

FACT SHEET

Family Self-Sufficiency (FSS) Program

Office of Public Housing and Voucher Programs,
Office of Public Housing Investments, Office of Multifamily Housing

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General Program Information:

What is the FSS Program?

FSS is a program that enables HUD-assisted families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies.

FSS provides funding to Public Housing Agencies (PHAs) and Project-Based Rental Assistance (PBRA) Owners to hire or retain FSS Program Coordinators who help HUD-assisted residents achieve financial stability and reduce reliance on federal assistance programs. Program Coordinators work with residents to identify and pursue financial and employment goals. Participating households that increase their household earnings will have the incremental increase in their rental payment credited to an escrow to build wealth.

How does the program work?

Once an eligible family is selected to participate in the program, the PHA/owner and the head of each participating family (for FSS purposes, as determined by the family) execute a FSS Contract of Participation that specifies the rights and responsibilities of both parties. The term of the FSS contract is approximately 5 years, but it may be extended for another 2 years by the PHA/owner for good cause.

The FSS contract also incorporates the family's individual training and services plan (ITSP). The ITSP is the document that records the plan for the family. That is, the series of intermediate and long-term goals and the steps the family needs to take – and the services and resources they may need to access – to achieve those goals.

Some of the services coordinated through the program include: child care, transportation, education, job training, employment counseling, financial literacy, and homeownership counseling, among others. Services are generally not provided by the PHA/owner, but rather outsourced to service providers in the community.

An interest-bearing escrow account is established by the PHA/owner for each participating family. Any increases in the family's rent as a result of increased earned income during the family's participation in the program result in a credit to the family's escrow account. Once a family graduates from the program, they may access the escrow and use it for any purpose.

Who administers the FSS program?

The FSS program is administered locally by PHAs/owners, in collaboration with the Program Coordinating Committee (PCC). The PCC is made up of an array of organizations, and the composition may vary by program. Some of the most common PCC partners include:

- Workforce Investment Boards
- Financial Literacy and Credit Counseling Providers
- City or County Government
- City or County Human Services/TANF Agency
- City or County Departments of Health and Mental Health
- Community and/or 4-Year Colleges

The PCC assists the PHA/owner in developing the FSS Action Plan and operating procedures and in identifying service gaps and securing service commitments from public and private resources.

Who is eligible to participate in the FSS program?

The FSS program is available to Public Housing (PH) residents, Housing Choice Voucher (HCV) program participants including Project-Based Vouchers and all special-purpose vouchers (e.g. VASH, FUP, FYI, etc.), and residents of project-based rental assistance (PBRA) projects.

How do families enroll in the program?

Eligible families should discuss participation in the FSS program with their PHA or PBRA property management for more information.

Administration of the FSS Program:

What is the FSS Action Plan?

The FSS Action Plan describes the policies and procedures needed to operate an FSS program. The PHA/owner's local HUD Field Office must approve the FSS Action Plan.

What is the role of the FSS Program Coordinator?

FSS program coordinators assist the family in the development of the ITSP, build and maintain relationships with local service provider partners and convene the Program Coordinating Committee, ensure that FSS program participants are linked to the supportive services they need to achieve economic self-sufficiency, and that the escrow account is properly maintained, among other responsibilities.

Program Funding:

How is the program funded?

Congress appropriates funding for the FSS program through Annual Appropriation Acts to pay the salaries of FSS program coordinators. HUD allocates these funds through a General and Annual Funding Notice. Programs also rely on their own resources and other local resources to operate the program.

Participant Selection:

Can FSS Programs screen families for participation in the FSS program?

Programs may screen families for interest and motivation to participate in the FSS program, as long as the factors used by the program are those which solely measure the family's interest and motivation. The program may not screen for education, job history, credit rating, marital status, or number of children, for example, and may not consider any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or non-minority groups.

The FSS Contract of Participation (CoP):

What is an FSS contract of participation?

One of the basic requirements of the FSS program is execution of an FSS Contract of Participation (CoP) between the Head of the FSS family and the PHA/owner. The FSS CoP includes the rights and responsibilities of the FSS family and the PHA/owner, the services to be provided to the family, and the activities to be completed by the family.

What is the term of the FSS Contract of Participation?

The term of the FSS CoP is five years from the first re-certification of income after the execution date of the CoP; however, such term may be extended for up to two more years, provided the family is still actively working on goals. Participants may also successfully graduate in less than five years.

What are the participants' responsibilities under the FSS CoP?

The FSS contract requires that the family comply with the lease, that all FSS family members (not just family members who elected to participate in FSS) are welfare-free at the time of graduation, and that the Head of the FSS family, as designated by the family, seek and maintain suitable employment.

Noncompliance with the FSS contract without good cause may result in termination from the FSS program. Termination (or exit) from the FSS program may not result in termination of the family's rental assistance.

What is an Individual Training and Services Plan (ITSP)?

The ITSP is a written plan that lists the services and supports to be provided to each participating family member, the activities to be completed by the family member, and the agreed-upon completion dates of the services and activities. The ITSP also establishes specific interim and final goals by which the PHA/owner and the family can measure the family's progress toward self-sufficiency. The ITSP is incorporated into the Contract of Participation.

The Escrow Account:

What is an escrow account?

The escrow account is an interest-bearing account established by the PHA/owner on behalf of the FSS family into which deposits are made throughout the duration of the family's participation in the FSS program. The PHA/owner makes deposits into the account if and when a family's rent increases as a result of increased earned income.

Can a family access the funds of its escrow account before the family successfully completes the program?

The PHA/owner may make a portion of the escrow account available to the family during the term of the Contract if the PHA/owner determines that the family has fulfilled certain interim goals established in the Contract and requires a portion of the FSS escrow account funds for purposes consistent with the CoP. Each program sets its own policies on Interim Escrow Disbursements in their FSS Action Plan.

When does a family receive all the funds in its FSS escrow account?

Generally, when the family has fulfilled all of its FSS obligations under the contract on or before the expiration of the Contract and the head of the family certifies that no family member is a recipient of welfare assistance.

Under what circumstances will escrow account funds be forfeited?

A FSS family will forfeit its escrow account if the Contract of Participation is terminated in accordance with the regulations or the Contract was not completed at the end of the Contract term.

Other Program Information:

Can families be required to participate in the FSS program?

Participation of families in the FSS program is voluntary and cannot be a condition of receipt of rental assistance.

Can a family continue to receive housing assistance after completion of the FSS contract?

While one of the objectives of the program is to reduce the dependency of low-income families on federal, state, and local housing assistance programs, families that complete the program may continue to receive assistance for housing.

What is the history of the FSS program?

FSS was established in 1990 by section 554 of the National Affordable Housing Act, which amended Title I of the U.S. Housing Act of 1937 by adding Section 23 for the FSS program. It is a successor program to Project Self-Sufficiency and Operation Bootstrap. It was modified by the Quality Housing and Work Responsibility Act (QHRWA) of 1998. It was re-authorized by the Economic Growth Act in 2018 and new regulations were published in May 2022.

What regulations cover this program?

FSS regulations are found at [24 CFR Part 984](#) and [887](#) (for PBRA).

Where can I find more information about FSS?

More information may be found on the FSS webpage at the following address:
<https://www.hud.gov/hud-partners/family-self-sufficiency>