

Questions and Answers about PIH Notice 2022-11: Request for Applications under the Moving to Work Demonstration Program: Asset Building Cohort

UPDATED July 5, 2022

Background

This document contains a listing of questions regarding PIH Notice 2022-11 (HA). The contents of this document will be updated periodically as questions arise that can be addressed by HUD. Additional questions and answers will be added to the top of the document as they become available. The footer will be updated to denote the revision date.

For more information on the Asset Building Cohort of the MTW Expansion please visit: www.hud.gov/mtw and go to the Asset Building Cohort page (MTW Asset Building Cohort Website).

April 2022 Questions and Answers

1. What are the requirements for public housing agencies (PHAs) applying for the MTW demonstration under this Notice? Must applicant PHAs meet all of the requirements? Is there a way to obtain an exception to one or more of the requirements?

Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute) requires that applicant PHAs be designated as a High Performing agency under either the Public Housing Assessment System (PHAS) OR the Section Eight Management Assessment System (SEMAP). Additional eligibility criteria established by HUD can be found in the Notice on pages 10-13. PHAs applying for the MTW demonstration under this Notice must meet all of the eligibility requirements. Exceptions to one or more of the requirements will not be available.

2. How many PHAs does HUD expect to designate under the Asset Building Cohort of the MTW Expansion?

HUD estimates selecting up to 30 PHAs under this cohort. There are currently 19 slots left in the MTW Expansion for PHAs in the size category with 1,000 or less public housing and HCV units and 11 slots left in the MTW Expansion for PHAs in the size category with between 1,001 and 6,000 public housing and HCV units. There are no slots remaining in the MTW Expansion for PHAs in the size category with more than 6,000 public housing and HCV units.

3. In light of COVID-19, must the PHA still conduct a public hearing as described in PIH Notice 2022-11?

The public hearing required as part of the Asset Building Cohort Request for Applications must still occur. PHAs are permitted to hold such meetings remotely or online provided they can accept and post answers to questions submitted during the meeting. In selecting a streaming service, PHAs must ensure they can comply with Section 504 of the Americans with Disability Act. PHAs that continue with public hearings/meetings in-person should follow the latest CDC, state, and/or local health department guidance.

4. With limited ability for face-to-face contact, resident, participant and community engagement is a challenge. Are there other ways to conduct robust public engagement?

HUD recommends that PHAs develop a process that includes various forms of alternative communication methods so that all residents/participants/the community can receive information and participate in the

process regardless of their individual circumstances. Below are some suggested methods by which to share information:

- Set up teleconference calls in the place of in-person meetings, ensuring that residents/participants/the community have enough prior notice and receive clear directions (particularly those with limited technological access/abilities).
- Provide flyers/notices to residents/participants where they live with updates about how information can be obtained regarding the PHA's interest in the MTW demonstration program.
- Post notices in common areas of properties.
- Provide letter updates in mailboxes.
- Provide text and/or email updates.
- Share a sign-up sheet with residents/participants to meet 1-on-1 with office staff or by phone.
- Create online materials (video or other) available to all.
- Create and distribute a survey to gather information about questions, experience, and preferences.
- Ensure that all residents/participants have contact information (phone and email) for PHA staff should they have questions.

5. Where can I find blank copies of the standard forms needed for Appendix 3 (HUD-2991, HUD-50071 and SF-LLL)?

Links to blank versions of these forms are available on the Asset Building Cohort website.

6. Please provide more clarification on the “15 day” requirement for the Board approval (that is, that the board resolution must be signed no less than 15 days after the public hearing). Is there any requirement on when the public hearing must be held during the public comment window (should it be at the beginning or at the end)?

To give an example, if the public hearing was held on June 10th, the Board approval would need to be on June 25th or later (assuming the public comment period had already closed). The Board approval should occur after, not during, the public comment window.

There are many different ways to schedule these requirements to provide flexibility with the existing processes of your local community. For example, say, the public comment period runs from June 1st through June 30th and the public hearing is on June 10th, the soonest the Board could provide approval would be July 1st. If the public comment period runs from June 1st through June 30th and the public hearing is on June 20th, the soonest the Board could provide approval would be July 5th.

7. Can MTW activities work in both PBV and PBRA RAD units?

No. PBRA units are not included in the MTW program. No MTW flexibility may be extended to PBRA units whether they are PBRA RAD units or not. MTW flexibility may be applied to PBV units as described in the MTW Operations Notice. If PBV units are PBV RAD units, then the PHA must also follow the requirements of the RAD Notice, which may expressly limit which MTW flexibilities and/or activities can be applied to an MTW PHA's PBV RAD units.

8. What can we learn from studying the savings account option?

We will learn if it is feasible organizationally and financially for PHAs with fewer than 6,000 households to facilitate the creation of savings accounts for HUD-assisted households. If PHAs do implement the savings account option, we will be able to learn if having this PHA-initiated small savings account and getting “banked” (i.e., using a traditional bank) helps households avoid experiences of material hardship.

The idea behind helping families build savings accounts, that could be used for emergencies or other instances of material hardship, is that this is a first step toward more long-term asset building. Without savings to cushion inevitable events such as unexpected expenses or fluctuations in income, a household is not in a position to invest in longer-term asset building.

The opt-out savings account option is a type of intervention that has not been tried with HUD-assisted households before, so everything we learn about this option will be new and provide valuable information for future policymaking intended to facilitate asset building for HUD-assisted households.

9. What can we learn from studying the rent reporting for credit building option?

We will learn if it is feasible organizationally and financially for PHAs with fewer than 6,000 households to get set up to report rent payments of public housing residents to credit agencies for use in calculating credit scores. Further, we will learn how doing so affects the credit scores of HUD-assisted households in public housing, and if the impact on credit scores improves their financial situations.

Reporting rent payments to credit bureaus is part of a larger movement within the financial sector to use so-called “alternative” data for credit scores. Credit agencies are concerned with predicting if a person will pay their bills. Regular payment of rent, utilities, and telecommunications bills can be used to predict likelihood of paying a car repair loan, or even a mortgage payment. A person’s credit score will affect the interest rates a person is required to pay on such loans, with lower credit scores leading to higher interest rates. In addition, credit scores can impact job opportunities and rental housing market options. For this reason, it may be that for a large proportion of public housing residents, simply reporting their regular on-time rent payments to credit agencies could improve their financial situation and expand housing opportunities for those capable of leaving public housing for market-rate rental housing.

Reporting rent payments into the credit rating system is a way to instantly increase a person’s credit history because credit agencies will include up to 24 months of past rent payments all at once. A person could go instantly from credit invisible to having a good credit score.

Past studies have simulated the impact of reporting rent paid by public housing residents to credit agencies. The MTW Asset Building Cohort will look at real-world implementation.

Updated - Questions and Answers

10. The Notice states only to PHAs with 6,000 or less units may apply. Our PHA technically has 6,100 units. Is it required to be at 6,000 or less or is there flexibility that we can apply since we are only slightly above the 6,000 number?

Eligibility and selection criteria are based on the requirements of the Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, P.L. 104-134; 42 U.S.C. 1437f note (1996 MTW Statute), and the additional criteria in the Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute). The 2016 MTW Expansion Statute states that, of the agencies selected under this section, no less than 50 shall administer 1,000 or fewer aggregate housing voucher and public housing units, no less than 47 shall administer 1,001-6,000 aggregate units, and no more than 3 shall administer 6,001–27,000 aggregate units. Three agencies have already been selected in the 6,000 – 27,000 aggregate unit category. Thus, without Congressional action, HUD is not able to select any additional PHAs with over 6,000 aggregate units.

11. The credit building option applies only to public housing—is this because it would be too difficult to get individual HCV landlords to do such reporting?

Yes, that is correct. In addition, evaluation considerations contributed to this restriction. Looking only at public housing at this time will make it easier to do a useful evaluation of this intervention.

12. The credit building option allows PHAs to offer rent reporting to up to 50 percent of its public housing households only—why is that?

Evaluation considerations contributed to this requirement. The 50 percent cap is the simplest way to ensure that there is a group of households that can serve as a control or comparison group of households.

13. Will HUD get advice from organizations such as the Credit Builders Alliance on sample consent forms to ensure meaningful, well-informed consent?

HUD will bring a research team on board at about the same time as the asset building PHAs come on board to advise HUD on how to study the interventions, including addressing questions of recruitment into the program and informed consent.

14. Is this cohort required to pair asset/credit building with financial coaching?

No. The Selection Notice does not require pairing asset/credit building with financial coaching, but HUD encourages PHAs to provide assisted households with financial coaching or referrals to organizations that can provide financial coaching.

15. How is “late” defined for purposes of determining if a rent payment is late?

The meaning of data points furnished to credit agencies is determined by the credit agencies, so the credit agencies will define “late.”

16. The Notices says that “rent reporting should be in accord with standard practices that protect consumers.” What does this mean?

The intent is to ensure that standard practices that do exist for consumer protection will be incorporated into the rent reporting programs as applicable. We understand that rent reporting for credit building is still a non-standard part of credit reporting and credit scoring.

17. Will someone from a consumer-oriented organization be included to advise HUD as it further refines this cohort and evaluates this cohort?

Yes. HUD has been working closely with the Consumer Finance Protection Bureau and will continue to do so. In addition, HUD will create an expert panel including consumer-oriented experts in rent reporting and credit building, to advise HUD and the research team throughout the project.

18. What if I have a question not addressed in this document?

Please direct any questions in email to: MTWAssetBuilding@hud.gov.