

Public Housing Agencies; Indian  
Housing Authorities; Section 8  
Public Housing Agencies and Indian  
Housing Authorities; Resident  
Management Corporations (RMCs);  
Secretary's Representatives;  
State/Area Coordinators; Directors,  
Public Housing and Offices of  
Administrators of Native American  
Programs

NOTICE PIH 96-12 (HA)  
Issued: March 21, 1996  
Expires: September 30, 1996

Subject: Managing the Minimum Rent Requirements

**1. PURPOSE**

As the Department advised in a Notice to Housing Authorities (HAs) on February 13, 1996, section 402(a) of the Balanced Budget Downpayment Act, the Department requires assisted families under the public and Indian housing, certificate, voucher, and moderate rehabilitation programs to pay a minimum monthly rent of not less than \$25. The law further provides HAs with the discretion to increase the monthly "minimum rent" to up to \$50.

**2. BACKGROUND**

The Department has been informed that this requirement may impose severe hardships for some assisted families that have adjusted monthly incomes so low that their rental obligation is below the "minimum rent" charged. These families may be unable to pay the "minimum rent," which in turn may expose them to eviction for nonpayment.

**3. ACTION**

The Department strongly urges HAs to take action to ensure that families with severe hardships are not evicted specifically as a result of their inability to pay the new minimum rents.

The Department is aware that to suggest that families will not be evicted for this reason could have the unintended effect of discouraging tenants from making any effort to comply with the new minimum rents. It is certainly expected that families who have income and can pay will do so and that PHAs will see to that.

Actions that may be taken by HAs in lieu of eviction could include:

-- establishing a process to determine if the hardship is severe (e.g., where families are awaiting eligibility determinations for Federal, State, and local assistance programs), and conducting an income verification to determine the seriousness of the family's financial situation;

-- exercising discretion to refrain from evicting affected families, and using alternative means of assistance, such as rescheduling rental payments.

-- counseling affected families on the availability of assistance, if any, to help with their rental payments (e.g., Federal and State homeless and welfare assistance that may be used to prevent eviction), and referring the families to the appropriate local service agencies or homeless assistance programs for rental assistance;

-- in areas where there are no such agencies, supporting the establishment of local relief funds to serve this need; and

-- using the operating reserve derived from administrative fees under section 8(q) of the United States Housing Act of 1937 for the purpose of paying all or part of the minimum rent required (this is an eligible use of reserve funds).

/s/ Kevin Emanuel Marchman  
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Secretary for Distressed and Troubled  
Housing Recovery

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