



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

Special Attention of:
Public Housing Agencies administering
the Family Unification Program;
Directors of HUD Regional and Field
Offices of Public Housing

Notice PIH 2011-52(HA)

Issued: September 20, 2011

Expires: Effective until amended,
Superseded, or rescinded

Cross References:
PIH Notice 2010-25(HA)

Subject: Reporting, Turnover, and Other Requirements for the Family Unification Program.

1. Purpose. The purpose of this notice is to establish reporting, turnover, and other requirements for the Family Unification Program (FUP). This Notice has no application to HUD's Veterans Affairs Supportive Housing (HUD-VASH) voucher program or the Non-Elderly Disabled (NED) voucher program. Guidance for these programs will be provided under a separate Notice.

2. Background. FUP is a program under which housing vouchers are provided to families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care, or in a delay in the discharge of the child or children to the family from out-of-home care. FUP vouchers may also be used for youths at least 18 years old and not more than 21 years old who left foster care at age 16 or older and who lack adequate housing. PHAs administer FUP in partnership with Public Child Welfare Agencies (PCWAs) who are responsible for referring FUP families and youths to the PHA for determination of eligibility for rental assistance.

3. Applicability. This notice is applicable to all PHAs administering FUP vouchers.

4. Effective Date. This notice is effective upon publication.

5. Reporting Requirements.

a) Family Report (Forms HUD-50058 and HUD-50058 MTW).

1) FUP Program Codes.

Currently, PHAs must enter code FUP in line 2n of the Family Report (HUD-50058) or line 2p of the MTW Family Report (HUD-50058 MTW), as applicable, to indicate whether the family/youth is a participant in the FUP program.

PHAs are still required to maintain a special program code for FUP participants in line 2n of the Family Report or line 2p of the MTW Family Report, as applicable; however, two program codes (FUPF and FUPY) have now been established and must be used in lieu of the current FUP code:

- (i) **FUPF**: use if the FUP participant is a FUP-eligible family
- (ii) **FUPY**: use if the FUP participant is a FUP-eligible youth

These codes must remain on the Family Report for the duration of the FUP family or youth's participation in the program. PHAs may implement the FUP program codes described above at the next interim reexamination for the family or youth, but no later than the next annual reexamination.

2) Voucher Issuance. PHAs must track issuance of FUP vouchers through the Public and Indian Housing Information Center (PIC) by entering action code 10 in line 2a of the Family Report or the MTW Family Report, as applicable, to ensure proper monitoring and tracking of FUP.

3) Portability. It is the initial PHA's responsibility to ensure that line 2n of the Family Report or line 2p of the MTW Family Report, as applicable, is properly coded FUPF or FUPY before it is sent to the receiving PHA. It is then the receiving PHA's responsibility to maintain the FUP program codes in line 2n of the Family Report or line 2p of the MTW Family Report, regardless of whether it absorbs the family or bills the initial PHA.

If the receiving PHA will bill the initial PHA for the portable FUP family or youth, the initial PHA must ensure that the FUP program codes are properly maintained on the appropriate line of the family or youth's family report. The initial PHA may contact its local HUD office for assistance if the FUP program codes are not properly maintained by the receiving PHA.

b) Voucher Management System (VMS) Reporting.

1) VMS FUP Fields. Currently, there are two VMS fields that PHAs must use when reporting their FUP vouchers and corresponding HAP expenses into VMS. These two fields are titled "Family Unification" and "2008 & 2009 Family Unification."

HUD is concerned that there may be confusion regarding the use of these fields and, as a result, FUP vouchers may be misreported in VMS. To simplify FUP voucher reporting in VMS, HUD will implement a single FUP field for PHAs to use for VMS reporting. Once this VMS change is implemented, PHAs will be required to report all their FUP vouchers leased for the applicable month in the single VMS field. In addition, a single FUP VMS field will also be used by PHAs when reporting the corresponding

HAP expenses.

Until this change is operational, PHAs must continue to report on the current two VMS fields according to the specifications in Appendix A of the VMS Users Manual and this Notice. Specifically, the “Family Unification” line should be used to report FUP vouchers awarded to the PHA under 2001 and prior appropriations. The “2008 & 2009 Family Unification” line should only be used to report FUP vouchers awarded to the PHA under the 2008, 2009, or subsequent appropriations.

A voucher is reported in these fields as long as it is in use by an eligible participant and only if the PHA has received an award under a Notice of Funding Availability (NOFA) for FUP vouchers.

2) Reporting of Vouchers That Have Lost Their FUP Identity. PHAs must report those vouchers that were initially allocated as FUP vouchers but subsequently lost their FUP identity (FUP vouchers that have been leased to a non-FUP family as specified in Section 8.a of this Notice) in the “All Other Vouchers” VMS field.

6. Leasing. PHAs are expected to have leased all FUP vouchers within the 12 month period following the effective date of the FUP award. In the 2010 FUP NOFA, HUD introduced submission of a leasing schedule where PHAs must detail how many vouchers the PHA would have under lease for each month following the award. PHAs are expected to follow the HUD-approved leasing schedule. HUD may recapture vouchers that have not come under lease in accordance with the HUD-approved leasing schedule.

7. Maintaining the FUP Award Level. PHAs are required to always serve the number of FUP families or youths for which they were awarded FUP funding unless certain specific exceptions, described below, apply. For example, if a PHA was awarded a total of 50 FUP vouchers, it must continue to serve 50 FUP families or youths at all times unless (1) it is no longer practicable for FUP vouchers to turn over to FUP families or youths as specified in Section 8.a below, (2) the PHA’s baseline has been readjusted under Section 9 below, or (3) the PHA has been instructed to do otherwise by HUD. FUP vouchers that are no longer in use by a FUP-eligible family or youth in accordance with these exceptions are not considered part of the PHA’s FUP award level.

8. Voucher Turnover. The Consolidated Appropriations Act, 2008 (Public Law 110-161) provides that amounts made available under the Act or previous Appropriations Acts for tenant-based assistance under the Family Unification Program shall, *to the extent practicable*, remain available for FUP-eligible families or youths upon turnover. In 2009 and subsequent appropriations, this standard changed. The Consolidated Appropriations Act, 2009 (Public Law 111-8) and subsequent Appropriations provide that assistance made available under the Act shall continue to remain available for family unification upon turnover (regardless of practicability).

a) Turnover of FUP Vouchers Awarded Under FY2008 and Previous Appropriations. PHAs that have been awarded FUP vouchers under FY2008 and

previous Appropriations must, *to the extent practicable*, reissue FUP vouchers to FUP-eligible families or youths. FUP vouchers that were awarded under FY2001 and previous FUP NOFAs were under a time-limited turnover requirement. Under those NOFAs, FUP vouchers only had to be reissued to the same population for a specific period of time from the initial date of execution of the Annual Contributions Contract (ACC). Given this time-limited turnover requirement, a significant number of FUP vouchers were issued to regular Housing Choice Voucher (HCV) participants upon expiration of the turnover time limit prior to the FY 2008 Appropriations Act requirement. Since these vouchers are not currently serving a FUP-eligible family or youth, the vouchers have already lost their FUP identity. Therefore, there is no turnover requirement associated with these vouchers and Section 8.a.2 of this Notice does not apply.

However, FUP vouchers awarded under FY 2008 and previous FUP NOFAs that are still in use by a FUP-eligible family or youth (i.e. have not lost their FUP identity) are subject to the turnover requirements of the Appropriations Act. HUD will determine which FUP vouchers are still in use by FUP-eligible families or youths based on the number of vouchers leased reported by the PHA in the “Family Unification” VMS field based on the most currently available VMS data as of the date of publication of this notice. HUD will notify impacted PHAs of the total number of FUP vouchers that are being reported by the PHA in the “Family Unification” field in VMS. In cases where a PHA has not correctly reported FUP vouchers in VMS, HUD will use PIC data to set the PHA’s baseline. PHAs will have an opportunity to review the data and submit a request for revisions, if needed, by the deadline date specified by HUD in its notification letter.

If the voucher is still in use by a FUP-eligible family or youth, to the “extent practicable” means that the PHAs must turn the voucher over to a FUP-eligible family or youth unless the PHA no longer has a valid Memorandum of Understanding (MOU) or an existing relationship with the PCWA, or if efforts to identify potentially eligible FUP families or youths have yielded no eligible applicants (see Sections 8.a.1, and 8.a.2 below). FUP vouchers may turn over to regular HCV participants if it is no longer practicable for the FUP voucher to turn over to a FUP-eligible family or youth based on the provisions of this Notice. See Section 5.b.2 on VMS reporting of vouchers that have lost their FUP identity. If a PHA turns over any FUP vouchers to regular HCV families under section 8.a.1 and/or section 8.a.2 of this notice, the PHA must notify its local HUD office at the end of the calendar year that its FUP baseline has changed and the number by which it has changed. If HUD determines that the PHA has not met the practicability requirements set forth in this notice, the PHA must re-establish the affected FUP vouchers by turning over regular HCVs to FUP-eligible families or youths. PHAs that applied under the FY2008 FUP NOFA but were funded under FY2009 Appropriations are subject to the turnover requirement of the FY2009 Appropriations Act (see Section 8.b of this Notice).

1) PHA No Longer has a Valid MOU or an Existing Relationship With the PCWA. There are cases where some PHAs were awarded FUP vouchers under the FY2001 Appropriations Act or prior but have not received any subsequent awards of FUP vouchers. These PHAs may still have some active FUP vouchers (i.e. FUP vouchers that are still in use by a FUP-eligible family or youth) but no valid MOU or

existing relationship with the PCWA. In such cases, the PHA may determine that it is no longer practicable to turn over these vouchers to another FUP-eligible family or youth. If the PHA makes such a determination, there is no turnover requirement associated with these vouchers and Section 8.a.2 of this Notice does not apply.

2) PHAs' Efforts to Identify Potentially Eligible FUP Families or Youths. If a PHA has a valid MOU or an existing relationship with a PCWA, as described in Section 8.a.1 of this notice, PHAs must engage in the activities listed below for a period of no fewer than 60 days before they may determine that it is no longer practicable to issue a FUP voucher to a FUP-eligible family or youth. The list below does not represent an exhaustive list and PHAs may also engage in other activities that they deem necessary to identify potentially eligible FUP families or youths.

(i) Collaborate with the PCWA to increase the number of referrals of FUP-eligible families and youth. The PHA must show that it has reached out and offered support to the PCWA in the referral process but that despite these efforts there has been no increase significant enough in the number of referrals to allow turnover of these vouchers to the same population; and

(ii) Outreach to homeless service providers, youth shelters, and other service providers or organizations, including PCWA providers and faith-based organizations that may help identify families or youths that are potentially eligible for the program.

PHAs must maintain documentation, which may be requested by HUD, demonstrating the activities the PHA has engaged in to increase the number of potentially eligible FUP applicants. Such documentation must show that the PHA has carried out the activities described in 8.a.2.i and 8.a.2.ii above.

b) Turnover of FUP Vouchers Awarded Under FY2009 and Subsequent Appropriations. FUP vouchers awarded under FY2009 and subsequent Appropriations must always be reissued to a FUP-eligible family or youth upon turnover. The exceptions for FY 2008 and previous Appropriations are not applicable to these FUP vouchers.

9. FUP Voucher Baseline Adjustments in the Initial Funding Year.

a) FUP Voucher Baseline Adjustments in the Initial Funding Year. If a PHA determines, during the initial funding year, that the FUP funding allocation will not support the leasing of all FUP vouchers awarded, the PHA may either:

- (i) Use Net Restricted Assets (NRA) to fund the remaining FUP vouchers; or
- (ii) Request an adjustment of the PHA's FUP baseline under the ACC so that it coincides with the number of FUP vouchers the PHA will be able to lease.

Readjustment of the PHA's FUP baseline will not result in an adjustment of funding as it is only an adjustment to reflect the amount of FUP vouchers the PHA has been able to lease with the funding awarded. PHAs may only request readjustment of their FUP

baseline due to insufficient funding during the initial funding year. Readjustment of a PHA's baseline under this Section results in a permanent reduction to the PHA's FUP baseline (and the PHA's overall voucher baseline). In order to request a readjustment of the FUP baseline, the PHA must submit a written request to HUD that specifies the reasons for the request. See Section 9.b below.

b) Submission of Request. Requests under Section 9.a above must be submitted at least 30 days prior to the expiration date of the FUP funding increment and must be submitted in writing to HUD's Financial Management Division, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 4222, Washington, DC 20410. The request must include the PHA code and an explanation of the reasons for the request. The request will be subject to HUD verification and approval. If the request is granted, then the approval letter will provide instructions on additional steps, if any, the PHA must take.

10. Funding Shortfalls After the Initial Funding Year. PHAs that experience renewal funding shortfalls in a given calendar year generally stop issuing vouchers and some may recall vouchers from families that are searching for units. If the PHA is not assisting the required number of special purpose vouchers (FUP families/youths, NED families and HUD-VASH families), it must issue vouchers first to FUP, NED, and HUD-VASH families on its waiting list when it resumes issuing vouchers until the PHA is assisting its required number of special purpose vouchers. The PHA must establish policies in its administrative plan regarding selection among families qualifying for SPVs once the PHA resumes issuing vouchers after a funding shortfall. Should the PHA have to terminate families from its HCV program due to a funding shortfall, FUP, NED and HUD-VASH families that comprise the required number must be last to be terminated.

11. PCWA Referrals. PHAs and PCWAs are strongly encouraged to collaboratively make decisions on the administration of the program and to maintain open and continuous communication. If a PHA determines that it has received a sufficient number of referrals from the PCWA so that the PHA will be able to lease all FUP vouchers awarded, the PHA may request that the PCWA suspend transmission of referrals. If the PHA determines that additional referrals will be needed after it has made such a request, the PHA may request that the PCWA resume transmission of referrals.

12. Contact Information. Inquiries about this Notice should be directed to Caroline Crouse (Caroline.P.Crouse@hud.gov) or Brianna Benner (Brianna.M.Benner@hud.gov), Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs.

13. 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 (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, 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 PRA OMB Control Number 2577-0259, 2577-0169, and 2577-0083.

However, a revision to the currently approved PRA OMB Control Number 2577-0259 information collection will be submitted to OMB for approval. HUD will not act upon any information collection requirements specified in this Notice which are not currently covered under the existing PRA OMB Control Number 2577-0259 until such time as OMB approves revisions to this information collection.

/s/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing