

## CHAPTER 2

### APPLICATIONS AND ADMISSIONS

This chapter is about giving the appropriate people the opportunity to live in Indian Housing Authority (IHA) rental and homeownership units. It discusses IHA procedures for admitting applicants to IHA housing, and explains eligibility criteria, the rules HUD imposes and the decisions the IHA must make. It also identifies the kinds of information the IHA needs to collect to make eligibility determinations, and suggests methods and procedures for determining eligibility. Finally, it highlights policy decisions about how an IHA can best serve eligible families.

#### PART I: APPLICANT ELIGIBILITY

##### 2.1 THE BASICS

**Eligibility Criteria:** To be eligible to live in IHA housing, applicants must meet three basic criteria. These criteria apply to both rental housing and homeownership. If applicants do not meet these criteria, they cannot be considered for IHA housing (except in special circumstances discussed later in this chapter). Eligible applicants must:

- o have income that does not exceed the limits set by HUD,
- o meet the program definition of an eligible family, and
- o be a citizen or eligible non-citizen.

**Resident Selection Criteria:** Not all eligible applicants are given an opportunity to live in IHA housing. In addition to the eligibility criteria discussed above, IHAs may establish screening criteria to help determine whether prospective residents will be suitable tenants or homebuyers who will comply with IHA requirements. These additional resident selection criteria are discussed in Part III of this chapter.

##### 2.2 DETERMINING INCOME ELIGIBILITY [24 CFR 950.301]

**HUD-Published Income Limits:** HUD publishes income limits each year that specify the maximum annual income a household may have to qualify for IHA housing. The income limits are established by household size for different geographic areas. The income limit that applies to Indian Housing Programs is the low-income limit, which generally represents 80 percent of the area median income.

Family annual income (or gross) income -- not adjusted income -- is compared to the income limit. Chapter 3 provides detailed guidance on verifying and calculating annual income.

Are the HUD Income Limits Too High or Too Low?

If an IHA believes that the HUD income limits do not reflect local conditions,

that IHA may provide  
independent income data and  
request that  
HUD adjust the  
income limits.

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#### Income Eligibility at Admission:

Both rental and homeownership programs put upper limits on the incomes for eligible residents. However, they make eligibility determinations in slightly different ways.

- o For rental housing, family income must not exceed the applicable HUD-published low-income limit (generally 80 percent of the area median income). If the family's income is equal to or below this limit, the family is considered income-eligible.
- o For homeownership, applicants must have family income that does not exceed the same low-income limit, but also must have income that is sufficient to meet the responsibilities of homeownership. The IHA may develop minimum income requirements for the Mutual Help (MH) program. If adopted, the minimum income should be specified in its Admissions and Occupancy (A&O) Policy.
- o Under the MH program, the IHA is also permitted to make a limited number of exceptions to the income limits. This is discussed in Section 5.5.

Income Eligibility at Reexamination: Residents need not qualify as low-income families at reexamination. If the family's income increases above the low-income limit after they occupy the unit, the family may continue to live in the IHA housing.

### 2.3 DETERMINING WHO COUNTS AS A FAMILY MEMBER [24 CFR 950.102]

Although it may seem obvious, deciding who is a part of an applicant's family is an important, and not always simple, task. HUD uses the word "family" to apply to individuals and households who are intended to live in a unit. Though HUD provides IHAs the flexibility to determine their own definition of family, HUD does have certain requirements for persons who must or must not be considered family members. IHAs must include a definition of "family" in their A&O Policies.

Why the Definition Is Important: Deciding who is a part of the family affects many decisions the IHA must make, including:

- o how many bedrooms the family needs,
- o whose income should be counted and what income limits should be used,
- o whether the family qualifies for certain income deductions and certain preferences, and
- o who should sign legal documents.

Indian Housing Management Guidebook                      2-2                      August 1996

HUD's Requirements: These are the HUD requirements that an IHA

must take into account when developing its definition of a family.

- o Elderly families: An elderly family is a household in which the head of household or spouse (or the only member) is 65 years of age or older OR an individual with disabilities. Elderly families receive preference in elderly developments and preference over single non-elderly households.

determine

#### Who Counts and When?

Unit Size: To determine the unit size required, count all persons who will live in the unit, including: live-in aides, foster children children under joint custody agreements and unborn children.

Income Limit: To household size to compare with income limits, do not count live-in aides or foster children.

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- o Near-elderly families: A near-elderly family is one in which the head or spouse (or the only member) is at least 50 years old. These families may be given preference in elderly developments when there are not enough elderly families to fill the units.
- o Live-in care providers: Elderly families may include a live-in aide who provides essential care to an elderly person or an individual with disabilities. The live-in aid is counted as a member of the family for the purpose of determining the size of the unit, but is not considered for the purpose of determining income or deductions from income.
- o Single persons: Single persons are individuals intending to live alone who do not qualify as elderly or near-elderly families. Single persons who meet income and citizenship requirements are eligible to live in IHA housing, but, as described in Section 2.14, are given a lower priority to receive assistance.
- o Foster children: Eligible families may include foster children, as long as the children do not cause overcrowding. However, foster children are not considered family members for the purposes of determining income or deductions from income, or to determine household size to compare with income limits.
- o Remaining family members: Remaining members of resident families are family members who stay in a unit after other members of the household leave. These members do not need to be reevaluated for eligibility; however, the IHA's A&O Policy may require remaining tenants to move to a unit of appropriate size.

Section 214 of the Housing and Community Development Act of 1980 prohibits HUD from providing financial assistance to persons who are not United States citizens, nationals or certain non-citizens who have been legally admitted for permanent residence. Special rules apply to mixed families -- families in which some family members have eligible citizenship status and some do not.

#### Citizenship Eligibility

For additional guidance on determining citizenship eligibility, see the Housing Agencies Guidebook entitled Restrictions on Assistance to Noncitizens dated July 1995.

Providing Documentation: Each family member, regardless of age, must submit evidence of citizenship or eligible immigration status.

- o Citizens must submit a signed declaration of citizenship. (See Appendix 6 for a model declaration.)
- o Non-citizens who were age 62 by June 19, 1995 must submit a signed declaration of eligible immigration status and proof of age.
- o Other non-citizens must provide a signed declaration of eligible immigration status, any one of several specified INS documents and a signed verification consent form. (See Appendix 7 for a list of the permissible documents.)

This requirement applies both to applicants for and residents of IHA housing. However, each family member needs to provide the documentation only once.

Exemption for Participants in Homebuyer Programs: Homebuyers who executed agreements under the Turnkey III or the Mutual Help (MH) programs prior to June 19, 1995 are not subject to this requirement and do not have to provide proof of eligible citizen status.

Applications from Mixed Families: IHAs may accept and process applications from mixed families if these applicants are otherwise eligible, the family may receive prorated assistance, based upon the number of eligible household members. This means the family will have to pay a higher rent than would otherwise be required, based upon the family's income (See Appendix 8 for a worksheet for calculating prorated assistance.)

Mixed Families Who Are Residents of IHA Housing: Mixed families who already live in the housing may continue to receive full or prorated assistance.

- o For full assistance: The IHA may allow mixed families to receive full assistance if they meet the following criteria:
  - the family lived in the unit on June 19, 1995;

- either the head of household or spouse is a citizen or national or has eligible immigration status; and
- the family does not include any members without eligible status outside the immediate family -- that is, head, spouse and parents or children of head or spouse. (For example, the family cannot include siblings of the head or spouse or their children unless they have eligible status.)
- o For pro-rated assistance: Mixed families that do not qualify for continued assistance may remain in the IHA development, but their assistance must be pro-rated based upon the number of eligible household members. (See Appendix 8 for a worksheet.) If the family does not agree to receive prorated assistance, the family must be treated as an ineligible family (see below).

Ineligible Resident Families: The tenancy of resident families that do not qualify as eligible families or mixed families must be terminated, unless the IHA decides to defer the termination (see below).

#### Deferred Termination of Tenancy:

Termination of tenancy may be deferred at the IHA's discretion if:

Prohibition on Assistance to Noncitizen Students

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>. the family lived in the unit on June 19, 1995;</li> <li>. the family shows that reasonable efforts to find other affordable housing have been unsuccessful, and assistance or assist-</li> <li>. the applicable consolidated plan or other evidence indicates that the market lacks sufficient affordable housing for households with the family's size and income. (Affordable housing is defined as housing with rent up to 125 percent of the IHA rent.)</li> </ul> | <p>Non-citizen students are people who were temporarily admitted to the United States</p> <p>for the sole purpose of Non-citizen students</p> <p>eligible for continued tance, prorated</p> <p>temporary deferral of</p> <p>ance unless the student with an American person of eligible status. In that case, the household is treated</p> <p>mixed family and the cannot be counted as an eligible family member.</p> |
|---|--|

Each period of deferral may not exceed six months, but can be renewed for additional six-month periods up to a total of three

years.

An IHA's A&O Policy must include its policy on continued assistance and deferral of termination.

Indian Housing Management Guidebook      2-5      August  
1996

## 2.5 ADMISSION OF POLICE AND SECURITY OFFICERS [24 CFR 950.308]

An IHA may lease rental units to police and security officers who are not otherwise eligible, when a visible presence is needed to reduce or deter crime. No resident families may be transferred to make units available for this purpose. Anyone admitted under this exception is eligible to live in the development only during the term of his/her employment as an officer.

HUD Approval: IHAs must submit to the area ONAP a plan that:

- o justifies the need for and the anticipated benefits of the officer's presence, and
- o identifies the total number of units under management by the IHA and the specific units to be occupied by officers.

(See [24 CFR 950.308] for detailed information about submission requirements.)

Rent Amounts. The IHA should establish reasonable rents for units occupied by officers. The rent level should provide an incentive for officers to live in the development but should also limit the loss of income to the IHA. The rent does not have to be based on a percentage of the officer's income.

Special Lease for Officers: Because the normal IHA lease is written for eligible tenants, police/security officers should be given a special lease or lease addendum that includes the special terms under which the officer occupies the unit.

## PART II: TAKING APPLICATIONS

### 2.6 WAITING LISTS

Written Waiting Lists. Generally, housing is not immediately available for eligible applicants. Therefore, the IHA must have a written applicant waiting list and procedures that help assure applicants are selected from this list in a consistent and fair way. These procedures should be formalized in the A&O Policy.

IHAs must have separate waiting lists for rental housing and homeownership programs. Separate waiting lists may also be maintained by geographic community (so that residents are not forced to move far from their communities to take an IHA unit). IHAs should develop a

Indian Housing Management Guidebook      2-6      August  
1996      standard format for the waiting list.      Minimum Waiting List

<p>Lists should include any information needed to select families from the waiting list and to record the disposition of each application.</p> <p>Closing and Re-opening the Waiting Lists: If the number of applicants on the waiting list exceeds the number of units likely to be available in the next two years, the IHA may close the waiting list and stop accepting applications. The IHA should make a public announcement whenever it opens or closes its waiting list. While a waiting list is closed, no applications can be accepted.</p>	<p>Information</p> <p>At a minimum, a list entry should</p> <ul style="list-style-type: none"> <li>. family name,</li> <li>. date of application,</li> <li>. family size,</li> <li>. preference status,</li> <li>. application status.</li> </ul>
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Updating and Purging the List: Applicants may withdraw their applications at any time. To keep the list current, the IHA may wish to update and purge the waiting list periodically. To do so, all applicants are contacted and asked to reconfirm their interest in the program and to provide updated information on income and household composition. Applicants who do not respond should be notified in writing that their names are being removed from the waiting list.

## 2.7 APPLICATION FORMS AND FILES

All applications must be in written form. At a minimum, applications should contain information that enables the IHA to determine household income, eligibility and preferences. (See Appendix 9 for a sample form.)

When To Use a Short Form: If long waits are anticipated, the IHA may elect to use a short form of the application to accept preliminary applications. This method places potentially eligible applicants on the waiting list, based upon the preliminary application. Nearer the time that an applicant would be selected from the list, a more detailed application is taken and more current information is used to verify eligibility and compute resident payments.

What a File Should Include: A tenant file should be created for each application. This file ultimately should contain the application, documentation of the household's eligibility, the lease, record of all reexaminations and copies of correspondence. (See Appendix 10 for a sample tenant file checklist.)

An IHA may fully determine an applicant's eligibility at the time the	Unsure About Eligibility?
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household applies, or may wait to do so until the family is near the top of the waiting list.

If a preliminary determination is made, the application should be reviewed for completeness and to determine if the applicant is obviously ineligible. Applicants who are clearly ineligible should

be notified in writing and given an opportunity to appeal the decision. If applicants appear eligible, the IHA should place them on the waiting list and verify all information when the family nears the top of the list.

It there are any doubts about eligibility during the preliminary determination, the applicant should be considered eligible and placed on the waiting list pending verification.

## 2.9 VERIFICATION PROCEDURES

The IHA must have in place verification procedures to review applicant information. The procedures must ensure accurate determinations of eligibility and respect the confidentiality of all information on applicants and residents.

Information to Verify: The IHA must verify the following information:

- o Disability: Disabilities are verified only if necessary to qualify the household as an elderly family, or if a disability affects the household's eligibility for deductions from income. Verification may be provided by a physician, a clinic, welfare agency, the Social Security Administration or other knowledgeable service.
- o Household composition: Verification of household composition can be accomplished through a variety of sources and documents. For example, a birth certificate or custody agreement verifies that a minor child is part of the household. Also, divorce or separation agreements can verify that an individual is no longer a member of the family.
- o Income: Procedures for verifying income are described in Section 3.8.
- o Citizenship status: Proper documentation of citizenship is discussed in Section 2.4.

Release and Consent Form: Form HUD-9886, Authorization for Release of Information, gives applicant or resident permission for the IHA to ask questions about and verify information related to the family's income

and other circumstances that affect eligibility and the amount the family must pay. Applicants must sign the form as a condition of admission and continued occupancy. (See Appendix 11 for a copy of the form.)

The form must be signed by the family head and all other family



members whose income, assets or other circumstances require verification. As long as the IHA retains the form with original signatures in its file, a photocopy of the authorization may be provided to verification sources.

The IHA must ask applicants/residents to execute the form even in cases where the person has not reported any income. (See 24 CFR Part 760 for further information.)

**Social Security Numbers:** Prospective tenants and homebuyers must provide the IHA with Social Security numbers for every household member over six years of age. HUD may use Social Security numbers to verify income information that is provided. Social Security numbers must be verified only once for each resident.

Documentation of the Social Security number may be provided with a valid Social Security card or other evidence of the Social Security number, such as a driver's license. If the documentation is sent by mail, the applicant may submit a photocopy.

If the applicant does not have the documentation, the applicant should submit a signed certification stating his/her Social Security number. The applicant then has 60 days to submit acceptable Documentation of the Social Security number. This 60-day period can be extended for another 60 days for elderly applicants.

### PART III: RESIDENT SELECTION

#### 2.10 SELECTING APPLICANTS FROM THE WAITING LIST

The A&O Policy must describe the IHA's policies and procedures for selecting applicants from the waiting list. The IHA must follow certain HUD rules concerning the selection process. It may also establish local policies that affect who receives assistance.

Indian Housing Management Guidebook 2-9  
1996

August

HUD Requirements that Affect the  
Order of Selection: HUD requires  
Fairness  
IHAs to:

The Importance of

remember . assign units that are appro-  
everyone on the  
prieate in size for the family  
need

It is important to  
that virtually

(see Section 2.11);

waiting list is in great

housing.  
difficult job . apply any applicable federal  
a selection

of decent, affordable  
The IHA has the  
of establishing

preferences (see Section 2.12)  
most

system that addresses the  
serious needs and uses

IHA

. for units with special accessi-

resources most

effectively.

bility features, give preference  
to families that include indivi-  
Preference

duals with disabilities (see  
Section 2.13); and  
remember

determine the

. give preference to a one- or  
house-

two-person elderly, disabled  
do not

or displaced family over an  
be-

applicant who is a single  
person not qualifying as  
elderly, disabled or displaced (see Section 2.14).

Eligibility vs.

It is important to

that preferences

order in which eligible

holds are served. They

make an ineligible family

come eligible.

Other Requirements Affecting Selection: In addition to HUD  
requirements, IHAs may establish local preferences that reflect  
the needs of the community. These are described in Section 2.15.

## 2.11 OCCUPANCY STANDARDS

Each eligible family should be  
assigned a unit that is appropriate  
Standards

to the family size. The IHA should

Persons

include in the A&O Policy  
occupancy standards that specify  
is  
how the number of bedrooms needed  
by the household will be

person

determined. In the past, HUD used

or

a basic occupancy standard of two

mem-

persons per living/sleeping area.

family,

This standard can be adopted or

be

modified to take into considera-

unit

tion specific household composition

bed-

and local customs, such as:

- o addressing the age at which children of the opposite sex  
need not share a bedroom;

- o not requiring different generations of the same sex to share  
a bedroom;

Occupancy

and Single

If a single person

not: (1) elderly or  
displaced, (2) a

with disabilities,

(3) the remaining

ber of a tenant

that person may not

provided a housing

with two or more

rooms.

1996

- o specifying that single persons who are not elderly, displaced, a person with disabilities or the remaining member of a tenant family cannot have larger than a one-bedroom unit;
- o providing for less than two persons per living/sleeping area in the case of medical necessity; or
- o for homeownership programs, the potential growth of the family.

Occupancy standards should be consistently applied to assure that all applicants and tenants are treated fairly.

## 2.12 FEDERAL PREFERENCES [24 CFR 950.305]

Three Preference Categories: Because the number of eligible families that need housing far exceeds available resources, Congress has specified groups of people who should be given preference in getting help through federal programs. Families that meet preference requirements are referred to as federal preference holders. For Indian housing, Congress has established federal preferences for three broad categories of families:

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|--|--|--|
| Current<br><br>is<br><br>has<br>until<br>This suspen-<br><br>the<br><br>revised.<br>area Office of<br>American Programs<br>new developments. | <ul style="list-style-type: none"><li>o Families who are rent-burdened: Rent-burdened is defined as paying more than 50 percent of gross income for housing costs (rent and utilities).</li><li>o Families who are involuntarily displaced: Involuntarily displaced is a broad category covering persons displaced for a variety of reasons, such as government action, natural disasters, domestic abuse and witness protection.</li><li>o Families who are living in substandard housing: Those living in substandard housing include, but are not limited to: homeless people and those living in housing that does not meet certain basic standards.</li></ul> | <p>Federal Preferences:<br/>Status</p> <p>At this writing, Congress is reconsidering the use of federal preferences and suspended their use October 1, 1996.</p> <p>sion may be extended or requirements may be</p> <p>Contact the Native (ONAP) for</p> |
|--|--|--|

How Many Families Must Be Federal Preference Holders? Federal preferences must be used to select at least 70 percent of the families admitted to IHA housing. The remaining families may be selected at the discretion of the IHA, using local preferences or other selection criteria.

Administering Federal Preferences: HUD gives IHAs considerable discretion as to how federal preferences are applied. IHAs may use one of the methods discussed below.

- o Treat all preferences equally: The IHA may assist federal preference holders in the order in which they apply, before assisting families who do not fall into a preference category.
- o Rank the preferences based on local conditions: Using this method, an IHA uses the preferences in order of importance. The IHA assists all families in the top-ranked preference category, then the next-ranked category, and so on, before assisting any family not in a preference category. (For example, all families who are displaced might be assisted first, the families in substandard housing second and, finally, the families who are rent-burdened.)

Current in still preferences. For	o Aggregate the preferences: This ensures that families are offered units based upon the number of federal preferences for which they qualify.	Preferences for Residents Families currently living assisted housing can qualify for
IHA Exhibit 2-1 illustrates these of three methods of administering for the federal preferences. preference person.		example, a resident of housing who is a victim domestic abuse may apply housing and receive as a displaced

## 2.13 ASSIGNING ACCESSIBLE UNITS

When a unit with accessibility features becomes available, preference should be given to an eligible family that needs the specific features of that unit. (For example: If a wheelchair accessible unit became available, a person who uses a wheelchair would have preference, while a person with a visual impairment would not.)

Ranking Applications: Accessible units should be assigned according to the following priorities, in order:

- (1) current tenants who need accessible features,
- (2) qualified wait-listed applicants with federal preferences who need accessible features,
- (3) qualified wait-listed applicants without federal preferences who need accessible features, and

- (4) qualified wait-listed applicants with federal preferences who do not need accessible features.

Lease Addendum for Non-Preference Residents. If a person who does not require the accessible features is assigned the accessible unit, he or she must sign a lease addendum agreeing to move to another unit of comparable size if a new tenant needs the accessible unit.

#### 2.14 PREFERENCE OVER SINGLE PERSONS [24 CFR 950.303]

A one- or two-person elderly, disabled or displaced family applying for housing must be given preference over an applicant who is a single person not qualifying as elderly, disabled or displaced. This requirement applies regardless of an applicant's federal or local preference status.

#### 2.15 LOCAL PREFERENCES

How the IHA Uses Local Preferences: Local preferences are established by the IHA based on local circumstances. An IHA is not required to establish local preferences if it does not choose to do so. An IHA can use local preferences to carry out specific targeting goals in two ways.

- o First, local preferences may be used to determine the order in which eligible, non-federal preference holders are selected. However, it is important to remember that no more than 30 percent of the households selected for assistance can be applicants who qualify for a local preference but not for a federal preference.
- o Second, local preferences can be combined with the federal preferences to enable the IHA to first assist those federal preference holders who also have a local preference. (Note: When local preferences are used just to rank federal preference holders, they do not count toward the 30 percent limit.)

Local Residency Preferences: The IHA may not have a residency requirement, but may include a residency preference in its local preferences. In this case:

- o the residency preference cannot be based upon how long the applicant has resided in the jurisdiction, and
- o applicants who are working in the jurisdiction or who have been notified that they are hired to work in the jurisdiction must be treated as residents.

Other Local Preferences: IHAs may establish other preferences that are not discriminatory in intent or effect. Examples are local preferences for:

- o families in specified income ranges, to assist the IHA in achieving a broad range of incomes;

- o families that lack adequate housing and whose children eventually may be proposed for placement in foster care as a result;
- o families whose children that are currently in foster care can return to the family when adequate housing is available; or
- o special needs populations, such as veterans, battered spouses, persons with AIDS, senior citizens or those with disabilities.

Including Local Preferences in the A&O Policy: Local preference categories must be specified in the IHA's A&O Policy. Exhibit 2-2 demonstrates the use of local preferences in conjunction with federal preferences and how the application of preferences affects the order in which assistance is provided.

#### 2.16 TRIBAL MEMBER ADMISSIONS PREFERENCE

Implementing the Preference: Eligible IHAs (as defined below) may, subject to tribal law, ordinance, resolution or constitutional amendment, implement a system of tribal member admissions preference for admission to indian housing. This system allows the IHA to give preference to tribal-member Indians over other Indians and to Indians over non-Indians.

Eligible IHAs: Only IHAs subject to the Indian Civil Rights Act are eligible to implement the tribal member admissions preference.

All IHAs established by tribal ordinance are eligible to implement the tribal member admissions preference in admission to Indian housing.

IHAs established under state law are required to seek approval from the Office of Native American Programs (ONAP) for implementing the tribal member admissions preference. ONAP will determine eligibility on a case-by-case basis. (ONAP has determined that IHAs created under Oklahoma state law are subject to the Indian Civil Rights Act and, therefore, are eligible IHAs for the purpose of implementing the preference in housing.)

#### 2.17 PREFERENCE POLICY FOR APPLICANTS EVICTED FOR DRUG ACTIVITY [24 CFR 950.303]

IHAs may not give a preference to an applicant if any member of the family is a person who was evicted during the past three years because of drug-related criminal activity, unless:

Indian Housing Management Guidebook      2-14      August 1996

- o the evicted person has successfully completed an IHA-approved rehabilitation program,
- o the IHA determines that the evicted person clearly did not participate in or know about the drug-related criminal

activity, or

- o the IHA determines that the evicted person no longer participates in any drug-related criminal activity.

## 2.18 SCREENING APPLICATIONS [24 CFR 950.303]

An IHA's effectiveness in screening applications can be one of its most important tools in maintaining well-run housing. IHA screening policies should be described in the A&O Policy.

Acceptable Screening Criteria: IHAs may use any of the following methods for determining the suitability of applicants. The screening process must be employed fairly and consistently for all applicants.

- o Minimum age: IHAs may set a minimum age for admission to avoid entering into leases which would not be valid or enforceable under applicable law.
- o Rent payment history:  
IHAs may require that Lack of Credit History applicants demonstrate good rent-paying habits. The The IHA can deny admission to IHA's A&O Policy should any applicant who owes the IHA define its standard, for or has a poor credit record.  
example, by requiring However, the IHA cannot deny applicants to have no more admission to an applicant for than two delinquent payments lack of a credit history. in any given year. IHAs may use landlord references and credit reports to determine rent payment history.
- o Housekeeping habits: IHAs may require applicants to demonstrate the ability and willingness to maintain a property in good condition as evidenced by positive landlord references, a home visit or no history of property damage.
- o Behavior: IHAs may require applicants to demonstrate an ability and willingness to respect the rights of neighbors to have a safe, quiet and secure living environment. Landlord and third-party references and home visits may provide information about the applicant's behavior. IHAs may deny admission if there is evidence that the applicant's use of drugs or alcohol would adversely affect the development's environment.

- o Criminal record: IHAs may reject applicants with a recent history of criminal activity, especially violent or drug-related crimes. Landlord references and police records may be used to determine whether the applicant has a history of

criminal activity. IHAs may consider an applicant's arrest record, but should be careful about making a determination based solely on an arrest record if no convictions followed.

Mitigating Circumstances: An IHA that receives unfavorable information about an applicant should consider the possibility of more favorable future conduct. If the applicant shows evidence of rehabilitation or has taken steps to correct a problem, the IHA may consider admitting the family.

Unacceptable Screening Criteria: may only consider information that is reasonably related to the applicant's ability to meet the lease obligations. IHAs may not:

- o violate provisions of the Indian Civil Rights Act or other applicable civil rights laws;
- o reject an applicant based upon the absence of a rental or credit history;
- o require physical examinations or medical testing;
- o inquire if a member of the applicant household has a disability, or about the nature or severity of that handicap, except for the purpose of determining if the household may be eligible for income adjustments or an adapted unit;
- o exclude applicants solely because they have children, have children born out-of-wedlock, are on welfare or are students;
- o reject applicants solely based on an association between the applicant and a person who will not reside in the unit.

Screening Costs: IHAs may not charge the applicant for the cost of screening activities. No fee may be charged for processing the application or verifying information.

#### Screening Must Be Consistent!

Screening is an important tool that helps the IHA avoid problems and use housing resources wisely. BUT, screening procedures must be used fairly and consistently. The same criteria should be applied to IHAs all prospective applicants, unless the A&O Policy explains how exceptions will be made.

#### 2.19 NOTIFICATION TO REJECTED APPLICANTS

Applicants must be notified as soon as possible if they are rejected. The IHA must send a letter stating the reasons for the rejection and specifying the actions the applicant can take to correct or appeal the decision.

#### 2.20 ASSIGNING UNITS TO ACCEPTED APPLICANTS

Unit Assignment Policy: The IHA's A&O Policy should address two





before assisting any family not in a preference category. If in the example below, the IHA determined that assisting displaced families was its first priority, the families would be assisted in the order shown.

Name (Preference) Assistance	Date of Application	Order of
Lonetree (Displaced)	January 1, 1995	1
Blackeagle (None)	February 1, 1995	4
Walksalong (Substandard)	March 1, 1995	3
Green (Displaced and Paying >50%)	April 1, 1995	2

Each federal preference may be subdivided as part of the ranking process. For instance, homeless families may be given a preference over other families in the substandard housing category.

However, subsets of individual preferences may not be split and ranked among other preferences. For example, a preference for displaced persons could not be inserted in the ranking order between two subsets of substandard housing.

- . Aggregate the preferences, so that families receive assistance based upon the number of federal preferences for which they qualify. In the example below, families with two preferences would receive assistance before a household that qualifies for only one of the preferences and a household with no federal preferences.

Name (Preference) Assistance	Date of Application	Order of
Lonetree (Displaced)	January 1, 1995	2
Blackeagle (None)	February 1, 1995	4
Walksalong (Substandard)	March 1, 1995	3
Green (Displaced and Paying >50%)	April 1, 1995	1

Indian Housing Management Guidebook 2-18 August  
1996

#### Exhibit 2-2

#### Examples of the Effect of Federal and Local Preferences

NAME (Listed in order of application)	PREFERENCE STATUS		SELECTION ORDER (See notes below)				
	Federal	Local	A	B	C	D	E
Stands	Paying >50 percent	Yes	1	6	4	1	1
Green	Displaced Substandard	No	2	1	3	6	7
Bisbee	Substandard	Yes	3	5	5	2	2
Fox	Paying >50 percent	Yes	4	7	6	3	3
Garcia	No Preference	Yes	8	8	8	8	4
Standing Rock	Displaced	Yes	5	2	7	4	5

Ariwide	Paying >50 percent	No	6	3	1	7	8
	Displaced Substandard						
Fairbanks	No Preference	No	9	9	9	9	9
Strong	Displaced Substandard	Yes	7	4	2	5	6
	Paying >50 percent						

#### Explanation of Selection Order

- A- Treating Preferences Equally. in Example A, the IHA has decided to treat all preferences equally (and not to apply the local preferences). All federal preference holders are taken in order of application, before any non-federal preference holders are selected.
- B- Ranking Preferences. In Example B, the IHA has decided to rank the preferences in the following order (and not to apply the local preferences): (1) displaced, (2) substandard, (3) paying more than 50 percent. Applicants are taken from the list in rank order.
- C- Aggregating Preferences. In Example C, the IHA has decided to aggregate preferences (and not to apply the local preference). Thus, families with three preferences are selected, then two, then one, then none.
- D- Local Preferences Rank Federal Preferences. In Example D, the IHA has decided to treat all federal preferences equally and to use a local preference to further rank the list. Thus, all federal preference holders with a local preference are selected, then all federal preference holders without a local preference and finally, all non-federal preference holders.
- E- Using 30 Percent Local Preference Authority. In Example E, the IHA has decided to use a local preference to select from the list. The IHA can do this only if at least 50 percent of those selected also have a federal preference. Only Garcia counts against the IHA's local preference authority, because all of the other local preference holders also have a federal preference.