



**U.S. Department of Housing and Urban Development
Public and Indian Housing**

Special Attention of:
Directors of HUD Regional and Field
Offices of Public Housing;
Agencies that Administer the
Housing Choice Voucher Program.

Notice PIH 2008-13 (HA)

Issued: March 10, 2008

Expires: March 31, 2009

Cross References: 24 CFR 982.505(d)
CFR 982.503(c)(2)(ii)

Subject: Requests for Exception Payment Standards for Persons with Disabilities as a Reasonable Accommodation

1. Purpose. The purpose of this notice is to facilitate the process for review and approval of special payment standards under the Housing Choice Voucher program as a reasonable accommodation for a family with a person with disabilities. It clarifies the calculation of the payment standard and the type of supporting documentation that should be included in the waiver request.

2. Background. As stated in Notice PIH 2005-5 (recently extended indefinitely by PIH Letter L-2007-1), one of the purposes of an exception payment standard is to ensure that a family with a person with disabilities can rent a unit that meets the disabled person's needs.

On a case-by-case basis, as a reasonable accommodation, a PHA may approve a payment standard up to 110 percent of the fair market rent (FMR) if its payment standards are set below 110 percent of the FMR in accordance with 24 CFR Section 982.505(d). Such higher payment standards must be requested by the family and subsequently approved, as necessary, by the PHA **after** a family with a disabled person or an individual person with disabilities locates a unit.

The HUD Field Office Public Housing Director can approve exception payment standards above 110 percent to 120 percent of the FMR as a reasonable accommodation in accordance with 24 CFR Section 982.503(c)(2)(ii). Headquarters must waive 24 CFR Section 982.505(d) to allow the PHA to approve any exception payment standards higher than 120 percent of the FMR as a reasonable accommodation.

3. Calculation Process. Since the family's rent share is capped at 40 percent of monthly adjusted income at initial occupancy when the gross rent exceeds the payment standard, the difference between 40 percent of monthly adjusted income and 30 percent of monthly adjusted income (i.e. 10% of monthly adjusted income) is subtracted from the gross rent (contract rent plus utility allowance) to determine the adjusted gross rent. Please note that the 40 percent cap will also be applied to families that need an exception payment standard to remain in their assisted units.

The adjusted gross rent is divided by the FMR for the unit size to determine its percentage of the FMR. If the adjusted gross rent is no more than 110 percent of the FMR, the PHA can review and approve

the request. If the adjusted gross rent is not more than 120 percent of the FMR, the review and approval may be done by the Field Office. If the adjusted gross rent is above 120 percent of the FMR, the request must be submitted to Headquarters. In all cases the approved exception payment standard should equal the adjusted gross rent. An example of the calculation process is attached.

4. Documentation for Exception Payment Standard Requests. To facilitate the review for a payment standard as a reasonable accommodation, the PHA should include the following documentation in its request:

- A.** A statement from a health care provider regarding the need for the reasonable accommodation and the features of the unit (which may include its location) which meet that person's needs.
- B.** The contract rent and utility allowance for the unit.
- C.** A statement from the PHA that it has determined the rent for the unit is reasonable, and that the unit has the feature/s required to meet the needs of the person with disabilities as noted in the statement from the health care provider.
- D.** The household's monthly adjusted income.
- E.** The FMR for the unit size for which the family is eligible.
- F.** Proposed effective date of the new lease or actual effective date of the lease renewal.

5. Application of Approved Exception Payment Standard. Exception payment standards may remain in effect until or unless a higher exception payment standard is warranted, requested, and subsequently approved.

6. Headquarters Review. For those requests submitted to Headquarters for review and approval, the Department will ensure that they will be handled as expeditiously as possible. To expedite the process, Field Offices should either email scanned requests to Phyllis.A.Smelkinson@hud.gov or fax them to Ms. Smelkinson at 202-401-7974. For any faxed requests, please notify Ms. Smelkinson by email when the request has been faxed. Hard copies should be transmitted by regular or express mail to the Assistant Secretary for Public and Indian Housing.

7. Information Contact. Inquiries about this notice should also be directed to Ms. Smelkinson, Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 402-4138.

8. Paperwork Reduction Act. The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C 3520). 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. The following active information collections contained in this Notice have been approved under the Paperwork Reduction Act (PRA) - OMB Control Number 2577-0169.

/s/

Paula O. Blunt, Deputy Assistant Secretary
for Public and Indian Housing

Attachment

EXAMPLE CALCULATION PROCESS

Fair Market Rent for Unit Size	\$1,041
Family's monthly adjusted income:	823
30% of adjusted gross income:	247
40% of adjusted gross income	329
Difference between 30% and 40%:	82
Contract Rent	1,505
Utility Allowance	40
Gross Rent	1,545
Adjusted Gross Rent (1,545 – 82)	1,463
Percentage of FMR (1,463/1,041)	141%