



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF:

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies.

NOTICE PIH 2019--12 (HA)

Issued: May 23, 2019

Expires: This notice remains in effect until
amended, superseded or rescinded

Cross-references: PIH Notice 2001-41

Subject: Enhanced Voucher Minimum Rent Calculation for Families Whose Incomes Subsequently Increase After Having Experienced a Significant Decrease in Income

- 1. Purpose.** This notice revises the calculation for the enhanced voucher minimum rent for certain families whose incomes increase after the family experienced a significant decrease in income.

This revised calculation supersedes the previous calculation set forth for these families in HUD Notice PIH 2001-41.

- 2. Background.** Section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) authorizes families to be offered enhanced vouchers upon the occurrence of one of four eligibility events impacting projects in HUD's Office of Multifamily Housing's portfolio.¹ Enhanced voucher assistance under Section 8(t) differs from regular tenant protection vouchers in two major respects if the family elects to remain at the project. First, a higher "enhanced" payment standard is used to determine the amount of the housing assistance payment when the gross rent of the unit exceeds the normally applicable public housing agency (PHA) payment standard. Second, the family must continue to contribute towards rent an amount that is at least the amount the family was paying for rent at the time of the eligibility event. This minimum rent contribution is known as the enhanced voucher

¹ The four categories of eligibility event are: (1) the prepayment of a mortgage that results in families residing in the project being eligible under section 223(f) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA), (2) the voluntary termination of the insurance contract that results in families residing in the project being eligible under 223(f) of LIHPRHA, (3) the termination of a project-based section 8 rental assistance contract that results in assisted families residing in the project being eligible under section 515(c) or section 524(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA), and (4) a transaction under which a project that receives or has received assistance under the Flexible Subsidy program is preserved as affordable housing, which results in families being eligible under section 201(p) of the Housing and Community Development Act of 1978 (HCDA).

minimum rent. The enhanced voucher minimum rent is discussed in detail in HUD Notice PIH 2001-41, Part II.C.3

If the enhanced voucher family's rent suffers a significant decrease in income (a decrease of at least 15 percent from the family income on the date of the eligibility event²), Section 8(t) further provides that the enhanced voucher minimum rent changes from the dollar amount the family was paying for rent to the percentage of income the family was paying for rent at the time of the eligibility event. Specifically, for families who were previously unassisted on the eligibility event, the family's revised enhanced voucher minimum rent is the greater of (A) the percentage of the monthly adjusted income the family paid for gross rent on the effective date of the eligibility event, or (B) 30 percent of the family's current adjusted monthly income. For families who were previously assisted under a project-based or tenant-based contract on the eligibility event, the family's revised enhanced voucher minimum rent is the greater of (A) the percentage of adjusted monthly income the family Total Tenant Payment (TTP) or the voucher family share on the effective date of the eligibility event, or (B) 30 percent of the family's current adjusted monthly income.

Under HUD Notice PIH 2001-41, if the enhanced voucher minimum rent changed because of the significant decrease in income, it remained that percentage of adjusted monthly income for as long as the family continued to receive enhanced voucher assistance. The enhanced voucher minimum rent from that point on was that specific percentage (e.g., 39 percent) applied to the family's current adjusted monthly income, regardless of whether the family's income subsequently increased or decreased.

3. **Revised enhanced voucher minimum rent calculation for families whose incomes increase after experiencing a significant decrease in income.** After the enhanced voucher minimum rent for the family is changed from the dollar amount to the percentage of income calculation, the enhanced voucher minimum rent will normally continue to remain that specific percentage of adjusted monthly income so long as the family receives enhanced voucher assistance.

If the family's income subsequently increases to an amount where the dollar value of the family's enhanced voucher minimum rent established by the percentage of income calculation is more than the original enhanced voucher minimum rent, the family's enhanced voucher minimum rent reverts to the original enhanced voucher minimum rent. The original enhanced voucher minimum rent is the maximum enhanced voucher minimum rent that is applied to the family.

For example, assume an enhanced voucher family was paying \$590 for rent at the eligibility event, which was 39 percent of the family's adjusted monthly income. The family's

² Section 102(e) of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) changes the definition of "income" to "annual adjusted income" for determining if the family's income has decreased to a significant extent for purposes of calculating the enhanced voucher minimum rent. HUD has not yet implemented this change, which will not become effective until the beginning of the calendar year after that implementing notice or regulation is issued.

enhanced voucher minimum rent is \$590. The family share of the rent is the higher of the family's TTP³ or \$590. See chart below.

At Commencement of Enhanced Voucher Assistance	
Family Adjusted Monthly Income	\$1,500
Family Payment for Gross Rent at Eligibility Event	\$590
% of Adjusted Monthly Income Paid for Rent at Eligibility Event	39%
TTP (Assume 30% of Adjusted Monthly Income is TTP for this Family)	\$450
Enhanced Voucher Minimum Rent	\$590
Family Share (Higher of TTP or EV Minimum Rent)	\$590

After the family has received enhanced voucher assistance for a period of time, there is a subsequent significant decline in the family's income. The PHA recalculates the family's enhanced voucher minimum rent by taking the percentage of adjusted monthly income the family was paying for rent at the eligibility event, which was 39 percent, and applying it to the family's current adjusted monthly income. The family share for the enhanced voucher family is now the higher of the family's TTP or 39 percent of the family's current adjusted monthly income. See chart below.

Significant Decrease in Family Income	
Family Adjusted Monthly Income	\$1,000
Family Payment for Gross Rent at Eligibility Event	\$590
% of Adjusted Monthly Income Paid for Rent at Eligibility Event	39%
TTP (Assume 30% of Adjusted Monthly Income is TTP for this Family)	\$300
Enhanced Voucher Minimum Rent based on % of Adjusted Monthly Income Paid for Gross Rent at Eligibility Event or 30%, whichever is higher	\$390
Family Share (Higher of TTP or EV Minimum Rent)	\$390

³ Total tenant payment is the highest of the following amounts, rounded to the nearest dollar: (1) 30 percent of the family's monthly adjusted income; (2) 10 percent of the family's monthly income; (3) 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; or (4) the minimum rent, as determined in accordance with §5.630. See 24 CFR 5.628.

At a later point in time from the decrease in income, the family now reports an increase in income. To calculate the enhanced voucher minimum rent, the PHA takes the lower of 39 percent of the family's adjusted monthly income (which include the increase in income) or \$590 (the family's original enhanced voucher minimum rent). In this example assume that 39 percent of the family's current adjusted monthly income equals \$663, which is greater than the family's original enhanced voucher minimum rent. Accordingly, the family's enhanced voucher minimum rent reverts to \$590, and the family share is the greater of the family TTP or \$590. See chart below.

Subsequent Increase in Family Income	
Family Adjusted Monthly Income	\$1,700
Family Payment for Gross Rent at Eligibility Event	\$590
% of Adjusted Monthly Income Paid for Rent at Eligibility Event	39%
TTP (Assume 30% of Adjusted Monthly Income is TTP for this Family)	\$510
Enhanced Voucher Minimum Rent based on % of Adjusted Monthly Income Paid for Gross Rent at Eligibility Event or 30%, whichever is higher	\$663
Original EV Minimum Rent	\$590
Enhanced Voucher Minimum Rent (Lower of Original EV Minimum Rent or EV Minimum Rent Based on % of Adjusted Monthly Income Paid for Gross Rent at Eligibility Event or 30%)	\$590
Family Share (Higher of TTP or EV Minimum Rent)	\$590

- 4. Application of the change in the calculation.** The PHA shall apply this change in the enhanced voucher minimum rent to the family's housing assistance payment (HAP) and family share calculation on the earlier of either the effective date of (1) the family's first regular reexamination following the issuance date of this notice, or (2) an interim reexamination as the result of increase in family income following the issuance date of this notice. The change to the family's HAP and family share is applied prospectively from that point on, not retroactively.

If the family's TTP is higher than the family's enhanced voucher minimum rent as presently calculated, this change has no impact on the subsidy calculation. However, if the family is or will be paying the enhanced voucher minimum rent as their family share, the PHA needs to compare the current enhanced voucher minimum rent to the family's original enhanced voucher minimum rent to determine if an adjustment to the enhanced voucher minimum rent (and the HAP and family share calculation) is required.

- 5. Paperwork Reduction Act.** The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the

Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The OMB control number is 2577-0169. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

6. **Further Information.** Any questions concerning this Notice should be directed to the Housing Voucher Management and Occupancy Division, Office of Public Housing and Voucher Programs, at (202) 708-0477 (this is not a toll-free number).

/s/

R. Hunter Kurtz, Principal Deputy
Assistant Secretary for Public and
Indian Housing