work in a residency preference area must be treated as residents of the residency preference area. The PHA may treat graduates of, or active participants in, education and training programs in a residency preference area as residents of the residency preference area if the education or training program is designed to prepare individuals for the job market (§982.207(b)(1)(v)).

The PHA applies the Federal Preferences in a manner consistent with the provisions of Section 982, Subpart E (Admission to Tenant-Based Program) and as prescribed in 42 U.S.C. 1437d(c)(4)(A), 1437f(d)(1)(A), 1437f(o)(3), and 1437f note; and the non-discrimination requirements.

Once there is availability for vouchers, the PHA publishes the information and notifies those persons on the waiting list. Those in the waiting list are notified by mail and if available, by making phone calls and other Local media. They are also required to update their information, by completing a new application form.

For the residency preference the participant must actually be or has been a permanent resident of Vega Alta for a voucher even if actual status residency is outside of the municipality of Vega Alta for the past year to date of eligibility of voucher.

#### Procedures for Removing Applicant Names from the Waiting List

The applicants are removed from the waiting list when one of the followings happens:

1. there is no answer to the mailing notification (or returned mail),
2. with the evidence submitted, the family does not qualify for the assistance,
3. the family notifies (in writing) that they are not willing to participate on the Program, due to a change in their status; or
4. for the grounds stated in parts II, IV, XIII, XV, XVI and XXI of this Plan, or applicable regulation.

The above also applies when the family is notified the issuance of the voucher.

#### *Removal from Waiting List and Purging [24 CFR 982.204(c)]*

The waiting list will be purged periodically to ensure that it is current and accurate. In order to purge the waiting list, a notice will be mailed asking applicants for confirmation of continued interest.

All notices requiring a response, will state that failure to respond within (15) fifteen days will result in the applicant's name being inactivated on the waiting list.

If the applicant provides information that s/he did not respond to the notice because of a family member's handicap/disability, the PHA will reinstate the applicant at the original date and time of application.

#### Procedures for Closing and Reopening the PHA Waiting List

If there is insufficient funding to admit all eligible applicants to participate in the Section 8 Program, this PHA will suspend at any time, the acceptance or processing of new applications, or the addition of new listings to the waiting list.

When the number of applicants on the waiting list is such that new applicants would have to wait for more than one year for a voucher, the PHA will suspend the taking of applications. This will avoid both unnecessary application processing costs and false hopes to applicant families that assistance would be available to them in the near future. Suspension of application-taking will be publicly announced in the same manner as the public notices for program availability, and once resumed, public notices will be made.

While the waiting list is open, the PHA will accept applications from eligible families, unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the Section II, page 18 "Denial or Termination of Assistance" of this Administrative Plan. [24 CFR 982.206(b)(2)].

#### *Closing the Waiting List*

The PHA may stop accepting applications, if the waiting list contains enough applicants to fill anticipated openings for the next 24 months. The waiting list will not be closed if it has a discriminatory effect inconsistent with applicable civil rights laws.

The waiting list open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months. The PHA will give at least 30 days' notice prior to closing the list.

#### "Initial" Application Procedures [24 CFR 982.204(b)]

The PHA will use a full application form. The information is to be filled out by the applicant. The application may be taken from an applicant who visits the office. All possible reasonable accommodation will be provided to the handicapped/disabled, upon request.

The purpose of the application is to permit the PHA to preliminarily assess family eligibility or ineligibility, and to determine placement on the waiting list. The application will contain at least the following information:

- Register number
- Applicant Name

- Family Unit Size (number of bedrooms the family qualifies for under PHA subsidy standards)
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of head of household
- Gross annual income
- Income classification
- Handicapped/disabled family members
- Other information, as needed to determine eligibility

Ineligible families will not be placed on the waiting list.

At the initial phase, applications will not require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

#### Applicant Status While on Waiting List [CFR 982.204]

Applicants are required to inform the PHA of changes in address. Applicants are also required to respond to requests from the PHA to update information on their application, or to determine their continued interest in assistance.

If, after a review of the application, the family is determined to be eligible, the family will be notified in writing, or may be notified by telephone, or in another manner, upon request, as a reasonable accommodation.

No answer to update the information on the pre-qualification, on reasonable time basis (15 days), will be considered as if the family is not interested to participate in the Program.

### **INDICATOR 7: EXPANDING HOUSING OPPORTUNITIES**

In compliance with the selection and admission procedures the administrative plan includes a policy to expand housing opportunities in low poverty areas. Our efforts ensure greater mobility to areas and includes develop and implement a landlord marketing program,

identifying units in areas of low poverty, market to owners of those properties and solicit participation in the program. We include that Municipality of Vega Alta Map and others local maps pointed the surrounded poverty areas in our municipality. (See attachments)

### **Puerto Rico Map**

This map shows the location of our municipality and our PHA jurisdiction in which the participants located units outside areas of poverty.

### **Municipality of Vega Alta Map**

In the briefing packet for initial issuance or one mover issuance assuring they get the information about locating units outside poverty areas we will include this map. We encourage participation by owners with units located outside areas of poverty to be part of our program leasing their houses by Section 8 Program by public notice announcements. We develop and implement a landlord listing to include available units; conduct drive by inspection prior to placing units in the available list. In addition we designate landlord liaison on staff; establish semi-annual landlord meetings and quarterly newsletter to landlords.

## **II. ISSUING OR DENYING VOUCHERS**

Once the family's eligibility has been determined, the family is notified by mail of the determination taken and of the steps to follow.

The PHA will issue a voucher to the family after the family has been briefed on program requirements. To maintain the lease up standards for SEMAP we apply the rule **“First come, First**

**Serve”.**

The voucher specifies the unit size for which the family qualifies. This unit size may also be used to determine the amount of assistance the PHA will pay to the owner on behalf of the family. The voucher 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.

***Time of Selection [24 CFR 982.204]***

When funding is available, families will be selected from the waiting list in their determined sequence, regardless of family size, and subject to income targeting requirements. When there is insufficient funding for the family at the top of the list, the PHA will not admit any other applicant until funding is available for the first applicant.

Based on the PHA’s turnover and the availability of funding, groups of families may be selected from the waiting list to form a final eligibility "pool". Selection from the eligibility pool will be based on the completion of verification of eligibility.

Ineligible families will be offered an informal review (see section XII on this Plan) on the determination of ineligibility not later than (30) thirty days after the date their application was submitted. During that time frame, the applicants will be notified by writing of their ineligibility and they will have fifteen (15) days after the receiving of the letter to ask in writing an informal review.

***Complete Full Application***

After a family is selected from the waiting list, applicants will be required to:

Update the initial application in his or her own handwriting, unless a handicapped/disabled person requests assistance, as reasonable accommodation. The PHA staff may interview the applicant to clarify and review the information on the full application.

The applicant must complete the full application, and provide all requested documentation and information.

***Requirement to Attend Interview***

The PHA may require a full application interview attended by all adult family members. The purpose of the interview is to discuss the family's circumstances in greater detail, to clarify information that has been provided by the family, and to ensure that the information is true and complete.

The head of the family must sign all appropriate areas of the housing application. It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses two scheduled meetings, the PHA may reject the application. The interview may be held in the office, or at the applicant’s home, upon request by a handicapped/disabled family, as a reasonable accommodation.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule not later than five (5) days from the original appointment date. The request must be made to the staff person who scheduled the appointment.

Reasonable accommodation, such as accessible offices, inclusion of an advocate, or a home visit, will be provided to a handicapped/disabled family, upon request. The handicapped/disabled family's Designee will be allowed to participate in the interview process at the family's request.

If an application is denied due to a failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See "Complaints and Appeals" section XII; and Section VI.)

All adult members must sign the HUD Form 9886, Release of Information, the application form, all PHA-required supplemental, the declarations and consents related to citizenship/immigration status, a consent form to release criminal conviction records and to allow PHA to receive and use records in accordance with HUD regulations, as well as, any other documents required by the PHA. Applicants may be required to sign additional release of information forms for information, not covered by the HUD Form 9886.

Failure to complete required forms, or provide requested information, will be cause for denial of the application for failure to provide necessary certifications, releases, and documents, as required by HUD or the PHA.

The PHA will request additional documents or information in writing, if it determines at or after the interview, that they are needed. The family will be given 15 days with a 5 days extension to supply the information. If the requested information is not supplied by the due date, the PHA will provide the family a notification of denial for assistance. (See "Complaints and Appeals" section XII of this Plan.)

### ***Briefing of Families***

When the family receives a voucher, the following items will be fully explained:

- Family and owner responsibilities under the lease and HAP contracts
- How to find a suitable unit
- Housing Quality Standards
- Procedures for both the family and owner regarding dwelling unit inspections
- Fair Housing Equal Opportunity and Grievance Procedures

A Voucher Holders Packet will be given to the family containing the following:

- Request for lease approval
- Required lease provisions
- Lead-based paint notices and certificate
- Fair housing information
- Schedule of utility allowances
- Informal hearing procedures
- Information on the total tenant payment (tenant rent)
- Portability eligibility (24 CFR 982.355)
- Form HUD-1140(1) OIG – “Cosas que usted debe saber” (Things you must know)
- Information the owner may require or may get to know
- List of other housing agencies in the area

### ***Verification***

The PHA’s Section 8 Program will verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full-time student status of family members 18 years of age and older, Social Security Numbers, citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

### **REQUIRED CONSENT BY APPLICANTS & PARTICIPANTS**

Each member of the family of an assistance applicant or participant, who is at least 18 years of age, and each family head and spouse, regardless of age, shall sign one or more consent forms. See 24 CFR §5.230.

### **GENERAL RULES**

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or -for citizenship- documentation, such as listed in the table below will be required.) Verification of these items will include photocopies (of provided originals) of the

Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

The first method to use for any information verification must be using third party verification. This type of verification includes written documentation (with forms sent directly to and received directly from a source, not passed through the hands of the family). This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the PHA's Section 8 Program or automatically by another government agency, i.e., the Social Security Administration. Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e., name date of contact, amount received, etc.

When third party verification cannot be obtained, the PHA's Section 8 Program will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if the PHA's Section 8 Program has been unable to obtain third party verification in a four-week period of time. Photocopies of the documents provided by the family will be maintained in the file.

When neither third party verification nor hand-carried verification can be obtained, the PHA's Section 8 Program will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

The PHA will document in the tenant file, the reason why third party verification was not available.

### Social Security

24 CFR §5.216 requires applicants and participants to disclose the complete and accurate social security number (SSN) assigned to the applicant/participant and to each member of the applicant's/participant's household, who is at least six years of age and to provide documentation to verify each SSN.

In the event an applicant or participant or household member, who is at least six years of age, has not been assigned an SSN, the household member (parent or guardian if the member is under the age of 18) must execute a certification that states the household member was not issued a social security number.

### General Items

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the PHA's Section 8 Program will send a request form to the source along with a release form signed by the applicant/participant via first class mail.

Verification Requirements for Individual Items: **General Eligibility Items**

Item to Be Verified	3 <sup>rd</sup> party verification	Hard-carried verification
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc.	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Letter from school	For high school students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other professional knowledgeable of condition	N/A
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payments
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls

### Income

The requirement for third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2) and states that "The PHA must obtain and document in the family file third party verification of the following factors, or must document in the file why third party verification was not available:

- (i) Reported family annual income;
- (ii) The value of assets;
- (iii) Expenses related to deductions from annual income; and
- (iv) Other factors that affect the determination of adjusted income or income-based rent."

Third party verification is defined as independent verification of income and/or expenses by contacting the individual income/expense source(s) supplied by the family. The verification documents must be supplied directly to the independent source by the PHA and returned directly to the PHA from the independent source.

The tenant shall not hand carry documents to or from the independent source. The PHA may elect to mail, fax, or e-mail the verification request form to the independent source.

In the event that the independent source does not respond to the PHA's faxed, mailed, or emailed request for information, the PHA may pursue oral third party verification.

The income verification process established for the PHA's Section 8 Program consists of two major tasks:

1. SIGN CONSENT- Applicants and participants sign a consent form to request the following: current or previous wages and salaries from employers, wage information and unemployment compensation from the State agency charged with the administration of the State unemployment law, and income information from the Commissioner of Social Security and the Secretary of the Treasury.
2. VERIFICATION OF INCOME- The PHA will put forth all its efforts to ensure that all available resources are used, including upfront income verification techniques; to obtain verification of tenant reported (unreported or underreported) income.

The PHA's Section 8 Program will use the following verification methods in the order listed below:

- (1) Upfront Verification
- (2) Written Third Party Verification
- (3) Oral Third Party Verification
- (4) Document Review
- (5) Tenant Declaration

The PHA should attempt to use upfront income verification first and whenever possible, since it is the most preferred method by HUD and does not rely on an individual filling out a form, which may result in lower data integrity.

The PHA's staff will use the Upfront Income Verification (UIV) Information gathered, to verify the household income of program participants. This is a key strategy in reducing income and rent errors attributable to unreported income and to increase accuracy and efficiency in determining family eligibility and computing rent calculations.

If upfront verification is not available (PHA does not have access to this type of information or it is too costly to obtain) then the PHA should obtain required written third party verification. Verification forms should be mailed, faxed or e-mailed directly to the independent source.

In the event that the independent source fails to respond to written verification requests, the PHA should then contact the independent source by telephone or an in person visit to obtain the verification. Upon receipt of the information, the PHA should document in the family file, the date and time the information was received along with the name of the person and title that provided the information.

### **SECURITY AND DEPOSITS (24 CFR 982.313)**

The owner may collect a security deposit from the tenant family that does not exceed one

month's contract rent. If collects less than one months rent as security deposit on the owner's other (unassisted) rental units the security deposits on the Section 8 Assisted units must be established at the same amount.

Owner may use the security deposit to cover unpaid tenant rent owing at time of move out, damages and/or other cost allowed under State Landlord –Tenant Act. The Municipality of Vega Alta Housing Agency will provide a prior Section 8 owner with current address of a family who continues to receive Section 8 assistance when the owner provides evidence that (1) the unpaid rent/damage exceed the security deposit collected and (2) the owner has received a court judgment for additional amounts owed.

## **INTERIM REPORTING POLICY AND PROCEDURES**

### **Standard Timely Reporting of Changes and Tenant Penalties for Untimely Reporting**

The family must report any required change within fifteen (15) days calendar days of when income or change in household composition occurs.

If the family does not bring the required information with them to the interview, a new interview date will be set within that month. In addition, third party verification will be sent out to verify the change(s).

An increase in tenant rent may be made retroactively while any decrease will be implemented prospectively, when the family does not keep the second schedule interview appointment and fails to return by the end of the month. The total tenant paid is calculated when the verification is received, and it will be considered "untimely reporting" by the tenant.

The tenant may report any of the following changes that would result in a decrease in the tenant's rent:

Loss of income

Increase in allowable expenses (income earnings, child care, handicapped assistance, medical)

Decreases in the tenant's portion of the rent will be effective the first day of the month following the month in which the change occurs, sometimes resulting in a retroactive decrease.

However the PHA agency of the Municipality of Vega Alta will not reduce a tenant's rent for loss/reduction in welfare income (TANF) due to family:

- Fraud
- Failure to participate in a required work activity
- Failure to participate in a required economic self sufficiency activity

Any reported reduction in welfare benefits will be verified with the local welfare (TANF) department.

Tenants must report all income increases within 15 days of change. A change of employers, or a family member becoming employed after having reported being unemployed, will result in an interim re-determination of tenant's rent. Other family changes resulting in an interim re-determination of tenant's rent.

A new source of income and/or unreported increases in income (where required by this policy) that remains unreported for more than thirty (30) days, will be considered a program violation resulting in a retroactive increase in tenant's rent. A family with retroactive increase may be eligible for a repayment agreement if the act constitutes the first strike. The PHA may not offer a payment agreement in all circumstances. See page 64 Payment agreement.

The PHA will not enter into more than one payment agreement with the family. The family may be allowed thirty (30) days to pay the second debt in full and the family is notified by mail of the determination on termination of assistance and the rights of the family to request in fifteen (15) days an informal written review in accordance to 24 CFR982.551, 24 CFR982.554 and 24CFR 982.555.

*Below are the levels and the order of verification methods that the PHA's Section 8 Program will use in determining a family's Total Tenant Payment (TTP).*

<b>Upfront (UIV)</b>	<b>Highest (Highly Recommended, highest level of third party verification)</b>
<b>Written 3<sup>rd</sup> Party</b>	<b>High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)</b>
<b>Oral 3<sup>rd</sup> Party</b>	<b>Medium (Mandatory if written third party verification is not available)</b>
<b>Document Review</b>	<b>Medium-Low (Use on provisional basis)</b>
<b>Tenant Declaration</b>	<b>Low (Use as last resource)</b>

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
<b>Wages/Salaries</b>	Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not response to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. Note: The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number or Choice Point to obtain wage and salary information.	The PHA may have tenant sign a Request for Earnings Statement from SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				
<p><b>Verification of Employment Income:</b> The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination data (previous employment), pay frequency, pay, rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and the position of the person completing the employment verification form.</p> <p><b>Effective Date of employment:</b> The PHA should always confirm start and termination dates of employment.</p>					
<b>Self-Employment</b>	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. Note: The PHA must document in the tenant file, the reason third party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. Note: The PHA must document in the tenant file, the reason third party verification was not available.
<p><b>Verification of Self-Employment Income:</b> Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement.</p>					
<b>Social Security Benefits</b>	Use of HUD Tenant	The PHA mails or faxes a verification	The PHA may call SSA, with the tenant on	The PHA may accept an original SSA	The PHA may accept a notarized statement

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
	Assessment System (TASS) to obtain current benefits history and discrepancy reports.	form directly to the SSA office to obtain social security benefit information. (Not Available in some areas because SSA makes these data available through TASS. SSA encourages PHAs to use TASS.)	line, to obtain current benefit amount. (Not Available in some areas because SSA makes these data available through TASS. SSA encourages PHAs to use TASS.)	Notice from the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	or affidavit from the tenant that declares monthly social security benefits. Note: The PHA must document in the tenant file the reason third party verification was not available.
<b>Welfare Benefits</b>	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review original award notice or printout from the local Social Services Agency provided by the tenant. Note: The PHA must in the tenant file; the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. Note: The PHA must document in the tenant file, the reason third party verification was not available.
<b>Child Support</b>	Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. Note: The PHA must document in the tenant file, the reason third party verification was not available.
<b>Unemployment Benefits</b>	Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.	The PHA may call State Wage Information Collection Agency to obtain current benefit amount.	The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. Note: The PHA must document in the tenant file, the	The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. Note: The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
	Use of HUD systems, when available.				
<b>Pensions</b>	Use of computer matching agreements with a Federal, State or Local Government Agency to obtain pension information, electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information	The PHA may call the pension provider to obtain current benefit amount.	The PHA may review an original benefit notice from the pension provider provided by the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. Note: The PHA must document in the tenant file, the reason third party verification was not available.
<b>Assets</b>	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The PHA mails, or e-mails a verification form directly to the source to obtain asset and asset income information.	The PHA may call the source to obtain asset and asset income information.	The PHA may review original documents provided by the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. Note: The PHA must document in the tenant file, the reason third party verification was not available.
<b>Comments</b>	Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed cost during RIM review.	Note: The independent source completes the form and returns the form directly to the PHA Agency. The tenant should not carry documents to or from the independent source.	The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified current income amount.		The PHA should use this verification method as a last resource, when all other verification methods are not possible or have been unsuccessful. Notarized statement should include a perjury penalty statement.
<b>Note: The PHA must not pass verification costs along to the participant.</b>					
<b>Note: In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies).</b>					

NOTE: Effective in August 2007, participants with more than \$20,000 debt in child support the PHA can not include the amount in reference as an income.

Example of the local documentation that the PHA may request, among others, is a

certification from the CRIM (Center for Municipal Income and Tax Collection) to be considered for negative ownership for local real estate properties to the tenant declaration for asset verification and, a certification from the P.R. Department of Labor and Human Resources to be considered for job verification.

### ***Denial and Termination of Assistance***

The PHA policies on denial and termination of assistance will be determined as established on this Administrative Plan and as established in the 24 CFR Subpart L Sections 982.551 to 982.553 and in accordance with dispositions on the 24 CFR 5.105.

### **Policy Governing the Voucher Term and Any Extensions of the Voucher Term.**

The voucher issued to the family will be determined by the size of the family. The length for a voucher is for 60 days term. In case a voucher expires, the family may reapply and be added to the waiting list in order of priority, dependent upon funds availability and/or as the process is open (this is, initiate the process as a new request).

The family may obtain the pertinent request form for lease approval. The family will be given ample opportunity to discuss and raise questions with relation to the above mentioned orientation. Personal assistance will be provided to families in an attempt to help them find adequate housing.

The PHA will encourage participation of owners of suitable units located outside areas of low income or minority concentrations. Owners will be oriented in relation to this matter.

### ***Voucher Term Extensions***

The PHA may grant, after the standard 60 days' voucher term, one justified extension of 30 days' period to find a suitable unit. The extension's justification must be requested in writing and should provide verifiable evidence.

All requests for extensions should be received prior to the expiration date of the Voucher. Extensions are permissible at the discretion of the HA primarily for the following reasons:

- a) Extenuating circumstances such as hospitalization or a family emergency for an extended period of time, which has affected the family's ability to find a unit within the initial 30-day time period. The HA representative will verify the extenuating circumstances prior to granting an extension.
- b) The family has evidence that they have made a consistent effort to locate a unit and request support services from the HA, throughout the initial 60-day period with regard to their inability to locate a unit.

The family must demonstrate its efforts to find a unit by: the Program, contact owners and real estate companies, search newspapers listing, explore neighborhoods for "For Rent" signs, check with local churches, and other community organizations. With this

purpose the family must fill and certify a form (See Appendix I) in which they should record the steps taken to find an affordable unit.

- c) The family has turned in a Request for Lease Approval prior to the expiration of the 30-day time period, but the unit has not passed HQS.
- d) Time Period for extensions: A HA representative may grant one extension not to exceed a total of 30-days. The initial term plus any extensions MAY NOT exceed 120 calendar days for the beginning of the initial term.
- e) Extensions for Disabled persons: the HA representative must grant an extension of up to 120 days for persons who are disabled.

Justified circumstances also include:

- Where there is a reasonable possibility that the family may need additional advice and assistance to find a suitable unit;
- Depending on the level of support services requested by and provided to the family;
- Whether the family has already submitted requests for approval of the tenancy for units that were not approved by the PHA; and
- Whether the family size or other special requirements made finding a unit difficult.

When the voucher term expires, the PHA will require that the family reapply when the PHA begins accepting applications.

### ***Suspension (or “tolling”) of Term***

The PHA **will not grant** the family a suspension of the voucher term if the family has submitted a request for approval of the tenancy during the term of the voucher. [24 CFR 982.4, “Definitions”, and 982.303]

**III. POLICY ON SPECIAL RULES FOR USE OF AVAILABLE FUNDS  
(SPECIAL PURPOSE): ASSISTANCE TARGETED BY HUD  
(See also Section XXIII Special Housing Assistance)**

*General Rules*

The PHA applies for additional funds as they become available. The availability of such funds will be first notified in writing, to those already listed in the waiting list.

When HUD awards special funding for certain family types, families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria, unless, as a requirement of the program, eligible families are referred from a social service agency. The PHA will follow the applicable regulation in the administration of the special purpose vouchers (as granted).

*Special Funding: NOFA (Notice of Funding Availability)*

Additional vouchers funding such as Occupancy NOFA, would be selected from the waiting list proceeding, the regular selection procedures and/or those procedures established in the Federal Register.

*Special Population Vouchers*

Vouchers targeted to special population, such as Family Unification, Welfare-to-Work, Mainstream Opportunities- Services to Persons with Disabilities; will be publicly announced and selected from a special waiting list (designated for this type of funding), giving priority to those in the regular waiting list (who will be notified by mail).

*Special Housing Types Funding*

The PHA does not plan to apply for Special Housing Types Funding. If eventually, the PHA decides to apply for such funding; the policies on special rules will be stated as follows:

When HUD awards funding to a PHA program, which is targeted for families living in specified units (such as Housing Demolition, Mainstream Housing - Elderly Designation, etc.), the PHA must use the assistance for the families living in those units. The PHA must admit these families under a Special Admission procedure.

Special Admission is given to families that are not on the waiting list, or without considering the family's position on the waiting list. The PHA must maintain records showing that a family was admitted with HUD-targeted assistance. Special admission families need not to qualify for any preference. They are not counted against the limit of local preference admissions. The PHA must maintain a separate record of these admissions.

## IV. OCCUPANCY POLICIES

The PHA may only admit an eligible family to the program. To be eligible, the applicant must be a “family”, must be income-eligible, and must be a citizen, or a noncitizen that has eligible immigration status; as determined in accordance with 24 CFR Part 5.

### 1. Family Composition and Income Eligibility

The PHA defines family and income eligibility as stated on the 24 CFR Part 982.201. This definition includes “live-in-aide” and single person, among others.

*Family: (24 CFR: §5.403 and §982.4) a single or a group of persons living together, subject to the provisions and eligibility criteria established under the program [Family Composition §982.201 (c)].*

*Single person family for the PHA is: a single person with a child or children temporary away (placed in foster care), an elderly person, a disabled person, a displaced family and a remaining member of the original assisted family (which qualifies to continue in the program).*

To consider a person a “live-in-aide”, such person must be essential for the care and aide of the person who serves as a companion. To determine its eminent presence in the dwelling unit, the family must submit appropriate medical certification and any other evidence that the PHA deems necessary. Approval of a live-in aide for reasonable accommodation will be in accordance with CFR 24 Part 8.

Per Title 24 CFR 982.316, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval if:

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

### 2. Continuously Assisted Family

As established in the 24 CFR 982.201, an applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

It is in this regard that the PHA has established the following policy concerning whether and to what

extent a brief interruption between assistance and admission to the voucher program will be considered to break continuity of assistance:

“Any family currently involved with any federally assisted public housing project has a total of some 183 calendar days or half a year (6 months), between the period they have left a federal housing program and applied for assistance under the Housing Choice Voucher Program, in order to be considered under continuously assisted.”

### **3. Standards for Denying Admission or Terminating Assistance Based on Criminal Activity or Alcohol Abuse in Accordance with Sec. 982.553**

The members of the household may 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.

#### *Action or inaction by family.*

The PHA may deny assistance for an applicant or terminate assistance for a participant under the programs because of the family's action or failure to act as described in this section or Sec. 982.553. The provisions of this section do not affect denial or termination of assistance for grounds other than action or failure to act by the family.

#### *Requirement to deny admission or terminate assistance.*

1. For provisions on denial of admission and termination of assistance for illegal drug use, other criminal activity, and alcohol abuse that would threaten other residents, the PHA applies the rules on the 24 CFR Sec. 982.553.
2. If the family has been engaged in criminal activity or alcohol abuse as described in Sec. 982.553.

Per Sec. 982.553, the PHA must prohibit admission to the program of an applicant for three (3) years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity. However, it is the PHA decision to admit the household if the PHA determines:

- (A) That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA; or
- (B) That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned).
- (C) If the PHA determines (with evidence) that the evicted person clearly did not participate in or know about the drug-related criminal activity and the leading to

eviction not longer exist (as part B, above).

The PHA will prohibit admission if:

- (A) Any household member is currently engaging in illegal use of a drug;
- (B) It is determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or
- (C) 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.

**Drug** - means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

**Covered person** - means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

**Guest**- means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

**Other person under the tenant's control** - means that the person, although not staying as a guest (as defined in this section) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

#### *Mandatory prohibition*

The PHA must prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In this screening of applicants, the PHA must perform criminal history background checks necessary to determine whether any household member is subject to a lifetime sex offender registration requirement in the State where the housing is located and in other States where the household members are known to have resided.

#### *Permissive prohibitions*

The PHA may prohibit admission of a household to the program if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the admission:

- (1) Drug-related criminal activity;
- (2) Violent criminal activity;
- (3) Other criminal activity which may threaten the health, safety, or right to **peaceful** enjoyment of the premises by other residents or persons residing in the immediate vicinity; or
- (4) Other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor or agent).

If the PHA previously denied admission to an applicant because a member of the household engaged in criminal activity, it is the PHA decision to reconsider the applicant if the PHA has sufficient evidence that the members of the household are not currently engaged in, and have not engaged in, such criminal activity during a reasonable period, as determined by the PHA, before the admission decision.

- (1) The PHA would have “sufficient evidence” if the household member submitted a certification that she or he is not currently engaged in and has not engaged in such criminal activity during the specified period and provided supporting information from such sources as a probation officer, a landlord, neighbors, social service agency workers and criminal records, which the PHA verified.
- (2) For purposes of this section, a household member is “currently engaged in” criminal activity if the person has engaged in the behavior recently enough to justify a reasonable belief that the behavior is current.
- (3) Prohibiting admission of alcohol abusers. The PHA must establish standards that prohibit admission to the program if the PHA determines that it has reasonable cause to believe that a 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.

*Terminating of assistance for:*

*Drug criminals*

The PHA must establish standards that allow the PHA to terminate assistance for a family under the program if the PHA determines that:

- (A) Any household member is currently engaged in any illegal use of a drug; or
- (B) A pattern of illegal use of a drug by any household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA must immediately terminate assistance for a family under the program if the PHA determines that any member of the household has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

The PHA must establish standards that allow the PHA to terminate assistance under the program for a family if the PHA determines that any family member has violated the family's obligation under Sec. 982.551 not to engage in any drug-related criminal activity.

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

#### Other criminals

The PHA must establish standards that allow the PHA to terminate assistance under the program for a family if the PHA determines that any household member has violated the family's obligation under Sec. 982.551 not to engage in violent criminal activity.

Violent criminal activity - includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property.

#### Alcohol abusers

The PHA must establish standards that allow termination of assistance for a family if the PHA determines that a 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.

#### *Standards*

**Standard for Violation** – The PHA will deny participation in the program to applicants and terminate assistance to participants in cases where there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where the PHA determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse. The PHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous 12 months.

**"Engaged in or engaging in" violent criminal activity** - means any act within the past 3 years by an applicant or participant or household member which involved 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, which resulted in the arrest and/or conviction of the applicant, participant, or household member.

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

### *Evidence of criminal activity*

The PHA may terminate assistance for criminal activity by a household member as authorized in this section if the PHA determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

### *Required Evidence*

The PHA will pursue fact-finding efforts as needed to obtain evidence for termination of assistance. Pending termination actions will be based on the following rules of evidence:

- *Preponderance of 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 that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- *Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

### *Use of criminal record*

(1) Denial - If a PHA proposes to deny admission for criminal activity as shown by a criminal record, the PHA must provide the subject of the record and the applicant with a copy of the criminal record. 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 Sec. 982.554. (See part 5, subpart J for provision concerning access to criminal records.)

(2) Termination of assistance - If a PHA proposes to terminate assistance for criminal activity as shown by a criminal record; the PHA must notify the household of the proposed action to be based on the information and must provide the subject of the record and the tenant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with Sec. 982.555.

(3) Cost of obtaining criminal record – Tenants may notify the PHA any difficulty in obtaining the criminal record. As feasible, the PHA may not pass along to the tenant the costs of a criminal records check.

### *Family Obligations [24 CFR982.551]*

All obligations of the family are explicitly stated on the Housing Choice Voucher form which serves as the contractual document between the PHA and program participants.

These obligations are discussed in detail with program participants at the mandatory briefing sessions prior to admission to the program. Violation of any of these family obligations will be grounds for termination of assistance.

### *Notice of Termination of Assistance*

The PHA will provide a written notice of intent to terminate housing assistance, which will include the following information:

- The family obligation that has been violated;
- The specific action(s) which occurred in violation of the family obligation;
- The effective date of the proposed termination,
- The family's right, if they disagree, to request an Informal Hearing to be held prior to termination of assistance; and,
- The date by which a request for an informal hearing must be received by the PHA.

The PHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

## **Preventing Crime in Federally Assisted Housing- Denying Admission and Terminating Tenancy for Criminal Activity or Alcohol Abuse**

### **Policy for Sexual Offenders**

Under the 24 CFR 5.856 states when must prohibit admission to sex offenders. The PHA must establish standards to a lifetime registration requirement under a State sex offender registration program. In the screening of applicants, you must perform necessary criminal history backgrounds checks in the State where the housing is located and in other States where the household members are known to have resided. (See §5.905).

### Screening and Tenant Selection Criteria

Tenant(s) will be terminated or denied admission if any member of the family has ever been convicted for sexual offense or who is subject to the lifetime registration with federal, state or local law enforcement agencies or sexual offenders not required to register shall not be admitted.

### Denying Admissions

Our PHA will not admit a sexual offender, even if he is not required to register. Anyone convicted of any type of sexual offense whether subject to lifetime registration requirement

under state or not required to register shall not be admitted.

#### **V. ENCOURAGING PARTICIPATION BY OWNERS OF SUITABLE UNITS LOCATED OUTSIDE AREAS OF LOW INCOME OR MINORITY CONCENTRATION**

The PHA will publish a notice inviting owners to make dwelling units available for leasing by participating families. This notice is published via memoranda posted in the Municipal Government Reception Bulletin Board and the Section 8 Reception Area and/or other suitable means, as necessary, in order to reach a maximum number of owners and real estate brokers located in all geographical sectors within the jurisdiction of the Housing Administration.

The PHA has an affirmative action marketing program to ensure that opportunities for program participation are adequately publicized in order to reach and/or accomplish the following:

- Families identified by the PHA as the least likely to apply (e.g., handicapped families, very low-income families, large families, homelessness families, women household families, and victims of domestic violence)).
- Families identified in the Housing Assistance Plan.
- Owners of rental properties located outside areas of low-income or minority concentrations.
- Families identified in the Rental Rehabilitations Program
- Provide area- wide housing opportunities to families.

All outreach is done in accordance with the Section 8 Office's approved Equal Opportunity Housing Plan, Administrative Plan, and HUD guidelines for fair housing opportunity logotype, statement and slogan.

The best way to recruit new owners is to operate the housing choice voucher program effectively and treat owners professionally. This includes minimizing the time required to inspect units and to start HAP payments, applying program rules consistently, being timely and predictable in all program processing, maintaining effective and prompt communications with owners (e.g., returning calls quickly, identifying a single point of contact, meeting at least once a year with them), and making payments accurately and on time. The PHA also includes that: Tenants are required to pay the security payment to the landlord at the contract signature meeting.

**VI. ASSISTING A FAMILY THAT CLAIMS THAT ILLEGAL DISCRIMINATION HAS PREVENTED THE FAMILY FROM LEASING A SUITABLE UNIT: Discrimination Complain Procedure and Housing Accessibility Policy for the Disable. (See also Section XII)**

As part of the information packet provide to the applicants, the applicants are given Information on federal, State and local equal opportunity laws, and a copy of the housing discrimination complaint form.

The PHA will assist the families that claim that illegal discrimination has prevented the family from leasing a suitable unit: Ex., single women with many children, according to the Fair Housing Act and Equal Opportunity and Non-Discriminatory Laws.

A family which claims that illegal discrimination because of race, color, religion, sex, national origin, age, familial status or disability prevents the family from finding or leasing a suitable unit with assistance under the program; must fill a housing discrimination complaint in the PHA main administrative office.

Where a family alleges that illegal discrimination is preventing them from finding a suitable unit, the PHA will provide reasonable assistance this matter by directing the aggrieved to the necessary agencies.

**A. EQUAL OPPORTUNITY**

1. Fair Housing

It is the policy of the PHA to comply fully with all Federal, State, and local nondiscrimination laws, including but not limited to Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act; and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the ground of race, color, sex, religion, national origin, familial status, age or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any PHA housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, the PHA will provide Federal/State/local information to applicants for and participants in the Section 8 Housing Program regarding unlawful discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the PHA office. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo.

The PHA will assist any family that believes they have suffered illegal discrimination by providing them with copies of the housing discrimination form. The PHA will also assist them in completing the form, if requested, and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

## 2. Housing Accessibility Policy

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

The PHA complies with non-discrimination policies established by Title VII of the Civil Rights Act of 1968 (Fair Housing Act) by providing reasonable accommodations to persons with disabilities, whether registrants, applicants, or participants by:

- Making application and registration forms available to organizations that service or represent the aged or persons with disabilities;
- Complying with Federal, State and Local laws regarding accommodations for persons with disabilities and providing adequate office facilities;
- Providing assistance to complete forms and to provide other documents required by program regulations;
- Providing reasonable extensions of time for the completion of program requirements to the extent allowed by HUD regulations;
- Providing extensions of the terms of Vouchers to the extent allowed by program regulations, or, if prohibited by regulations, requesting written approval by HUD for additional extensions to accommodate families containing persons with disabilities;
- Conducting in-home visits for persons who are unable to visit the office due to medical conditions; and
- Soliciting information on the accessibility of owners' units for persons with disabilities, and providing information on amenities the unit may provide for persons with disabilities.

## 3. Complaint Procedures

### *Introduction*

These procedures establish the handling of complaints filed by applicants and/or participants in the PHA's Section 8 Program. These procedures will guarantee the timely, joint resolution of complaints.

### *Filing of Complaints*

Complaints shall be filed before the Housing Department or Program Director or a designated representative within the PHA's Office of Housing and Section 8 Program.

The complainant shall file complaints personally. Upon the filing of a complaint, the parts will conduct an informal discussion to attempt to arrive at a fair and reasonable resolution without having to conduct a Hearing. A decision will be made as expeditiously as possible. The Housing Department or Program Director shall prepare a short written report of the informal discussion, which will include this decision. The complainant will be provided copy of this report within five workdays after the decision is made. The written report will specify:

- a. Name of participants
- b. Date in which the complaint was filed
- c. Nature of the complaint
- d. Decision made by the Housing Department or Program Director for resolution of the complaint, and basis for such decision
- e. Procedures through which the complainant may request a Hearing

### *Procedures for requesting a Hearing before an Official designated by the Mayor*

When the complainant is not satisfied with the decision made by the Housing Department or Program Director, a Hearing may be requested in writing within ten (10) workdays from the date of receipt of the decision.

The Request for Hearing shall include the following:

- a. The complaint
- b. Reasons for the complaint
- c. Action or remedy sought

By not requesting a Hearing within the established time frame, the complainant renounces the right to Hearing and accepts the Housing Department or Program Director's decision as final and binding, unless just cause can be established for requesting a Hearing within the established time frame.

### 4. Disability procedures

### *General*

The PHA's Section 8 Program shall not discriminate against any person because of race, color, sex, religion, civil status, political affiliation, and/or physical or mental disability.

The Program is committed to offer quality and excellence in services, and to provide the necessary tools to help persons with disabilities in specific situations, and will arrange assistance in those cases referred to the Office of Assistance to Persons with Disabilities.

*Procedures*

- a. Persons requesting assistance will state their business at the Town Hall's Reception Area.
- b. Reception Area personnel will contact the Section 8 Program Coordinator or authorized representative. Accessibility arrangements will be made if necessary.
- c. Persons requesting assistance will present a Health Department identification issued in accordance to Laws 107 and 108 that stipulate an "Express Line" benefit.
- d. Persons requesting assistance will be referred to the Office of Assistance to Persons with Disabilities.
- e. The Office of Assistance to Persons with Disabilities will provide accessible transportation services to those Section 8 Program clients identified as having physical and/or mental disability in accordance with the Americans with Disabilities Act of 1990.

*Procedures for Complaints of Violations of Rights*

Any person with a disability who believes that service or treatment has not been just, and/or that has been discriminated upon because of race, color, sex, national origin, age, religion, political affiliation, and physical and/or mental disability should:

- a. Submit a written complaint in letter format to the Housing Department (Section 8 Program) explaining the alleged situation, who interviewed the person, and the reasons why he/she understands that discrimination has occurred. The complaint should be mailed to the following address:

MUNICIPIO DE VEGA ALTA  
 OFICINA PROGRAMA SECCION 8  
 P O BOX 1390  
 VEGA ALTA, PR 00692

or submitted in person to the following address:

CENTRO DE GOBIERNO,  
 IRMO FIGUEROA  
 OFICINA PROGRAMA SECCION 8 - PISO 2

CARR. #2 KM 30.8  
VEGA ALTA, PUERTO RICO

- b. The Housing or Program Director will verify the complaint and will notify the alleged victim regarding the determination and/or measures to be taken, and will attend to the situation in a term not exceeding 30 days.
- c. If the situation persists, the Mayor and the Legal Division shall be notified for appropriate action.
- d. If the complainant understands that the situation cannot be resolved satisfactorily, he/she will be oriented to contact by telephone or file a written complaint with the following agency:

Oficina del Procurador de las  
Personas con Impedimentos  
OFICINA CENTRAL  
PO BOX 41309  
SAN JUAN PR 00940-1309

Telephone: (787) 725-2333 / 721-4299 / 729-4299  
Free phone number 1 (800) 981-4125  
Fax: (787) 721-2455  
TDD line (San Juan Area main Office): 1 (787) 725- 4014  
Web Page: [www.oppi.gobierno.pr](http://www.oppi.gobierno.pr)

## VII. PROVIDING INFORMATION ABOUT A FAMILY TO PROSPECTIVE OWNERS

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, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening of families on the basis of their tenancy histories. An owner may consider a family's background with respect to such factors as:

- (i) Payment of rent and utility bills;
- (ii) Caring for a unit and premises;
- (iii) Respecting the rights of other residents to the peaceful enjoyment of their housing;
- (iv) Drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others; and
- (v) Compliance with other essential conditions of tenancy.

### *PHA information about tenant*

It is the PHA policy to provide information to the owner as established in the 24 CFR 982.307. This information includes:

- (i) The family's current and prior address (as shown in the PHA records); and
- (ii) The name and address (if known to the PHA) of the landlord at the family's current and prior address.

Owners' obligations are brief to the owner as stated in the 24 CFR part 982, mostly in section 982.452. This information will be given to both owners and participants.

## VIII. DISAPPROVAL OF OWNERS

A property owner does not have a right to participate in the housing choice voucher program.

The PHA will not to enter into a HAP contract with any owner who refuses or has a history of refusing to evict families, who disturb the peaceful enjoyment of the property, engage in drug-related or violent criminal activity, and threaten the health or safety of other residents, managers, employees of the Housing Department or the owner. This is in accordance with established HUD regulations as set forth in the Quality Housing and Work Responsibility Act of 1998.

The PHA must not approve an assisted tenancy if the PHA has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

In addition, the PHA must not approve the assisted tenancy when it has been informed by HUD that:

- The federal government has instituted an administrative or judicial action against the owner for a violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending; or
- A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

In its administrative discretion, the PHA may deny approval of an assisted tenancy for any of the following reasons, including but not limited to those aforementioned:

- (1) The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- (2) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- (3) The owner has engaged in any drug-related criminal activity or any violent criminal activity;
- (4) The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- (5) The owner has 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:
  - (i) Threatens the right to peaceful enjoyment of the premises by other residents;
  - (ii) Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing;
  - (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
  - (iv) Is drug-related criminal activity or violent criminal activity; or
- (6) The owner has a history or practice of renting units that fail to meet State or local housing codes; or

- (7) The owner has not paid State or local real estate taxes, fines or assessments.

#### *Leases Between Relatives*

The PHA must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family; unless the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. This restriction against PHA approval of a unit only applies at the time a family initially receives tenant-based assistance for occupancy of a particular unit, but does not apply to PHA approval of a new tenancy with continued tenant-based assistance in the same unit.

In cases where the owner and tenant bear the same last name, the PHA will require the family and owner to certify whether they are not related to each other in any way. Failure to disclose relationship will be considered fraud and grounds for termination of tenancy and prohibition of future program participation by the owner.

#### *Conflicts of Interest*

PHAs must also not approve contracts in which any of the following parties have a current interest or will have an interest in the HAP contract for one year thereafter:

- Present or former member or officer of the PHA, except a participant commissioner;
- Employee of the PHA or any contractor, subcontractor or agent of the PHA who formulates policy or influences program decisions;
- Public official, member of a governing body, or state or local legislator who exercises functions or responsibilities related to the programs; or
- Members of U.S. Congress.

The HUD Field Office may waive the conflict of interest requirements, except for members of Congress, for good cause.

It should be clearly noted that nothing contained within 24 CFR 982.306 is intended to give any owner any right to participate in the program. For purposes of this plan the term “owner” includes a principal or other interested parties.

## **IX. SUBSIDY STANDARDS [24 CFR 982.54(d)(9)]**

HUD guidelines require PHAs to establish subsidy standards for the determination of family unit size that provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size must be within the minimum unit size requirements of HUD's Housing Quality Standards (HQS). This Section explains the subsidy standards that PHA will use to determine the voucher size (family unit size) for families when they are selected from the waiting list, the PHA's procedures for a family size change, and for family selection of a unit of a different size than the voucher size.

### **1. Determining Family Unit (Voucher) Size [24 CFR 982.402]**

The PHA requires at least one person per bedroom when determining the voucher unit size. The PHA also considers the interests of minor children (under the age of five) or of ill, elderly or disable family members (See sections 2 and 3 below), for unit size. The PHA's subsidy standards for determining voucher size shall be applied in a manner consistent with fair housing guidelines.

All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements.

The voucher unit size remains the same, as long as the family composition remains the same, regardless of the actual unit rented.

One bedroom will be assigned for the head of household and or spouse or co-head, and one bedroom will be awarded to each two family members. The PHA does not allow that family members of different sex (unless couples) share a room. (For example: Twins same sex can share a room but not if they have different sex.) The PHA allows family members with 5 year of difference in age to share a room. (For example: 10 and 12 year old girls can share a room but not a 10 and 16 year old girls). Exceptions will be made for medical reasons, or for a live-in aide, or as agreed by the family by written notification as allowed by applicable laws.

Bedroom size will also be determined using the following guidelines:

- Children of the same sex (within 5 years of difference) will share a bedroom.
- Children of the opposite sex, both under the age of 6, will share a bedroom.
- Adults (18+) and children will not be required to share a bedroom.
- Foster adults and children will not be required to share a bedroom with family members.
- Live-in aides will get a separate room.

The PHA may reexamine the subsidy standard annually.

Generally, the PHA assigns one bedroom to two people, within the following guidelines:

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

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

Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member absent due to military service.

A single pregnant woman, with no other family members, is treated as a two-person family.

The family's unit size will be determined without overcrowding or over-housing. (See section 3 below for unit guidelines)

## **2. Exceptions to Subsidy Standards [24 CFR 982.402]**

The PHA may grant exceptions from the subsidy standards, upon request, providing the PHA determines the exceptions are justified by the health or handicap/disability of family members, or other individual circumstances.

The PHA will grant an exception upon request as an accommodation for persons with handicaps/disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a need, such as a:

A verified medical or health reason; or

An elderly or disabled family that requires a live-in attendant (evidenced).

### *Request for Exceptions to Subsidy Standards*

The family may request a larger size voucher than indicated by the PHA subsidy standards. The request must explain the need or justification for a larger voucher bedroom-size. Documentation verifying the need or justification will be required by the PHA.

The PHA will not issue a larger voucher due to additions of family members, other than by birth, adoption, marriage, or court-awarded custody.

A doctor, other medical professional, such as a nurse, psychiatrist, psychologist, or a social service professional must provide a certification of the need for additional bedrooms.

### *Changes for Applicants*

The voucher size is determined prior to the briefing by comparing the family composition to the PHA subsidy standards. If an applicant requires a change in the voucher size, the above referenced guidelines will apply.

### *Changes for Participants*

The PHA must approve the members of the family residing in the unit. The family must obtain PHA approval of any additional family member prior to that person moving into the assisted unit, unless the addition is by birth, adoption, or court-awarded custody, in which case the family must inform the PHA within 15 days, and the above referenced guidelines will apply.

### *Underhoused and Overhoused Families*

If a unit does not meet HQS space standards because of an increase in family size due to a birth, adoption, or court-awarded custody (unit too small), the PHA will issue a new voucher of the appropriate size, and assist the family in locating a suitable unit. Additions to the household other than through birth, adoption, or court-awarded custody, are not eligible for a larger voucher bedroom size, and these additional members may not be added to the household, if the addition violates HQS due to overcrowding.

## **3. Unit Size Selected [24 CFR 982.402(c)]**

The family may select a different size dwelling unit than that listed on the voucher. There are three criteria to consider:

*Subsidy Limitation:* The payment standard for a family shall be the lower of:

- The PHA payment standard amount for the family unit size; or
- The PHA payment standard amount for the unit size rented by the family.

*Utility Allowance:* The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the size authorized on the family's voucher.

*Housing Quality Standards:* The standards allow a maximum occupancy of two persons per living/sleeping room as shown in the table below. Sleeping area would include: living room, den, dining room, library, or other rooms used for sleeping.

**HQS GUIDELINES FOR UNIT SIZE SELECTED** (REF: HUD'S Housing Choice Voucher Program Guidebook)

Typical PHA Standards Used to Issue Housing Choice Voucher		Standards Used to Determine Acceptability of Unit Size (HQS Rules)	
Housing Choice Voucher Size	Maximum No. of Persons in Household	Unit Size	Maximum Occupancy Assuming a Living Room Is Used as a Living/ Sleeping Area
0-BR	1	0-BR	1
1-BR	2	1-BR	4
2-BR	4	2-BR	6
3-BR	6	3-BR	8
4-BR	8	4-BR	10
5-BR	10	5-BR	12
6-BR	12	6-BR	14

## **X. FAMILY ABSENCE FROM THE DWELLING UNIT [24CFR 982.312]**

The family may be absent from the unit for brief periods. An absence is considered an authorized 15 calendar day's period out of the unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days in any circumstance, or for any reason.

Absence means that no member of the family is residing in the unit.

For the PHA's Section 8 Program, the family will be considered absence and in violation of its lease, when it is not in the unit for more than 15 days consecutive calendar days, without a previous and/or immediate reasonable notification.

Housing assistance payments terminate if the family is absent for longer than the maximum period permitted. The term of the HAP contract and assisted lease also terminate. (The owner must reimburse the PHA for any housing assistance payment for the period after the termination.)

The family must supply any information or certification requested by the PHA to verify that the family is residing in the unit, or relating to family absence from the unit. The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA of absence from the unit, including any information requested on the purposes of family absences. The family must notify the absence as soon as the situation or need exists; at least 15 days prior to the absence. (In case of emergency, the PHA will be notified immediately.)

It is the responsibility of the head of household to report changes in family composition. The PHA will evaluate absences from the unit using this policy.

Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member absent due to military service.

To verify family occupancy or absence from the dwelling unit, the PHA may:

- Make telephone calls to the family every 90 to 120 days, and/or correspondence directly to the family at the unit, or may choose to make a personal visit to the family of the leased residence.
- Additionally, when deemed necessary, the PHA reserves the right to question the owner and/or neighbors at the leased residence.
- The PHA may review the Energy (AEE COMPANY) and Water/Sewer (AAA COMPANY) Billings.
- What is deemed necessary, considering the PHA affordability and applicable laws.

The PHA will allow the family to be absent from the dwelling unit for no more than 90 days under the following (first three must verified circumstances):

- Illness or hospitalization (medical history verification requested)
- Illness of a relative who needs care from a family member, in another location (medical history verification requested)
- Any other PHA approved and verified circumstances, e.g., military service (reserves, etc.)
- Vacations for no more than 15 days.

#### *Absence of Any Member*

A member of the household is considered permanently absent if s/he is away from the unit for six consecutive months or more in a twelve-month period, except as otherwise provided in this plan. If a member of the household is subject to a court order that restricts him/her from the home for more than six months, the person will be considered permanently absent.

#### *Absence due to Medical Reasons*

If a family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, the PHA will require verification from a reliable, qualified source as to the likelihood of his/her return, and the anticipated length of his/her absence. If the verification indicates the family member is permanently confined to a nursing home, h/she will be considered permanently absent. If the verification indicates the family member will return in less than 180 consecutive days, the family member will be considered temporarily absent. If the permanently absent person is the sole member of the household, assistance will be terminated in accordance with the PHA's policy.

#### *Absence Due to Full-time Student Status*

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who attends school away from home, but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of voucher size.

#### *Income of Temporarily Absent Family Members*

The PHA must count all income of family members whom the PHA has approved to reside in the unit, even if they are temporarily absent.

If the spouse is temporarily absent and in the military, all military pay and allowances (except

hazardous duty pay when exposed to hostile fire and any other HUD-defined exceptions to military pay) is counted as income.

*In General*

- ✓ Families must notify the PHA at least 30 days before moving out of the unit.
- ✓ Families must notify the PHA as soon as the situation or need exists; no less than 15 days before leaving the unit if they are going to be absent from the unit for more than 15 consecutive days.
- ✓ If it is determined that the family is absent from the unit, the PHA will continue assistance payments for the period of time estimated that the family will be absent but not more than six months provided that the family gave proper notice to the PHA. If the family did not provide proper notice, the assistance will be terminated at the end of the month following 30 days after notification of absence.
- ✓ In cases where the family has moved out of the unit, the PHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

## **XI. HOW TO DETERMINE WHO REMAINS IN THE PROGRAM IF A FAMILY BREAKS UP**

In circumstances of a family break-up, the PHA will make a determination of which family member will retain the voucher, taking into consideration the following factors:

1. To whom the voucher was issued.
2. The interest of minor children or of ill, elderly, or disabled family members.
3. Whether the assistance should remain with the family members remaining in the unit.
4. Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

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

Because of the number of possible different circumstances in which a determination will have to be made, the PHA will make determinations on a case-by-case basis. However, the PHA preference will be in the interest of the minor children, always taking into consideration (in all cases) the accomplishment of income and program eligibility.

The PHA will issue a determination within 15 business days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section XII.

In order to add a household member other than through birth or adoption (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one, and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. The PHA will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the PHA will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be in accordance with Section XVI of this Plan, part: Effective Date of Rent Changes Due to Interim or Special Reexaminations.

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

## **Policy for VAWA**

According to the PIH notice 2006-42 Violence Against Women Act the PHA of Municipality of Vega Alta protects participants and family members who are victims of domestic violence, dating violence or stalking from housing assistance based on acts of such violence against them.

In general, the law provides in part that criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. These kind of incidents under VAWA will not be construed as serious or repeated violations of the lease by victim or threatened victim of that violence and will not be "good cause" for termination of the assistance, tenancy or occupancy rights of a victim.

In this case the PHA provide a form HUD 50066 to be completed in full by the tenant, sign and submit the form within 14 business days of the request, a HUD – approved certification form. If the participant failure to submit the certification and the evidence request by the PHA; Federal, State, Police Records, Court Records or other documentation signed and attested to by an employee, agent or volunteer of a victim service provider, an attorney or a medical provider the PHA would therefore be free to evict, or terminate assistance, in the circumstances authorized by otherwise applicable law provisions state in the PHA administrative plan, without regard to the amendments made by Section 606 and 607.

For additional information the PHA includes a copy of the PIH notice 2006 – 42 as part of this policy.

## **XII. COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS**

### **1. Complaints**

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

### **2. Informal Review for the Applicant**

The PHA will give an applicant for participation in the Section 8 Voucher Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the PHA decision. The notice will state that the applicant may request an informal review within 15 business days of the denial and will describe how to obtain the informal review. The request must be in writing.

### *When an Informal Review is not Required*

The PHA will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under the PHA subsidy standards.
2. A PHA determination not to approve an extension or suspension of a voucher term.
3. A PHA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. A PHA determination that a unit selected by the applicant is not in compliance with HQS.
5. A PHA determination that the unit is not in accordance with HQS because of family size or composition.
6. General policy issues or class grievances.
7. Discretionary administrative determinations by the PHA.

### *Informal Review Process*

The PHA will give an applicant an opportunity for an informal review of the PHA decision denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by any person or persons designated by the other than the person who made or approved the decision under review or a subordinate of this person.
2. The applicant will be given an opportunity to present written or oral objections to the PHA decision.
3. The PHA will notify the applicant of the PHA decision after the informal review within 15 calendar days. The notification will include a brief statement of the reasons for the final decision.

### *Considering Circumstances*

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

The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were guilty for the action or failure will not reside in the unit. The Housing Authority may permit the other members of a participant family to continue receiving assistance.

If the Housing Authority seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Authority provides notice to the family of the Housing Authority determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the PHA will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is not longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is not longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is not longer engaging in the illegal use of a controlled substance or abuse of alcohol.

*Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status (§5.514)*

The applicant family may request that the PHA provide for an informal review after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. The applicant family must make this request within 30 days of receipt of the Notice of Denial or Termination of Assistance, or within 30 days of receipt of the INS appeal decision.

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

### **3. Informal Hearings for Participants**

*When a Hearing is Required*

1. The PHA will give a participant family an opportunity for an informal hearing to consider whether the following PHA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and PHA policies:
  - a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.

- b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule.
  - c. A determination of the family unit size under the PHA subsidy standards.
  - d. A determination that a Voucher Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA subsidy standards, or the PHA determination to deny the family's request for an exception from the standards.
  - e. A determination to terminate assistance for a participant family because of the family's action or failure to act.
  - f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the PHA policy and HUD rules.
2. In cases described in paragraphs (d), (e), and (f), Section 3-1 (*Informal Hearing for Participants: When a Hearing is required*) above, the PHA will give the opportunity for an informal hearing before the PHA terminates housing assistance payments for the family under an outstanding HAP contract.

*When a Hearing is not Required*

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

- 1. Discretionary administrative determinations by the PHA.
- 2. General policy issues or class grievances.
- 3. Establishment of the PHA schedule of utility allowances for families in the program.
- 4. A PHA determination not to approve an extension or suspension of a voucher term.
- 5. A PHA determination not to approve a unit or lease.
- 6. A PHA determination that an assisted unit is not in compliance with HQS. (However, the PHA will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
- 7. A PHA determination that the unit is not in accordance with HQS because of the family size.
- 8. A determination by the PHA to exercise or not exercise any right or remedy against the owner under a HAP contract.

### *Notice to the Family*

1. In the cases described in paragraphs 3-1(a), (b), and (c) of this Section (*Informal Hearing for Participants: When a Hearing is required*), the PHA will notify the family that the family may ask for an explanation of the basis of the PHA's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.
2. In the cases described in paragraphs 3-1(d), (e), and (f) of this Section (*Informal Hearing for Participants: When a Hearing is required*), the PHA will give the family prompt written notice that the family may request a hearing within 10 business days of the notification. The notice will:
  - a. Contain a brief statement of the reasons for the decision; and
  - b. State if the family does not agree with the decision, the family may request an informal hearing on the decision within 15 business days of the notification.

### *Hearing Procedures*

The PHA and participants will adhere to the following procedures:

1. Discovery
  - a. The family will be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family will be allowed to copy any such document at the family's expense. If the PHA does not make the document(s) available for examination on request of the family, the PHA may not rely on the document at the hearing.
  - b. The PHA will be given the opportunity to examine, at the PHA's offices before the hearing, any family documents that are directly relevant to the hearing. The PHA will 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 the PHA, the family may not rely on the document(s) at the hearing.

Note: The term document includes records and regulations.

2. Representation of the Family

At its own expense, a lawyer or other representative may represent the family.

3. Hearing Officer

- a. The hearing will be conducted by any person or persons designated by the PHA, other than a person who made or approved the decision under review or a subordinate of this person.
- b. The person who conducts the hearing will regulate the conduct of the hearing in accordance with the PHA hearing procedures.

#### 4. Evidence

The PHA and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

#### 5. Issuance of Decision

The person who conducts the hearing must issue a written decision within 14 calendar days from the date of the hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.

#### 6. Effect of the Decision

The PHA is not bound by a hearing decision:

- a. Concerning a matter for which the PHA is not required to provide an opportunity for an informal hearing under this Section, or that otherwise exceeds the authority of the person conducting the hearing under the PHA hearing procedures.
- b. Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.
- c. If the PHA determines that it is not bound by a hearing decision, the PHA will notify the family within 15 calendar days of the determination, and of the reasons for the determination.

#### *Considering Circumstances*

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

The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were guilty for the action or

failure will not reside in the unit. The Housing Authority may permit the other members of a participant family to continue receiving assistance.

If the Housing Authority seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Authority provides notice to the family of the Housing Authority determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the PHA will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is not longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is not longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is not longer engaging in the illegal use of a controlled substance or abuse of alcohol.

*Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status (§5.514)*

The participant family may request that the PHA provide for an informal hearing after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. The participant family must make this request within 30 days of receipt of the Notice of Denial or Termination of Assistance, or within 30 days of receipt of the INS appeal decision.

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

### **XIII. RENT AND HOUSING ASSISTANCE PAYMENT**

#### **General**

After October 1, 1999, the PHA will issue only vouchers to applicants, movers, and families entering the jurisdiction through portability. Certificates currently held were honored until the transition of the merger of the Section 8 Certificate and Voucher programs as outlined in 24 CFR 982.502 was complete (see Section XXII for additional guidance).

#### **Rent Reasonableness** (§982.503, §982.507)

The PHA's Section 8 Program will not approve or grant any initial or revised rent proposed by the owner under the Housing Choice Voucher Program ("tenant-based"), unless the amount proposed has been determined to be reasonable. Rent reasonability must be determined before the initial lease is effective, under the following terms and conditions:

- A. Before the rent proposed by the owner (initial or revised) is approved;
- B. If 60 days prior to the end of the annual lease (previous to the effectiveness of the new rent contract) the published FMR decrease 5% in comparison with the former FMR; and if
- C. The PHA or HUD determines that rent reasonableness must be revised.

#### **Comparability** (§982.507)

To determine rent reasonableness, the PHA will compare the proposed rent of the unit to be leased with other comparable units located within the same vicinity or jurisdiction, and with characteristics similar to the unit to be leased. The PHA will consider location, quality, size, number of rooms, age, facilities/amenities, housing services, maintenance and utilities of the unit to be leased, as well as those of comparable units.

The PHA will keep updated statistical information of units for rent within its jurisdiction. The PHA will also obtain from landlords/owners associations and housing administrative agencies, information regarding the added values that special or additional facilities will provide to a unit.

Owners will be invited to provide information that will help the PHA to keep the data updated and to maintain an inventory of comparable rent units. The owners may revise the determination taken over their unit and may give additional information or make improvements to the unit, which may help the PHA in determine the establishment of a higher value.

A revised procedure to determine reasonable rent is included in the appendix section of this document. This document establishes the specific procedures to be followed by program staff when preparing the rent reasonableness analysis of units to be assisted with voucher funding.

The inspector should fully complete a form (see Appendix II) and certify the compiled information. This form or questionnaire contains the information of the unit proposed for rent and of three comparable units (which have the same conditions and facilities).

### **Maximum Subsidy**

The Fair Market Rent (FMR) published by HUD or the exception payment standard rent (requested by the PHA and approved by HUD) determines the maximum subsidy for a family.

For the Voucher Program, the minimum payment standard will be 90% of the FMR and the maximum payment standard will be 110% of the FMR without prior approval from HUD, or the exception payment standard approved by HUD.

For a voucher tenancy in an insured or noninsured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

For manufactured home space rental, the maximum subsidy under any form of assistance is the Fair Market Rent for the space as outlined in 24 CFR 982.888.

### ***Setting the Payment Standard***

The Statute requires that the payment standard be set by the Housing Authority at between 90 and 110% of the FMR without HUD's prior approval. The PHA will review its determination of the payment standard annually after publication of the FMRs. The PHA will consider vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income families are paying for rent under the Voucher Program. If it is determined that success rates will suffer or that families have to rent low quality units or pay over 40% of income for rent, the payment standard may be raised to the level judged necessary to alleviate these hardships.

The PHA may establish a higher payment standard (although still within 110% of the published fair market rent) as a reasonable accommodation for a family that includes people with disabilities. With approval of the HUD Field Office, the payment standard can go to 120%.

Payment standards will not be raised solely to allow the renting of luxury quality units.

If success levels are projected to be extremely high and rents are projected to be at or below 30% of income, the Housing Authority will reduce the payment standard. Payment standards for each bedroom size are evaluated separately so that the payment standard for one bedroom size may increase or decrease while another remains unchanged. The PHA may consider adjusting payment standards at times other than the annual review when circumstances warrant.

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

***Selecting the Correct Payment Standard for a Family***

- A. For the voucher tenancy, the payment standard for a family is the lower of:
  - 1. The payment standard for the family unit size; or
  - 2. The payment standard for the unit size rented by the family.
- B. If the unit rented by a family is located in an exception rent area, the Housing Authority will use the appropriate payment standard for the exception rent area.
- C. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
  - 1. The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
  - 2. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- D. At the next annual reexamination following a change in family size or composition during the HAP contract term and for any reexamination thereafter, paragraph C above does not apply.
- E. If there is a change in family unit size resulting from a change in family size or composition, the new family unit size will be considered when determining the payment standard at the next annual reexamination.

***Area Exception Rents***

In order to help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, the Housing Authority may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The Housing Authority may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types. The exception payment standard area(s) may not contain more than 50% of the population of the FMR area.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such time as the Housing Authority requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

**Assistance and Rent Formulas**

A. Total Tenant Payment

The total tenant payment is equal to the highest of:

1. 10% of the family's monthly income
2. 30% of the family's adjusted monthly income
3. The Minimum rent
4. If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of those payments which is so designated. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this provision is the amount resulting from one application of the percentage.

Plus any rent above the payment standard.

B. Minimum Rent.

The PHA minimum rent will be as stated in the most recent approved 5 yr/Annual PHA Plan or Annual PHA Plan. However, if the family requests a hardship exemption, the PHA will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until the Housing Authority can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A **hardship exists** in the following circumstances:
  - a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program including a family that includes a 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;
  - b. When the family would be evicted because it is unable to pay the minimum rent;
  - c. When the income of the family has decreased because of changed circumstances, including loss of employment; and
  - d. When a death has occurred in the family.
2. **No hardship.** If the Housing Authority determines there is not qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the Housing Authority for the time of

suspension.

3. **Temporary hardship.** If the Housing Authority determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the month following the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a reasonable repayment agreement for any minimum rent back payment paid by the Housing Authority on the family's behalf during the period of suspension.
4. **Long-term hardship.** If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
5. **Appeals.** The family may use the informal hearing procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.

#### C. Section 8 Merged Vouchers

1. The payment standard is set by the Housing Authority between 90% and 110% of the FMR or higher or lower with HUD approval.
2. The participant pays the greater of the Total Tenant Payment or the minimum rent, plus the amount by which the gross rent exceeds the payment standard.
3. No participant when initially receiving tenant-based assistance on a unit shall pay more than 40% of their monthly-adjusted income if the gross rent exceeds the applicable payment standard.

#### D. Section 8 Preservation Vouchers

1. **Payment Standard**
  - a. The payment standard is the lower of:
    - i. The payment standard amount for the appropriate family unit size; or
    - ii. The payment standard amount for the size of the dwelling unit actually rented by the family.
  - b. If the dwelling unit is located in an exception area, the PHA will use the appropriate payment standard for the exception area.
  - c. During the HAP contract term, the payment standard for the family is the higher of:

- i. The initial payment standard (at the beginning of the HAP contract term), as determined in accordance with paragraph (1)(a) or (1)(b) of this section, minus any amount by which the initial rent to the owner exceeds the current rent to the owner; or
      - ii. The payment standard as determined in accordance with paragraph (1)(a) or (1)(b) of this section, as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
    - d. At the next regular reexamination following a change in family composition that causes a change in family unit size during the HAP contract term, and for any examination thereafter during the term:
      - i. Paragraph (c)(i) of this section does not apply; and
      - ii. The new family unit size must be used to determine payment standard.
  - 2. The PHA will pay a monthly housing assistance payment on behalf of the family that equals the lesser of:
    - a. The payment standard minus the total tenant payment; or
    - b. The gross rent minus the total tenant payment.
- E. Manufactured Home Space Rental: Section 8 Vouchers
- 1. The payment standard for a participant renting a manufactured home space is the published FMR for rental of a manufactured home space.
  - 2. The space rent is the sum of the following as determined by the Housing Authority:
    - a. Rent to the owner for the manufactured home space;
    - b. Owner maintenance and management charges for the space; and
    - c. Utility allowance for tenant paid utilities.
  - 3. The participant pays the rent to owner minus the HAP.
  - 4. HAP equals the lesser of:
    - a. The payment standard minus the total tenant payment; or
    - b. The rent paid for rental of the real property on which the manufactured home owned by the family is located.
- F. Rent for Families under the Noncitizen Rule

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;
2. The family was granted continuation of assistance before November 29, 1996;
3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last not longer than three years. If granted after that date, the maximum period of time for assistance under the provision is 18 months. The PHA will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, the PHA will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

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

### **Utility Allowance**

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

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

The Housing Authority reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The Housing Authority maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by making an appointment with the PHA.

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

At each reexamination, the Housing Authority applies the utility allowance from the most current utility allowance schedule.

The Housing Authority will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

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

### **Distribution of Housing Assistance Payment**

The Housing Authority pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge the PHA a late payment, agreed to in the Contract and in accordance with generally accepted practices in the PHA jurisdiction if the following conditions apply:

- A. It is the owner's practice to charge such penalties for assisted and unassisted tenants; and
- B. The owner also charges such penalties against the tenant for late payment of family rent to the owner.

Late charges will not be paid when the reason for the lateness is attributable to factors beyond the control of the PHA.

### **Change of Ownership**

The PHA requires a written request by the owner who executed the HAP contract in order to make changes regarding who is to receive the PHA's rent payment or the address as to where the rent payment should be sent.

In addition, the PHA requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. A copy of the written agreement between the new owner and former owner;
- B. Deed of Trust showing the transfer of title; and
- C. Tax Identification Number or Social Security Number.

New owners will be required to execute IRS form W-9. The PHA may withhold the rent payment until the taxpayer identification number is received.

The owner must receive written consent of the PHA prior to assigning a HAP contract to a new owner. The requirements related to owner approvals also apply to changes in ownership.

A change in ownership requires execution of a new lease addendum.

The Housing Assistance Payments Contract will be executed in the format as indicated on the proof of ownership. Ownership by more than one individual will require execution of all parties or appropriate legal documentation such as power of attorney, which designates a single individual to act on behalf of all owners.

Designation of a management agent or other payee will be approved with appropriate legal documentation signed and notarized by all owners of the property.

#### XIV. INELIGIBLE/ELIGIBLE HOUSING

The following types of housing cannot be assisted under the Section 8 Tenant-Based Program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 Program;
- C. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- D. College or other school dormitories;
- E. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- F. A unit occupied by its owner. This restriction does not apply to cooperatives or to assistance on behalf of a manufactured home owner leasing a manufactured home space; and
- G. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The PHA will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing

The PHA will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Manufactured housing
- D. Manufactured home space rentals
- E. House boats
- F. Lease-purchase agreements. A family leasing a unit with assistance under the program may enter into an agreement with an owner to purchase the unit. So long as the family is receiving such rental assistance, all requirements applicable to families otherwise leasing units under the tenant-based program apply. Any homeownership premium (e.g., increment of value attributable to the value of the lease-purchase right or agreement such as an extra monthly payment to accumulate a downpayment or reduce the purchase price) included in the rent to the owner that would result in a higher subsidy amount than would otherwise be paid by the PHA must be absorbed by the family.

In determining whether the rent to owner for a unit subject to a lease-purchase agreement is a reasonable amount in accordance with 24 CFR 982.503, any homeownership premium paid by the family to the owner must be excluded when the PHA determines rent reasonableness.

*Restriction of Immediate Family Members*

The PHA is prohibited from approving a Housing Assistance Contract for a house in which the owner is the parent, child, grandparent, grandchild, sister or brother of any member of the household to be assisted. However, this provision may be waived as a reasonable accommodation for a family member who is a person with a disability, provided that the assisted household has made reasonable efforts to locate other suitable housing and has been unsuccessful.

In cases where the owner and tenant bear the same last name, the PHA will require the family and owner to certify whether they are not related to each other in any way. Failure to disclose relationship will be considered fraud and grounds for termination of tenancy and prohibition of future program participation by the owner.

## XV. OWNER OR FAMILY DEBTS TO THE SECTION 8 PROGRAM

This section describes the PHA's policies for the recovery of monies overpaid to families and owners. In addition, this section outlines the collection methods and guidelines for the handling and collection of different types of debts. The Section 8 Program policy is to communicate program guidelines to owners and families so as to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the HA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner; the family or other interested parties.

The PHA will make every effort to collect delinquent family or owner debts. The Section 8 Program will use a variety of collection tools to recover debts including, but not limited to:

- Request for lump sum payments
- Small claim or civil court actions
- Payment agreements
- Termination of family program participation
- Reductions in HAP to owner
- Abatements
- Collection agencies
- Referrals to the PHA's Department of Revenue and Recovery

### PAYMENT AGREEMENT FOR FAMILIES

A payment agreement or repayment agreement, as used in this Plan, is a document entered into between the PHA and a person who owes a debt to the Section 8 Program. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to the PHA upon default of the agreement.

If the PHA offers a payment agreement, it will determine the terms. **The PHA may not offer a payment agreement in all circumstances.** The PHA will not enter into a payment agreement for any of the following reasons:

- If the family already has a Payment Agreement in place; or,
- If the HA determines that the family committed program fraud.

The maximum length of time the PHA will enter into a payment agreement with a family is 36 months and the amount never to exceed \$10,000. Any debt of more than \$10,000 will be submitted to the inspector general office for legal action.

### DEBTS OWED FOR CLAIMS

Money owed to the PHA by the family because of overpayments on its behalf will be collected by requiring a lump-sum payment of the entire amount. At its discretion, the PHA may offer a family to enter into a repayment agreement to pay amounts owed to the PHA, and may describe the terms of

the agreement. The PHA will maintain full and complete documentation of all debt.

If the PHA decides to allow the family a repayment agreement for money that the family owes to the PHA, the family must repay in full within the terms established in the following table:

Debt Amount	Term in Months	Amount of First Payment
\$0.01 - \$500	3 to 6 months	20% - 33% of the debt
\$501 - \$1,000	7 to 11 months	10% - 20% of the debt
\$1,001 - \$2,500	12 - 18 months	6% - 10% of the debt
\$2,501 - \$3,000	19 - 24 months	5% - 10% of the debt
\$3,000 - \$5,000	25 - 36 months	5% - 10% of the debt

### *Delinquent Payments*

A payment will be considered to be in arrears (amount overdue) if:

- The payment has not been received by the close of the business day on which the payment was due.
- If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's payment agreement is in arrears, and the family has not contacted or made arrangements with the Section 8 Program, the PHA will:

- Require the family to pay the balance in full
- Pursue civil collection of the balance due
- Terminate the housing assistance.

If the family requests a move to another unit and has a payment agreement in place and the payment agreement is not in arrears, the family will be required to pay the balance in full prior to the issuance of a voucher.

If the family requests a move to another unit and is in arrears on a payment agreement for the payment of an owner claim, the family will be required to pay the balance in full, or be terminated from the program.

### **DEBTS DUE TO MISREPRESENTATIONS / NON-REPORTING OF INFORMATION**

HUD's definition of program fraud and abuse is a single act; or pattern of actions that:

Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements.

### *Family Error/Late Reporting*

Families who owe money to the Section 8 Program due to the family's failure to report increases in income or fail to report any information which will cause an incorrect HAP to be paid to the owner, will be required to repay in accordance with the guidelines in the Payment Agreement section.

### *Program Fraud*

Families who owe money to the HA due to program fraud will be required to repay in accordance with the guidelines in the Payment Agreement of this Section.

If a family owes an amount, which equals or exceeds \$2,500 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, the HA will refer the case for criminal prosecution.

## **OWNER DEBTS TO THE SECTION 8 PROGRAM**

If the Section 8 Program determines that the owner has retained housing assistance or claim payments the owner is not entitled to, the PHA may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, the HA:

- will require the owner to pay the amount in full within 30 days;
- pursue collections through the local court system; and,
- restrict the owner from future participation.

## **GENERAL GUIDELINESS FOR PAYMENT AGREEMENTS**

Payment agreements will be executed between the Section 8 Program and the head of household and/or spouse. Monthly payments may be decreased in cases of family hardship, and if requested with reasonable notice from the family, upon verification of the hardship, and the approval of the program manager.

**Additional Monies Owed:** If the family already has a payment agreement in place and incurs an additional debt to the Section 8 Program:

The PHA will not enter into more than one payment agreement with the family. The family may be allowed 30 days to pay the second debt in full.

## **WRITING OFF DEBTS**

Debts owed to the Section 8 Program from program participants or owners will be reviewed each year jointly with the Section 8 staff and the Finance staff to determine if such debts are valid and collectible. Debts will be written off if:

- The debtor's whereabouts is unknown and the debt is more than 3 years old;
- The debtor's whereabouts are unknown and the debt is more than 3 years old;
- A determination is made that the debtor is judgment proof;
- The debtor is deceased;
- The debtor is confined to an institution indefinitely or for more than 3 years; or,
- The amount is less than \$300.00 and the debtor cannot be located.

## **XVI. RECERTIFICATION**

(See also Section II: *Issuing or Denying Vouchers* and  
Section IV: *Occupancy Policies*)

### **CHANGES IN LEASE OR RENT**

If the participant and owner agree to any changes in the lease, all changes must be in writing, and the owner must immediately give the PHA a copy of the changes. The lease, including any changes, must be in accordance with this Administrative Plan.

Owners must notify the PHA of any changes in the amount of the rent at least sixty (60) days before the changes go into effect. Any such changes are subject to the PHA determining them to be reasonable. {§ 982.519(b)(6)}

Assistance shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner if any of the following changes (§982.309) are made:

- A. Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- B. Changes in lease provisions governing the term of the lease;
- C. If the participant moves to a new unit, even if the unit is in the same building or complex.

PHA approval of the tenancy and execution of a new HAP contract, are not required for changes in the lease other than those specified in A, B, or C above.

### **ANNUAL REEXAMINATION (§982.516)**

At least annually the PHA will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

The PHA will send a notification letter to the family letting them know that it is time for their annual reexamination and scheduling an appointment. The letter includes forms for the family to complete in preparation for the interview. The letter includes instructions permitting the family to reschedule the interview if necessary. The letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

Upon UIV / 3<sup>rd</sup> party verification process completed, the PHA will determine the family's annual income and will calculate their family share.

As part of the re-examination process, tenants must be up to date with the following payments: Any existing payment plan, Family payment, Utilities payments; clear and formal evidence must be provided. In addition, the security payment to a landlord will be made at the contract signature.

#### *Effective Date of Rent Changes for Annual Reexaminations*

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

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

#### *Missed Appointments*

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the PHA taking action to terminate the family's assistance.

### **INTERIM REEXAMINATIONS (§982.516)**

Program participants are required to report all changes in household composition between annual re-certifications. This includes additions due to birth, adoption and court-awarded custody. Also, if a household member is leaving or has left the family unit and, Family break-up (See Section XI above). The family must obtain HA approval prior for all additions to the household prior to adding that person to the lease agreement.

If any new family member is added, an interim re-certification will be conducted to include any income of the new family member.

If a family reports zero income at the time of the annual re-certification and later obtains an income, an interim re-certification will be conducted. However, if a family has a change in income between annual re-certification, it is not required to be reported and no interim re-certification will be conducted.

Participants may choose to report a decrease in income and other changes, which would reduce the amount of tenant rent, such as an increase in allowances or deductions. If these changes are reported

and it will result in a change in tenant rent, an interim re-certification will be completed.

Changes in rent for interim re-certification will become effective the first of the month following the month in which the change was reported if it is a decrease and the first of the month of the 2<sup>nd</sup> month after which the change occurred if it is an increase.

#### *Special Reexaminations*

If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the PHA may schedule special reexaminations every 60 days until the income stabilizes and an annual income can be determined. Also, at briefings, Section 8 participants agree to report, in writing, and provide certification following any change in annual income as soon as the occurrence appears.

#### *Effective Date of Rent Changes Due to Interim or Special Reexaminations*

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increases will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

## **XVII. POLICY ON RESTRICTIONS ON THE NUMBER OF MOVES BY A PARTICIPANT FAMILY [24CFR982.314(C)]**

HUD regulations permit families to move with continued assistance to another unit within the limits of the PHA, or to a unit outside of the PHA jurisdiction under portability procedures. The regulations also allow the PHA the discretion to develop policies to define any limitations or restrictions on moves. This Section describes the procedures for moves within and outside the PHA jurisdiction, and the policies for restrictions and limitations on moves.

### **MOVES WITH CONTINUED ASSISTANCE**

Participating families are allowed to move to another unit after the initial 12 months has expired, if the landlord and the participant have mutually agreed to terminate the lease, or if the Housing Authority has terminated the HAP contract. The Section 8 Program will issue the family a new voucher if the family does not owe the PHA or any other Housing Authority money, has not violated a Family Obligation, has not moved or been issued a voucher within the last 12 months, and if the Section 8 Program has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the 12-month requirement will be waived.

#### ***When A Family May Move***

The Section 8 Program will allow the family to move to a new unit if:

- The Housing Assistance Contract is terminated by the PHA or for the owner's failure to comply with HQS or other terms of the contract;
- The owner has given the family a notice to vacate, or has commenced an action to evict the family through no fault of their own
- A household member is newly diagnosed with a disability, which requires a reasonable accommodation.; or
- The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).

Prior to issuance of program move documents; the family must present a notice of intent to move form signed by the owner and the family indicating that the family is current with all rent payments, has caused no damages beyond normal wear and tear, and is otherwise in compliance with all terms and conditions of the lease agreement.

#### ***Procedures Regarding Family Moves***

Families considering transferring to a new unit will be scheduled to attend a mover's briefing. All families who are moving, including any families moving into or out of the PHA Section 8 Program jurisdiction, will be required to attend a mover's briefing prior to the PHA entering a new HAP

contract on their behalf.

This briefing is intended to provide the following:

- A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- Payment standards, exception payment standard rent areas, and the utility allowance schedule;
- An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income if the gross rent exceeds the applicable payment standard;
- Portability requirements and opportunities;
- The need to have a reexamination conducted within 120 days prior to the move;
- An explanation and copies of the forms required to initiate and complete the move; and
- All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed 60 days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the PHA Section 8 Program approval, it will be considered a serious lease violation and subject the family to termination from the program.

The family is required to give the PHA a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the PHA will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

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

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

## **LOCAL POLICY FOR POLICY FOR MOBILITY AND PORTABILITY FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

The PHA has developed the following policy concerning limitation on adjacent PHA's Voucher moves:

This PHA will not accept, or refer, mobility or portability of Vouchers from, or to, any adjacent PHA's, if the PHA does not have sufficient funding for an increase in assistance.

The Vouchers can be administered and serviced by these PHA's Municipalities without having to assign them to, or receive them from, our PHA.

The PHA's Section 8 Program will administer units as a first option, to those units in the Municipality of Vega Alta, and as a secondary alternative, the PHA will administer units in the municipalities of Toa Alta, Dorado and Vega Baja. The determination taken to establish this policy is based on the fact that the adjacent PHA's are within commuting distance from our PHA. Also, this will expand the inventory of dwelling units outside the poverty and minority areas.

As the lease is signed, the participant must comply with the 12 period month of the lease, unless there is an evidenced/justifiable reason and the owner approves the move in writing.

## XVIII. PORTABILITY

### *General Policies*

A family whose head or spouse has a domicile (legal residence) in the jurisdiction of the PHA at the time the family first submits its application for participation in the program to the PHA may lease a unit anywhere in the jurisdiction of the PHA or outside the PHA jurisdiction as long as there is another entity operating a tenant-based Section 8 program covering the location of the proposed unit.

Families participating in the Voucher Program will not be allowed to move more than once in any 12-month period and under no circumstances will the PHA allow a participant to improperly break a lease. Under extraordinary circumstances the PHA may consider allowing more than one move in a 12-month period.

Families may only move to a jurisdiction where a Section 8 Program is being administered.

For income targeting purposes, the family will count towards the initial housing authority's goals unless the receiving housing authority absorbs the family. If absorbed, the admission will count towards the receiving housing authority's goals.

If a family has moved out of their assisted unit in violation of the lease, the PHA will not issue a voucher and will terminate assistance.

The portability must be requested in written at least three months prior to the ending of the actual lease or before the initial lease is signed. It will be granted in compliance with applicable laws and the availability of funds.

**As established in the 24 CFR 982.314(e)(1), at any time, the PHA may deny permission to move if the PHA does not have sufficient funding for an increase in assistance.** For instance, the PHA has the authority to deny a family's request to move under the portability procedures to a unit in another jurisdiction that would require the PHA to pay a higher subsidy cost for the same family's assistance if the PHA determines that does not have sufficient funding available under their calendar year budget to accommodate such a move and the receiving PHA will not absorb the family into its own program.

### *Income Eligibility*

- A. A family must be income-eligible in the area where the family first leases a unit with assistance in the Voucher Program.
- B. If a portable family is already a participant in the Initial Housing Authority's Voucher Program, income eligibility is not re-determined.

### *Portability: Administration by Receiving Housing Authority*

- A. When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the Receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.
- B. A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such housing authority, the Initial Housing Authority may choose which housing authority shall become the Receiving Housing Authority.

### ***Portability Procedures***

Procedures will follow as established in this Administrative Plan, Notice PIH 2005-1 (HA), Notice PIH 2005-18 (HA) and as any other applicable or prevalence law.

- A. When the PHA is the Initial Housing Authority:
  1. The PHA will brief the family on the process that must take place to exercise portability. The family will be required to attend an applicant or mover's briefing.
  2. The PHA will determine whether the family is income-eligible in the area where the family wants to lease a unit (if applicable).
  3. The PHA will advise the family how to contact and request assistance from the Receiving Housing Authority.
  4. The PHA will, within ten (10) calendar days, notify the Receiving Housing Authority to expect the family.
  5. The PHA will immediately mail to the Receiving Housing Authority the most recent HUD Form 50058 (Family Report) for the family, and related verification information.
- B. When the PHA is the Receiving Housing Authority:
  1. When the portable family requests assistance from the PHA, the PHA will within ten (10) calendar days inform the Initial Housing Authority whether it will bill the Initial Housing Authority for assistance on behalf of the portable family, or absorb the family into its own program. When the PHA receives a portable family, the family will be absorbed if funds are available and a voucher will be issued.
  2. The PHA will issue a voucher to the family. The term of the PHA's voucher will not expire before the expiration date of any Initial Housing Authority's voucher. The PHA will determine whether to extend the voucher term. The family must submit a request for tenancy approval to the PHA during the term of the PHA's voucher.

3. The PHA will determine the family unit size for the portable family. The family unit size is determined in accordance with the PHA's subsidy standards.
4. The PHA will within ten (10) calendar days notify the Initial Housing Authority if the 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 voucher.
5. If the PHA opts to conduct a new reexamination, the PHA will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
6. In order to provide tenant-based assistance for portable families, the PHA will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Authority or the PHA may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.
7. The PHA may deny or terminate assistance for family action or inaction in accordance with 24 CFR 982.552 and 24 CFR 982.553.

C. Absorption by the PHA

1. If funding is available under the consolidated ACC for the PHA's Voucher Program when the portable family is received, the PHA will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for the PHA's Tenant-Based Program.

D. Portability Billing

1. To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for housing assistance payments and administrative fees. The billing procedure will be as follows:
  - a. As the Initial Housing Authority, the PHA will promptly reimburse the Receiving Housing Authority for the full amount of the housing assistance payments made by the Receiving Housing Authority for the portable family. The amount of the housing assistance payment for a portable family in the Receiving Housing Authority's program is determined in the same manner as for other families in the Receiving Housing Authority's program.
  - b. The receiving HA is responsible for billing the initial HA (Municipality of Vega Alta) for 100% of the Housing Assistance Payment and 80% of the Administrative Fee (at Municipality of Vega Alta's rate) for each "Portability" Voucher leased as of the first day of the month. The initial HA

(Municipality of Vega Alta) will not issue payment until an invoice is received by the receiving HA within the time limits established by HUD. Late billings will not be processed for payment and the Receiving HA will be so notified. Payment beyond year one will only continue if the initial HA (Municipality of Vega Alta) receives the HUD-50058 form indicating that an annual re-certification has been completed in accordance with program requirements.

E. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is not longer required to provide assistance for the family.

**XIX. CHARGES AGAINST THE SECTION 8 ADMINISTRATIVE  
FEE RESERVE [24CFR982.155]**

Occasionally, it is necessary for the PHA to spend money from its Section 8 Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

Any charge against the Section 8 Administrative Fee Reserve, must first be authorized by the Mayor, who is the Executive Director; or by the Municipal Administrator.

## XX. INSPECTION POLICIES, HOUSING QUALITY STANDARDS AND DAMAGE CLAIMS

The PHA will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Section 8 (Housing Choice Voucher) Program unless the HQS is met. Units will be inspected at least annually, and at other times as needed, to determine if the units meet HQS.

The family must allow the HA to inspect the unit at reasonable times with reasonable notice. Reasonable hours to conduct an inspection are between 8:00 a.m. and 5:00 p.m. The family and owner will be notified of the inspection appointment by first class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make arrangements to enable the Housing Authority to enter the unit and complete the inspection.

If the family misses the initial scheduled inspection and fails to reschedule the inspection, the PHA will only schedule one more inspection. In this case (2<sup>nd</sup> appointment) and in emergency and claims inspections, the PHA may also notify the family and owner by telephone.

If the family misses two inspections, the PHA will consider the family to have violated a Family Obligation and their assistance will be terminated.

### *Types of Inspections*

The following types of inspections will be conducted as required:

- **Annual** - an inspection conducted on a property prior to its re-certification date;
- **Re-inspection** - an inspection of a property which failed its annual inspection;
- **24-Hour Re-inspection** – an inspection on a property which had a failing item considered a 24-hour emergency situation;
- **RTA(Request for Tenancy Approval)/Initial** - inspection on a property which the tenant has selected and is requesting approval of a new unit;
- **Complaint** - inspection on a property which has been requested by the resident or other involved party due to perceived problems with the property;
- **Courtesy** - inspection requested on a property which is not yet a part of the HAP program but is being considered, by the landlord, for participation in the program;
- **Abatement Cure** - inspection on property where abatement has commenced but is still within the thirty-day window prior to termination;
- **Re-instatement inspection** - inspection in which the contract was terminated but a determination has been made to re-instate the contract;
- **QA (Quality Assurance)** – sample re-inspection by a supervisor or other authorized person of units previously inspected;
- **QA Re-inspection** - re-inspection on a failed QA;
- **Vacate Inspection** - a move out inspection conducted because the owner is entitled to a special claim.

In case of **QA Inspection** - The sample will be conducted by using HUD's minimum quality control sample size requirements as follows:

MINIMUM SIZE OF THE PHA'S QUALITY CONTROL SAMPLE:

Universe	Minimum number of files or records to be sampled
50 or less	5
51-600	5 plus 1 for each 50 (or part of 50) over 50
601-2000	16 plus 1 for each 100 (or part of 100) over 600
Over 2000	30 plus 1 for each 200 (or part of 200) over 2000

***Owner and Family Responsibility***

A. Owner Responsibility for HQS

1. The owner must maintain the unit in accordance with HQS.
2. If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA will take prompt and vigorous action to enforce the owner obligations. The PHA's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.
3. The PHA will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within not more than 24 hours. For other defects the owner must correct the defect within not more than 30 calendar days (or any PHA approved extension).
4. The owner is not responsible for a breach of the HQS that is not, caused by the owner, and for which the family is responsible. Furthermore, the PHA may terminate assistance to a family because of the HQS breach caused by the family.

B. Family Responsibility for HQS

1. The family is responsible for a breach of the HQS that is caused by any of the following:
  - a. The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;

- b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
  - c. Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
2. If an HQS breach caused by the family is life threatening, the family must correct the defect within not more than 24 hours. For other family-caused defects, the family must correct the defect within not more than 30 calendar days (or any PHA approved extension).
  3. If the family has caused a breach of the HQS, the PHA will 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.
  4. As a local requirement, the PHA **will not** allow:
    - a. Motor vehicles in the residence without proper local license plate (“marbete”)
    - b. Junk cars in or near the residence.

### ***Housing Quality Standards (HQS) 24 CFR 982.401***

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

- A. Sanitary Facilities
  1. Performance Requirement
 

The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.
  2. Acceptability Criteria
    - a. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
    - b. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
    - c. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.

- d. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

## B. Food Preparation and Refuse Disposal

### 1. Performance Requirements

- a. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- b. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

### 2. Acceptability Criteria

- a. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- b. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approval public or private system.
- c. The dwelling unit must have space for the storage, preparation, and serving of food.
- d. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

## C. Space and Security

### 1. Performance Requirement

The dwelling unit must provide adequate space and security for the family.

### 2. Acceptability Criteria

- a. At a minimum, the dwelling unit must have a living room, a kitchen

area, and a bathroom.

- b. The dwelling unit must have at least one bedroom or living/ sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- c. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
- d. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

#### D. Thermal Environment

##### 1. Performance Requirement

The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

##### 2. Acceptability Criteria

- a. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.
- b. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

#### E. Illumination and Electricity

##### 1. Performance Requirement

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

## 2. Acceptability Criteria

- a. There must be at least one window in the living room and in each sleeping room.
- b. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
- c. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

## F. Structure and Materials

### 1. Performance Requirement

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

### 2. Acceptability Criteria

- a. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- b. The roof must be structurally sound and weather tight.
- c. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- d. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- e. Elevators must be working and safe.

## G. Interior Air Quality

### 1. Performance Requirement

The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

2. Acceptability Criteria

- a. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- b. There must be adequate air circulation in the dwelling unit.
- c. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- d. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

1. Performance Requirement

The water supply must be free from contamination.

2. Acceptability Criteria

The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

I. Lead-based Paint

1. Definitions

- a. Chewable surface: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.
- b. Component: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.
- c. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.

- d. Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- e. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm<sup>2</sup>), or 0.5 % by weight or 5000 parts per million (PPM).

## 2. Performance Requirements

- a. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24(b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.
- b. The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- c. If a dwelling unit constructed before 1978, is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part) must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.
- d. The Housing Authority may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1(f) of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

- e. Treatment of defective paint surfaces required under this Section must be completed within 30 calendar days of Housing Authority notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30-day period, treatment as required by paragraph k of this Section may be delayed for a reasonable time.
- f. The requirements in this paragraph apply to:
  - i. All painted interior surfaces within the unit (including ceilings but excluding furniture);
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- g. In addition to the requirements of paragraph c of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
- h. Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.
- i. The requirements in paragraph g of this Section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
  - i. Within the unit;
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such

as garages and sheds).

- j. In lieu of the procedures set forth in paragraph g of this Section, the Housing Authority may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph k of this Section.
- k. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
  - i. A defective paint surface shall be treated if the total area of defective paint on a component is:
    - (1) More than 10 square feet on an exterior wall;
    - (2) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
    - (3) More than 10% of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.
  - ii. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust.
  - iii. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydroblasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots not more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling not more than twenty square feet on

exterior surfaces.

- iv. During exterior treatment soil and playground equipment must be protected from contamination.
  - v. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.
  - vi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.
- l. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
  - m. Prior to execution of the HAP contract, the owner must inform the Housing Authority and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
  - n. The Housing Authority must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the Housing Authority must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, the Housing Authority must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a voucher to move.
  - o. The Housing Authority must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the Housing Authority must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this Section, such chewable surfaces do not have to be tested or treated at any subsequent time.
  - p. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must

provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

J. Access

1. Performance Requirement

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

K. Site and Neighborhood

1. Performance Requirement

The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

2. Acceptability Criteria

The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslide; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

L. Sanitary Condition

1. Performance Requirement

The dwelling unit and its equipment must be in sanitary condition.

2. Acceptability Criteria

The dwelling unit and its equipment must be free of vermin and rodent infestation.

M. Smoke Detectors

1. Performance Requirements

- a. Except as provided in paragraph b below of this Section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on

each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If any hearing-impaired person occupies the dwelling unit, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).

- b. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992 (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

#### ***Exceptions to the HQS Acceptability Criteria***

The PHA will utilize the acceptability criteria as outlined above with applicable State and local codes. Additionally, the PHA has received HUD approval to require the following additional criteria:

- A. In each room, there will be at least one exterior window that can be opened and that contains a screen.
- B. Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with 2 coats of non-lead paint. An extension may be granted as a severe weather related item as defined below.
- C. Adequate heat shall be considered to be 68 degrees.
- D. In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- E. A 3/4" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.

#### ***Time Frames and Corrections of HQS Fail Items***

- A. Correcting Initial HQS Fail Items

The PHA will schedule a timely inspection of the unit on the date the owner indicates

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

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

#### B. HQS Fail Items for Units under Contract

The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item) the owner or participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s).

If the owner fails to correct the HQS failed items after proper notification has been given, the PHA will abate payment and terminate the contract in accordance with HUD requirements and as stated in this Plan.

If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, the PHA will terminate assistance for the family in accordance with HUD regulations and as stated in this Plan.

#### C. Time Frames for Corrections

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

#### D. Extensions

At the sole discretion of the PHA, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within 60 days after the initial inspection date, the PHA will abate the rent and cancel the HAP contract for owner noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches,

steps, and sidewalks.

### ***Emergency Fail Items***

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

- A. No hot or cold water
- B. No electricity
- C. Inability to maintain adequate heat
- D. Major plumbing leak
- E. Natural gas leak
- F. Broken lock(s) on first floor doors or windows
- G. Broken windows that unduly allow weather elements into the unit
- H. Electrical outlet smoking or sparking
- I. Exposed electrical wires, which could result in shock or fire
- J. Unusable toilet when only one toilet is present in the unit
- K. Security risks such as broken doors or windows that would allow intrusion
- L. Other conditions which pose an immediate threat to health or safety

### ***Abatement and Contract Termination***

Failure for a unit under contract to pass a re-inspection will result in abatement of the Housing Assistance Payment. Abatement means that a daily pro-ration of the Housing Assistance Payment will be deducted from any future payments for each day that the unit is not in compliance with the HQS standards. A notice of abatement will be sent to the owner informing them that abatement will commence effective the first of the month following the date of notification of abatement. The abatement period will not extend beyond 30 days.

If the owner has not made the required repairs during the abatement period, the Housing Assistance Payments contract will be terminated in accordance with the provisions in the contract. The assisted family will be notified of the termination and will be advised to secure program move documents to commence search for a new housing unit. Once a termination notice has been issued, the HAP

contract will not be re-instated even if the landlord proceeds to make repairs.

***Determination Of Responsibility for Repairs [24 CFR 982.404, 982.54(d)(14)]***

The following HQS deficiencies are the responsibility of the family:

- Tenant-paid utilities not in service;
- Failure to provide or maintain family-supplied appliances;
- Documented damage to the unit or premises caused by a household member or guest beyond which is obvious as beyond normal wear and tear;
- Placement of large items of trash or inoperable vehicles anywhere on the assisted unit premises;
- Failure to maintain lawn and surrounding areas if a single-family structure; and,
- Vermin Infestation caused by the tenant.

“Normal wear and tear” is defined as items which can be charged against the tenant security deposit under state law or court practice.

All other HQS violations shall be the responsibility of the owner. If the family is responsible for deficiencies but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

***Consequences If Family Is Responsible [24 CFR 982.404(b)]***

If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, the HA will require the family to make any repair(s) or corrections within 24 hours for emergency items and 30 days for non-emergency items. If the repair(s) or correction(s) are not made in this time period, the HA will terminate assistance to the family, after providing an opportunity for an informal hearing. The owner's rent will not be abated for items which are the family's responsibility. If the tenant is responsible and corrections are not made, the HAP contract will terminate when assistance is terminated.

**XXI. PHA SCREENING OF APPLICANTS FOR FAMILY BEHAVIOR OR  
SUITABILITY FOR TENANCY (see also Section II)**

The procedures and documents required for determining family eligibility are as follows:

- Applicants present evidence of all income receive by the family including Social Security benefits, Social Services, pensions, child support, scholarships, assets, etc.
- Applicants and participants are required to disclose and verify their Social Security numbers as well as their children's Social Security numbers (children over 6 years of age), and their employer's business identification number (if necessary).
- Certification of employment; signed by the employer.
- Affidavits for seasonal workers or for the self-employed.
- Eviction notice, where applicable.
- Evidence or receipt of most recently paid rent.
- Marriage certificate or divorce decree, where applicable.
- Birth certificates of all the members of the family.
- Good Conduct Certificate from the Police Department.
- Certification of ongoing studies; for all children over 18 years of age.
- Affidavit for common-law couples.
- Income tax return forms.
- Certification of unemployment, for persons who are older than 18 years of age and are not studying.
- Certification of a handicap or a medical disability.
- Property Title of the location currently occupied by the applicant in order to verify that the property is not owned by the applicant.
- Family group photograph.
- These items will be required at the discretion of the agency whenever applicable (provided that it will not impose financial hardship).
- Authorization for release of information for all members of households over 18 years of

age.

The applicant is required to sign a form authorizing program personnel to corroborate the information presented with the respective public agencies and/or other institutions- e.g., the Social Services Department, the Housing Authority, the Social Security Administration, etc.- and to obtain verification of income (EIV and 3<sup>rd</sup> party verification).

Program personnel may also conduct interviews at their current place of residence and have their living conditions documented.

### ***Income eligibility***

1. To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the Section 8 program shall be a family that is:
  - a. An extremely low-income or a very low-income family;
  - b. A low-income family continuously assisted under the 1937 Housing Act;
  - c. A low-income family that meets additional eligibility criteria specified by the Housing Authority;
  - d. A low-income family that is a nonpurchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
  - e. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing;
  - f. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rise the assistance will decrease.
3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within the housing authority's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
4. Families who are moving into the PHA's jurisdiction under portability and have the status of applicant rather than of participant at their initial housing authority must meet the income limit for the area where they were initially assisted under the program.
5. Families who are moving into the PHA's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the PHA program.
6. Income limit restrictions do not apply to families transferring units within the PHA Section 8

Program.

***Citizenship/Eligible Immigrant status***

To be eligible each member of the family must be a citizen, national, or a noncitizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Applicants are entitled to a hearing for denial of placement on the waiting list or denial of assistance if such denial is based on the immigration status criteria described above. Applicants/participants must present adequate documentation that certifies their citizenship or immigration eligibility status. Acceptable documentation include: 214 Certification, Birth Certificate, and U.S. Immigration and Naturalization Service certification.

If there are no family members with citizen or eligible immigration status then the family will be determined ineligible for housing. An ineligible family will be informed in writing of the denial and their right to request an informal hearing.

Section 214 verifications will be accomplished as follows:

- U.S. Citizens or Nationals. Persons claiming status as a U.S. citizen or U.S. national will provide a self-certification in the form prescribed by the agency.
- Eligible Immigrants. Staff will conduct primary verification of eligible immigrant status through the INS automated SAVE (Systematic Verification for Entitlements) system using the instructions provided at HUD Guidebook 7420.10 G (pg. 5-7).

Staff will not delay, deny, or terminate assistance to an applicant or currently assisted household if any one of the following circumstances apply:

- At least one person in the household has submitted appropriate INS documents;
- The documents were submitted to the INS on a timely basis, but the verification process has not been completed;
- The family member in question moves;
- The INS appeals process has not been completed;
- Assistance is pro-rated;
- Deferral of termination of assistance is granted by the agency;
- For a program participant, the informal hearing process is not complete.

Assistance will be denied or terminated when:

- Declaration of citizenship or eligible immigration status is not submitted by the specified deadline or any extension;
- Required documentation is submitted but INS primary and secondary verification does not verify immigration status and family does not pursue INS or HA appeal; or
- Required documentation is submitted but INS primary and secondary verification does not verify immigration status, and INS or HA appeal is pursued but decision(s) are rendered against the family.

### ***Family eligibility for assistance***

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance (See Section XII for calculating rents under the noncitizen rule and also Section XVI).
3. A family without any eligible members and receiving assistance on June 19, 1995, may be eligible for temporary deferral of termination of assistance.

### ***Social Security Number Documentation***

To be eligible, all family members must disclose and submit documentation (its Social Security card) to the Housing Specialist, to verify their social security numbers (SSNs).

### ***Signing Consent Forms***

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
  - a. A provision authorizing HUD and the PHA to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
  - b. A provision authorizing HUD or the PHA to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;
  - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and,

- d. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

### ***Suitability for tenancy***

The PHA determines eligibility for participation and will also conduct criminal background checks on all adult household members, including live-in aides. The PHA will deny assistance to a family because of drug-related criminal activity or violent criminal activity by family members. This check will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area, the PHA may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC).

The PHA will check with the State sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.

Additional screening is the responsibility of the owner. Upon the written request of a prospective owner, the PHA will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with material standard lease terms or any history of drug trafficking.

### ***Tenant Screening [24 CFR 982.307]***

The PHA will not screen the applicant household for family behavior or suitability of tenancy. At or before the PHA's approval of the tenancy, the PHA will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as: [24 CFR 982.307(a)(3)]

- 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.

The PHA will advise and assist families if they feel that the screening criteria applied by an owner violate any basic Fair Housing Rights of the family. The PHA will make referrals to the local Fair Housing Agency and/or the appropriate HUD office.

## **XXII. MERGER OF THE CERTIFICATE AND VOUCHER (HCV) PROGRAM (Key Words Summarizing the HCV Program)**

On October 1, 1999, the Section 8 Certificate and Voucher Program were merged into one Tenant-Based Program called the Section Housing Choice Voucher Program. The new Program has features of the certificate and old voucher programs, plus new requirements. Some regulation changes were effective on that date and other will become effective during the coming years. The merger had to be completed by October 1, 2001. The main changes of the merger, which are described below, were adopted as needed. A summary of the new voucher program follows:

1. **Payment standards.** The subsidy amount is based on a payment standard set by the PHA anywhere among 90% to 110% of FMR. HUD may approve payment standards lower than 90% of FMR and payment standards higher than 110% of FMR. HUD may require PHA payment standard changes because of the incidence of high rent burdens. [§545:§8(o)(1)(B),(D)&(E)].
2. **Tenant rent.** A family renting a unit below the payment standard pays the highest of 30% of monthly-adjusted income, 10% of monthly income, or the welfare rent. There is no voucher shopping incentive. A family renting a unit above the payment standard pays the highest of 30% of monthly adjusted income, 10% of monthly income, or the welfare rent, plus the amount of rent above the payment standard.
3. **Maximum initial rent burdens.** A family must not pay more than 40% of income for rent when the family first receives the subsidy in a particular unit. (This maximum rent burden requirement is not applicable at reexamination if the family stays in place.) [§545:§8(0)(3)].
4. **Income Limits.** Eligibility is limited to:
  - very low-income family
  - low-income family previously assisted under the public housing, Section 23, or Section 8 Programs
  - low-income family that is a non-purchasing tenant of certain homeownership programs
  - low-income tenant displaced from certain Section 221 and 236 projects
  - low-income family that meets PHA-specified eligibility criteria
5. **Optional PHA screening of applicants.** Although the screening and selection of tenants will remain a function of the owner, the PHA also may elect to screen applicants in accordance with any HUD requirements. [§545:§8(o)(6)(B)].
6. **Optional PHA disapproval of owners.** The PHA may refuse to enter into new Section 8 HAP contracts with owners who refuse (or have a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the premises by tenants, PHA employees or owner employees, or the residences by neighbors. [§545:§8(o)(6)(C)].

7. **Initial Lease Terms.** The PHA may approve an initial lease term of less than 1 year, if a lease of less than 1 year prevails local practices, and the PHA determines that the shorter term will improve housing opportunities for the family. [§545:§8(o)(7)(A)].
8. **Lease form and content.** The lease form must be in the standard form used in the locality by the owner. The lease must contain terms that are consistent with State and local law, and that applies generally to unassisted tenants in the same property. The lease may contain the HUD prescribed lease addendum. [§545:§8(o)(7)(B)&(F)].
9. **Termination of tenancy.** "Violent criminal activity on or near the premises" is added to the statutory termination of tenancy provisions. [§545:§8(o)(7)(D)].
10. **HQS.** Units must pass the federally established HQS or substitute local housing codes or codes adopted by PHA's. Substitute local housing codes or codes adopted by PHA's (1) cannot severely restrict housing choice and (2) must meet or exceed the HQS (unless HUD approves a lower standard that does not adversely affect the health or safety of families, and will significantly increase affordable housing access and expand housing opportunities). [§545:§8(o)(8)(B)].
11. **15 day initial HQS inspection deadline.** PHA's with 1250 or fewer tenant-based Section 8 units must conduct initial HQS inspections within 15 days of the owner's inspection request. PHA's with more that 1250 tenant-based Section 8 units must conduct initial HQS inspections within a "reasonable period" of the owner's inspection request. The PHA assessment system for tenant-based assistance (currently the Section 8 Management Assessment Program) must incorporate this PHA performance standard. [§545:§8(o)(8)(C)].
12. **PHA penalties for late payment of housing assistance to owners.** The housing assistance payment (HAP) contract may provide for PHA penalties for late payment of the housing assistance payment to the owner. Any late payment penalties must be imposed by the owner in accordance with generally accepted practices in the local housing market. For example, an owner could charge the PHA a late fee if the housing assistance payment is not received by the 5th day of the month if it is local practice that tenants are charged a late fee when the rent has not been paid-in-full by the 5th day of each month. A late payment fee must be paid from the PHA's Administrative Fee unless HUD authorizes payment form another source. No late fee may be charged if HUD determines that the late payment is due to factors beyond the control of the PHA (e.g., late receipt of the Section 8 Funds from Treasury). [§545:§8(o)(10)(D)&(E)].
13. **HQS inspections and rent reasonableness determinations for PHA-owned units.** The local government or another entity approved by HUD must conduct HQS inspections and rent reasonableness determinations for PHA-owned units leased by voucher holders. The PHA must pay any expenses with the performance of such

inspections and rent determinations. [§545:§ 8(o)(11)].

14. **Subsidy amounts for manufactured homeowners leasing pads.** The subsidy amount for expenses associated with leasing the pads is revised to mirror the subsidy calculation method for families leasing "regular" units. [§545:§8(o)(12)].
15. **Project-based vouchers.** Project-based assistance is authorized for up to 15% of the PHA's certificates and vouchers. The prior exception allowing additional project-based assistance and special HAP contract terms for certain State assisted projects is eliminated.

Initial and any annual rent adjustments are subject to a rent reasonableness determination. [§545:§8(o)(13)].

16. **Witness relocation funds.** PHA's that receive witness relocation funds must have procedures for notifying potential recipients of funding availability. [§545:§8(o)(16)].
17. **Deed restrictions.** Voucher assistance may not be used in any manner that "abrogates any local deed restriction that applies to any housing consisting of 1 to 4 units". The Fair Housing Act explicitly applies. [§545:§8(o)(17)].

### **XXIII. SPECIAL HOUSING ASSISTANCE (See also Section III)**

The PHA offers its Section 8 participants the prospect of expanding their housing opportunities through voluntary enrollment in the Family Self-Sufficiency (FSS) Program and/or to the Homeownership Program. To be eligible for these options, which are authorized by the Quality Housing and Work Responsibility Act of 1998, a participant must comply with some special rules as well as the Section 8 requirements.

#### ***FSS Program***

This program was established in accordance with 24 CFR 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u). This program can help interested participants to prepare themselves to acquire their economic independence and their own house. The Family Self-Sufficiency Action Plan will be incorporated as Appendix III of this document.

#### ***Homeownership Program***

The objective of this Program is to expand housing opportunities available to Section 8 Program participants by providing the opportunity to acquire a housing unit.

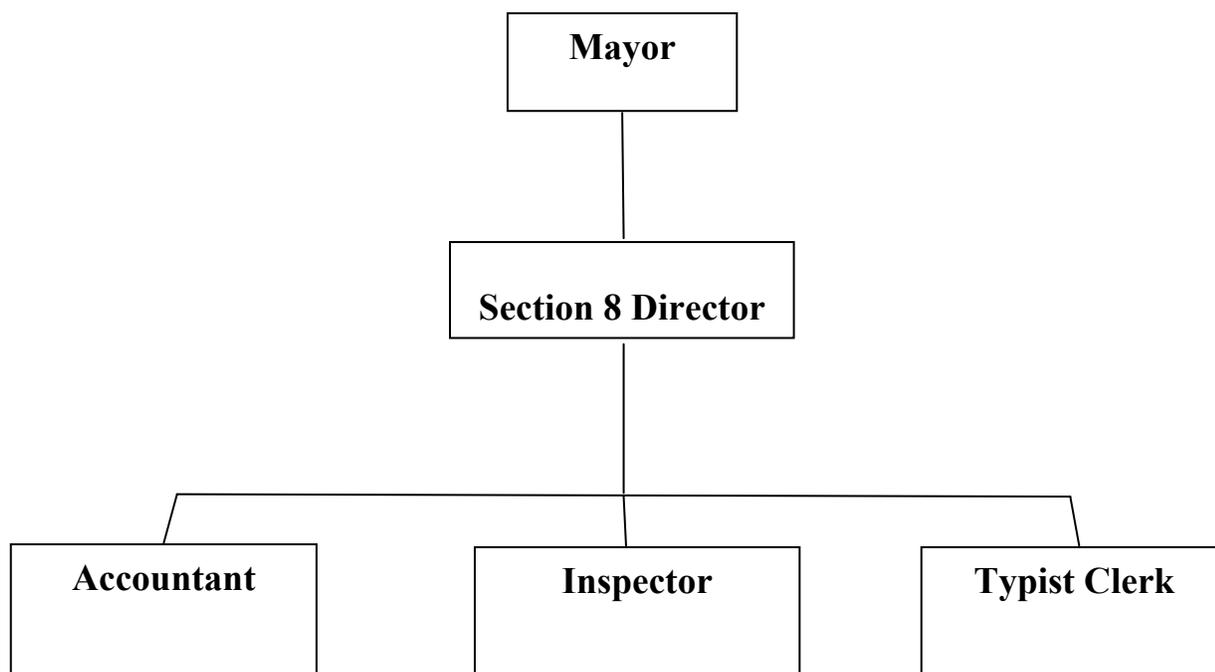
This Program allows any Section 8 Program's participant to purchase housing, and to use their Voucher money to pay mortgage. The Homeownership Program's regulations will be incorporated as Appendix IV of this document.

#### ***Other Special Housing Types or Programs***

Whenever the PHA decides to apply for Special Housing Types Funding; the policies on special rules will be state as HUD regulations, as established on Section III of this Plan, and any other applicable law. Also, as needed, amendments will be made to this Plan. Special Housing Type/Assistance includes the FSS Program and Homeownership Option.

## XXIV. ORGANIZATIONAL STRUCTURE

The Housing Choice Voucher Program extends the PHA's fiscal responsibility and flexibility to manage subsidy funds and administrative costs in an efficient manner according to QHWRRA, section 502(b). As a result of this same merger, the staff directly involved in the administration of the Housing Program in this Municipality will be so designated according to the number of units assigned to the Program as stated in the ACC between the Municipality and HUD. The organizational chart for this Municipality is as follows:



The local housing staff will perform the following functions:

1. Prepare all necessary documents, budget, forms and any files that may be required for the efficient administration of the program.
2. Prepare and/or adapt the necessary forms, information, instructions, and material required for the organization and implementation of the subsidized housing program.
3. During the leasing schedule and intake period, the staff will coordinate, supervise, organize, and actively participate in the following:
  - a. Outreach to eligible families and homeowners.

- b. Determination of family eligibility and tenant selection, in order to ensure compliance with income targeting as stipulated in QHWRA.
- c. Verification of income and determination of total tenant payment.
- d. Briefing the family of the various subsidized housing programs approved by HUD and administered by the PHA.
- e. Briefing the family and issuance of vouchers.
- f. Compliance by homeowners of Housing Quality Standards as established by existing HUD regulations as well as the required initial, interim and annual inspections.
- g. Lease approval and contract execution in accordance with existing regulations.
- h. Provision of housing information and services to recipient families.
- i. Conduct initial, interim and annual certifications as required by HUD regulations.
- j. Briefing the family on established regulations concerning mobility and portability to ensure compliance with QHWRA of deconcentration of families.
- k. Prompt HAP payments to participating homeowners.
- l. Briefing of the families and participating homeowners concerning existing HUD regulations about terminations and evictions.
- m. Monitoring applicable payment standards as established under QHWRA which is to be set between 90%-110% of the Fair Market Rents for the PHA jurisdiction.
- n. Assure compliance of security deposits and claims for damage and unpaid rents.
- o. Briefing of families concerning the policy for informal hearing for denial, reduction and/or termination of assistance as required by existing HUD regulations.
- p. Compliance by Families in the other subsidized housing programs that may be administered by the Municipality.

# **APPENDIXES**

# **APPENDIX I**

## *FSS Program's Plan*

## **APPENDIX II**

### *Homeownership Plan*

# **APPENDIX III**

## **POLICY OF PROCEDURES FOR REASONABLE RENT**

## **APPENDIX IV**

### UTILITY ALLOWANCE PROCEDURE

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ACTION PLAN  
FAMILY SELF SUFFICIENCY PROGRAM  
MUNICIPALITY OF VEGA ALTA

Modified December 2007

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## **ACTION PLAN**

### **I. INTRODUCTION**

For many families poverty is a short term phenomenon. A family breaks up, a loss of a job or a medical condition may bring on a temporary condition of poverty but nevertheless many families manage to recover and return to productive lives. There is however, a growing segment of our population that remain poor, chronically unemployed, welfare recipients and basically dependent on government assisted programs.

The Municipality of Vega Alta wants to take the opportunity to increase the Family Self Sufficiency program through the implementation of an Action Plan to combat the numerous problems of poverty and dependency using strategies that will focus on work preparation and personal values development. We encouraged participation from community agencies both government and private in the development of the program. This is an Action Plan prepared upon program approval containing specific dates and strategies.

In summary the main objective of the Self Sufficiency program established by the municipality is to promote self sufficiency among participating families, including the provision of supportive services to those families and to enable families to achieve economic independence.

## **DESCRIPTIVE OVERVIEW OF THE FAMILY SELF SUFFICIENCY (FSS) PROGRAM**

The purpose of the FSS program is to promote the development of local strategies to coordinate the use of Section 8 Voucher program with public and private resources to enable eligible families to achieve independence and self sufficiency.

The PHA received HUD approval of its FSS program and the Action Plan which outlines program requirements is being submitted for approval. Recently, HUD enacted changes to the FSS program which must be incorporated in the Action Plan. Additionally, the Action Plan must be made part of the Section 8 Administrative Plan which governs the overall Section 8 Voucher program.

We have included in the Action Plan the following new FSS program revisions:

### 1. FSS Family Selection

Currently, the FSS families are selected from Section 8 participants based on date of application. Participation in the FSS program is voluntary and there is no penalty for rejecting the program.

Previously, no motivational screening was permitted. Limited motivational screening of families is now permitted and can include assigning pre-selection tasks, such as attending meetings or obtaining information. FSS families can not be selected on the basis of education, job history, credit marital status, or tests.

### 2. Contract of Participation (Interim Goals)

Each participating family must enter into a Contract of Participation which spells out both appropriate services and individual training the family will receive, and the family's responsibilities in meeting the interim goals needed to achieve self sufficiency. Interim goals include the following:

- a. Completion of GED or higher education;
- b. Completion of job training;
- c. Starting to work;
- d. Other interim goals approved by the PHA in consultation with the FSS Coordinating Committees.

The Contract will require the head of household to seek and maintain suitable employment during the term of the contract which is five (5) years, but can be extended an additional two (2) years for “good cause” if solicited by the participating family. Previous FSS program guidelines did not define FSS program completion. Completion of the Contract of Participation is now defined as either when the family has fulfilled all contract obligations on or before the end of the contract, or when no member of the family receives Welfare assistance.

### 3. Non-Termination of Section 8 Assistance

The FSS family’s Section 8 assistance cannot be terminated based solely on not becoming independent of welfare assistance or for not complying with the terms and conditions of the FSS Contract of Participation.

### 4. Escrow Account

The FSS program requires the establishment of an escrow savings account for each participating family. During the terms of the Contract, the PHA will pay into escrow account a portion of the increase of rent paid that results from increases in earned family income.

For example, a family begins the Contract term with a total tenant payment of \$100.00 of a \$500.00 monthly rent. The PHA payment to the owner would be \$400.00 each month. If, at the beginning of the second year of the lease, the total monthly rent remains at \$500.00 but the total tenant payment were \$300.00 (as a result of increased amount of earned income) each month, a percentage of that difference would be credited monthly to the escrow account. The amount of the

escrow account credit will vary, depending on the income of the family, and is based only on increases in earned income since execution of the Contract.

Previous FSS program guidelines allowed the PHA to establish separate or combined (all FSS families) escrow accounts. The PHA is now required to establish an individual escrow account (one for each participating family). While no escrow reports were required previously, the PHA must provide annual escrow reports to FSS families.

#### 5. Using Escrow Account Funds

The requirement for receiving the amount in the escrow account in excess of any amount owed to the PHA was that FSS families be independent of housing subsidies within seven (7) years (five (5) years plus a two year extension) of beginning the FSS program.

This requirement has significantly been revised and now “success” is limited to a family being independent of welfare assistance for one year prior to the end of the Contract of Participation in order to receive the full escrow amount. It should be noted that notwithstanding if a family becomes “successful”, i.e., finds suitable employment; they may still require a rental subsidy since most jobs are entry level and/or low paying.

Previous FSS program guidelines did not permit families to receive a portion of the escrow prior to completion of the Contract of Participation. FSS families may now receive a portion of the escrow if they meet certain interim goals (as defined in #2 above) and need escrow funds to complete requirements of the Contract and/or promote self sufficiency. Eligible uses of escrow funds include the following:

- a. Payment of tuition, study materials, textbooks and specialized equipment where other suitable, adequate financial aid is not available;

- b. Transportation, including purchase of car, if needed to continue work or study;
- c. Child care expenses, to allow participant to continue work or study;
- d. Special family needs during a serious medical situation, such as a need for surgery or treatment and convalescence. This would apply when without such assistance, the FSS participant would be unable to continue her/his career pursuits;
- e. 100% down payment for home ownership;
- f. Other circumstances approved by the PHA in consultation with the FSS Committee.

HUD regulations require that funds in the escrow account shall be forfeited if the family fails to meet its obligations under the Contract or is still receiving welfare assistance five (5) years (or seven (7) years with an extension for good cause) from the commencement of the Contract. Forfeited escrow funds are treated as Section 8 program income under HAP funds.

#### 6. Social Service Component of the FSS Program

The services that are required by the FSS families will be delivered by a number of Social Service providers, whose agencies are enumerated under Program Coordinating Committee.

The PCC represents agencies that individually have established substantial track records for delivery of programs that promote job training and placement, educational and health care. The pooling of their experiences and resources will provide supportive services in a model that offers a holistic approach to the multiple, dynamic and unique needs of each family.

#### 7. The FSS Action Plan

The FSS Action Plan (attached) describes how PHA will implement HUD regulations.

## II. PROGRAM DESIGN

- A. Demographic: Description of the number, size, characteristics, and other demographics, including racial and ethnic data and the supportive service needs of the families expected to participate in the program.

The census for Puerto Rico does not provide information by ethnic or racial group for the purpose of data collection; all Puerto Ricans are considered Hispanics. A study conducted of interested applicants in our waiting list indicated that the family composition is not much different of the general population. The majority are female head of household of Hispanic origin, either unemployed or earning an income way below the poverty level. Thirty percent of the applicants have very little education (under 7<sup>th</sup> grade) with unskilled type of working experience.

The 1990 Census figures reported that there are 12,134 households compared with 7,120 in 1980. This represents an increase of 66% over 1980 figures. In the 1990 total of 1,987 or 16.2% were female head of household.

The Puerto Rico Department of Social Services (DSS) statistics for the Nutritional Assistance Program (PAN) indicate that nearly 55% of the population complies with the income eligibility requirements for the program. Statistics from DSS Program for the Rehabilitation of Families Living in Extreme Poverty (“PRES”) indicate that there has been a continual increase in the number of families reporting less than \$500.00 annual income since 1980, with over half a million families, and one in every five Puerto Rican children are estimated to live in extreme poverty.

Based on the 1990 Census it is estimated that around 10,470 families in Vega Alta have income below poverty level.

The following is a list of supportive service needs of families eligible to participate:

- a. Child care services
  - b. Remedial education
  - c. Education for completion of high or vocational school
  - d. Job preparation and counseling
  - e. Job training
  - f. Substance abuse counseling
  - g. Money management/budgeting skills
  - h. Job development and placement
  - i. Legal problems
  - j. Entrepreneurial programs
- B. Anticipated Size: Description of the number of eligible participating families who can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated resources.

The program will be limited to the number of vouchers allocated to the Municipality. The coordination and implementation of an FSS program is costly and time consuming. Since only eight (8) units were allocated, all the administrative costs related to the program will be assumed by the PHA during the first year. The PHA will only select FSS participants from the Section 8 participants as required by new FSS program revision.

Description of families expected to participate in FSS. Participants employed having extremely low salaries or holding temporary unskilled jobs. A study of participants also reflected that 65% of families participating are women head of household with an average of two to three children.

During the orientation meeting held with interested families around 25% of the families showed interest in participating in the program. Moreover, a more detailed explanation of the program to Section 8 participants has elicited affirmative responses. It is

anticipated that FSS participants will reflect a cross section of current Section 8 participating population.

C. Needs Assessment Description of activities and supportive services to be provided by public and private resources to participating families.

The PHA has designated a coordinator – trainer to supervise and structure programs as well as the Program Coordinating Committee (PCC) integrated by professional representatives from public housing, education, labor, criminal justice, police department, health and human services, social services, church, community leaders, and local business.

The PCC function is to assist in securing commitments of public and private resources for the operation of the program. It is also responsible for assisting with the development of the Action Plan and assist in the implementation of the program.

The PCC has an advisory role. However, they are the key to tapping into community resources. This will enable the PHA to provide the necessary services without being the provider of those services. The members of the committee do not have to be the head of the agency, department or business, but can be staff who are assigned to act as resources. The committee is responsible to obtain commitments from social services provider who will perform the hand-on service provision. The PHA staff are the coordinators of the services which will lead the participant family to self sufficiency. The committee members should assist in expediting and coordinating agreements between the PHA and the potential service providers and monitor the agreements to assure the linkage of social services to program participants.

The PCC consists of representatives of the following departments:

- Mayor's office
- Community Development Block Grant (CDBG) office
- FSS Coordinator

- Right to Employment Administration
- Human Resources and Labor Department
- Public Housing Agency (Social Workers)
- Education Department
- Catholic Church
- Baptist Church
- Community Civic Organizations
- Agricultural Extension Services
- Private Organizations such as:
  1. Red Cross
  2. Rotary Club
  3. Lions Club

1. Education – directed to meet academic and counseling needs of students with educational problems.
  - a. cultural activities
  - b. seminars about study habits
  - c. economic assistance for continuing education
  - d. vocational counseling
  - e. preparation for College Board
  - f. remedial courses
  
2. Educational Counseling – Available for junior-high school students, for those who have a high school diploma and want to continue post secondary studies.
  - a. academic counseling
  - b. vocational counseling
  - c. personal counseling
  - d. seminars about study habits
  - e. cultural activities
  - f. placement test

3. JTPA Program – This program offers the following services and trainings:
  1. Institutional training
    - a. secondary school
    - b. professional sewing
    - c. TV production and direction
    - d. work experience
    - e. on the job training
  
4. P.R. Education Dept. – The state Department of Education will contribute to FSS with the following programs and services:
  - a. Adult Basic Education (grades 1-8)
  - b. Adult Secondary Education (grades 9-12)
  - c. Conversational English Courses (basic, intermediate and advanced)
  - d. Placing Tests and courses, Act. 188
  - e. Guardianship Services
  - f. Public Library Services
  - g. Education at Distance (preparation for exams, Act. 188)
  - h. One teaches another guardianship
  
5. Department of Health - AMSCA  
Drug counseling and orientation

D. Resources and Services: Description of how the FSS program will identify needs and deliver services and activities according to the needs of participating families.

The PHA will be assessing the needs of prospective participants as well as the types of services which may be needed. Participating families must be surveyed to determine interest and need.

A Personal Need Assessment form has been developed. The form will be used to assess family needs and to determine the type of limitations confronted by the head of household as well as the family. The assessment will cover the area of financial independence or dependence. The intent is to determine how well the respondent is managing financially, given the amount of income received and expenses.

The health and transportation areas will also be assessed to determine medical problem and adequacy of medical services and the degree of mobility a participant has, based on the transportation available and ability to use it. An action plan will be designed to assist each individual participant according to the strengths and limitations found.

- E. Resources Available: Description of both the public and private resources that are expected to be made available, to provide the activities under the FSS program.

A description of services and programs available in our community and represented in our committee are as follows:

1. Child Care  
Child care is considered an essential element of a successful self sufficiency program. This service will be provided by the local government through the Head Start Centers.
2. Counseling Assistance  
Technical staff of the municipality's Section 8 office will be available to provide counseling assistance through the Section 8 Technician and Social Worker.
3. Owner's Participation  
Owners of units eligible to participate in the program will be contacted by local invitations and radio spots indicating the housing types and sizes needed for eligible families.
4. Transportation

Transportation assistance to program participants will be provided by the local government and other private volunteer groups.

5. Supplementary Education

Over 75% of the FSS participants will require some kind of supplementary adult education. The cost of these services will be assumed by the State Government. Evening classes will be coordinated with local high schools for participants that have not completed high school.

6. Job Development, Training and Placement

Considering the distressed economic conditions of the area, these services are essential to the success of the FSS program.

The Department of Labor and Human Resources as well as JTPA are available to provide assistance in these areas. Copies of letters forwarded to agencies requesting their intent to participate in the program are included in Attachment 1. Agencies that are administered by the Municipality have been required by the Mayor to give priority to FSS program participant. Attachment 2 includes copy of FSS Application and Interview Assessment forms to be used by the program.

F. Timetable for Implementation of the FSS Program

January 1995	Tenant Participant Selection
March 1995	Tenant Group Orientation and Training
April 1995	Work Preparation Counseling
May 1995	Individual Skill Training
December 1995	Program Evaluation

G. Outreach Efforts

Outreach methods are described in the municipality's BDD. The PHA will only be selecting FSS participants from the Section 8 program.

#### H. Method of Selection

Families participating in the Section 8 program will be given the opportunity to participate in the program. As specified before if the family refuses to participate they will not be penalized. The PHA will interview other participants until someone interested in participating in the program is found.

Families can be selected if they are employed, as well as unemployed. Participation in the program cannot be denied because the family needs extensive remedial education. Selection will be based on the date the family expressed interest in participating in the program.

Group orientation and initial training will be designed to establish and reinforce new social rules, norm values, strengthen and increase self image. Motivate participants to search for the development of skills and make effective use of community programs for growth and development.

During the initial orientation the following information will be provided to the prospective participants:

- a. The objectives of the Self Sufficiency program.
- b. The initial eligibility requirements for participation.
- c. Selection Process  
A system for establishing the list of interested participants, their objectives and provide all applicants a reasonable opportunity to place their names in the list based on seniority and interest.
- d. The number of Section 8 Vouchers available for the Family Self Sufficiency program.
- e. Introduction to the programs contract (translated).
- f. Grievance Procedure  
The group orientation will continue throughout the program.

## I. Policies

The contract of participation is an agreement between PHA and family which sets forth provisions of FSS program and the obligation of family. It includes an Individual Training and Services Plan, designed especially for the client.

The contract describes:

1. The resources and appropriate supportive services which will be made available to the family under FSS.
2. The PHA authority to terminate or withhold FSS supportive services and to terminate housing assistance if the family fails to comply with the contract requirements.
3. The family's requirement to fulfill the obligations to which it has committed itself no later than five years after entering into the contract.

It requires that the head of household seek and maintain suitable employment throughout the term of the contract, including any extensions to the contract.

Employment should reflect the person's training and available job opportunities. Only the head of the household *must* seek employment.

The contract may require other family members to attend job training and counseling and interview for jobs, but the contract is fulfilled even if they don't find a job. PHA will define "seek employment" and develop appropriate standards for documentation. This is defined in negotiations with the head of household, as part of the contract of participation. It could include, looking for a job, going on interviews, following up on employment opportunities, etc. The family should be encouraged to seek more than a minimum wage job.

### A. Changes in the contract

The PHA may agree to changes in the contract of participation such as:

- Number and identity of household members who will participate;
- Family Self Sufficiency designated head;

- Support Services to be provided as the family's needs and interests change.

Changes must be consistent with local program objectives. The PHA must approve the change.

B. Extensions to the contract

Contract may be extended for up to two years beyond the original five year term. Extensions must be for good cause such as serious illness and/or involuntary loss of employment. The family will continue to receive escrow credits during period of extension.

Non performance of the employment provision of the contract by the head is not a good reason to extend the contract. Extension could be granted for rare circumstances, such as closing of a factory.

C. Transitional Assistance

Continued provision of Family Self Sufficiency support services can be offered to the family under these conditions:

- Family has completed Contract of Participation, family is employed; and the continuation of support services would assist the family to remain self sufficient.

D. Termination of the contract of participation

The contract may be terminated for these reasons:

- Mutual consent of the parties;
- Failure of the family or a member of the family to honor the terms of the contract;
- Achievement of self sufficiency by the family;
- Expiration of the contract term and extension thereof;

E. Termination of assistance

Voucher programs have new provisions for termination of assistance. Assistance may be withheld or terminated if an FSS family fails to comply with the requirements

of the contract. This is true even if the designated FSS head is different from the head of household for the voucher.

The PHA can set up the conditions for termination of the assistance in the Administrative Plan.

If the family has tried and failed to find employment, the PHA can terminate participation, but may choose not to terminate Section 8 Rental Assistance.

J. Other information

**FSS Escrow Account**

In accordance with the program provisions, the PHA will establish an “escrow savings account” (FSS Account) for each family participating in the FSS program, and will credit it a portion of the increase of the “rent paid” that would otherwise result from increases in earned income during the term of the Contract of Participation. The term “rent paid” refers to the family contribution to rent as defined in accordance with existing program procedures.

The PHA will determine the appropriate amounts to be credited to the escrow account in accordance with HUD requirements, stipulated in the FSS Escrow worksheet.

Under the program’s terminology, “FSS account” means the “FSS escrow account”. The term “FSS credit” is used to denote the amount credited by the PHA to the participating family’s FSS account.

a. Calculating Escrow Account

**HOW IT WORKS**

- A participating family’s earned income may increase during the term of the Contract of Participation.

- If this occurs, the PHA is required to credit to an escrow account a portion of the increase of rent that would otherwise result from increases in earned income during the term of the Contract of Participation.
- The escrow is only based on increases of earned income.
- Earned income is defined as income from wages, salaries and other employee compensation as well as any earnings from self-employment. It does not include any pension or annuity, transfer payments or any cash or in kind benefits.
- This is prior to payroll deductions. It includes overtime, commissions, tips, bonuses, fees, etc.
- Earned income also includes net income from the operation of a business or profession and military pay that is normally included in Annual Income definition.
- Earned income does not include income of children under 18. If an adult is added to the family composition of a child that turns 18 after the Contract of Participation is executed, the income is counted.
- Increases in AFDC for a family in which no family member is employed are not deposited in the escrow account.
- The PHA must establish an escrow savings account for each family participating in the FSS program.
- During the term of the Contract of participation, the PHA will credit to the FSS account the amount of the FSS credit calculated in accordance with the procedures described below.
- The PHA must set up an escrow account for each family in two situations:
  1. When the family becomes employed having not been so at the commencement of the contract; or
  2. When the family starts out with employment income and has an increase in said income.
- If the family participates in education or job training and there is no employment income, there is no escrow fund calculation made.

- If there is no earned income (employment), there is no contribution to an escrow account.
- Although the escrow account is like a “forced savings account”, the family’s increased payment does not go directly into the escrow account in the Section 8 program.
- Family pays their regular share according to income to the owner, and the PHA escrows an amount equal to the extra amount that they are paying due to increased employment income from the HAP account.
- In Section 8 Rental Assistance Program, the PHA deposits in the family’s escrow account an amount equal to the decrease in the Housing Assistance Payment paid by HUD.
- There is no escrow if current Family Contribution is less than Family Contribution when contract was executed.
- For there to be an escrow, current Family Contribution must be greater than Family Contribution when contract was executed.
- The amount put in the escrow will also depend on whether they are a very low (100%), low(50%), or above low (0%) but the PHA still maintains an escrow account until the family is no longer receiving housing subsidies, or until five (5) years have elapsed from the effective date of the Contract of Participation. Interest accrues while the account is maintained.
- PHA reduces escrow deposit by amount owed owner for unpaid tenant rent or other amounts owed lease. Interest is calculated on reduced amount.
- New HUD program guidelines require PHA to provide families with an annual statement of escrow balances. This does not have to coincide with annual reexamination.

b. **Investment of Funds in FSS Account**

- Funds held by the PHA in the FSS account may be invested in HUD approved investments.
- Investment spelled out in HUD CFR 962.305, 984.305.
- Investment income shall be credited periodically, but no less than annually, to each participating family’s FSS account.

- The PHA must calculate the credit at each annual and interim recertification (if they have to report increases in income as they occur and not annually) since the monthly amount could change.
- The FSS account shall be held by the PHA until completion or expiration of the Contract of Family Participation.
- There can be separate escrow accounts or they can be combined with the subsidiary ledger showing the amount for each family.
- If they are combined, investment income is prorated and credited to each family's account.
- If rent or other amounts due under the lease are owed to the PHA or the owner, the balance in the escrow account is reduced prior to prorating the interest income.

#### Using Escrow Account Funds

The requirement for receiving the amount in the escrow account in excess of any amount owed to the PHA was that FSS families be independent of housing subsidies within five (5) years plus a two-year extension if justified.

This requirement has significantly been revised and now “success” is limited to a family being independent of welfare assistance for one year prior to the end of the Contract of Participation in order to receive the full escrow amount. It should be noted that notwithstanding if a family becomes “successful”, i.e., finds suitable employment, they may still require rental subsidy since most jobs are entry level and/or low paying.

Previous FSS program guidelines did not permit families to receive a portion of the escrow prior to completion of the Contract of Participation. FSS families may now receive a portion of the escrow if they meet certain goals (as defined in #2 above) and need escrow funds to complete the requirements of the contract and/or promote self sufficiency. Eligible uses of the escrow funds include the following:

- a. Payment of tuition, study materials, textbooks and specialized equipment where other suitable, adequate financial aid is not available;

- b. Transportation, including purchase or car, if needed to continue work or study;
- c. Child care expenses, to allow participant to continue work or study;
- d. Special family needs during a serious medical situation, such as needed for a surgery or treatment and convalescence. This would apply when without such assistance the FSS participant would be unable to continue his/her career pursuits;
- e. 100% down payment for home ownership;
- f. Other circumstances approved by the PHA in consultation with the FSS Coordinating Committee.

HUD regulations require that funds in the escrow account shall be forfeited if the family fails to meet obligations under the contract or is still receiving welfare assistance five (5) years (or seven with an extension for good cause) from the commencement of the contract. Forfeited escrow funds are treated as Section 8 program income under HAP.

C. What is family contribution?

Housing Choice Voucher program: 30% of monthly adjusted income

III. **Certification of Development Services and Activities**

**CERTIFICATION**

This is to certify that the development of the services and activities under the FSS program has been coordinated with the Job Opportunities and Basic Skills Training Program under part of Title IV of the Social Security Act, the program under the Job Training Partnership Act, and any other relevant employment, child care, transportation, training, and education programs (e.g., Job Training for the Homeless Demonstration Program) in the applicable area, and that implementation will continue to be coordinated , in order to avoid duplication of services and activities.

---

PHA Authorized Signature

## **REPORTS**

After implementation of the FSS program, the PHA will submit annual report to HUD by September of each year detailing, among others: (a) a description of the activities carried out under the program; (b) a description of the effectiveness of the FSS program in assisting families to achieve economic independence and self sufficiency; (c) a description of effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self sufficiency; and (d) any recommendations of the PHA or the Coordinating Committee for legislative or administrative action that would improve the FSS program and ensure its effectiveness. Other data will be furnished as required under the HUD prescribed form.

## **EVALUATION**

The program's success will be measured in terms of the self sufficiency goals achieved. All participants will be evaluated using the following criteria:

- Educational level attained
- Employment Status
- Annual Income
- Job skills developed
- Job placement
- Other related factors

The PHA will conduct the program evaluation on a continuous basis for adjustment or improvements, as needed.

The PHA will use the FSS contract provided by HUD as form HUD-52650

## GRIEVANCE PROCEDURES

File of Claims Federal Program Department Municipality	
Housing Coordinator Informal Hearing	(15 days) Informal hearing help in order to prepare report on determination may resolve the claim.
Examiner Officer Formal Hearing Legal Advisor	(30 days) Formal hearing 30 days from the filing of the claim. The officer determination will precede that of the Mayor.
Application for Revision Before the Mayor's Office	(15 days) To application.
Mayor's Determination Taken Towards Revision	(60 days) Final determination within sixty days of filing.
Apply for Revision At the EEO Offices HUD Caribbean offices	
Revision Before Administrative Office	

**MUNICIPAL HOMEOWNERSHIP PROCEDURE MANUAL  
FOR USE OF  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
ASSISTANCE**

**Submitted to:**

**Nydia E. Santiago**

**Homeownership Program Coordinator**

**From:**

**Municipality of Vega Alta  
Section 8  
PO BOX 1390  
Vega Alta, PR 00692**

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## **Introduction**

The Office of the Municipal Affairs Commissioner (OCAM) has recently assigned a total of \$500,000 of Community Development Block Grant (CDBG) funds to non-entitlement municipalities for the 2004-2005 fiscal year. These fund appropriations will allow administrations to identify and assist a number of families in the down payment or closing costs of the purchase of their home. Such a program is designed to foment self-sufficiency among the municipality's families.

The following pages explain in detail the procedures, requirements, and goals set by the municipality in its mission to best utilize these CDBG funds. It is of the municipality's interest to foment homeownership qualities among its populace. In fact, the intention to shift our priority from long-term housing subsidies to the stimulation of homeownership was included in the 2005 annual plan submitted to the federal Department of Housing and Urban Development. The municipality plans to combine all assistance available from any and all levels of government in order to facilitate its citizen's chances to acquire homeownership status.

The Municipality, for any just cause or in order to comply with changes in regulations or orders from HUD, has the discretion to modify any of the content in this manual which is not in contrary to any established CDBG statutes.

## **Goals**

Due to the fact that this is the first instance where the incoming administration will be administering such funds, a set of realistic but hopeful goals have been set. The first of which is to utilize as much of the CDBG funds granted by OCAM as possible, in order to demonstrate the drastic need of housing assistance in the Municipality of Vega Alta. It would be a shame for the entirety or a portion of the funds to be retracted due to idleness when there are so many people in Vega Alta who do not count with their own home. The efficient usage of such funds would also justify the existence of the program. The justification of homeownership assistance programs is crucial in an age where all levels of government have their eyes on downsizing.

Ideally the Municipality would like to identify five (5) families, each of whom will receive the amount the maximum amount permissible and needed for the usage of down payment or closing costs of the acquisition of a home. The usage of these CDBG funds will become an integrated part of the graduation process of the local FSS program.

The Municipality also wishes to honor its promises accept, confirm, process, and submit each qualifying application within a period of ninety 90 days.

## **Responsibilities of the Municipality and the Family**

The responsibilities of the municipality concerning the distribution of CDBG homeownership assistance funds are as follows:

1. Identify a minimum of five (5) families with the potential to convert into homeowners.
2. Achieve home ownership status for at least one (1) family within the time span of one (1) year.
3. Establish the evaluation criteria and income requirements for program participants. These regulations can be found in this very procedure manual.
4. Assure that applying families meet all established Municipal and OCAM requirements.
5. To collect all required documents needed to process a family's application.
6. To verify the information on the family's application using the methods outlined in the 'Requirements' section.
7. To apply for assistance within thirty (30) days of the closing date for any family's mortgage.
8. Maintain information, statistics, and data in a Log of Attended Cases and Home Buyer Log. This information shall be provided to OCAM whenever necessary.
9. Archive evidence for future monitoring on behalf of OCAM or any other federal or state agency.

The responsibilities of the participating family are as follow:

1. The participant must comply with all policies that regulate the whichever program they pertain to.
2. Participants must obtain all documentation needed by the Municipality to process their case. Assistance to those with a certified health condition that impedes them from obtaining such documentation can be granted as permitted by law.
3. There is no limit on the amount of time that an applicant has to obtain their housing unit, but he or she is required to maintain an updated application with current information. Changes in

information contained in the program application must be forwarded to the Municipality.

### **Identification of Families**

The Municipality maintains an advantage over many of its competitors in the sense that its Public Housing Agency preserves a Family Self-Sufficiency (FSS) program, composed of eight (8) FSS vouchers at its disposal. The municipality maintains a record of families' interest in homeownership. The local Housing Department offers orientation, guidance, references, seminars, and dynamic workshops to its participants. FSS participants are encouraged to obtain certain levels of self-sufficiency throughout their participation in the program.

Priority will be given, but not limited to, FSS families. Never the less, the funds will be available to other Housing Choice Voucher (HCV) participants and non-program citizens as long as they comply with the program requirements.

## Requirements

Qualifying families must meet the following requirements:

- ❖ Be a first-time homebuyer, a member of a cooperative, or not have any real estate stakes in the last three (3) years. Persons who had owner property or lived with an ex-conjectural partner within the last three years qualify and have lost legal rights to the property (CFR 982.4, Part 5.)
- ❖ Priority must be given to families with children. If the Municipality faces a lack of applying families with children, single persons can qualify for assistance.
- ❖ The person must have a minimum income of \$10,300 per year and cannot exceed low and middle-income parameters. A minimum income of \$6,624 will be applied to families with disabilities such as stated in HCV regulation.
- ❖ At least one member of the family who appears as the property owner must be actually working for an entire one (1) year up to the present with a minimum workweek of thirty (30) hours. (CFR 982.627) This requirement does not apply to families with disabilities or the elderly.
- ❖ Families must complete 12 to 24 hours of homeownership training. One-on-one counseling with homeownership from the Municipality's technicians and homeownership seminars and workshops coordinated by the municipality will be counted alongside homeownership training from HUD-approved sources. Training hours completed with the Municipality will be complemented with written attendance.
- ❖ The home must comply with Housing Quality Standards (HQS) in order to be eligible for assistance. Compliance shall be confirmed via an official HQS inspection.
- ❖ The type of unit that qualifies for this assistance must fit the same standards of a unit that would be rented under HQS and the Housing Choice Voucher program.
- ❖ Any repairs that the inspector deems necessary to be made on the unit must be completed before the sale is final.
- ❖ The unit chosen by the participant cannot be currently owned by a seller which is disbarred by HUD (CFR 982.828.)

### **Preliminary Documentation**

- ❖ Application provided by the Municipality
- ❖ Income verification
- ❖ Copies of social security cards for each family member
- ❖ Birth certificates for each family member
- ❖ Form section 214 (citizenship verification)
- ❖ Recent year tax filing
- ❖ CRIM certification
- ❖ Recent family photo
- ❖ Certificate of good conduct for each family member
- ❖ Student verification (if applicable)
- ❖ Child care certification (if applicable)

## **Required Documentation**

- ❖ Certification of Eligibility (a sample of the certification is attached to the manual.)
- ❖ Identification with photo and signature (copy) (i.e. driver's license.)
- ❖ Letter of approval from the lending institution along with the closing date of the loan.
- ❖ Authorization to release information (a sample of this form is attached to the manual.)
- ❖ Contract of purchase/sale (copy)
- ❖ Good faith estimate (copy)
- ❖ "Truth in Lending" (copy) (a sample of the act is attached to the manual.)
- ❖ "Settlement Statement" (a sample of the statement is attached to the manual.) (optional)
- ❖ Certification of Homeownership Completion (a sample of the certification is attached to the manual.)

Due to the fact that the majority of such documentation might be written in English, trained bilingual staff is present to provide translations and assistance to interested parties and applicants.

In order to comply with the responsibility to confirm that all participating families fully comply with the requirements set above, an application will be used to collect information from the family. The application can be found in this same manual. The release form required by OCAM once signed allows the Municipality to confirm application information using the same methods used to confirm HCV application content.

AUTHORIZATION TO DISCLOSE PROTECTED INFORMATION  
(sample)

**Purpose: This form is used to confirm a Participant’s permission that the Municipality of Aguas Buenas may discuss or disclose their protected personal information to the necessary government agencies. Use of their information is strictly limited to that purpose described below.**

By signing this form in I understand and agree that Municipality of Vega Alta may release my personal information to the Office of the Municipal Affairs Commissioner (OCAM) for the purpose of completing and processing my request for Community Development Block Grant (CDBG) funds.

I understand that the Municipality’s general policy is not to disclose my private information to other parties, except those directly involved in my care, without my written authorization.

I understand that I have the right to revoke, or end, this authorization at any time prior to the final submission of my information to OCAM. I understand that if I do not wish the Municipality to release my information that I must revoke this authorization **in writing** by giving written notice to the contact listed below. I understand that revocation of this authorization will close my application to CDBG funds

I, \_\_\_\_\_, have had full opportunity to read and consider the content of this form. I understand that, by signing this form, I am confirming my authorization that the Municipality may use and / or disclose my personal information to OCAM. My signed authorization is voluntary.

\_\_\_\_\_  
Witness 1

\_\_\_\_\_  
Witness 2

\_\_\_\_\_

**“Truth In Lending”  
CONSUMER CREDIT PROTECTION ACT**

§ 1. Short title of entire Act

This Act may be cited as the Consumer Credit Protection Act.

[Codified to 15 U.S.C. 1601 note]

[Source: Section 1 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 146), effective May 29, 1968]

TITLE I—CONSUMER CREDIT COST DISCLOSURE

Chapter	Section
	1. GENERAL PROVISIONS, p. 101
	2. CREDIT TRANSACTIONS, p. 121
	3. CREDIT ADVERTISING, p. 141
	4. CREDIT BILLING, p. 161
	5. CONSUMER LEASES, p. 181

CHAPTER 1—GENERAL PROVISIONS

Sec.
101. Short title.
102. Findings and declaration of purpose.
103. Definitions and rules of construction.
104. Exempted transactions.
105. Regulations.
106. Determination of finance charge.
107. Determination of annual percentage rate.
108. Administrative enforcement.
109. Views of other agencies.
110. [Repealed.]
111. Effect on other laws.
112. Criminal liability for willful and knowing violation.
113. Effect on governmental agencies.
114. Reports by Board and Attorney General.
115. [Repealed.]

§ 101. Short title

This title may be cited as the Truth in Lending Act.

[Codified to 15 U.S.C. 1601 note]

[Source: Section 101 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 146), effective May 29, 1968]

## § 102. Findings and declaration of purpose

(a) The Congress finds that economic stabilization would be enhanced and the competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the cost thereof by consumers. It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit, and to protect the consumer against inaccurate and unfair credit billing and credit card practices.

(b) The Congress also finds that there has been a recent trend toward leasing automobiles and other durable goods for consumer use as an alternative to installment credit sales and that these leases have been offered without adequate cost disclosures. It is the purpose of this title to assure a meaningful disclosure of the terms of leases of personal property for personal, family, or household purposes so as to enable the lessee to compare more readily the various lease terms available to him, limit balloon payments in consumer leasing, enable comparison of lease terms with credit terms where appropriate, and to assure meaningful and accurate disclosures of lease terms in advertisement.

[Codified to 15 U.S.C. 1601]

[Source: Section 102 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 146), effective May 29, 1968, as amended by section 302 of title III of the Act of October 28, 1974 (Pub. L. No. 93--495; 88 Stat. 1511), effective October 28, 1975; section 2 of the Act of March 23, 1976 (Pub. L. No. 94--240; 90 Stat. 257), effective March 23, 1977]

## § 103. Definitions and rules of construction

- (a) The definitions and rules of construction set forth in this section are applicable for the purposes of this title.
  - (b) The term "Board" refers to the Board of Governors of the Federal Reserve System.
  - (c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.
  - (d) The term "person" means a natural person or an organization.
  - (e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.
- {\*}

{\* Editor's Note: Section 702(b) of title VII of the Act of October 15, 1982 (Pub. L. No. 97--320; 96 Stat. 1538) provides as follows:

"(b) The amendment made by subsection (a) shall take effect on the effective date of title VI of the Depository Institutions Deregulation and Monetary Control Act of 1980."

(f) The term "creditor" refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required, and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the preceding sentence, in the case of an open-end credit plan involving a credit card, the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors. For the purpose of the requirements imposed under chapter 4 and sections 127(a)(5), 127(a)(6), 127(a)(7), 127(b)(1), 127(b)(2), 127(b)(3), 127(b)(8), and 127(b)(10) of chapter 2 of this title, the term "creditor" shall also include card issuers whether or not the amount due is payable by agreement in more than four installments or the payment of a finance charge is or may be required, and the Board shall, by regulation, apply these requirements to such card issuers, to the extent appropriate, even though the requirements are by their terms applicable only to creditors offering open-end credit plans. Any person who originates 2 or more mortgages referred to in subsection (aa) in

any 12-month period or any person who originates 1 or more such mortgages through a mortgage broker shall be considered to be a creditor for purposes of this title.

(g) The term "credit sale" refers to any sale in which the seller is a creditor. The term includes any contract in the form of a bailment or lease if the bailee or lessee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property and services involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the property upon full compliance with his obligations under the contract.

(h) The adjective "consumer", used with reference to a credit transaction, characterizes the transaction as one in which the party to whom credit is offered or extended is a natural person, and the money, property, or services which are the subject of the transaction are primarily for personal, family, or household purposes.  
{12-30-94 p.6567}

(i) The term "open end credit plan" means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.

(j) The term "adequate notice", as used in section 133, means a printed notice to a cardholder which sets forth the pertinent facts clearly and conspicuously so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning. Such notice may be given to a cardholder by printing the notice on any credit card, or on each periodic statement of account, issued to the cardholder, or by any other means reasonably assuring the receipt thereof by the cardholder.

(k) The term "credit card" means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

(l) The term "accepted credit card" means any credit card which the cardholder has requested and received or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit.

(m) The term "cardholder" means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

(n) The term "card issuer" means any person who issues a credit card, or the agent of such person with respect to such card.

(o) The term "unauthorized use", as used in section 133, means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no benefit.

(p) The term "discount" as used in section 167 means a reduction made from the regular price. The term "discount" as used in section 167 shall not mean a surcharge.

(q) The term "surcharge" as used in section 103 and section 167 means any means of increasing the regular price to a cardholder which is not imposed upon customers paying by cash, check, or similar means.

(r) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(s) The term "agricultural purposes" includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming.

(t) The term "agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(u) The term "material disclosures" means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, the due dates or periods of payments scheduled to repay the indebtedness, and the disclosures required by section 129(a).

(v) The term "dwelling" means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

(w) The term "residential mortgage transaction" means a transaction in which a mortgage, deed of trust,

purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of such dwelling.

(x) As used in this section and section 167, the term "regular price" means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.

(y) Any reference to any requirement imposed under this title or any provision thereof includes reference to the regulations of the Board under this title or the provision thereof in question.

(z) The disclosure of an amount or percentage which is greater than the amount or percentage required to be disclosed under this title does not in itself constitute a violation of this title.

(aa)(1) A mortgage referred to in this subsection means a consumer credit transaction that is secured by the consumer's principal dwelling, other than a residential mortgage transaction, a reverse mortgage transaction, or a transaction under an open end credit plan, if--

(A) the annual percentage rate at consummation of the transaction will exceed by more than 10 percentage points the yield on Treasury securities having comparable periods of maturity on the fifteenth day of the month immediately preceding the month in which the application for the extension of credit is received by the creditor; or

(B) the total points and fees payable by the consumer at or before closing will exceed the greater of--

(i) 8 percent of the total loan amount; or

(ii) \$400.

(2)(A) After the 2-year period beginning on the effective date of the regulations promulgated under section 155 of the Riegle Community Development and Regulatory Improvement Act of 1994, and no more frequently than biennially after the first increase or decrease under this subparagraph, the Board may by regulation increase or decrease the number of percentage points specified in paragraph (1)(A), if the Board determines that the increase or decrease is--

(i) consistent with the consumer protections against abusive lending provided by the amendments made by subtitle B of title I of the Riegle Community Development and Regulatory Improvement Act of 1994; and

(ii) warranted by the need for credit.

(B) An increase or decrease under subparagraph (A) may not result in the number of percentage points referred to in subparagraph (A) being--

(i) less than 8 percentage points; or

(ii) greater than 12 percentage points.

(C) In determining whether to increase or decrease the number of percentage points referred to in subparagraph (A), the Board shall consult with representatives of consumers, including low-income consumers, and lenders.

(3) The amount specified in paragraph (1)(B)(ii) shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index, as reported on June 1 of the year preceding such adjustment.

(4) For purposes of paragraph (1)(B), points and fees shall include--

(A) all items included in the finance charge, except interest or the time-price differential;

(B) all compensation paid to mortgage brokers;

(C) each of the charges listed in section 106(e) (except an escrow for future payment of taxes), unless--

(i) the charge is reasonable;

(ii) the creditor receives no direct or indirect compensation; and

(iii) the charge is paid to a third party unaffiliated with the creditor; and

(D) such other charges as the Board determines to be appropriate.

{{4-30-97 p.6569}}

(5) This subsection shall not be construed to limit the rate of interest or the finance charge that a person may charge a consumer for any extension of credit.

(bb) The term "reverse mortgage transaction" means a nonrecourse transaction in which a mortgage, deed of

trust, or equivalent consensual security interest is created against the consumer's principal dwelling--

- (1) securing one or more advances; and
- (2) with respect to which the payment of any principal, interest, and shared appreciation or equity is due and payable (other than in the case of default) only after--
  - (A) the transfer of the dwelling;
  - (B) the consumer ceases to occupy the dwelling as a principal dwelling; or
  - (C) the death of the consumer.

[Codified to 15 U.S.C. 1602]

[Source: Section 103 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 147), effective May 29, 1968, as amended by section 501 of title V of the Act of October 26, 1970 (Pub. L. No. 91--508; 84 Stat. 1126), effective October 26, 1970; section 303 of title III of the Act of October 28, 1974 (Pub. L. No. 93--495; 88 Stat. 1511), effective October 28, 1975; section 3(a) of the Act of February 27, 1976 (Pub. L. No. 94--222; 90 Stat. 197), effective February 27, 1976; sections 602, 603, 604, and 612 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 168, 169, 175, and 176), effective October 1, 1982; section 102 of title I of the Act of July 27, 1981 (Pub. L. No. 97--25; 95 Stat. 144), effective April 10, 1982; section 702(a) of title VII of the Act of October 15, 1982 (Pub. L. No. 97--320; 96 Stat. 1538), effective October 1, 1982; sections 152(a)--(d) and 154(a) of title I of the Act of September 23, 1994 (Pub. L. No. 103--325; 108 Stat. 2190 and 2196), effective September 23, 1994]

#### § 104. Exempted transactions

This title does not apply to the following:

- (1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.
- (2) Transactions in securities or commodities accounts by a broker-dealer registered with the Securities and Exchange Commission.
- (3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds \$25,000.
- (4) Transactions under public utility tariffs, if the Board determines that a State regulatory body regulates the charges for the public utility services involved, the charges for delayed payment, and any discount allowed for early payment.
- (5) Transactions for which the Board, by rule, determines that coverage under this title is not necessary to carry out the purposes of this title.
- (6) [Repealed]
- (7) Loans made, insured, or guaranteed pursuant to a program authorized by title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

[Codified to 15 U.S.C. 1603]

[Source: Section 104 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 147), effective May 29, 1968, as amended by section 402 of title IV of the Act of October 28, 1974 (Pub. L. No. 93--495; 88 Stat. 1517), effective October 28, 1974; section 603 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 169), effective October 1, 1982; and section 701(a) of title VII of the Act of October 15, 1982 (Pub. L. No. 97--320; 96 Stat. 1538), effective October 15, 1982; section 2102(a) of title II of the Act of September 30, 1996 (Pub. L. No. 104-208; 110 Stat 3009-398), effective September 30, 1996]

{{4-30-97 p.6570}}

#### § 105. Regulations

- (a) The Board shall prescribe regulations to carry out the purposes of this title. Except of the case of a mortgage

referred to in section 103(aa), these regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower or lessee in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors or lessors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor or lessor to use any such model form or clause prescribed by the Board under this section. A creditor or lessor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor or lessor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor or lessor does not affect the substance, clarity, or meaningful sequence of the disclosure.

(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

(d) Any regulation of the Board, or any amendment or interpretation thereof, requiring any disclosure which differs from the disclosures previously required by this chapter, chapter 4, or chapter 5, or by any regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least six months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors or lessors to adjust their forms to accommodate new requirements or shorten the length of time for creditors or lessors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the previous sentence, any creditor or lessor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.

(f) EXEMPTION AUTHORITY.--

(1) IN GENERAL.--The Board may exempt, by regulation, from all or part of this title any class of transactions, other than transactions involving any mortgage described in section 103(aa), for which, in the determination of the Board, coverage under all or part of this title does not provide a meaningful benefit to consumers in the form of useful information or protection.

(2) FACTORS FOR CONSIDERATION.--In determining which classes of transactions to exempt in whole or in part under paragraph (1), the Board shall consider the following factors and publish its rationale at the time a proposed exemption is published for comment:

(A) The amount of the loan and whether the disclosures, right of rescission, and other provisions provide a benefit to the consumers who are parties to such transactions, as determined by the Board.

(B) The extent to which the requirements of this title complicate, hinder, or make more expensive the credit process for the class of transactions.

(C) The status of the borrower, including--

(i) any related financial arrangements of the borrower, as determined by the Board;  
{4-30-97 p.6570.01}

(ii) the financial sophistication of the borrower relative to the type of transaction; and

(iii) the importance to the borrower of the credit, related supporting property, and coverage under this title, as determined by the Board;

(D) whether the loan is secured by the principal residence of the consumer; and

(E) whether the goal of consumer protection would be undermined by such an exemption.

(g) Waiver for Certain Borrowers.—

(1) IN GENERAL.--The Board, by regulation, may exempt from the requirements of this title certain credit transactions if--

(A) the transaction involves a consumer--

(i) with an annual earned income of more than \$200,000; or

(ii) having net assets in excess of \$1,000,000 at the time of the transaction; and

(B) a waiver that is handwritten, signed, and dated by the consumer is first obtained from the consumer.

(2) ADJUSTMENTS BY THE BOARD.--The Board, at its discretion, may adjust the annual earned income and net asset requirements of paragraph (1) for inflation.

[Codified to 15 U.S.C. 1604]

[Source: Section 105 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 148), effective May 29, 1968; as amended by section 605 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 170), effective October 1, 1982; section 152(e)(2)(A) of title I of the Act of September 23, 1994 (Pub. L. No. 103--325; 108 Stat. 2194), effective September 23, 1994; sections 2102(b) and 2104 of title II of the Act of September 30, 1996 (Pub. L. No. 104--208; 110 Stat. 3009--399 and 3009--401, respectively), effective September 30, 1996]

§ 106. Determination of finance charge

(a) Except as otherwise provided in this section, the amount of the finance charge in connection with any consumer credit transaction shall be determined as the sum of all charges, payable directly or indirectly by the person to whom the credit is extended, and imposed directly or indirectly by the creditor as an incident to the extension of credit. The finance charge does not include charges of a type payable in a comparable cash transaction. The finance charge shall not include fees and amounts imposed by third party closing agents (including settlement agents, attorneys, and escrow and title companies) if the creditor does not require the imposition of the charges or the services provided and does not retain the charges. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable:

- (1) Interest, time price differential, and any amount payable under a point, discount, or other system of additional charges.
- (2) Service or carrying charge.
- (3) Loan fee, finder's fee, or similar charge.
- (4) Fee for an investigation or credit report.
- (5) Premium or other charge for any guarantee or insurance protecting the creditor against the obligor's default or other credit loss.

(6) Borrower-paid mortgage broker fees, including fees paid directly to the broker or the lender (for delivery to the broker) whether such fees are paid in cash or financed.

(b) Charges or premiums for credit life, accident, or health insurance written in connection with any consumer credit transaction shall be included in the finance charge unless

(1) the coverage of the debtor by the insurance is not a factor in the approval by the creditor of the extension of credit, and this fact is clearly disclosed in writing to the person applying for or obtaining the extension of credit; and

{{4-30-97 p.6570.02}}

(2) in order to obtain the insurance in connection with the extension of credit, the person to whom the credit is extended must give specific affirmative written indication of his desire to do so after written disclosure to him of the cost thereof.

(c) Charges or premiums for insurance, written in connection with any consumer credit transaction, against loss of or damage to property or against liability arising out of the ownership or use of property, shall be included in the finance charge unless a clear and specific statement in writing is furnished by the creditor to the person to whom the credit is extended, setting forth the cost of the insurance if obtained from or through the creditor, and stating that the person to whom the credit is extended may choose the person through which the insurance is to be obtained.

(d) If any of the following items is itemized and disclosed in accordance with the regulations of the Board in connection with any transaction, then the creditor need not include that item in the computation of the finance charge with respect to that transaction:

(1) Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to the credit transaction.

(2) The premium payable for any insurance in lieu of perfecting any security interest otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges described in paragraph (1) which would otherwise be payable.

(3) Any tax levied on security instruments or on documents evidencing indebtedness if the payment of such taxes is a precondition for recording the instrument securing the evidence of indebtedness.

(e) The following items, when charged in connection with any extension of credit secured by an interest in real

property, shall not be included in the computation of the finance charge with respect to that transaction:

- (1) Fees or premiums for title examination, title insurance, or similar purposes.
- (2) Fees for preparation of loan-related documents.
- (3) Escrows for future payments of taxes and insurance.
- (4) Fees for notarizing deeds and other documents.
- (5) Appraisal fees, including fees related to any pest infestation or flood hazard inspections conducted prior to closing.
- (6) Credit reports.
- (f) TOLERANCES FOR ACCURACY.--In connection with credit transactions not under an open end credit plan that are secured by real property or a dwelling, the disclosure of the finance charge and other disclosures affected by any finance charge--
  - (1) shall be treated as being accurate for purposes of this title if the amount disclosed as the finance charge--
    - (A) does not vary from the actual finance charge by more than \$100; or
    - (B) is greater than the amount required to be disclosed under this title; and
  - (2) shall be treated as being accurate for purposes of section 125 if--
    - (A) except as provided in subparagraph (B), the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one-half of one percent of the total amount of credit extended; or
    - (B) in the case of a transaction, other than a mortgage referred to in section 103(aa), which--
      - (i) is a refinancing of the principal balance then due and any accrued and unpaid finance charges of a residential mortgage transaction as defined in section 103(w), or is any subsequent refinancing of such a transaction; and
      - (ii) does not provide any new consolidation or new advance;

if the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one percent of the total amount of credit extended.

[Codified to 15 U.S.C. 1605]

{{4-30-97 p.6570.03}}

[Source: Section 106 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 148), effective May 29, 1968; as amended by section 606 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 170), effective October 1, 1982; sections 2 and 3 of the Act of September 30, 1995 (Pub. L. No. 104--29; 109 Stat. 271 and 272), effective September 30, 1995, except the amendment adding paragraph (a)(6), which is effective the earlier of: (A) 60 days after the date on which the Board of Governors of the Federal Reserve System issues final regulations under paragraph (3) of the Act of September 30, 1995; or (B) September 30, 1996]

#### § 107. Determination of annual percentage rate

- (a) The annual percentage rate applicable to any extension of consumer credit shall be determined, in accordance with the regulations of the Board,
  - (1) in the case of any extension of credit other than under an open end credit plan, as
    - (A) that nominal annual percentage rate which will yield a sum equal to the amount of the finance charge when it is applied to the unpaid balances of the amount financed, calculated according to the actuarial method of allocating payments made on a debt between the amount financed and the amount of the finance charge, pursuant to which a payment is applied first to the accumulated finance charge and the balance is applied to the unpaid amount financed; or
    - (B) the rate determined by any method prescribed by the Board as a method which materially simplifies computation while retaining reasonable accuracy as compared with the rate determined under subparagraph (A).
  - (2) in the case of any extension of credit under an open end credit plan, as the quotient (expressed as a percentage) of the total finance charge for the period to which it relates divided by the amount upon which the finance charge for that period is based, multiplied by the number of such periods in a year.
- (b) Where a creditor imposes the same finance charge for balances within a specified range, the annual

percentage rate shall be computed on the median balance within the range, except that if the Board determines that a rate so computed would not be meaningful, or would be materially misleading, the annual percentage rate shall be computed on such other basis as the Board may by regulation require.

(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.

(d) The Board may authorize the use of rate tables or charts which may provide for the disclosure of annual percentage rates which vary from the rate determined in accordance with subsection (a)(1)(A) by not more than such tolerances as the Board may allow. The Board may not allow a tolerance greater than 8 per centum of that rate except to simplify compliance where irregular payments are involved.

(e) In the case of creditors determining the annual percentage rate in a manner other than as described in subsection (d), the Board may authorize other reasonable tolerances.

(f) Prior to January 1, 1971, any rate under this title to be disclosed as a percentage rate may, at the option of the creditor, be expressed in the form of the corresponding ratio of dollars per hundred dollars.

[Codified to 15 U.S.C. 1606]

[Source: Section 107 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 149), effective May 29, 1968; as amended by section 607 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 170), effective October 1, 1982]

#### § 108. Administrative enforcement

(a) Compliance with the requirements imposed under this title shall be enforced under

(1) section 8 of the Federal Deposit Insurance Act, in the case of--

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act, by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act, by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation.

(3) the Federal Credit Union Act, by the Director of the Bureau of Federal Credit Unions with respect to any Federal credit union.

(4) the Federal Aviation Act of 1958, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that Act.

(5) the Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act.

(6) the Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(b) For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such

requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

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(d) The authority of the Board to issue regulations under this title does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this title.

(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower. For the purposes of this subsection, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in determining whether a disclosure error has occurred and in calculating any adjustment, (A) each agency shall apply (i) with respect to the annual percentage rate, a tolerance of one-quarter of 1 percent more or less than the actual rate, determined without regard to section 107(c) of this title, and (ii) with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerance provided under this subsection for the annual percentage rate; except that (B) with respect to transactions consummated after two years following the effective date of section 608 of the Truth in Lending Simplification and Reform Act, each agency shall apply (i) for transactions that have a scheduled amortization of ten years or less, with respect to the annual percentage rate, a tolerance not to exceed one-quarter of 1 percent more or less than the actual rate, determined without regard to section 107(c) of this title, but in no event a tolerance of less than the tolerances allowed under section 107(c), (ii) for transactions that have a scheduled amortization of more than ten years, with respect to the annual percentage rate, only such tolerances as are allowed under section 107(c) of this title, and (iii) for all transactions, with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerances provided under this subsection for the annual percentage rate.

(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. Notwithstanding the preceding sentence, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, an agency need not require such an adjustment if it determines that such disclosure error--

(A) resulted from an error involving the disclosure of a fee or charge that would otherwise be excludable in computing the finance charge, including but not limited to violations involving the disclosures described in sections 106(b), (c) and (d) of this title, in which event the agency may require such remedial action as it determines to be equitable, except that for transactions consummated after two years after the effective date of section 608 of the Truth in Lending Simplification and Reform Act, such an adjustment shall be ordered for violations of section 106(b);

(B) involved a disclosed amount which was 10 per centum or less of the amount that should have been disclosed and (i) in cases where the error involved a disclosed finance charge, the annual percentage rate was disclosed correctly, and (ii) in cases where the error involved a disclosed annual percentage rate, the finance charge was disclosed correctly; in which event the agency may require such adjustment as it determines to be equitable;

(C) involved a total failure to disclose either the annual percentage rate or the finance charge, in which event the agency may require such adjustment as it determines to be equitable; or

(D) resulted from any other unique circumstance involving clearly technical and nonsubstantive disclosure violations that do not adversely affect information provided to the consumer and that have not misled or otherwise deceived the consumer.

In the case of other such disclosure errors, each agency may require such an adjustment.

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(3) Notwithstanding paragraph (2), no adjustment shall be ordered--

(A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may--

(i) require a partial adjustment in an amount which does not have such an impact; or

(ii) require the full adjustment, but permit the creditor to make the required adjustment in partial payments over an extended period of time which the agency considers to be reasonable, if (in the case of an agency referred to in paragraph (1), (2), or (3) of subsection (a)), the agency determines that a partial adjustment or making partial payments over an extended period is necessary to avoid causing the creditor to become undercapitalized pursuant to section 38 of the Federal Deposit Insurance Act;

(B) the amount of the adjustment would be less than \$1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, as follows:

(i) with respect to creditors that are subject to examination by the agencies referred to in paragraphs (1) through (3) of section 108(a) of this title, except in connection with violations arising from practices identified in the current examination and only in connection with transactions that are consummated after the date of the immediately preceding examination, except that where practices giving rise to violations identified in earlier examinations have not been corrected, adjustments for those violations shall be required in connection with transactions consummated after the date of the examination in which such practices were first identified;

(ii) with respect to creditors that are not subject to examination by such agencies, except in connection with transactions that are consummated after May 10, 1978; and

(iii) in no event after the later of (I) the expiration of the life of the credit extension, or (II) two years after the agreement to extend credit was consummated.

(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title, except with regard to the requirements of section 165.

(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

(7) Notwithstanding the second sentence of subsection (e)(1), subsection (e)(3)(C)(i), and subsection (e)(3)(C)(ii), each agency referred to in subsection (a) or (c) shall require an adjustment for an annual percentage rate disclosure error that exceeds a tolerance of one quarter of one percent less than the actual rate, determined without regard to section 107(c)

{{4-30-97 p.6574}} of this title with respect to any transaction consummated between January 1, 1977, and the effective date of section 608 of the Truth in Lending Simplification and Reform Act.

The terms used in paragraph (1) that are not defined in this title or otherwise defined in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101).

[Codified to 15 U.S.C. 1607]

[Source: Section 108 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 150), effective May 29,

1968, as amended by section 403 of title IV of the Act of October 28, 1974 (Pub. L. No. 93--495; 88 Stat. 1517), effective October 28, 1974; section 608 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 171), effective March 31, 1980; section 9(n) of the Act of October 4, 1984 (Pub. L. No. 98--443; 98 Stat. 1708), effective October 4, 1984; section 744(k) of title VII of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 439), effective August 9, 1989; section 212(b) of title II of the Act of December 19, 1991 (Pub. L. No. 102--242; 105 Stat. 2299), effective December 19, 1991; section 1604(a)(5) of title XVI of the Act of October 28, 1992 (Pub. L. No. 102--550; 106 Stat. 4082), effective December 19, 1991; section 2106 of title II of the Act of September 30, 1996 (Pub. L. No. 104--208; 110 Stat. 3009--402), effective September 30, 1996]

#### § 109. Views of other agencies

In the exercise of its functions under this title, the Board may obtain upon request the views of any other Federal agency which, in the judgment of the Board, exercises regulatory or supervisory functions with respect to any class of creditors subject to this title.

[Codified to 15 U.S.C. 1608]

[Source: Section 109 of title I of the Act of May 28, 1968 (Pub. L. No. 90--321; 82 Stat. 150), effective May 29, 1968]

#### § 110. [Repealed]

[Source: Section 110 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 151), effective May 29, 1968, as repealed by section 3(b)(1) of the Act of March 23, 1976 (Pub. L. No. 94--239; 90 Stat. 253), effective March 23, 1976]

#### § 111. Effect on other laws

(a)(1) Except as provided in subsection (e), chapters 1, 2, and 3 do not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted in accordance with procedures prescribed in regulations of the Board, the Board shall determine whether any such inconsistency exists. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(2) Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted in accordance with procedures prescribed in regulations of the Board, the Board shall determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title, and such State-required disclosure may not be made in lieu of the disclosures applicable to certain mortgages under section 129. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such

{4-30-97 p.6574.01} State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge shall be disclosed as required by section 122.

(b) Except as provided in section 129, this title does not otherwise annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor does this title extend the applicability of those laws to any class of persons or transactions to which they would not otherwise apply. The provisions of section 129 do not annul, alter, or affect the applicability of the laws of any State or exempt any person subject to the provisions of section 129

from complying with the laws of any State, with respect to the requirements for mortgages referred to in section 103(aa), except to the extent that those State laws are inconsistent with any provisions of section 129, and then only to the extent of the inconsistency.

(c) In any action or proceeding in any court involving a consumer credit sale, the disclosure of the annual percentage rate as required under this title in connection with that sale may not be received as evidence that the sale was a loan or any type of transaction other than a credit sale.

(d) Except as specified in sections 125, 130, and 166, this title and the regulations issued thereunder do not affect the validity or enforceability of any contract or obligation under State or Federal law.

(e) Certain Credit and Charge Card Application and Solicitation Disclosure Provisions.--The provisions of subsection (c) of section 122 and subsections (c), (d), (e), and (f) of section 127 shall supersede any provision of the law of any State relating to the disclosure of information in any credit or charge card application or solicitation which is subject to the requirements of section 127(c) or any renewal notice which is `{10-31-95 p.6575}` subject to the requirements of section 127(d), except that any State may employ or establish State laws for the purpose of enforcing the requirements of such sections.

[Codified to 15 U.S.C. 1610]

[Source: Section 111 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 151), effective May 29, 1968, as amended by section 307(b) of title III of the Act of October 28, 1974 (Pub. L. No. 93--495; 88 Stat. 1516), effective October 28, 1975; section 609 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 173), effective October 1, 1982; section 4 of the Act of November 3, 1988 (Pub. L. No. 100--583; 102 Stat. 2967), effective November 3, 1988; section 152(e)(2)(B)--(C) of title I of the Act of September 23, 1994 (Pub. L. No. 103--325; 108 Stat. 2194), effective September 23, 1994]

#### § 112. Criminal liability for willful and knowing violation

Whoever willfully and knowingly

(1) gives false or inaccurate information or fails to provide information which he is required to disclose under the provisions of this title or any regulation issued thereunder,

(2) uses any chart or table authorized by the Board under section 107 in such a manner as to consistently understate the annual percentage rate determined under section 107(a)(1)(A), or

(3) otherwise fails to comply with any requirement imposed under this title, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

[Codified to 15 U.S.C. 1611]

[Source: Section 112 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 151), effective May 29, 1968]

#### § 113. Effect on governmental agencies

(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any department or agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title in any case in which the violation results from the use of an instrument required by any such department or agency.

(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State

(other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.

[Codified to 15 U.S.C. 1612]

[Source: Section 113 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 151), effective May 29, 1968; as amended by section 622 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 184), effective October 1, 1982]

#### § 114. Reports by Board and Attorney General

Each year the Board shall make a report to the Congress concerning the administration of its functions under this title, including such recommendations as the Board deems necessary or appropriate. In addition, each report of the Board shall include its assessment {{10-31-95 p.6576}} of the extent to which compliance with the requirements imposed under this title is being achieved.

[Codified to 15 U.S.C. 1613]

[Source: Section 114 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321; 82 Stat. 151), effective May 29, 1968; as amended by section 610 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 174), effective October 1, 1982; section 209(b) of title II of the Act of December 21, 1982 (P.L. No. 97--375; 96 Stat. 1825), effective December 21, 1982]

#### § 115. [Repealed]

[Source: Section 115 of title I of the Act of May 29, 1968 (Pub. L. No. 90--321), as added by section 413(a) of title IV of the Act of October 28, 1974 (Pub. L. No. 93--495; 88 Stat. 1520), effective October 28, 1974; as repealed by section 616 of title VI of the Act of March 31, 1980 (Pub. L. No. 96--221; 94 Stat. 182), effective October 1, 1982]

## **Procedure**

- 1) Participants in the municipality's FSS program will be notified of the availability of the OCAM-granted homeownership funds.
- 2) Participants of other HCV programs will be notified and encouraged to apply for such funds.
- 3) If the necessary families cannot be found among the FSS And HCV programs, then efforts will be made to notify the non-program citizens of Vega Alta of the fund availability.
- 4) All interested parties will attend an initial orientation with the designated functionary and Municipal technicians.
- 5) All interested parties will fill an application for the purpose of obtaining the necessary information to process the family's case. If large quantities of applications are received, then the submission process will be conducted on a competitive basis using the same standards outlined by HCV and FSS policies. As long as funds are still available, applications will be accepted, received, and processed.
- 6) The Municipality's technicians will confirm the information on the applications and notify all applicants on their appropriate qualification status.
- 7) Once the mortgage is approved, the appropriate documents will be submitted to OCAM as required. The period of time between the approval of the mortgage and the document submissions to OCAM should not exceed ten (10) days.
- 8) Checks emitted to the Municipality from the state Department of Treasury ("Hacienda".)
- 9) A lack of sufficient families would thus result in the increase of assistance to qualifying families in order to fully utilize available funds. Of course, the Municipality will keep in mind that such assistance cannot pass the maximum of \$5,000 per family.
- 10) The choice of whether or not to use the funds for the purpose of the down payment or the closing costs is the decision of the program participant.

**List of HUD-Approved Homeownership Training Provider**

The following is a list of homeownership training sources that will be utilized to effectively orientate our program participants on the responsibilities and dynamics of homeownership:

## **VEGA ALTA SECTION 8 HOME OWNERSHIP PROGRAM**

### **SECTION A - GENERAL PROVISIONS.**

- (1) ***Helping Section 8 Families Move to Home Ownership*** - According to the Final Rule (24 CFR Parts 5, 903 and 982 ) homeownership assistance offers a new option for families who receive Section 8 tenant-based assistance. To be eligible for the homeownership option, a family must be a current voucher-program participant or be eligible for admission to the housing choice voucher program. The Municipality of Vega Alta will implement the Housing Choice Homeownership Program as an option for qualified applicants and participants in the PHAs Housing Choice Voucher program. The basic concept behind the Municipality's Housing Choice Voucher Homeownership Program is using the voucher subsidy to provide a family assistance for homeownership purposes rather than for rental assistance. The program allows first-time homeowners to use the voucher subsidy to meet monthly home owning expenses such as the monthly mortgage payment. The Municipality uses the same voucher payment standard amounts for families pursuing the homeownership option. Families are responsible for all homeownership expenses not covered by the Homeownership assistance payment (HAP). Under the homeownership option, families are responsible for finding an eligible property they wish to purchase. The Municipality may make the monthly payment directly to the lender or to the lender in conjunction with the family. The program will provide assistance for first-time homebuyers as defined and in accordance with HUD policy (24CFR Part 982 subpart M) The mission of this program will be to provide homeownership possibilities by providing families with financial assistance, comprehensive counseling and homeowner education support that will facilitate the transition to successful homeownership for Section 8 recipients.

(2) ***Key Program Features of the Housing Choice Voucher Homeownership Program***

HUD has established the following key program features:

- (i) First-time homeowner or cooperative member.
- (ii) A family that has not owned or had ownership interest in the past three years.
- (iii) Minimum income requirement - Except in the case of disabled families, the qualified annual income of the adult family members who will own the home must not be less than the Federal minimum hourly wage multiplied by 2,000 hours (currently \$10,300). For disabled families, the qualified annual income of the adult family members who will own the home must not be less than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12 (currently \$6,624).
- (iv) Employment requirement - Except in the case of elderly and disabled families, one or more adults in the family who will own the home is currently employed on a full-time basis and has been continuously

employed on a full-time basis for at least one year before commencement of homeownership assistance.

- (v) Affordability requirements - The family has demonstrated to the Municipality that its gross income is sufficient to meet homeownership and other family expenses. The Municipality reserves the right to determine whether a family can or cannot afford the proposed financing before making the recommendation for assistance participation. This right includes inspection of the unit to determine that its physical condition is good enough so that that family doesn't have to invest a sizeable amount of money during the first couple of years to make the conditions livable.
- (vi) Homeownership counseling - The family must attend and satisfactorily complete the PHA's pre-assistance homeownership and housing counseling program. (Minimum of 8 Hours depending on the family's credit history and readiness to purchase a home.)

**(3) Local Home Ownership Policy, Goals and Objectives**

The Section 8 Home Ownership Program of the Municipality of Vega Alta permits eligible participants in the Section 8 housing choice voucher program, the option of purchasing a home with their Section 8 assistance rather than renting. Two options are available for this assistance: monthly homeownership assistance payment on behalf of a family, and to provide homeownership assistance for the family in the form of a single grant to be used toward the down-payment required in connection with the purchase of the home. Until HUD publishes the regulations for down payment assistance, only monthly homeownership assistance is available.

**SECTION B – FAMILY ELIGIBILITY AND PARTICIPATION REQUIREMENTS**

**(1) Selection and Admission of Applicants to the Program**

**(i) Section 8 Tenants**

Participation in the Section 8 home ownership program is voluntary. Each Section 8 home ownership participant must meet the general requirements for admission to the Section 8 housing choice voucher program as set forth in the Municipality of Vega Alta Administrative Plan. Such Section 8 family also must be "eligible" to participate in the home ownership program.

**(ii) Preference for Participation in FSS Program.**

Applicants for the home ownership program are not required to participate in the Municipality's Family Self Sufficiency ("FSS") program in order to participate in the home ownership program. **However, in the event the applications for home ownership assistance exceed five percent (5%) of the Municipality of Vega Alta total voucher program in any fiscal year, FSS participants shall have a preference for participation in the home ownership program** (if there are any at that time that meet all the qualifications).

**(2) Portability**

Participants with portable vouchers may purchase a home in a jurisdiction other than the Municipality of Vega Alta, provided the Housing Authority in the receiving jurisdiction operates a Section 8 home ownership program for which the Section 8 home ownership applicant qualifies **or authorizes the Municipality of Vega Alta to administer the home ownership assistance in their jurisdiction.** In the former case, a family's participation in the Section 8 home ownership program will be subject to the Section 8 home ownership program and policies of the receiving jurisdiction.

**(3) Affordability Standards**

No affordability standards are issued other than the mortgage payment of the homebuyer should not exceed the payment standard authorized to the family at the time of recertification.

**(4) Employment and Credit Requirements**

(i) Amount of Income

At the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the Federal minimum hourly wage multiplied by 2000 hours.

(ii) Employment History.

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

consider successive employment during the one-year period and self-employment in a business. In the latter, there must exist proof of said employment, such as income tax payments and/or patents paid to the Municipality, as well as a bank account with regular deposits.

(iii) **Exclusion of Welfare Assistance Income.**

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

(5) ***First-Time Homeowner.***

Each Section 8 family, except families with a disabled member, must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of home ownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Section 8 homeownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest." A member of a cooperative (as defined in § 982.4) also qualifies as a "first time homeowner".

(6) ***Credit Requirements***

**In compliance with the Fair Credit Act, the lending institution will make credit worthiness of the participant. In case the participant is unable to meet this initial criterion he/she will be referred to credit counseling and then reconsidered for the program.**

(7) ***Application Process and Review Criteria***

Once a family is determined to be eligible to participate in the program, it must comply with the following additional requirements: (i) complete a home ownership counseling program approved by the Municipality prior to commencement of home ownership assistance; (ii) within a specified time, locate the home it proposes to purchase; (iii) submit a sales agreement containing specific components to the Municipality for approval; (iv) allow the Municipality to inspect the proposed home ownership dwelling to assure that the dwelling meets

appropriate housing quality standards; (v) obtain an independent inspection covering major building systems; (vi) obtain the Municipality approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and (vii) enter into a written agreement with the Municipality to comply with all of its obligations under the Section 8 program.

**(8) Other Eligibility Restrictions**

**(i) Repayment of Any Housing Authority Debts.**

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

**(ii) Elderly and Disabled Households.**

Elderly and disabled families are exempt from the employment requirements set forth in Paragraph 5 (ii) above. In the case of an elderly or disabled family, the Municipality will consider income from all sources, including welfare assistance in evaluating whether the household meets the minimum income required to purchase a home through the Section 8 home ownership program.

**(iii) Prior Mortgage Defaults.**

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

**(9) Counseling Participation Requirement**

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

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

**(10) *First Home Clubs***

This option will be used as a way to develop down payment funds. The Municipality will expose the families to the First Home Clubs and if it is available the families may choose to participate. This new initiative could be coordinated with lending institutions members of the Federal Home Loan Bank of New York; they provide a grant to sponsor the program “First Home Club” (FHC). This program is for first-time homebuyers and provides subsidy funds to assist very low-, low-, and moderate- income households overcome the financial difficulties of purchasing a home. The program is a non-competitive set-aside of the Affordable Housing Program (AHP) and is administered through approved members of the Federal Home Loan Bank of New York (Bank).

The FHC provides down payment and closing cost assistance by granting three dollars in matching funds for each dollar saved to qualified first-time homebuyers who follow a systematic savings plan and participate in an approved homeownership counseling program. Up to \$5,000 in matching funds will be awarded to qualified households based on the total savings deposited in a dedicated account with an approved member bank.

**SECTION C – THE HOUSING UNIT REQUIREMENT**

**(1) *Timeframe to Locate***

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

Once a home is located and a sales agreement is approved by the Municipality of Vega Alta and is signed by the family, the family shall have up to three (3) months, or such other time as is approved by the Municipality of Vega Alta or set forth in the approved sales agreement, to purchase the home.

If a Section 8 participant is unable to purchase the home within the maximum time permitted by the Municipality, it shall continue the family’s participation in the Section 8 housing choice voucher program. The family may not re-apply for the Section 8 home ownership program until they have completed an additional year of participation in the Section 8 housing choice voucher program following the initial determination of their eligibility for the home ownership option.

**(2) Type of Home.**

A family approved for Section 8 home ownership assistance may purchase the following type of homes within the Municipality of Vega Alta: a new or existing home, a single-family home, a condominium, a home in a planned use development, a cooperative, a loft or live/work unit, or a manufactured home. The home must already exist or under construction at the time the Municipality determines the family eligible for home ownership assistance to purchase the unit (§ 982.628(a)(2).]

**(3) Seller cannot be debarred, suspended or Subject to LDP by HUD.**

The seller could not be posted in the Limited Denial of Participation (LDP). The listing is normally issued by a HUD Field Office and is an action that excludes a specific individual(s) or firm(s) from participating in a specific program, or programs, within that HUD Field Office's geographic jurisdiction, for a specific period of time. In limited instances HUD Headquarters may also issue LDP's.

**(4) Extension of Jurisdiction**

The municipal territory of Vega Alta is the main location for the homeownership program. Nevertheless, extension of this jurisdiction could be granted to participants with portable vouchers that may purchase a home in a jurisdiction other than the Municipality of Vega Alta, provided the Housing Authority in the receiving jurisdiction operates a Section 8 home ownership program for which the Section 8 home ownership applicant qualifies **or authorizes the Municipality of Vega Alta to administer the home ownership assistance in their jurisdiction.** In the former case, a family's participation in the Section 8 home ownership program will be subject to the Section 8 home ownership program and policies of the receiving jurisdiction.

**(5) Lease-Purchase**

- Families may enter into lease-purchase agreements while receiving Section 8 rental assistance. All requirements of the housing choice voucher program apply to lease-purchase agreements, except that families are permitted to pay an extra amount out-of-pocket to the owner for purchase related expenses-- a "home ownership premium." Any "home ownership premium," defined as an increment of value attributable to the value of the lease-purchase right or agreement, is excluded from the Municipality rent reasonableness determination and subsidy calculation, and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option, they must notify the Municipality and apply for the home ownership option. If determined eligible for home ownership assistance, the family may be admitted to the home ownership program and must meet all the requirements of these policies.

Prior to execution of the offer to purchase or sales agreement, the family must provide the financing terms to the Municipality for approval. The sales agreement must provide for inspection by the Municipality of Vega Alta and the independent inspection referred to in Section 3 and **must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to the Municipality.** The contract also must provide that the purchaser is not obligated to pay for any necessary repairs. **The sales agreement must provide that the purchaser is not obligated to purchase if the Municipality does not approve the mortgage financing terms.** The sales agreement must also contain a seller certification that the seller is not debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

**(6) *HQS Inspection by PHA.***

To assure the home complies with the housing quality standards of the Section 8 program, home ownership assistance payments may not commence until the Municipality first inspects the home.

**HQS inspection will be conducted in compliance to HUD requirements.**

**(7) *Independent Initial Inspection Conducted.***

A professional inspector selected by the family also must complete an independent inspection of existing homes covering major building systems. The Municipality of Vega Alta will not pay for the independent inspection. The independent inspection report must be provided to the Municipality, which **may disapprove the unit due to information contained in the report or for failure to meet federal housing quality standards.**

***SECTION D - Financing Requirements.***

The proposed financing terms must be submitted to and approved by the Municipality of Vega Alta prior to close of escrow.

In first instance, and with the consent of the Section 8 participant, the lending institution should submit to the Municipality of Vega Alta the Good Faith Estimate for the option to purchase contract, in order to determine the affordability of the family's proposed financing. In making such determination, the Municipality may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, education and training expenses and the like. Once completed the loan application, copy of the Settlement Statement should be presented to the Municipality for final approval.

Certain types of financing, including but not limited to, balloon payment mortgages, and variable rate mortgage, are prohibited and will not be approved by the Municipality.

The Municipality on a case-by-case basis shall consider seller-financing mortgages. If a mortgage is not FHA-insured, THE MUNICIPALITY will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/ FHA,

Ginnie Mae, Fannie Mae, Freddie Mac, Puerto Rico Housing Finance Agency (PRHFA), USDA Rural Housing Services, the Federal Home Loan Bank, or other private lending institution.

## **SECTION E – ASSISTANCE LIMITS**

### **(1) Assistance Limits**

Notwithstanding the provisions except for disabled and elderly families, a family may receive Section 8 home ownership assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years.

### **(2) Exceptions to Elderly and Handicapped Applicants**

Families that qualify as elderly at the commencement of home ownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of home ownership assistance or at any time during the provision of home ownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date home ownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of home ownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that home ownership payments are made, or is a spouse of any member of the household who has an ownership interest.

### **(3) Reexaminations Requirements**

**A participant in the Section 8 Home Ownership program shall meet the reexaminations (Recertification) requirements.**

### **(4) HAP Payments**

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

- (i). Determining the Payment Standard.

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

(ii) Determining the Monthly Home Ownership Expense.

Monthly home ownership expense includes all of the following: principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowner's insurance; maintenance expenses per the Municipality allowance; costs of major repairs and replacements per the Municipality allowance (replacement reserves); utility allowance per the Municipality schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any.

(iii) Determining the Total Family Contribution.

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

(iv) **Payment to Family or Lender.**

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

**SECTION F - TERMINATION OF SECTION 8 HOME OWNERSHIP ASSISTANCE.**

**(1) Grounds for Termination of Home Ownership Assistance**

Failure to Comply with Family Obligations Under Section 8 Program or the Municipality of Home Ownership Policies.

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

**(2) Occupancy of Home.**

Home ownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the Municipality will not continue home ownership assistance commencing with the month after the family moves out.

**(3) Changes in Income Eligibility.**

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

**(4) Reaching Maximum Term of Home Ownership Assistance.**

Once the family is reaching the maximum term of home ownership assistance, the Municipality will notify 90 days before the date of such occurrence, that no further assistance will be disbursed to the family once the date of termination arrives.

**(5) Procedure for Termination of Home Ownership Assistance.**

A participant in the Section 8 Home Ownership program shall be entitled to the same termination notice, rights set forth in Conditions and Procedures for Termination of Assistance, of the Municipality Administrative Plan.

**(6) Right to Informal Hearing Procedures**

A participant in the Section 8 Home Ownership program shall be entitled to the same informal hearing procedures as set forth in Informal Hearing Procedures for Participants of the Municipality Administrative Plan.

**(7) Continued Participation in Section 8 Housing Choice Voucher Program.**

(i) Default on FHA-Insured Mortgage.

If the family defaults on an FHA-insured mortgage, the Municipality may permit the family to move with continued Section 8 housing choice rental assistance if the family demonstrates that it has (a) conveyed title to the home as put forth in the FHA documents.

(ii) Default on non-FHA-Insured Mortgage.

**If the family defaults on a mortgage that is not FHA-insured, the Municipality may permit the family to move with continued Section 8 housing choice voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to the lender, to the Municipality of Vega Alta or to its designee, as may be permitted or required by the lender; and (b) moved from the home within the period established or approved by the lender and/or the Municipality of Vega Alta.**

(iii) Return to tenant-based assistance on the Down-payment Grant.

The Municipality may not commence tenant-based rental assistance for occupancy of the new rental assisted unit so long as any family member owns any title or other interest in the home purchased with homeownership assistance. Further, 18 months must have passed since the family's receipt of the down-payment assistance grant.

**(8) Administrative Fee.**

For each month that home ownership assistance is paid by the Municipality on behalf of the family, the Municipality shall be paid the ongoing administrative fee described in 24 CFR §982.152(b).

**(9) *Waiver or Modification of Home Ownership Policies.***

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