

**Disaster Voucher Program (DVP)
Conversion of Pre-disaster Voucher Families from DVP to HCV Assistance
Conversion Processing Instructions Letter #1**

Dear Executive Director:

As you are aware, in accordance with Notice PIH 2007-17, DVP assistance for all pre-disaster tenant-based voucher families will convert to regular housing choice voucher (HCV) assistance as of January 1, 2008, and families will be required to begin paying the family share of rent based on HCV program requirements. As of that date, DVP funding will no longer be available to DVP public housing agencies (PHAs) for any pre-disaster tenant-based voucher family. Instead, it will be the responsibility of the pre-disaster PHA to provide regular HCV funding for these families (either directly or through portability).

Please note, these instructions relate specifically to pre-disaster tenant-based voucher families whose DVP assistance will end as of December 31, 2007. They do not apply to pre-disaster public housing, project-based, and pre-disaster homeless and special needs housing families whose DVP assistance will continue beyond December 31, 2007. Processing instructions relevant to pre-disaster public housing, project-based, and pre-disaster homeless and special needs housing families will be issued separately.

The following guidance is intended to remind PHAs of the requirements associated with converting these families to HCV assistance, and to clarify the process for accomplishing this conversion. We recognize that in most cases PHAs have already started the transition of families from DVP back to the HCV program, and have done so in the absence of written HUD guidance. Based on where you are in the transition process, we encourage you to follow the steps outlined in this letter to the greatest extent possible. Our primary goals are for the transition of assistance to be as seamless as possible for the affected families and owners, and for HCV program requirements to be met as HCV assistance resumes for these families. We encourage the DVP and pre-disaster PHAs to continue to work closely together to ensure these goals are met.

As discussed in Notice PIH 2007-3, pre-disaster tenant-based families have three options when DVP assistance ends. Families may remain in the jurisdiction of the DVP PHA, return to the jurisdiction of the pre-disaster PHA, or move to another jurisdiction (outside the pre-disaster and DVP PHAs' jurisdictions). It is the responsibility of the DVP PHA to contact the families prior to the end of DVP to determine which of the three options the families select.

To begin the conversion process there are two basic tasks that must be performed; one by the DVP PHA and the other by the pre-disaster PHA.

- The DVP PHA must provide to the applicable pre-disaster PHA(s), a list of pre-disaster HCV families currently receiving DVP assistance in the DVP PHA's jurisdiction. The list must identify for each family, whether the family has opted to remain in the DVP PHA's jurisdiction, return to the pre-disaster PHA, or move to another PHA's jurisdiction.

- For those families that have elected to leave the DVP PHA’s jurisdiction as of January 1, 2008, the list must identify all approved members of the household, and the family’s current contact information. In addition, if the DVP PHA has a current HUD-50058 and associated verification documentation for any of these families, this information must be provided to the pre-disaster PHA.
- The pre-disaster PHA must confirm that families on the list(s) provided by the DVP PHA(s) were participating in the HCV program immediately prior to Hurricanes Katrina or Rita, and as such are eligible to resume HCV assistance. The list must be returned to the DVP PHA, and any families that are not eligible to resume assistance must be clearly identified. When determining a family’s eligibility to resume HCV assistance, the pre-disaster PHA must consider the following:
 - Changes in family composition that occurred while the family was assisted under DVP (including changes in the head of household) do not affect a family’s eligibility to resume HCV assistance. Family members that were added to the household under DVP cannot be excluded from the HCV household simply because they were not part of the assisted family prior to the disaster.
 - If the pre-disaster PHA has any questions regarding a family’s eligibility, particularly in cases where a change in the family’s head of household was approved under DVP, it should contact the DVP PHA or HUD for assistance.

Once these initial tasks are completed, the DVP and pre-disaster PHAs should continue the conversion process in accordance with the following guidance. Please note that in the case of families remaining in the jurisdiction of the DVP PHA, some of the initial steps that would normally occur in the portability process are not relevant because the families are already living in the receiving PHA’s jurisdiction.

Pre-disaster HCV Families Remaining in DVP PHA’s Jurisdiction ¹

Actions to be taken by the DVP PHA

- The DVP PHA must complete a reexamination of family income and composition for each eligible family (as confirmed by the pre-disaster PHA), and submit Part II of the HUD-52665 and the current HUD-50058 to the pre-disaster PHA. The HUD-50058 should reflect action code 4 – portability move-in. Please note that it is not necessary for the pre-disaster PHA to process a HUD-50058 port-out. This

¹ The Housing Authority of New Orleans (HANO) has asked HUD to transfer budget authority to DVP PHAs, in accordance with HCV portability regulations, for HANO families who opt to remain in the DVP PHA’s jurisdiction. HUD will work with impacted DVP PHAs to effectuate this transfer. In cases where the transfer of budget authority will occur, portability for the covered families will not be necessary and the portability policies in this section are not applicable.

action will be automatically generated by the PIC system the 1st of the month following the effective date or update date of the port-in, whichever is later.

- For families remaining in place, the DVP PHA must provide written notice to the families and owners that DVP assistance will end as of December 31, 2007. In addition, the PHA must take one of the following actions based on the program documents currently in effect for each family:
 - In cases where the PHA executed “Part D of the Housing Assistance Payments (HAP) Contract: Disaster Voucher Program Addendum,” the landlord must be notified that Part D of the HAP contract automatically expires at the end of DVP. However, the HAP contract [HUD-52641] and lease may remain in effect, as long as the lease term has not expired, or the landlord is willing to renew the lease.
 - In cases where the PHA and owner executed an “Amendment to Katrina Disaster Rent Subsidy Contract” and the tenant and owner executed an “Amendment to KDHAP Lease Addendum,” the PHA and owner must execute a new “regular” HAP contract [HUD-52641], and the owner and tenant must execute a new lease, which includes the HUD-required Tenancy Addendum [HUD-52641-A]. To avoid any interruption in assistance, the effective date of the new HAP contract and lease must be January 1, 2008.
- For families who will be moving to a new unit, the DVP PHA must issue the family a voucher, and allow the family to lease-up in accordance with the PHA’s policies. Once the family is leased-up, the DVP PHA may bill the initial PHA as described above.
- If the pre-disaster PHA confirms that a family is not eligible to be converted from DVP to HCV assistance because the family was not receiving HCV assistance immediately prior to Hurricanes Katrina and Rita (the family received DVP assistance in error), the DVP PHA must provide written notice to the affected families and owners that the family’s assistance from the DVP PHA will end as of December 31, 2007. Families should be advised that any appeals regarding the eligibility determination must be directed to the pre-disaster PHA.

Actions to be taken by the pre-disaster PHA

- The pre-disaster PHA must confirm that all eligible families are active in PIC so that the receiving PHA will be able complete the port-in process. If an eligible family is not active in PIC because the pre-disaster PHA processed an end of participation (EOP) action, the PHA must void the EOP by submitting a HUD-50058 with an action code of 15. When voiding a previous action, the PHA must only complete the agency information, action type, and head of household information on the HUD-50058.

- The pre-disaster PHA must make payments to the receiving PHA in accordance with regular portability billing deadlines as defined in Notice PIH 2006-25. The initial payment must be made within 30 calendar days of receipt of Part II of Form HUD-52665. Subsequent payments must be received by the receiving PHA no later than the 5th working day of each month.

Pre-disaster HCV Families Returning to Pre-disaster PHA's Jurisdiction

Actions to be taken by the DVP PHA

- The DVP PHA must provide written notice to the families and affected owners that the family's DVP assistance will end as of December 31, 2007. The notice to the families must provide the pre-disaster PHA's contact information and advise families to contact the pre-disaster PHA as soon as possible so that the family can be informed of the pre-disaster PHA's deadline for returning home.
- Although DVP assistance ends December 31, 2007, a family who wishes to leave the DVP PHA's jurisdiction may be under a lease that extends beyond this date. Part D of the HAP contract (the DVP Addendum) automatically expires at the end of DVP. However, the HAP contract remains in effect as long as the lease remains in effect. In these cases, we encourage the DVP PHA to assist the family in negotiating an early release from the DVP lease so the family is able to return home. If an early release is not possible, the DVP PHA should advise the family that they cannot move from their unit with continued voucher assistance until the end of the lease term.
- If a family remains in the DVP PHA's jurisdiction after December 31, 2007, either because they are unable to terminate their lease, or because they have decided not to return to the pre-disaster PHA, the DVP PHA must convert the family to HCV assistance in accordance with the above instructions for pre-disaster HCV families remaining in the DVP PHA's jurisdiction.

Actions to be taken by the pre-disaster PHA

- The pre-disaster PHA must issue vouchers to all eligible families who opt to return to the pre-disaster PHA's jurisdiction at the end of DVP, as long as the families contact the pre-disaster PHA within the time frame established in the pre-disaster PHA's written reoccupancy policies (e.g. 60 days following the end of DVP).
- The pre-disaster PHA must assist eligible families in accordance with HCV program requirements. The PHA must conduct a full reexamination of family income and composition for all returning families², and submit the HUD-50058 to PIC (action code 2 – annual reexamination). If an eligible family is not active in

² The pre-disaster PHA may not delay issuing the family a voucher until such time as the full reexamination is completed.

PIC because the pre-disaster PHA processed an EOP, the PHA must first void the EOP by submitting a HUD-50058 with an action code of 15. When voiding a previous action, the PHA must only complete the agency information, action type, and head of household information on the HUD-50058.

- When a family that is not eligible to resume HCV assistance contacts the pre-disaster PHA, the pre-disaster PHA must inform the family of this determination. Any appeals regarding the eligibility determination must be directed to the pre-disaster PHA.

Pre-disaster HCV Families Moving to a Jurisdiction Outside the Pre-disaster and DVP PHAs' Jurisdictions

Actions to be taken by the DVP PHA

- The DVP PHA must provide written notice to the families and affected owners that the family's DVP assistance will end as of December 31, 2007. The notice to the families must provide the pre-disaster PHA's contact information and should advise families to contact the pre-disaster PHA as soon as possible so that the family can be informed of the pre-disaster PHA's portability process, including requirements for voucher issuance.
- Although DVP assistance ends December 31, 2007, a family who wishes to move to another PHA's jurisdiction may be under a lease that extends beyond this date. Part D of the HAP contract (the DVP Addendum) automatically expires at the end of DVP. However, the HAP contract remains in effect as long as the lease remains in effect. In these cases, we encourage the DVP PHA to assist the family in negotiating an early release from the DVP lease so the family is able to move. If an early release is not possible, the DVP PHA should advise the family that they cannot move from their unit with continued voucher assistance until the end of the lease term.
- If a family remains in the DVP PHA's jurisdiction after December 31, 2007, either because they are unable to terminate their lease, or because they have decided not to move to another jurisdiction, the DVP PHA must convert the family to HCV assistance in accordance with the above instructions for pre-disaster HCV families remaining in the DVP PHA's jurisdiction.

Actions to be taken by the pre-disaster PHA

- The pre-disaster PHA must issue vouchers to all eligible families who opt to move to another PHA's jurisdiction at the end of DVP, as long as the families contact the pre-disaster PHA within the time frame established in the pre-disaster PHA's written reoccupancy policies (e.g. 60 days following the end of DVP). The pre-disaster PHA must not require families living in a DVP PHA's jurisdiction and planning to move to another jurisdiction, to return to the pre-disaster PHA's jurisdiction in order to be issued a voucher.

- From the point the voucher is issued, the pre-disaster PHA and family must follow the normal portability requirements outlined in 24 CFR 982.355. If an eligible family is not active in PIC because the pre-disaster PHA processed an EOP, the PHA must void the EOP by submitting a HUD-50058 with an action code of 15. When voiding a previous action, the PHA must only complete the agency information, action type, and head of household information on the HUD-50058.
- When a family that is not eligible to resume HCV assistance contacts the pre-disaster PHA, the pre-disaster PHA must inform the family of this determination. Any appeals regarding the eligibility determination must be directed to the pre-disaster PHA.

In addition to the three categories of pre-disaster tenant-based families currently receiving DVP assistance, discussed in Notice PIH 2007-3, following is a fourth category of families that must also be converted back to the HCV program.

Pre-disaster HCV Families Already Receiving DVP Assistance in the Pre-disaster PHA’s Jurisdiction

Following are the actions the PHA must complete to convert families in its jurisdiction from DVP to HCV assistance:

- Confirm that all pre-disaster HCV families receiving DVP assistance in its jurisdiction were HCV participants immediately prior to Hurricanes Katrina or Rita, and as such are eligible to resume HCV assistance.
- Conduct a full reexamination of family income and composition for all eligible families, and submit the HUD-50058 to PIC (action code 2 – annual reexamination). If an eligible family is not active in PIC because the PHA processed an EOP, the PHA must first void the EOP by submitting a HUD-50058 with an action code of 15. When voiding a previous action, the PHA must only complete the agency information, action type, and head of household information on the HUD-50058.
- For families remaining in place, the PHA must provide written notice to the families and owners that DVP assistance will end as of December 31, 2007. In addition, the PHA must take one of the following actions based on the program documents currently in effect for each family:
 - In cases where the PHA executed “Part D of the Housing Assistance Payments (HAP) Contract: Disaster Voucher Program Addendum,” the landlord must be notified that Part D of the HAP contract automatically expires at the end of DVP. However, the HAP contract [HUD-52641] and lease may remain in effect, as long as the lease term has not expired, or the landlord is willing to renew the lease.

- In cases where the PHA and owner executed an “Amendment to Katrina Disaster Rent Subsidy Contract” and the tenant and owner executed an “Amendment to KDHAP Lease Addendum,” the PHA and owner must execute a new HAP contract, and the owner and tenant must execute a new lease, which includes the HUD-required Tenancy Addendum [HUD-52641-A]. To avoid any interruption in assistance, the effective date of the new HAP contract and lease should be January 1, 2008.
- For families who will be moving to a new unit, the PHA must issue the family a voucher, and allow the family to lease-up in accordance with the PHA’s policies.
- For any family that is not eligible to be converted from DVP to HCV assistance because the family was not receiving HCV assistance immediately prior to Hurricanes Katrina and Rita (the family received DVP assistance in error), provide written notice to the affected families and owners that no assistance will be available after DVP assistance ends on December 31, 2007. Any appeals regarding the eligibility determination must be directed to the pre-disaster PHA.

HUD Data System Requirements

Disaster Information System (DIS)

The DVP PHA (which in some cases may also be the pre-disaster PHA) is not required to record an end of participation (EOP) in the DIS for pre-disaster HCV families whose DVP assistance is terminating due to the expiration of the DVP program. If, however, a family is terminated from DVP for any other reason (e.g. violation of family obligations), the DVP must record the date and reason for the EOP in the DIS.

PIH Information Center (PIC)

Throughout this guidance both the DVP and pre-disaster PHAs have responsibility to ensure that updated tenant information (HUD-50058) is submitted to PIC. Although the timely transmission of this information is a critical program function, because of the heavy workload demands many PHAs are currently experiencing relative to DVP, DHAP, and the ongoing reoccupancy effort, we recognize that it may take longer than normal to complete the required transmission of data to the PIC system. The immediate priority is for both the DVP and pre-disaster PHAs to complete the actions necessary to ensure that payments to owners are made in a timely manner, and that assistance to eligible families continues without interruption.

If you have any questions regarding these processing instructions, please contact the Housing Voucher Management and Operations Division at (202) 708-0477.

Your prompt attention to this guidance is greatly appreciated.

Sincerely,

David Vargas Digitally signed by David Vargas
DN: CN = David Vargas, C = US, O =
Public and Indian Housing, OU = Director,
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