



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

Special Attention:

NOTICE PIH 2007-6 (HA)

Housing Choice Voucher Program
Administrators; Public Housing Field Office
Directors; Section 8 Financial Management Center

Issued: March 7, 2007
Expires: March 31, 2008

Cross References: None

Subject: Process for Public Housing Agency Voluntary Transfers of Housing Choice Vouchers, Project-Based Vouchers and Project-Based Certificates

1. **Applicability.** This Notice applies to public housing agencies (PHAs) that administer the Housing Choice Voucher (HCV), Project-Based Vouchers (PBV) and/or Project-Based Certificates (PBC) programs. Five-year mainstream vouchers and Section 8 Moderate Rehabilitation units will be addressed under a separate notice.
2. **Purpose.** The purpose of this Notice is to clarify the circumstances under which HUD will consider a **voluntary** transfer of budget authority and corresponding baseline units for the HCV program (including PBVs and PBCs) from the divesting PHA's Consolidated Annual Contributions Contract (CACC) to the receiving PHA/s' CACC. It also explains the process and procedures associated with such a transfer. Sections 3 through 12 address the HCV program. Special provisions for transfers of PBVs and PBCs are addressed in separate sections of this notice.
3. **Eligibility.** All transfers must be total permanent divestitures of one PHA's HCV program to one or more receiving PHAs. **The Department will not approve voluntary partial transfers unless there is a substantiated compelling reason.** The transfer must be between PHAs within the same metropolitan area, within the same non-metropolitan county, or within the same state where HCV program administration is voluntarily shifted from a city or county PHA to its state PHA or from a state PHA to one or more of its county or city PHAs.
4. **Application Process for Transfers.** At least 90 days before the requested effective date of the transfer both the divesting and receiving PHAs must submit letters to their respective Field Offices indicating agreement upon the part of the PHAs of the transfer and the date upon which PHAs would like the transfer to occur. All transfers must have an effective date on the first of the month. **No transfer may have an effective date on the first of October and no transfers may be retroactive.** The letters must be signed by their respective Executive Directors with an accompanying board resolution. If the PHA is a unit of local government, the appropriate authorized official must sign the letter.

5. **Renewal Funding Amounts for Units Transferred.** For subsequent calendar years, the receiving PHA/s will be funded at the eligibility rate for HAP and administrative fees of the divesting PHA unless otherwise specified by the applicable Appropriations Act.
6. **Recommendation to Headquarters.** No later than 30 days after the receipt of the documents referenced in section 4 of this notice, the Field Office will complete its review of the transfer documents. If the Field Office determines that the request is acceptable, the Public Housing Director will prepare a memorandum to Headquarters Financial Management Division Director with the following information: (1) name and code of the divesting and receiving PHAs; (2) the requested effective date of the transfer; and (3) the number of HCVs that will be divested to each receiving PHA. The Field Office will consider a number of factors in determining whether to recommend approval of the transfer to the receiving PHA/s including: (1) the receiving PHA's most recent Section Eight Management Assessment Program (SEMAP) performance designation; (2) under utilization based on the receiving PHA's SEMAP leasing indicator regardless of performance; and (3) outstanding debts to HUD and the status of the receiving PHA's repayment. No transfers may be permitted to a receiving PHA with a troubled SEMAP performance designation.
7. **Approval Notification.** Once Headquarters has approved the transfer, the Public Housing Field Office and Financial Management Center (FMC) Directors will be notified. The Public Housing Field Office Director will notify the respective PHAs of the approved transfer of HCV budget authority and units. The FMC will prepare and transmit the requisite amendments to the CACC of all affected PHAs.
8. **Owner and Tenant Notification.** No later than 30 days after approval notification, the receiving PHA must notify owners and participants of the transfer.
9. **Housing Assistance Payments (HAP) Contracts.** No later than the at the time of the family's next annual recertification, new HAP contracts will be issued to the existing owners reflecting the name of the receiving PHA. No other changes to the HAP contracts will be required.
10. **Receiving PHA Management Responsibilities.** At the time of the family's next annual recertification, the receiving PHA may apply its occupancy and subsidy standards and any other applicable administrative policies. However, if the payment standards of the receiving PHA are lower than those of the divesting PHA, the receiving PHA must maintain the higher payment standard for the family until its second annual reexamination in accordance with 982.505(c). In addition, the receiving PHA must honor all reasonable accommodation waivers and exceptions.
11. **Public Housing Information Center (PIC) Data.** Headquarters will complete the transfer of all Family Reports (form HUD-50058) in PIC so that all affected families will be recorded under the receiving PHA's code with the last action code (field 2a on the Family Report) entered by the divesting PHA.
12. **Voucher Management System (VMS) Data Entry.** Starting with the effective date of the transfer, the receiving PHA will begin including the transferred units for the applicable month in its next VMS submission. Conversely, the divesting PHA will stop including any divested units starting with the effective month of the transfer.

13. PBV and PBC Units. All provisions in sections 1 through 12 will apply. However, PBV and PBC HAP contracts must be executed as soon as possible between the receiving PHA and the owner with the expiration date and all terms and conditions unchanged. The Field Office will consider whether the receiving PHA has the capacity to manage assistance under the PBV and PBC programs.

14. Information Contact. Inquiries about this Notice should be directed to your Field Office Public Housing Director or Financial Management Center representative.

The information collection requirements contained in this document have been submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1955 (44 U.S.C. 3501-3520) and assigned OMB control number 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.

/s/

Orlando J. Cabrera, Assistant Secretary
for Public and Indian Housing