

# **OSKALOOSA MUNICIPAL HOUSING AGENCY**

## **Section 8 Administrative Plan**

**Adopted: June 1, 2000**

**Amended: 10/3/00 (Sec. VIII, paragraphs E & F)**

**Amended: February 2011**

## TABLE OF CONTENTS

	Page
INTRODUCTION .....	2
Historical Background .....	2
Housing Agency Origination .....	2
Program Management .....	2
Equal Housing Opportunity .....	3
Purpose of Plan .....	3
Program Outreach .....	4
I. NONDISCRIMINATION AND PRIVACY POLICY .....	6
II. PROGRAM ELIGIBILITY GUIDELINES .....	7
A. Eligibility Criteria .....	7
B. Preferences .....	8
C. Eligibility Related to Students .....	9
D. Ineligibility/Denial of Application .....	9
E. Ineligibility Because of Prior Eviction for Drug Related Activity .....	11
F. Eligibility Restrictions Regarding Non-citizens .....	11
G. Special Eligibility Provisions Relating to Applicants Requiring a Live-In Aide .....	15
H. Additional Eligibility Factors .....	15
III. APPLICATION FOR ADMISSION .....	17
A. Introduction .....	17
B. Waiting List Applications .....	17
C. Informal Review .....	20
IV. APPLICANT SELECTION .....	22
A. Order of Selection from the Waiting List .....	22
B. Special Admissions .....	22
V. INCOME, ASSETS, EXCLUSIONS, ALLOWANCES AND DISALLOWANCES .....	23
A. Income .....	23
B. Assets .....	25
C. Allowances .....	28
VI. COMPUTING TOTAL TENANT PAYMENT, TENANT RENT AND MAXIMUM SUBSIDY .....	38
A. Utility Allowance .....	38
B. Exceptions to Minimum Rents .....	39
C. Payment Standard .....	39
VII. ASSIGNMENT OF BEDROOM SIZE .....	41

VIII. ISSUANCE OF VOUCHERS AND BRIEFING OF FAMILIES.....	42
A. Selection from the Waiting List.....	42
B. Notification and Response .....	42
C. Briefings.....	42
D. Issuance of Voucher.....	44
E. Term of Voucher/Suspensions and Extensions.....	44
IX. UNIT SELECTION AND APPROVAL .....	46
A. Locating a Unit .....	46
B. Portability.....	46
C. Applicant Flexibility and Unit Size Selection .....	48
D. Eligible and Ineligible Housing Units.....	48
E. Information Provided to Prospective Landlords about Participants .....	49
F. Security Deposits .....	49
G. Approval of Property Owner .....	50
H. Approval of Owner’s Proposed Lease .....	51
I. Housing Quality Standards Inspections .....	51
J. Initial Contract Rents .....	55
X. HOUSING ASSISTANCE PAYMENTS CONTRACT .....	56
A. HAP Contract Execution.....	56
B. Payments to Owners .....	56
C. Contract Rent Adjustment – Voucher Program .....	57
D. Rent Abatement and Contract Terminations for HQS Violations .....	59
XI. ONGOING ACTIVITIES .....	61
A. Annual Reexaminations .....	61
B. Interim Reexaminations .....	62
C. Changes in Household Composition.....	64
D. Family Moves with Continued Assistance .....	64
E. Assistance for Families Under Lease.....	65
F. Family Break-Up .....	66
G. Family Absence from Unit.....	67
H. Repayment Agreements .....	67
XII. TERMINATION, CLAIMS AND COMPLAINTS AND APPEALS .....	70
A. Termination of Tenancy By Owner or Participant .....	70
B. Housing Assistance Termination .....	71
C. Contract Termination .....	76
D. Complaints and Appeals .....	77
E. Grievance Procedures .....	78
F. Procedure .....	79
XIII. ADDITIONAL ITEMS.....	84
A. Misrepresentation.....	84
B. Monitoring Program Performance .....	85

C.	Resident Advisory Board.....	85
D.	Governing Board.....	85
E.	Interpretation and Amendment .....	85
F.	Managing the On-Going Operation .....	86
XIV.	HOME OWNERSHIP PROGRAM.....	87
A.	Overview.....	87
B.	Family Eligibility Requirements.....	87
C.	Additional Family Participation Requirements .....	88
D.	Home Ownership Counseling Program .....	89
E.	Locating a Home.....	89
F.	Completion of Purchase.....	89
G.	Eligible Units .....	90
H.	Purchase or Sales Agreement.....	90
I.	Initial Inspection .....	91
J.	Financing Requirements .....	91
K.	Compliance with Family Obligations .....	91
L.	Amount of Assistance.....	92
M.	Payment to Lender .....	92
N.	Termination of Section 8 Home Ownership Assistance.....	92
O.	Continued Participation in Section 8 Housing Choice Voucher Program.....	94
XV.	VERIFICATION PROCEDURES.....	97
A.	Introduction.....	97
B.	Methods of Verification and Time Allowed.....	97
C.	Release of Information.....	103
D.	Items to be Verified .....	103
E.	Verification of Income.....	104
F.	Income from Assets .....	106
G.	Verification of Assets .....	107
H.	Verification of Allowable Deductions from Income .....	108
I.	Verifying Non-Financial Factors .....	110
J.	Verification of Citizenship/Eligible Immigrant Status .....	111
K.	Verification of Social Security Numbers.....	113
	APPENDICES (Glossary of Terms).....	114

## **INTRODUCTION**

### Historical Background

Chapter 403A of the Code of Iowa, also known as the Municipal Housing Law, authorizes municipalities to operate housing programs for occupancy by individuals and families meeting income limitations as defined by Chapter 403A.

Chapter 403A further provides that a municipality may exercise housing powers conferred by the Iowa Code through its governing body or by establishing a Municipal Housing Agency vested with all of the housing powers in the same manner as if the powers had been retained by the municipality. The City Council of Oskaloosa has exercised its authority to establish the Oskaloosa Municipal Housing Agency to administer the rent assistance programs for the City of Oskaloosa.

### Housing Agency

A five member Low-Rent Housing Agency was created by the Oskaloosa City Council by resolution on August 17, 1970. As the programs administered by the agency changed in complexity and the agency began to expand the programs offered to the citizens of Oskaloosa, staffing changes were necessary. Therefore, on July 16, 1979, the Low Rent Housing Agency and City Council entered into a formal agreement to place the operations of the agency under the supervision of the Community Development Director. On October 15, 1979 changes were made to the agency with Resolution 79-125. The first change was to re-name the agency from the Low-Rent Housing Agency to the Oskaloosa Municipal Housing Agency (OMHA). Secondly, the City Council clarified that the agency would be delegated all the powers, duties and responsibilities of operations as outlined in Section 403A.5 of the Code of Iowa.

The OMHA meets monthly and in special sessions as necessary. Copies of minutes of all meetings are furnished to the City Council.

### Program Management

The overall management of the municipal housing program is assigned to the city's housing department that operates housing programs on a day-to-day basis. The supervisor of the housing office serves as Executive Director to the OMHA.

All employees of the city's housing department are regular employees of the City of Oskaloosa and are subject to the administrative direction and policies of the City Manager and are governed by the City of Oskaloosa Personnel Manual and Public Professional and Maintenance Employees Union Local 2003 IPUAT AFL-CIO contracts, as they may apply.

All major purchase contracts are formally approved by the OMHA Board, and the Executive Director or Board Chairman is authorized to execute such documents on behalf of the city. Applications for financial or technical assistance or Annual Contributions Contracts are executed by the OMHA Chairman, and the authority to provide additional documentation and to submit reports and requests for funds is delegated to the Executive

Director. The Executive Director has been authorized to execute such documents relative to the Section 8 Housing Assistance Program. The Executive Director may delegate authority for execution of routine documents to the Housing Services staff.

Investments of surplus funds are under the management of the Executive Director, Chair and Vice-Chair. Such investments shall be made to comply with Iowa Code Chapter 12B.10 after consultation with appropriate department heads to ascertain cash flow requirements.

#### Equal Housing Opportunity

The OMHA will not discriminate on the basis of: race, color, creed, national or ethnic origin or ancestry, religion, sex, age, disability, military status, familial status, handicap, source of income, marital status or presence of children in a household. The OMHA shall implement its program and format its policy to fully comply with all Federal, State and local nondiscrimination laws and to conduct business in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

In the event an applicant or participant believes he or she has been discriminated against in seeking housing, the OMHA shall advise that person of his or her right to file a formal complaint under one or more of the above laws. HUD FORM-903 Housing Discrimination Complaint forms are available for the public in the OMHA offices located in City Hall. The OMHA shall assist that person in completing the HUD FORM-903 (Housing Discrimination Complaint), if desired, and forward it to the HUD Regional office in Kansas City.

#### Purpose of Administrative Plan

The purpose of this Administrative Plan is to:

1. Establish policies for issues not covered under Federal regulations for the Section 8 Voucher programs administered by the OMHA;
2. Establish fair and equitable policies for selecting applicants to participate in Section 8 Programs administered by the OMHA;
3. Provide fair, equitable and reasonable procedures to govern Section 8 Program participation in accordance with regulations of the U.S. Department of Housing and Urban Development (HUD);
4. Permit each applicant and participant the greatest opportunity for the exercise of individual rights.

The provisions of this Administrative Plan govern administration of the Section 8 Voucher program administered by the OMHA. This plan conforms to all current HUD regulations. The OMHA will comply with any subsequent changes in HUD regulations pertaining to program administration. If such changes conflict with the provisions of this policy, HUD regulations will have precedence. The OMHA administers the Section 8 rental assistance program within the city limits of Oskaloosa. The primary objective of the program is to provide decent, safe, sanitary and affordable rental housing for low income households.

### Program Outreach

Outreach to Families. In administering the rental assistance program, a waiting list is maintained. Agencies serving lower income families are requested to advise their clients of the availability of the assisted housing program. Attempts will be made to respond to all inquiries in the order received.

The minority population of the city of Oskaloosa represents approximately 4.7% of the total population; consequently, there has been limited local experience in administering a program for a racially varied population. Minorities and female heads of households who may not readily respond to the availability of the program will be subject to special efforts including personal contacts by staff and through representatives of other public and private agencies.

The Voucher holders are assisted in their search for housing units that meet their needs and the established criteria through referrals obtained from newspaper listings and from persons having units in the rental range authorized under the program. Brokers, landlords and property managers are continually encouraged to advise the OMHA of vacancies and anticipated vacancies.

The OMHA reserves the right to open or close the waiting list based on the supply of applicants.

The waiting list will be closed when there are not enough Section 8 subsidies to assist all the applicants in a reasonable period of time. When the OMHA determines that additional applicants are needed, the waiting list will be reopened. The OMHA will publicly advertise the closing and reopening of application intake periods and will clearly state in the public announcement the procedure used to determine the position of each applicant on the waiting list. To reach possible applicants from all backgrounds, the OMHA will advertise through a wide variety of sources including local newspapers, service agencies and broadcast media. An effort will also be made to notify agencies which specifically address the needs of individuals with handicaps. The OMHA will continuously monitor and evaluate outreach activities to ensure that the widest possible audience is reached.

### Outreach to Property Owners.

OMHA staff will be available to make presentations about the Section 8 program to agencies that may represent referral resources of applicants. Organizations of disabled and/or handicapped persons are specifically advised of the housing program. The OMHA maintains a list of interested property owners and units available for the program. As inquiries from prospective new property owners are received, staff records the necessary information about the units and make it available to prospective tenants upon request.

The OMHA will make a concerted effort to encourage local property owners with units specially designed or adapted for persons with disabilities, and those who may be willing to adapt units, to participate in the program. The OMHA will make available to property

owners information regarding reasonable accommodation and reasonable modification to encourage housing for persons with disabilities.

**SECTION I**  
**NONDISCRIMINATION AND PRIVACY POLICY**

The OMHA will not discriminate against any applicant or resident because of race, color, creed, national or ethnic origin or ancestry, religion, sex, age, disability, military status, familial status, handicap, source of income, marital status or presence of children in household; nor will any criteria be applied, nor information be considered, pertaining to attributes or behavior that may be imputed by some to a particular group or category. All criteria applied and information considered in administering this plan shall relate to the attributes and behavior of the individual members of the household. The OMHA shall not, on account of race, creed, color, sex, age, origin or ancestry, disability, handicap, religion, military status, or familial status, marital status or presence of children in household, deny to any family the opportunity to apply for assistance or deny any eligible applicant the opportunity to lease a housing unit suitable to its needs. (24 CFR 100)

The OMHA is fully committed to providing reasonable accommodations to its applicants and participants with handicaps or disabilities.

The OMHA will provide referrals and information to applicants and participants about local organizations which provide assistance in filing discrimination complaints.

It is also the policy of the OMHA to guard the privacy of individuals in accordance with the Privacy Act of 1974, and to ensure the protection of individuals' records maintained by the OMHA. Therefore, the OMHA shall not disclose any personal information (including, but not limited to information on any disability, medical or financial) contained in its records to any person or agency unless the individual about whom the information is requested gives written consent to such disclosure, or as required by law. This privacy policy in no way limits the HA's ability to collect such information as it may need to determine eligibility or compute rent.

## SECTION II PROGRAM ELIGIBILITY GUIDELINES

### A. Eligibility Criteria

To be eligible for admission, an applicant must be income-eligible and meet the following criteria:

1. The applicant must qualify as a family. (24 CFR 982.201(c)) A family is defined as:
  - a. Two or more persons sharing residency whose income and resources are available to meet the family's needs, and the person to be designated head of household is an adult; or
  - b. An Elderly or Disabled Household whose head or spouse or sole member is elderly (62 or over), or disabled (per HUD definition). (See Appendix 1, Glossary of Terms, for the definitions of elderly or disabled persons.) The household may include one or more elderly, or disabled persons living together or one or more such persons living with another who is determined to be essential to their care or well being.
  - c. A single adult person who has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws; or
  - d. A single adult person, with no other children, who is pregnant or in the process of securing legal custody of any individual under the age of 18 years and the individual has presented evidence that the child would reside with the family if the head of household were issued a Voucher; or who shares joint custody of any individual under the age of 18 years and the child resides with the adult person at least 51% of the time; (Note: Only one adult person with shared custody shall be allowed assisted status with children.); or
  - e. The remaining adult member of a tenant family; or
  - f. Any other single person who is not elderly, displaced or disabled. (Assistance only provided if no other elderly or disabled, or single displaced persons are on the waiting list.)

\*When considering primary legal custody, if the child does not currently reside with the family, the OMHA may consider the child part of the family only if there is evidence that the child would reside with the family if the head of household were issued a Voucher.

2. The applicant must be income eligible. (24 CFR 982.201b)The applicant's total gross family income must not exceed the Very Low Income Limit (50% of area median income) published in the Federal Register for Mahaska County. Income limits will be available for the public at the OMHA office. Income limits are generally revised annually by HUD and changes in income limits are incorporated into this policy by reference.
3. The applicant and each family member who has been assigned a Social Security Number (SSN) must disclose the SSN's. (24 CFR 982.551(b)(3) and

5.216 Subpart B) Each applicant who is not contending eligible immigration status, must submit a complete and accurate SSN assigned for each member of the household; through a valid SSN card issued by the SSA or an original document issued by a federal or state government agency which contains the name and SSN of the individual along with other identifying information or other such evidence of the SSN as HUD may prescribe in administrative instructions; and if such certification is to be executed for a person less than 18 years of age, the certification must be executed by his or her parent or guardian. Each participant, except those age 62 or older as of 1/31/10, whose initial determination of eligibility began before that date, must submit the SSN information at the next interim or annual review. Any addition of new household members must provide the SSN information before the recertification of family composition. Any addition of a new household member under the age of 6 and has not been assigned a SSN must provide the SSN information within 90 calendar days (with one additional 90 day extension at the OMHA's discretion) of the child being added to the household.

4. The applicant, or any adult family member, must not have committed fraud in connection with any federal housing assistance program (administratively proven). Intentionally providing misleading information on the application form is considered fraud. (24 CFR 982.552(b)(5)) Denied admission shall be for three (3) years from the date of termination **and/or date of application.** The applicant must pay any monies owed to the OMHA as a result of the fraudulent practice before a voucher may be issued. Monies owed shall be considered the full housing assistance payments benefits received during the period the person(s) received housing assistance benefits through fraudulent practice. The applicant may not be admitted if currently ineligible for participation in any housing agency's program due to fraudulent practices. The OMHA will abide by the ineligibility timeframe established by each authority.
5. The applicant or at least one family member must be a U.S. citizen or non-citizens who have eligible immigration status. (24 CFR Subpart E 5)
6. The applicant family must not maintain another residence in addition to the HA unit. (24 CFR 982.551(4)(h)(1))
7. Outstanding Debts. (24 CFR 982.552(b)(6)) The family must have paid any outstanding debt owed to the OMHA or another HA on any previous tenancy in public housing or Section 8.

## **B. Preferences**

For purposes of selecting families to be assisted under the Voucher programs, applicants shall be selected based on the following preferences, then date and time the completed application is received.

1. First preference shall be given to persons being displaced due to code enforcement, fire/natural disaster and by other government action (other governmental action shall include persons and families participating in shelter service programs where shelter is available for a short period of time) will be

assisted with the next available Voucher upon receipt of verifications required.

2. Second preference shall be to residents of Mahaska County. Applicants residing outside of Mahaska County are to be assisted only if no other applicants are on the waiting list.
3. Not less than 75 percent of the families admitted to the OMHA's voucher program during the PHA fiscal year from the waiting list shall be extremely low income families.

**C. Eligibility Related to Students**

1. The OMHA will comply with all Federal regulations regarding the admission of students to the Section 8 Housing Choice Voucher Program.

**D. Ineligibility/Denial of Application**

Application will be denied for the following violations:

If the applicant:

1. Or if any member of the family is a registered sex offender.
2. Commits fraud in connection with the Section 8 Program or any federally funded rental assistance program and/or has an existing violation with another housing agency (administratively proven). Any applicant or participant who misrepresents information, such as but not limited to, family composition, family income, current residency and previous addresses shall be determined to be ineligible for participation in the Voucher Program. Any applicant or participant shall be provided with written notice and a chance to respond to the allegation of fraud or misrepresentation. All information provided by the applicant/participant must be true and complete. The applicant or participant is responsible for any verification or certification requested by the OMHA. Any information provided by the applicant or participant which cannot be verified and certified shall be considered incomplete and unacceptable. Proof of tenancy at another address of any unauthorized person shall be required to be verified by OMHA staff.  
Verifications must be submitted within the time limits specified on the written notice provided to the applicant or participant. If the applicant or participant fails to respond or fails to provide verifications as requested by the OMHA, a determination shall be made based on the records and documents already on file. Denied admission shall be for three (3) years from the date of termination and/or date of application. The applicant must pay any monies owed to the OMHA office as a result of the fraudulent practice before a voucher may be issued.
3. Receives assistance under the Voucher program while occupying, or receiving assistance for occupancy of, any other unit assisted under any Federal housing assistance program (including any Section 8 Program) or receives any type of welfare assistance from another area which would indicate residency in another jurisdiction while receiving rental assistance from the OMHA. Denied admission shall be for three (3) years from the date of termination. The applicant must pay any monies owed to the OMHA office as a result of

the fraudulent practice before a voucher may be issued.

4. Engages in drug-related criminal activity, violent criminal activity, including criminal activity by any family member, or criminal activity associated with alcohol abuse which is threatening to the premises, property or safety of other tenants. For the purposes of this section –
  - a. Drug-related criminal activity means one of the following:
    - i. The manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));
    - ii. The use or possession (other than with intent to manufacture, sell or distribute) of a controlled substance. Drug-related criminal activity does not include this use or possession, if the family member can demonstrate that he or she is currently receiving treatment or has recovered from such addiction and does not currently use or possess controlled substances
    - iii. Any individual(s) convicted of manufacturing or producing methamphetamine (speed) shall be permanently denied admission to the Section 8 Voucher program. (Limitations listed below do not pertain to this section.)
  - b. Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another; any abusive behavior or threats of physical harm or sexual assault; any abuse of a child or dependent person including the neglect, abandonment, or endangerment of that person. Endanger the life, safety or welfare of other persons includes, but is not limited to:
    - i. Sexual Abuse
    - ii. Domestic Abuse
    - iii. Assault
    - iv. Stalking
    - v. Neglect, Abandonment or Abuse of a Child
    - vi. Homicide or Manslaughter
    - vii. Mayhem
    - viii. Arson
    - ix. Commission of a Crime with a Weapon
  - c. Criminal activity associated with alcohol abuse includes any criminal activity that interferes or could interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents while under the influence of alcohol.

Criminal activity associated with alcohol abuse will not constitute cause

for denial of application if the family member can demonstrate that he or she has received treatment from a recognized treatment/counseling program and no longer engages in abusive alcoholic intake. (Rev. 12/97)

Limitations of denial:

- i. Applicants with any serious or aggravated misdemeanor conviction shall be denied assistance for OMHA's program for three years from the date of conviction.
- ii. Applicants with any felony conviction shall be denied assistance for OMHA's program for five years from the date of the conviction.

Applicants shall not be eligible for participation in OMHA's program for the time period referenced above, regardless of sentencing.

- iii. The OMHA shall prohibit the admission to the Section 8 Housing Choicer Voucher program if any member of the family is a registered sex offender.

**E. Ineligibility Because of Prior Eviction for Drug-Related Activity**

1. Drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use of a controlled substance. Pursuant to federal law, persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for participation in any Section 8 program at the OMHA for a three-year period beginning on the date of such eviction.

Applicants shall be permanently terminated from participation in the Section 8 Voucher Program if any member of the household is convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

2. The OMHA may grant favorable review if the applicant can demonstrate to the satisfaction of the Hearing Officer that:
  - a. the person successfully completed a rehabilitation program approved by OMHA, or
  - b. the circumstance (s) leading to the eviction no longer exists. For example, the person involved in drugs and responsible for the eviction is no longer part of the household.

**F. Eligibility Restrictions Regarding Noncitizens**

1. As required by HUD (24 CFR 5 subpart E), eligibility for assistance or continued assistance under a Section 214 program, such as Section 8, is contingent upon a family's submission of documentation either declaring U.S.

citizenship or eligible immigration status. The OMHA requires both current tenants and applicants to submit the required citizenship or eligible immigration documentation for every household member in order to receive or continue to receive housing assistance. Documentation is required of all new admissions at the time an application is processed by the Housing Authority. Any current tenant who has not already provided documentation will be required to document citizenship or immigration status at the next reexamination. It is necessary to provide this information only one time for each family member during continued occupancy at the HA. Whenever a new family member is added, documentation must be provided before the new member can be added to the household.

2. Proof of citizenship will take the following form:
  - a. families claiming U.S. citizenship, each applicant or participant family member will sign the citizenship declaration form and present appropriate documentation (such as U.S. passport, resident alien card, birth certificate, social security verification or other appropriate documentation), which will become a permanent part of the tenant file. Adults will be required to sign on behalf of all children under the age of eighteen years.
  - b. Noncitizens age 62 years or older who are current participants or applicants will be required to sign a declaration of eligible immigration status and proof of age.
  - c. Participants and applicants who are noncitizens declaring eligible immigration status must:
    - i. sign a declaration of eligible immigration status;
    - ii. provide the required U.S. Immigration and Naturalization Service documents, such as Alien Registration Receipt Card, Arrival/Departure Record, Temporary Resident Card, Immigration and Naturalization Service (INS) receipt in the event of any lost or missing cards listed above; and
    - iii. sign a verification consent form.

Each family member, regardless of age, is required to submit proof of U.S. citizenship or eligible immigration status. Assistance to an applicant will be denied, and a tenant's assistance will be terminated if the family is unable to provide evidence of citizenship or eligible immigration status. Additionally denial or termination will occur if the INS (Immigration and Naturalization Service) does not verify eligible immigration status of a family member; and the family does not pursue INS appeal or OMHA informal hearing rights; or INS appeal and OMHA informal hearing rights are pursued, but the final appeal or hearing decisions are decided against the family member. A Mixed Family (a family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status) may be eligible for assistance despite the ineligibility of one or more family members through prorated assistance.

The OMHA has the right to deny, terminate or adjust housing assistance if members of any household are found to be noncitizens with ineligible

immigration status; however, this determination will not take place until all appeal rights requested have been exercised by the household. The OMHA may grant time extensions to provide appropriate information, provided that the household shows a diligent effort in obtaining immigration status documents.

3. The OMHA may not make assistance available to a family applying for assistance until at least the eligibility of one family member who is designated as the head of the household has been established, and assistance must be prorated based on the number of individuals in the family for whom eligibility has been affirmatively established.

A mixed family may receive continued housing assistance if all of the following are met:

- a. The family was receiving assistance as of June 1995;
- b. The family's head of household or spouse has eligible immigration status; and
- c. The family does not include any person (who does not have eligible immigration status) other than the head of household, any spouse of the head of household, any parents of the head of household, any parents of the spouse, or any children of the head of household or spouse.

If a mixed family qualifies for prorated assistance (and does not qualify for continued assistance), but decides not to accept prorated assistance, or if a family has no members with eligible immigration status, the family may be eligible for temporary deferral of termination of assistance if necessary to permit the family additional time to obtain affordable housing on their own. If a temporary deferral is granted, the initial time period can not exceed six months. The initial period may be renewed for additional periods of six months if verification is provided by the family of attempts to find affordable housing and if the OMHA can support the verification that an inadequate supply of affordable housing exists in the area, but the total deferral period shall not exceed three years. The family must make all attempts to find affordable housing and will supply verifications to the OMHA of the family's attempt to do so.

Any applicant family with all family members not contending to have legal U.S. citizenship or legal immigration status shall not be eligible for housing assistance.

4. The OMHA may not delay, deny, reduce or terminate eligibility of an individual for assistance on the basis of the immigration status of the individual. The family will not be penalized for delays on the part of those entities which must verify eligible immigration status.
5. Continued assistance provided to an eligible mixed family after November 29, 1996 will be prorated based on the percentage of family members that are eligible for assistance.
6. The OMHA is required to terminate assistance to a family for a period of at least 36 months upon determining that the family has knowingly permitted an ineligible individual to reside on a permanent basis in the family's unit. This provision does not apply if the ineligible individual has already been

considered in calculating any proration of assistance for the family.

7. If the OMHA discovers that citizenship information provided is expired, fraudulent, or otherwise invalid, it will notify the family or individual of the results of these findings. The family or individual will then have 30 days from the date of the notification to file an appeal with the INS to correct the problem. The family or individual must provide the OMHA a copy of the appeal request to the INS, which will become a permanent item in the tenant file. The OMHA can extend this 30 day appeal period at its sole discretion if good cause is found.
8. Any applicant or participant family affected by these provisions has the right to an informal hearing provided the family notifies the OMHA. All appeals will be conducted in accordance with the provisions of the OMHA's grievance procedures.
9. In accordance with Federal rules, mixed families who were participants in the OMHA's Section 8 program on June 19, 1995, are permitted to receive continued assistance provided that either the head of household or spouse have eligible immigration status and any ineligible family members are either the head, spouse, parents, or children of the head or spouse.
10. Families who were participants in the OMHA's Section 8 program on June 19, 1995 but became ineligible for housing assistance because there are no family members with eligible immigration status may be given a temporary deferral of assistance to transfer to other housing at the discretion of the Housing Authority. If the temporary assistance is provided, it will be offered in six month increments and never for longer than a total of 18 months. The maximum period for deferrals granted prior to November 29, 1996 will be three years.
11. Families that no longer qualify for housing assistance due to their citizenship status may apply for prorated assistance to decrease the level of housing assistance provided to the household based on the ratio of eligible and ineligible persons in the household.
12. Rental housing assistance is prohibited to noncitizen students and their families. None of the provisions of the rules related to prorated assistance, continued assistance, or temporary deferral of termination of assistance applies to noncitizen students. This prohibition does not include citizen spouses and their children.

Noncitizen students are prohibited from program participation. A noncitizen student is defined as a noncitizen who:

  - a. Has a residence in a foreign country that the person has no intention of abandoning;
  - b. Is a bona fide student qualified to pursue a full course of study; and
  - c. Is admitted to the U.S. temporarily and solely for purposes of pursuing such a course of study at an established institution of learning or other recognized place of study in the U.S.

**G. Special Eligibility Provisions Relating to Applicants Requiring a Live-In Aide (24 CFR 5.403, 5.609(c)(5))**

Any household requiring a live-in aide must provide certification of this requirement by a physician. The live-in aide will be allowed one bedroom in the determination of subsidy standards. The income of a designated live-in aide shall not be used in calculating household income. A Live-in Aide is defined as a person who resides with an elderly, or disabled person(s) and who:

- A. Is determined by the OMHA to be essential to the care and well-being of the person(s),
- B. Is not obligated for support of the person(s), and
- C. Who would not be living in the unit except to provide necessary supportive services.

Relatives are not automatically excluded from being considered a "live-in aide." The relative must meet the requirements stated above to qualify. Live-in aide's family members may reside in the unit, provided that:

- 1. This does not increase the subsidy by the cost of an additional bedroom.
- 2. The presence of the live-in aide's family does not overcrowd the unit.

A Family may include a live-in aide who:

- a. Has been verified by the OMHA to be essential to the care and well being of the elderly or disabled family member; and
- b. Is not obligated for the support of the elderly, handicapped or disabled member; and
- c. Would not be living in the unit except to provide care of the elderly or disabled member; and
- d. Whose income will not be counted for purposes of determining eligibility or rent; and
- e. Who may not be considered the remaining member of the Tenant family.
- f. A live-in aide's family members may also reside in the unit provided it does not increase the subsidy by the cost of an additional bedroom and provided that the presence of the live-in's family members do not overcrowd the unit. The live-in aide must meet all eligibility guidelines as determined for applicants/participants of the Section 8 Program in regards to family behavior, family obligations and program regulations.
- g. A live-in aide must meet the same standards as a program applicant in regard to criminal history and sex offender registry.
- h. A live-in aide must be a person in good standing with the HUD program.

**H. Additional Eligibility Factors**

An applicant may be denied assistance by OMHA for the following reasons: (24 CFR 982.552)

- 1. If any family member has ever been evicted from public housing.
- 2. If any family member has ever violated family obligations under the Voucher program.
- 3. If the family has engaged in or threatened abusive or violent behavior toward OMHA personnel.
- 4. If any family member refuses to sign and submit mandatory consent forms.
- 5. If evidence of citizenship and eligible immigration status is not submitted by a

specified date, or by the expiration of any extension granted.

6. If INS primary and secondary verification does not verify eligible immigration status of at least one family member.
7. If the family has not reimbursed any housing authority for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the family under the lease or is in breach of agreement of the same.
8. If any family member fails to meet eligibility requirements concerning individuals enrolled at an institution of higher education.
9. If the OMHA has ever terminated assistance under the program for any member of the family.
10. If any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
11. If any member of the family has been engaged in criminal activity or alcohol abuse.

## **SECTION III APPLICATION FOR ADMISSION**

### **A. Introduction**

The OMHA will accept pre-applications for the Voucher program when the waiting list is open. Interested persons may apply for participation in the OMHA's Voucher program by completing a pre-application form. Anyone may apply; the OMHA will not deny anyone the right to submit a pre-application when the waiting list is open. All pre-applications will be time and date stamped upon receipt.

Accommodations will be made for interested, disabled applicants.

Each applicant is responsible for informing the OMHA if the family's address or phone number changes or if there are any changes in the members of the household. Failure to do so may result in an application being withdrawn from the active waiting list. Inability of OMHA to contact family will result in withdrawal of the application from the waiting list.

A general brochure describing the OMHA Voucher program has been prepared and distributed to agencies that assist persons who may be interested in participation.

All notices and advertising announcing the opening of the waiting list will include:

1. the dates the list will be open;
2. the office hours and location where applications are available and will be accepted;
3. the availability of Vouchers;
4. eligibility guidelines;
5. preferences for the selection of applicants; and
6. any limitations which may apply.

### **B. Waiting List Applications**

#### **1. Receipt of Waiting List Applications.**

Pre-applications may be downloaded from the OMHA website. Completed applications may be mailed or submitted in person. Faxed or e-mail applications will not be accepted. The date and time of receipt of the application will be recorded on the application. The form will be completed to the extent possible by the applicant and intake person and will be used to indicate the order in which applicants applied. Only the information and verifications necessary to make a preliminary eligibility determination will be required during the pre-application process.

The OMHA shall establish and maintain a waiting list of applicants for the Voucher program. If an applicant is determined eligible, but no Vouchers are available to be issued, the family will be placed on the waiting list and will be advised of an approximate date by which they will be issued a Voucher. If the OMHA determines that there is no reasonable prospect for additional applicants to be issued Vouchers within one year, the OMHA staff will advise the Board. The Board may direct the staff to suspend taking applications.

It is the responsibility of the applicant to accurately and completely fill out the

application. If an incomplete application is received, OMHA staff will make reasonable efforts to contact the applicant and inform him/her of the additional information required. If those efforts fail, the application will be withdrawn. A record of those efforts shall be maintained with the application. Information provided by the applicant on the pre-application will be reviewed and if the applicant appears to be eligible, the applicant will be placed on the waiting list.

Each applicant determined ineligible for Section 8 and denied placement on the waiting list, shall be notified in writing of the reason for his/her ineligibility and of his/her right to request an Informal review to discuss the determination. The review shall be held in accordance with the grievance procedures. Any applicant determined eligible after the submission of additional information or through an Informal review shall be placed on the waiting list according to the date and time of the original application.

Waiting List Update: (24 CFR 982.204, 205) In the interest of maintaining an accurate waiting list of apparently eligible households, the OMHA will mail requests as needed to each applicant for updated household information. Each applicant will be required to respond within ten days. Any applicant who fails to respond to the update request by the specified deadline date will be withdrawn. Once an application is withdrawn, it may not be reactivated. To be considered for admission, the applicant will be required to reapply. An applicant may withdraw his/her application at any time. However, a withdrawn application cannot be reactivated. An applicant who has withdrawn an application will be required to reapply.

**ANY LETTER RETURNED DUE TO IMPROPER ADDRESS OR FAILURE TO PROVIDE A NEW FORWARDING ADDRESS WILL RESULT IN THE APPLICANT'S NAME BEING REMOVED FROM THE WAITING LIST**

#### **Verification of Preference**

Each applicant will be determined by the OMHA staff to be eligible or ineligible for the OMHA preferences at the time of pre-application. Upon determination of the applicant's eligibility for a preference, the applicant will be required to provide proper verification of their preference. If the claimed preference(s) cannot be verified, the applicant will be returned to the waiting list based on the date and time of application. (See also Section IV, Applicant Selection.)

#### **Final Eligibility Determination**

When staff estimates that a Voucher will be available, applicants at the top of the waiting list will be notified by mail to provide additional information to determine program eligibility. Applicants that fail to respond within the specified time frame (ten calendar days) shall be removed from the waiting list. Before a final eligibility can be determined and a Voucher issued, applicants must complete the required forms and provide all requested information/authorizations necessary to enable staff

to determine program eligibility. All verifications will be obtained according to HUD's guidelines/hierarchy of verification. After all necessary verifications are obtained, OMHA staff will hold a briefing session. If the applicant fails to attend the scheduled appointment, the applicant's file may be withdrawn.

(Exception: zero-income tenants are verified by a self-written statement.) All family income will be verified by use of letters, checks, bank statements and through other sources that are authorized by applicants. The privacy of applicants cannot be guaranteed; however, all income amounts and medical information shall be considered confidential. Contacts with other public and private agencies will not be done without the consent of the applicant. Applicants will be specifically advised as to the importance of receiving accurate information.

The applicant must provide verification of family size, age and relationships; Proof of age and/or disability and all other documents required which may affect the determination of income or family contribution towards rent will also be verified to the extent necessary to give reasonable assurance of the accuracy of the applicant's statements. The applicant must disclose the Social Security Numbers of all family members as referred to in Section II A. 3.

The applicant must provide certification and/or documentation regarding U.S. citizenship/non-citizenship as referred to in Section II A.

Disability status shall be given automatically to applicants receiving SSI or Social Security Disability. Other applicants claiming disability status shall be required to provide the OMHA with documentation from two medical doctors which states that the applicant is disabled according to the definition in Section 223 of the Social Security Act or in Section 102 (b) (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970. "Criteria for Handicap or Disabled Status Section 8 Housing Programs" (Appendix) is also available to the public upon request at the OMHA.

The applicant shall not be penalized either by denial or unreasonable delay of assistance solely because third party sources have failed to respond to requests for information. When the applicant and staff have made all reasonable efforts to obtain information and the third party source has failed to respond, staff shall proceed with the processing of the application according to the hierarchy of verification. See Section XIII – Verification Procedures.

All information relative to income for eligibility, assets, family composition, preference and non-citizen status will be verified and current for applicants within 60 days prior to issuance of a Voucher and current for participants within 120 days for participants being recertified; all verified findings will be recorded in the applicant/tenant file.

2. Third Party Verification. (24 CFR 982.551(a)(b)) A release of information for verification of income (and other information) may be sent through the mail, via email or by FAX directly to the source. The method of verification is a form of third party verification. A SSA benefit verification letter (dated within the last 60 days of the request date for information or within the interview date) provided by the family or an EIV Income Report which displays the current social security benefit amount is considered third party verification. Pay stubs generated from the applicant's employer will also be an acceptable form of third party verification.

If, after 15 days, the verification has not returned to the OMHA, or if an unusual circumstance prevents this method, then, the following methods may be used:

- a. *Review of Documents:* OMHA staff may review and verify documents provided by the client. This method of verification must be fully documented. Such documentation may include reports of interviews, letters or telephone conversations with reliable sources. At a minimum, such reports shall indicate the date, the source of information, including the name and title of the individual contacted, and a summary of the information received. The sources of information may include, but are not limited to, the applicant (by means of interviews), landlords, employers, family social workers, clinics or physicians where warranted by the particular circumstances.
- b. *Family Certification:* When a third party verification or review of documents is not possible, the family may certify to their income by supplying ledgers and documents verifying self employment and/or tax records or any other type of certification requested by the OMHA.

**C. Informal Review** (24 CFR 982.554)

Any applicant determined ineligible for Section 8 program participation as a result of the verification process will be informed in writing of the reason for the determination. The notice will provide the applicant the opportunity to request an Informal review to discuss the determination. The applicant must submit in writing, within 10 calendar days of date of the ineligible notification, a request for an Informal review.

The Housing Specialist or designated staff will notify both the aggrieved person and other interested parties to the dispute, in writing as to the date, time and place of the hearing. The review may be rescheduled one time only with 24 hour notice, or, with proven extenuating circumstances, such as illness, birth of a child, a death in the family, or weather related issues, up to the time of the review. The hearing officer will have the opportunity to decide if the request is legitimate and with good cause. However, if any party fails to give such notice and does not attend a scheduled review the party failing to appear shall forfeit all rights to further appeal. Any person appearing for a review more than 15 minutes late will be considered to have missed the review and the original decision will stand. The applicant shall be

given an opportunity to present written or oral objections to the OMHA decision. The review officer will make a determination on the merits of the evidence presented within ten (10) business days after the hearing. A written decision will be mailed to the applicant and retained in the applicant's file. If the ineligibility determination is overturned and the family otherwise meets eligibility criteria, the OMHA staff will proceed with the lease-up process.

An informal review will not be provided for the following:

1. Review of discretionary administrative determination by the OMHA or to consider policy issues or class grievances;
2. Review of determination of the number of bedrooms entered on the Housing Voucher under the standards of occupancy established by the OMHA;
3. Review of the OMHA determination that a unit does not comply with Housing Quality Standards;
4. Review of decision not to approve a request for an extension of the term of the Housing Voucher.

## SECTION IV APPLICANT SELECTION

### A. Order Of Selection from the Waiting List

All eligible applicants will be assigned to the waiting list according to date and time of application and preference status determined as follows: (24 CFR 982.207)

1. Preferences. For purposes of selecting families to be assisted under the Voucher Program, applicants shall be selected based upon the following preferences, then date and time the completed application is received. Preferences shall be provided in the following situations:
  - a. Persons being displaced due to code enforcement, fire/natural disaster and by other government action (other governmental action shall include persons and families participating in shelter service programs where shelter is available for a short period of time) will be assisted with the next available Voucher upon receipt of verifications required.
  - b. Persons living in Mahaska County over those persons living outside Mahaska County.
  - c. Single persons who are elderly, displaced, homeless, or persons with disabilities over other single persons. (\*\*)  
*\*\* (This means that as long as there are single families that are elderly, displaced, homeless or persons with disabilities on the waiting list, those single families will be selected before other single families.)*

All other applicants will be ranked in order by date and time of application.

2. The OMHA will comply with all Federal regulations regarding the admission of students to the Section 8 Housing Choice Voucher Program.

### B. Special Admissions (24 CFR 982.203)

1. Some family applicants will be admitted to the OMHA's Voucher program without ever being on the waiting list or without considering the applicant's place on the waiting list. This would only occur when HUD has awarded funding to the HA for a targeted group of households living in specified units.

**SECTION V**  
**INCOME, ASSETS, EXCLUSIONS, ALLOWANCES AND DISALLOWANCES**

**A. Income** (24 CFR Part 5.609, Subpart F)

Annual income is the gross income anticipated to be received by the family during the 12 months following the effective date of admission or reexamination. (See Definition of Annual Income in Appendix 1) Annual Income will be used to determine an applicant's initial eligibility and will also be used to calculate the participant's Total Tenant Payment for initial and continued program participation.

1. Computation of Annual Income.

- a. Use current family circumstances to anticipate income, unless the verification indicates an imminent change.
- b. Annualize all income, including income that may not last the full 12 months (such as unemployment benefits). When circumstances change, an interim reexamination may be processed. Converting income to an annual figure may be achieved by (i) annualizing current income or (ii) averaging known sources of income that vary to compute an annual income.

Employment income (gross amount of wages, salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for services) shall be calculated from the income verification received by averaging time period reflected to determine gross anticipated income.

2. Calculation Examples.

a. *Regular Employment:*

- i. Hourly wages times number of hours worked per year. (2080 hours for full-time employment with a 40 hour week and no overtime.)
- ii. Weekly wages times 52.
- iii. Bi-weekly wages times 26.
- iv. Semi-monthly wages times 24.
- v. Monthly wages times 12.
- vi. *Tips:* Average tips per week x 52 = average annual tips.
- vii. *Overtime:* Average overtime hours per week x overtime rate x 52 = annual overtime.

- b. *Non-Regular Employment:* Includes employment where wages, hours, and employers worked for are flexible and no business related deductions are claimed. In general, this category applies to those types of employment which do not readily fit in the regular employment category. For example, a person who does yard work for the same employer, same wage, same number of hours per period could and should be verified under the procedures for regular employment. However, if the client's wages, employers, and hours change frequently, their employment would be considered non-regular.

- i. Verification: The client must Self-Declare the following information:

A. Type of work or services performed

- B. Average amount of income earned per month
- C. Signature of client and date prepared; or ledgers and tax forms
- ii. Calculation: Average monthly income times 12 = annual income from non-regular employment.
- c. *Public Assistance:* (Includes but not limited to FIP, General Assistance, Supplemental Security Benefits, and Unemployment Compensation.)  
Calculation:
  - i. Monthly Benefit x 12 = annual benefit
  - ii. Overpayments: In the case of benefits where a previous overpayment is currently being deducted the gross amount of the benefit minus the deduction for repayment shall be used. However, if the overpayment is due to fraudulent practice or misrepresentation the deduction will not be allowed.
- d. *Pension/Social Security:* Includes Social Security Benefits, Veterans Benefits, Pension Retirement and Annuity Benefits.  
Calculation:
  - i. Monthly benefit x 12 = annual benefit
  - ii. *Overpayments:* In the case of benefits where a previous overpayment is currently being deducted, the gross amount of the benefit minus the deduction for repayment shall be used. However, if the overpayment is due to fraudulent practice or misrepresentation the deduction will not be allowed.
- e. *Child Support, Alimony, and Support Payments Made by Other Individuals:* Includes regular payments made by a parent for the support of a minor child residing in the household, regular payments made by relatives, friends, or other persons to the family, or on behalf of the family for basic rent and utilities.  
Calculation:
  - i. Amount of payment x frequency = annual support income
  - ii. Frequency = Monthly (12)  
Weekly (52)  
semi-monthly (24)  
bi-weekly (26)
- f. *Lump-Sum Payments:* Generally lump-sum amounts received by a family are considered assets, not income, i.e., inheritance, insurance, settlements, proceeds from the sale of property, etc. Deferred payments made because of a delay in processing a periodic payment such as unemployment, welfare benefits, etc., must be counted as income. Lump sum payments caused by delays in processing periodic payments for Social Security or SSI, are not counted as income.  
Any amounts deducted from lump sum payments for attorney's fees shall be deducted from the lump sum amount which is counted as income.  
Any lump sum amounts, counted as income, shall be included as income for the entire year (until the next annual reexamination), or for 12 months, whichever is greater.

Monthly assistance received (FIP/TANF, Social Security/SSI, Pensions, Child

Support, etc.) shall be calculated from the verification received, including EIV if applicable, to determine anticipated income. If overpayment or reduction in benefits is due to fraudulent practice, gross amount will continue to be used and no deduction applied to calculation.

**B. Assets (24 CFR 5.609(b)(2), and (3))**

Family assets include interest, dividends, and any other net income of any kind from real or personal property, to include any assets disposed of at less than fair market value within the last two years. All assets shall be verified from the source by means of written documentation and included in the calculation of family's gross income.

1. Total Value of Assets Calculation.

- a. *Savings and Checking Accounts, Certificates of Deposit, IRA and KEOGH Accounts:* Account balance or certificate of deposit value = total asset value of savings and checking accounts/certificates of deposit, IRA and KEOGH accounts.
- b. *Stocks:* Number of shares x current per share value = total asset value of stocks.
- c. *Bonds:* Cash value of bond x number of bonds = total asset value of bonds.
- d. *Trusts:*
  - i. If trust is irrevocable, it is not counted as an asset.
  - ii. If trust is revocable, current amount of trust = total value of trust.
- e. *Real Property Owned:* Current market value minus amount owed (if any) = total asset value of real property owned.

2. Income from Assets Calculation.

- a. *Savings and Checking Accounts, Certificates of Deposit, IRA and KEOGH Accounts:* Account balance x interest rate = annual income from savings/certificates of deposit, IRA and KEOGH accounts.
- b. *Stocks:* Amount of dividends paid x frequency of payment = annual dividend income.
- c. *Trusts:* Use of amount of annual proceeds as determined through verification.
- d. *Real Property Owned (if property is income producing):*
  - i. If income tax return for property is available, use the amount of net annual income from tax return.
  - ii. If no income tax return is available, only the following deductions will be allowed:
    - A. Amount of payments received x frequency of payment = gross annual income, then
    - B. If balance owed on property, amount of interest portion of payments made x frequency of payment = annual interest deduction.
- e. *Assets Disposed of:* Assets disposed of for less than fair market value during the two years preceding effective date of certification or recertification are included as assets. Cash value of the asset, the amount

the family would receive if the asset were converted to cash, must be used. Cash value is market value minus reasonable costs that were or would be incurred in selling or converting the asset to cash. Expenses which may be deducted include the following:

- i. Penalties for withdrawing funds before maturity
- ii. Brokers/legal fees assessed to sell or convert the asset to cash
- iii. Settlement cost for real estate transactions

If the fair market value exceeds the gross amount the family received, count the whole difference between the cash value and the amounts received.

Assets disposed of for less than fair market value, as a result of a foreclosure, bankruptcy, divorce or separation, are not counted.

Assets put into trust or business assets disposed of for less than fair market value are counted.

A. *Calculation:*

Include the difference between cash value and the amount received for any asset disposed of at less than fair market value within the last two years. (Cash value = the fair market value less reasonable costs.)

B. Calculating Income from Assets:

<u>Type of Asset</u>	<u>Cash Value Per Year</u>	<u>Actual Income from Asset</u>
Checking Account	300	0
Savings Account	2,000	115
Certificates of Deposit	10,000	988
Rental Property	15,000	0
<b>TOTALS</b>	<b>\$27,300</b>	<b>\$1,101</b>

Since total assets exceed \$5,000, imputed income must be calculated:

Total Assets multiplied by the passbook rate established by the OMHA's HUD field office.

3. Overall Asset Calculation. To determine what amount to use for assets in the overall calculation of total annual income for both rent and eligibility, use the following calculations:
  - a. Add total value of all assets = total asset value
  - b. Add total income from all assets = total asset income
  - c. If total asset value is less than \$5,000, use the actual total asset income in determining total annual income
  - d. If total asset value is \$5,000, or more, use the larger of the following:
    - i. total asset value multiplied by the passbook rate established by the OMHA's HUD field office.
    - ii. total asset income.
4. Asset Verification Guide.
  - a. *Savings and Checking Accounts, Certificates of Deposit, IRA and KEOGH Accounts:* Statement from the financial institution containing the following:

- i. date prepared
  - ii. account number
  - iii. account balance
  - iv. interest rate (if the rate is variable, statement must give current applicable rate)
  - v. name of the account holder(s)
  - vi. signature of authorized person
- b. *Stocks*: A statement from a broker or a statement from the issuing corporation containing the following information:
- i. date prepared
  - ii. account number
  - iii. number of shares
  - iv. current per share value or current total value of shares
  - v. amount of dividends earned
  - vi. frequency of payment of dividends
  - vii. name(s) of shareholders
  - viii. if a statement from broker, authorized signature
- c. *Bonds*: A copy of the face of the bond showing the following information:
- i. face value
  - ii. maturity date
  - iii. interest rate (if any)
  - iv. type of bond
- d. *Trusts*: Client must provide a copy of the trust document or a statement from the trust officer containing the following information:
- i. amount of trust
  - ii. type of trust (revocable or irrevocable)
  - iii. annual proceeds of trust
  - iv. beneficiary of trust
  - v. if statement from trust officer
    - A. date prepared
    - B. authorized signature
- NOTE: Due to type of verification required, the following forms of verification shall be provided by the client.
- e. *Real Property Owned: (Includes Mobile Homes)*:
- i. Client must provide a current appraisal or current market analysis prepared by a licensed real estate agent, broker, or mobile home dealer containing the following information:
    - A. date prepared
    - B. current market value of the property
    - C. authorized signature
  - ii. Copy of the deed or other title instrument showing the name(s) of the owner(s).
  - iii. If property is mortgaged, a statement from mortgagor(s) showing:
    - A. balance
    - B. amount of payments reflecting distribution between interest

- and principal
- C. frequency of payments
- iv. For income-producing property:
  - A. Copy of lease or rental agreements containing the following information:
    - 1. term
    - 2. amount of payments
    - 3. frequency of payment
  - B. Copy of rental income schedule from income tax return or copy of property tax statement. This information will be used to determine allowable expenses.

**C. Allowances (24 CFR 5.611)**

Allowances are amounts, as applicable, to be subtracted from the annual income to determine the adjusted income. Adjusted income means annual income of the members of the family residing or intending to reside in the dwelling unit, after making deductions.

The sum of the following, to the extent the sum exceeds three percent of annual income:

Unreimbursed medical expenses of any elderly family or disabled family; and

Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and,

Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

1. Dependent Allowance. A \$480 deduction for any family member (excluding foster children, head of household, or spouse) who qualifies as one of the following:
  - a. Under 18 (Even if they have children of their own), or
  - b. Disabled, or
  - c. A full-time student. (The regulations clarify that an educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.)
2. Elderly Household Allowance. A \$400 deduction for families in which the head of household or spouse is at least 62, or disabled. Only one deduction per family is permitted even if both the head of household and spouse are elderly.
3. Child Care Allowance. Any reasonable child care related expense billed by a care facility or private individual providing child care (only those amounts not reimbursed by an agency or individual outside the family can be counted).

This deduction applies to expenses relating to the care of any children under the age of 13 residing with the family. Such care must be NECESSARY for a family member to be gainfully employed, to actively search for employment or to further his/her education. Child care for the convenience of the family is not an allowable expense. For example, if there is an adult family member, who is capable and available to provide child care residing with the family, who chooses not to care for the child, child care expenses are not deductible. The deduction for child care expenses may not exceed the amount of income earned.

4. Disability Assistance Allowance

- a. Anticipated expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if such expenses:
  - i. are needed to enable a family member (including the disabled member) to be employed, and
  - ii. exceed three percent of annual income, and
  - iii. the amount exceeding three percent does not exceed the earned income of the household member enabled to work.
- b. Any family with a disabled family member may qualify for this allowance even if neither the head of household nor spouse is disabled.
- c. Auxiliary apparatus includes items such as wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc., which directly relates to permitting the disabled person or other family member to work.
- d. When a care provider takes care of children under the age of 13 and a disabled member 13 or older, expenses must be prorated appropriately since the way in which child care and disability assistance expenses are computed differ.
- e. A family, whose head of household or spouse is elderly or disabled, is also permitted to deduct medical expenses. If a family has both disability assistance and medical expenses, a special calculation is required.

5. Medical Expense Allowance

Medical expense deductions are allowed only for families where the head of household or spouse is at least 62, or disabled. If the family is eligible for a medical expense deduction:

- a. Count medical expenses of all family members, and,
- b. Include expenses that are not covered by insurance or other sources and that are anticipated to be incurred during the 12 months following the family's examination/reexamination, such as:
  - i. Services of doctors and health care professionals
  - ii. Services of health care facilities
  - iii. Medical insurance premiums
  - iv. Prescription/non-prescription medicines
  - v. Transportation to and from treatment facilities
  - vi. Dental expenses
  - vii. Eyeglasses, hearing aids, batteries
  - viii. Live-in attendant or periodic medical assistance

- ix. Monthly payment(s) on accumulated medical bills
  - x. Medical care of a permanently confined family member if his/her income is included in annual income.
- c. Allow only that portion of the total medical expenses which exceeds three percent of annual income:

<u>Example</u>	Head of Household	64
	Spouse	63
	Annual Income	\$12,000.00
	Total Medical Expenses	\$ 1,500.00
	Annual Income	\$12,000.00
		<u>x .03</u>
	3% of Annual Income	\$360.00
	Total Expenses	\$1,500.00
	Minus 3% of Annual Income	<u>-360.00</u>
	Allowable Medical Expense	\$1,140.00

- d. If an elderly family has both disability assistance and medical expenses a special calculation is required. The HA will follow steps outlined by form HUD 50058.

- i. Example 1: Family has \$1,000 in medical expenses and \$500 in expenses for disability assistance. Annual income is \$20,000. \$4,000 of annual income is earned because it enables a family member to work. Three percent of annual income is \$600.

Total Disability Assistance Expense	\$500
Minus 3% of Annual Income	<u>\$600</u>
	(100)
Disability Allowance	000
Total Medical Expense	\$1,000
Minus: Balance of 3% of Annual Income	<u>\$ (100)</u>

Allowable Medical Expense: \$900

- ii. Example 2: Family has \$2,000 in medical expenses and \$3,500 in expenses for disability assistance. Annual income is \$20,000. \$2,400 of annual income is earned because the disability assistance enables a family member to work. Three percent of annual income is \$600.

Total Disability Assistance Expense	\$3,500
Minus 3% of Annual Income	<u>(600)</u>
	\$2,900
Maximum Allowance for Disability Assistance (cannot exceed income generated)	\$2,400
Total Medical Expense	\$2,000

Allowable Medical Expense \$2,000  
(Entire 3% was deducted to compute the disability allowance)

**Annual income means all amounts, monetary or not, which:**

Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and  
Which are not specifically excluded

Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

**Annual income includes, but is not limited to:**

Gross amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for services;

The net income derived from the operation of a business or profession (see regulation for items not to include);

All net income derived from assets (where there are net family assets in excess of \$5,000, include the greater of the actual income derived or a percentage (as determined by HUD) of the value of such assets);

Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount; (\*)

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; (\*)

Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program;

Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

All regular pay, special pay and allowances for a member of the Armed Forces (\*)

Any financial assistance in excess of amounts received for tuition that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from

private sources, or from an institution of higher education (as defined under the Higher Education Act of 1964 (20 U.S.C. 1002), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, financial assistance does not include loan proceeds for the purpose of determining income

**\*An exception applies (see below under excluded income)**

### **Excluded Income**

Income from employment of children (including foster children) under the age of 18 years;

Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided above);

Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

Income of a live-in aide (as defined in 24 CFR 5.403);

The full amount of student financial assistance paid directly to the student or to the educational institution (except as provided above);

The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

Amounts received under training programs funded by HUD;

- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- Amounts received under a resident service stipend (not to exceed \$200 a

month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development;

- Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff.

Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

Temporary, nonrecurring, or sporadic income, including gifts;

Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

Earnings in excess of \$480 for each full-time student 18 years or older (excluding head of household or spouse);

Adoption assistance payments in excess of \$480 per adopted child;

Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;

Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which exclusions set forth in 24 CFR 5.609© apply.

Annualization of income. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.

**The following is a list of benefits excluded by other Federal Statute as of April 12, 2001 (Federal Register Vol. 66, No.77):**

The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044 (g), 5088);

*Examples of programs under this Act include, but are not limited to:*

The Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;

National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Programs, and Special Volunteer Programs;

Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).

Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626);

Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

Payments or allowances made under the Department of Health and Human Services' low-income Home Energy Assistance Program 942 U.S.C. 8624 (f);

Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552 (b)); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

Income derived from the disposition of funds in the Grand River of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04);

The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interest of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interest held in such trust or restricted lands (25 U.S.C. 1407-1408);

Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study program or under the Bureau of

Indian Affairs student assistance programs (20 U.S.C. 1087 uu);

*Examples of Title IV programs include, but are not limited to:*

Basic Educational Opportunity Grants (Pell gRants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.

Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 (f)).

*Examples of programs under this act include, but are not limited to:*

Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National pro Personas Mayors, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation (M.D.L. No. 381 (E.D.N.Y.);

Payments received under the Main Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32 (j));

Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

Allowances, earnings and payments to AmeriCorps participants under the national and Community Service Act of 1990 (42 U.S.C. 12637 (d));

Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);

Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

Allowances, earnings and payment to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

**Disallowance of Increase in Earned Income: 24 CFR 5.617 Disallowance. Exclusion from Annual Income.**

Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

**Qualified family:**

Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

Whose annual income increases as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WYW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-provided that the total amount over a six-month period is at least \$500.

**Disallowances of increase in annual income:**

During the cumulative twelve month period once the family member is employed or experiences an increase attributable to employment, the full amount of the increase is excluded from annual income.

During the second cumulative twelve month period, fifty percent of any increase is excluded from annual income.

Lifetime 48 month disallowance (starting from the initial exclusion) for 12 months under each disallowance (full disregard and 50% phase in).

The disallowance of increases in income does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

**Welfare Benefit Reduction: Public Housing and Tenant-Based Section 8 24 CFR 5.615**

Families who receive welfare assistance or other public assistance benefits from a State or other public agency under a program for which Federal, State or local law

requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

**Applicability:** A family member who receives a reduction of welfare benefits by the welfare agency, in whole or in part, because of fraud in connection with the welfare program; or because of welfare agency sanction for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**Effect:** The PHA will continue to count as income the amount of not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

**SECTION VI  
COMPUTING TOTAL TENANT PAYMENT, TENANT RENT  
AND MAXIMUM SUBSIDY**

The OMHA will compute Annual and Adjusted Income and Total Tenant Payment in accordance with 24 CFR §§5.603, 5.609, 5.613.

Under the Voucher program, the Tenant Rent will vary based upon the Total Tenant Payment (TTP) and the Contract Rent and its relationship to the Payment Standards. The maximum subsidy is generally the difference between the OMHA's applicable payment standard for the unit size issued and 30% of the family's adjusted income (defined in 24 CFR 5.603 and 5.609). This is the maximum that the OMHA will pay as subsidy for the household.

The TTP is the highest of 30% of monthly adjusted income, 10% of total gross monthly income or a minimum rent of \$50.00. The TTP is not what the family actually pays for rent and/or utilities; it is the total family contribution.

Once the unit is selected, the Housing Assistance Payment (HAP) is the lesser of the gross rent (contract rent plus utility allowance) or the applicable payment standard, minus the TTP. The appropriate payment standard is the lesser of the standard for the unit size issued, or the unit size selected.

The family's portion of the rent is calculated as the difference between the contract rent amount and the HAP. The family's portion may be more or less than 30% of the family's adjusted income depending on the gross rent of the unit selected by the family. The family's contribution may never be less than the greater of 30% of adjusted income, 10% of monthly gross income or \$50 minimum rent, calculated as TTP. The family portion plus the utility allowance may never be more than 40% of their adjusted monthly income at time of initial lease up of any new unit. A family renting a unit above the payment standard pays the higher of 30% of the adjusted monthly income, 10% of gross income or \$50 minimum rent as TTP plus the amount of rent above the payment standard. The 40% rule is not applicable if the gross rent of the unit is less than the payment standard.

**A. Utility Allowance**

The utility allowance used is based on the actual size of the unit the family selects regardless of the size authorized on the family's Voucher.

As required by 24 CFR 882.214, the Utility Allowance Schedule will be reviewed on an annual basis and adjusted as needed.

The OMHA shall, on an annual basis, determine whether there has been a substantial change in utility rates that were used to calculate allowances. If there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised, the utility allowance will be adjusted to reflect such increases. The OMHA must maintain information supporting its annual

review of utility allowance and any revisions made in the utility allowance schedule.

The OMHA will give tenants a utility allowance for stoves and refrigerators when these appliances are provided by the tenant. The determination regarding provision of appliances is between the landlord and the tenant; the OMHA will not be involved.

**B. Exceptions to Minimum Rents**

Payment of the minimum rent of \$50 may cause a hardship in certain instances. Therefore, an exception may be granted in the following instances:

1. The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance.
2. The family would be evicted as a result of the imposition of the minimum rent requirement.
3. The income of the family has decreased because of changed circumstances including:
  - a. loss of employment.
  - b. death in the family.
  - c. other special circumstances beyond the control of the family.

A hardship exception will not be granted for temporary hardships expected to last less than 90 days. If a family requests a minimum rent hardship exception, the OMHA will suspend payment of the minimum rent beginning the month following the family's hardship request. The OMHA will determine promptly whether a hardship exists and whether it is temporary or long term. If it is determined that there is no hardship, the minimum rent will be imposed retroactively to the time of suspension. If it is determined that the hardship is expected to be of a temporary nature (90 days or less), and then later determined that the hardship will be longer than 90 days, the rent will be suspended retroactively to the time of request. When the conditions that caused the hardship to exist are alleviated, the family will be expected to repay the OMHA for the amount of the tenant portion of rent that was suspended. The OMHA will prepare a repayment agreement for the family based upon the length of the hardship.

**C. Payment Standard.**

The OMHA shall, at least annually, review and when necessary, revise their Payment Standards. The payment standard shall be set by the PHA between 90 – 110% of the Fair Market Rent (FMR). A payment standard of 120% of FMR may be requested from the regional HUD office. If a payment standard is decreased during the term of the HAP contract, the lower payment standard amount must be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's second regular annual reexamination following the effective date of the decrease in the payment standard amount.

1. Increase in payment standard during the HAP contract term.

If the payment standard amount is increased during the term of the HAP

contract, the increased payment standard amount shall be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard amount.

2. Change in family size during the HAP contract term.

Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP contract term, the new family size must be used to determine the payment standard amount for the family beginning at the family's first regular reexamination following the change in family unit size.

**SECTION VII**  
**ASSIGNMENT OF BEDROOM SIZE**  
(24 CFR 982.402)

Bedroom size assignments on Vouchers will be made so that no less than one (1) and no more than two (2) persons will occupy a bedroom. Adult members that are not married or cohabitating couples will be issued separate bedrooms. Two children of the same sex shall be required to share a bedroom. Children of the opposite sex shall be required to share a bedroom if both are under 8 years of age. Generally, children shall not be required to share a bedroom with a parent. No assignments of bedroom size on a Voucher will be made which require use of the living room for sleeping. In the case of a participant who shares custody of a child (or children) with a parent or guardian residing outside of household, the child shall be included when considering the assignment of bedroom size if the child (or children) reside with the participant at least 50% of the time.

A family that consists of a pregnant woman (with no other persons) must be treated as a two person family.

Any live-in aide (approved by the OMHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size.

Unless a live-in-aide resides with the family, the family unit size for any family consisting of a single person must be either a zero or one-bedroom unit, as determined under the PHA subsidy standards.

The intent of HUD requirements is that the smallest appropriate bedroom size be assigned to participant families without overcrowding. The HA does not limit or restrict which family members may share bedrooms. Using the above guidelines, the following subsidy standards will determine the number of bedrooms required.

<u>NUMBER OF PERSONS PER UNIT</u>		
<u>NUMBER OF BEDROOMS</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
0	1	1
1	1	2
2	2	4
3	3	6
4	5	8
5	7	10

A separate bedroom may be provided for an individual family member if the family presents documentation sufficient to convince the OMHA that the individual's physical or mental health requires separate sleeping quarters.

**SECTION VIII**  
**ISSUANCE OF VOUCHERS AND BRIEFING OF FAMILIES**

**A. Selection from the Waiting List**

Not less than 75% of new families admitted from the waiting list must have incomes at or below 30% of the area median income. Other admissions will be assigned according to date and time of application and based on preferences listed in Section IV.

**B. Notification and Response**

Once an applicant has received written notice for selection from the waiting list, the OMHA will request copies of verification of residency, social security cards, birth certificates and income verifications. All applicants eligible at that time will be invited to attend a scheduled briefing at which time the family will be provided a detailed overview of the Section 8 Housing Choice Voucher Program. The program briefing may be group or individual.

1. A packet of materials will be presented to the applicant at this meeting, and all the materials will be reviewed with staff.
2. If the applicant is determined to be eligible after all verification forms are returned and gross income is calculated, the Voucher will be issued. If the applicant is determined to be ineligible, a written notice stating the decision will be provided.

If an applicant fails to appear, without prior explanation to the OMHA, for a scheduled appointment to attend a briefing, such failure shall result in removal from the waiting list and the person may reapply provided that applications are being accepted at that time.

**C. Briefings (24 CFR 982.301)**

**A. Briefing Session/Packets**

- a. At the family briefing session, the family will receive a Section 8 Housing Voucher briefing packet which will include explanations of participant and owner responsibilities under the program and program guidelines.

The briefing packet shall contain:

1. The term of the Voucher, OMHA policy on any extensions or suspensions of the term, and how the family can request them.
2. How the housing assistance payment (HAP) for the family is determined including information on the payment standards and the utility allowances.
3. How the maximum rent for an assisted unit is determined;
4. What the family should consider in deciding whether to lease a unit, including:
  - a. the condition of a unit;
  - b. whether the rent is reasonable;
  - c. the cost of any tenant-paid utilities and whether the unit is energy-efficient; and

- d. the location of the unit, including proximity to public transportation, centers of employment, schools and shopping;
5. Where the family may lease a unit including an explanation on portability.
6. A copy of the HUD-required lease addendum;
7. The Request for Tenancy Approval, and an explanation of how to request OMHA approval to lease a unit;
8. OMHA subsidy standards, including when the OMHA will consider granting exceptions to the standards;
9. The HUD lead-based paint (LBP) brochure; Fair Housing brochure.
10. A list of landlords or other parties known to the OMHA who may be willing to lease a unit to the family, or help the family find a unit; (or notification of vacant unit listing available at OMHA.)
11. Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the OMHA that may be available;
12. Family obligations under the Section 8 HCV program;
13. OMHA policy on providing information about family to prospective landlords.
14. The grounds on which the OMHA may terminate assistance for a participant family because of family action or failure to act; and
15. OMHA informal hearing procedures.
16. Notice to applicants and participants regarding criminal activity.
17. Required forms needed to verify an applicant's eligibility.
18. Additional information as determined by the OMHA.

Each adult household member will be asked to sign an acknowledgment that the briefing was conducted and will receive an outline of the subjects covered. Packets will contain all documents required by regulations. The issuance of this packet will serve as the proof of necessary information having been given to the applicant.

All Voucher holders during briefing sessions will be advised of their responsibility of locating units suitable to their needs and desires within the city of Oskaloosa. Any assistance provided by the OMHA shall be in conformance with the Equal Opportunity Housing Plan. Additional assistance such as referrals to barrier free units or special needs shall be provided to persons with disabilities.

The briefing session will be informal with the opportunity for the applicants to ask questions to ensure that they have an adequate understanding of the program and procedures to be followed. Briefings will be held at the OMHA offices located in City Hall or in the residence of the eligible applicant, if located within the city limits of Oskaloosa, if the applicant is unable to attend briefing at the OMHA office due to medical or disability reasons. In briefing a family that includes any disabled person, the OMHA will take appropriate steps to ensure effective communication and understanding of program regulations.

The family will be notified that they must report in writing any changes in family

composition and/or income during the period between issuance of the Voucher and execution of the HAP Voucher Contract. The OMHA will follow up as necessary before execution of lease and contract.

**D. Issuance of Voucher (24CFR 982.302, 982.303)**

A Voucher will be issued to the applicant at the top of the waiting list when an opening becomes available and after verifying eligibility. All income and family composition verification information must be current within 60 days before Voucher issuance. The family will receive a copy of the Voucher which states the expiration date. If an applicant is offered assistance and refuses the assistance, the applicant's name shall be removed from the waiting list. An applicant whose name has been removed from the waiting list may reapply at any time.

Any family owing monies to any Housing Agency must repay the Agency before a voucher may be issued.

In order to receive a Voucher, the applicant (head of household) must have legal capacity to enter into a lease under State or local law.

**E. Term of Voucher/Suspensions and Extensions (24 CFR 982.303)**

The Voucher shall expire at the end of 60 days unless within that time the family submits a Request for Tenancy Approval (RFTA), at which time a "suspension" may occur. (The time between the RFTA is submitted and the date the OMHA determines whether to lease or deny the RFTA is not counted against the Voucher time limit). The Voucher term may be extended one time for 60 days with a maximum of 120 days total if requested. The OMHA staff shall approve all extensions. No further notice by the OMHA is required as notification of pending expiration. Failure to lease a unit or receive an approved request for an extension will result in expiration of the Voucher and withdrawal of the application. The applicant may reapply to the waiting list.

1. Denial of Voucher Issuance.

An applicant may be denied a Voucher:

- a. If the preference points claimed enabling the person to be placed at the top of the waiting list cannot be verified.
- b. The applicant owes monies to a Housing Authority and has not repaid the agency.
- c. The applicant has not provided required forms and/or information and authorizations necessary to enable staff to determine program eligibility
- d. The applicant has falsified, misrepresented or concealed any material fact bearing upon or relating to any determining factor for admission or relating to the rent to be paid by the applicant, or
- e. The applicant has violated a previous lease while receiving rental assistance by damaging the contract unit or the premises beyond ordinary wear and tear. The previous landlord shall submit proof of damages to the OMHA by submitting the court's judgment or order or court approved

mediation agreement. The applicant must repay the previous landlord according to the court's judgment or order or court approved mediation agreement prior to issuance of a Voucher. Notification of denial will be in writing with the results of the determination and notification of grievance procedure.

## **SECTION IX UNIT SELECTION AND APPROVAL**

### **A. Locating a Unit**

It is the responsibility of the Voucher holder to locate a unit suitable to the holder's needs and desires. The holder of a Voucher may select the dwelling unit which the holder already occupies if the unit meets program qualifications.

Information regarding landlords interested in participating in the program will be offered to the Voucher holder. Voucher holders will be encouraged to locate their own housing, but will also be informed that they should periodically contact the OMHA staff in order to report their progress or request any new information regarding available units. Owners who have committed "fraud, bribery or any other corrupt or criminal act" in connection with a federal housing program may be denied. (Also see section IX:G-Approval of Property Owner)

Staff will provide a list of accessible units known to the OMHA and assistance in locating a dwelling unit to those families who, because of age or disability, request assistance.

To those applicants reporting apparent discrimination, assistance will be provided in preparing the required HUD Discrimination Complaint Form and in locating available housing elsewhere.

If a Voucher holder elects to move to a different jurisdiction, they must follow HUD's portability guidelines.

### **B. Portability (24 CFR 982.353, 354, 355)**

Portability is the ability of a family issued a Voucher, to move anywhere within the State of Iowa or anywhere in the United States where a tenant-based program is administered.

If neither household head nor spouse had a legal residence in the jurisdiction of the OMHA at the time of application, the family must lease a unit in the OMHA jurisdiction for one year before becoming eligible for portability.

If a family's initial lease is outside the jurisdiction of the OMHA, they must be income eligible for the area in which they will lease.

The receiving HA may offer to absorb families from another HA into their local Voucher Program, according to availability and eligibility.

The amount of housing assistance shall be based on the applicable Payment Standard in effect at the receiving HA at the time the Voucher is received.

The receiving HA will promptly notify the initial HA if the family has submitted a

Request for Tenancy Approval (RFTA), whether they will absorb or administer the Voucher, if the family ceases to be a current participant in the initial HA's Voucher Program, or has requested to move to another HA jurisdiction.

The receiving HA will perform all functions normally associated with providing assistance to a family in the Voucher Program, including determining unit size, lease approval, annual reexamination of income, annual inspection of the unit to meet Housing Quality Standards, and executing the HAP Contract. If the receiving HA does not absorb the family into its program, they will bill the initial HA for the Housing Assistance Payment on behalf of the family. The receiving HA will be eligible to receive 80% of current year HUD Administrative Fees Column B rate for administrative fees, ~~and all~~ associated with the portable Voucher being administered. The initial and receiving HA's must comply with financial procedures and billing and payment deadlines required by HUD.

If the family selects an area where more than one HA may have jurisdiction, then the OMHA may select which HA in the new area shall be the receiver.

Portability participants moving to Oskaloosa may be absorbed, if funding is available, to participate in the OMHA Voucher Program. If a Voucher is not available the OMHA will administer and bill the initial HA for the assistance. Any OMHA Voucher Holder living within the OMHA jurisdiction at the time the family applied for assistance may immediately request portability to another HA within the United States. Living within the OMHA jurisdiction is defined as having a domicile (legal residence of household head or spouse in accordance with State and local law) in the City of Oskaloosa. Transient residence (e.g., short term motel stays) does not meet domicile test.

Tenants wishing to receive portable assistance must submit a notice in writing to the OMHA according to the terms of the program. Additionally, the notice must state the effective date of the move and where they wish to move to. If the OMHA is the initial HA, staff shall determine income eligibility for the area to which the applicant or tenant is moving.

#### Portability Participants

A portable family transferring from another Housing Agency into the OMHA's jurisdiction shall be treated as a current participant with respect to criminal background checks. The portable family shall be advised of all program rules and regulations at time of briefing. The portable family may be found not eligible for continued participation in the Section 8 program if after receiving assistance from the OMHA any family member's behavior violates the Section 8 Program Rules as defined in the OMHA Section 8 Housing Administrative Plan.

**C. Applicant Flexibility on Unit Size Selection**

It is emphasized that the unit size listed on the applicant's Voucher does not preclude the family from selecting either a smaller or larger-sized unit provided the following requirements are met:

1. Larger-Sized Units.  
The family may select a larger-sized unit than listed on its Voucher. The family will be required to pay any additional cost for the larger size unit, within program guidelines. (The maximum subsidy will remain based on the Voucher size issued to the family.)
2. Smaller-Sized Units.  
The family may select a smaller-sized unit provided there is at least one sleeping room or living/sleeping room of appropriate size for each two persons in the household. (For example, a 3-bedroom Voucher Holder with 5 family members could select a 2-bedroom unit if there would be two bedrooms for four of the members and a living/sleeping room for the fifth member.) The applicable Payment Standard will be that of the smaller unit size.

**NOTE:** The unit size designated on the Voucher must remain unchanged, regardless of the actual unit size selected.

**D. Eligible and Ineligible Housing Units (24 CFR 982.352)**

Before a HAP contract is executed, the owner must inform the HA and the family of the year the unit was originally constructed and any knowledge they have of LBP (Lead-Based Paint) on the unit's surfaces.

1. Eligible Units.  
The types of housing units that are eligible for the Voucher Programs may include apartments, single family homes, townhouses, duplexes, and units in other multi-family arrangements, mobile homes, congregate and independent group homes. These may include units owned by a relative only if it is determined that such is necessary to provide a reasonable accommodation to a person with disabilities.

Owners of manufactured homes are not eligible to receive assistance on the Voucher Program.

Single Room Occupancy (SRO) Housing is eligible for assistance on the Voucher Program if:

- a. the property is located in an area where there is significant demand for SRO units (as determined by HUD),
  - b. the HA approves the use of SRO units for such purposes,
  - c. the HA certifies to HUD that the property meets applicable local health and safety standards for SRO housing.
2. Ineligible Units.
    - a. Any Public Housing or Indian Housing unit.
    - b. Units in which the family is being assisted under other Section 8

- subsidy programs.
- c. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services.
- d. Colleges or other school dormitories.
- e. Units on the grounds of penal, reformatory, medical, mental and similar public or private institutions.
- f. Housing owned in whole or in part, by the family to be assisted.
- g. Units that are owned by landlords that have been barred from participating in the program.

**E. Information Provided to Prospective Landlords About Participants (24 CFR 982.307)**

The OMHA does not screen tenants. Landlords are responsible for screening and selecting their own tenants. A prospective landlord may inquire and receive information from the OMHA regarding the family's current address and, if known, the name and address of the landlord at the family's current and prior address and dates of tenancy. If the family owes monies to the OMHA for any reason, this information shall be released to prospective landlords. Any information regarding housing subsidy and program participation may be released to prospective landlords.

The OMHA will provide the following information about program participants to prospective landlords:

1. current address; and
2. if known, name and address of owner of participant's current and prior address.
3. tenancy history of family members.
4. information about drug trafficking by family members.

The OMHA will inform all property owners interested in participating in the Section 8 Program that tenant screening for payment and other lease compliance behavior is the owner's responsibility, and is not performed by the OMHA.

**F. Security Deposits (24 CFR 982.313)**

Property owners have the right to request security deposits from Section 8 tenants. Security deposits collected by owners cannot be in excess of amounts allowed under Iowa State law -- two month's rent or in excess of amounts charged by owners to unassisted tenants.

It is the family's responsibility to pay the security deposit to the owner. The OMHA will not provide advances to assist families in meeting security deposits, but will provide assistance by referring the family to other potential private or public sources.

After the family moves from the unit, the owner must treat the deposit in accordance with State law. The owner may use the security deposit, including

interest earned, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts which the family owes under the lease. The owner must give the family a written statement listing all items charged against the security deposit and the amount charged for each item. The tenant must be notified of the move-out inspection. After deducting the amount used as reimbursement, the owner must promptly refund the full amount of the balance to the family. Any interest earned on a rental deposit during the first five years of a tenancy shall become property of the landlord. The family must provide a forwarding address or delivery instructions to the landlord upon move out. If the family fails to provide a forwarding address within one year from the termination of the tenancy, the rental deposit shall revert to the landlord and the tenant will be deemed to have forfeited all rights to the rental deposit.

**G. Approval of Property Owner (24 CFR 982.306)**

The OMHA will not approve a unit if any one of the following conditions exists:

1. The owner is debarred, suspended or subject to a limited denial of participation by HUD.
2. If directed by HUD because the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.
3. If directed by HUD because a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.
4. The OMHA, at its discretion, may deny participation to an owner if any one of the following conditions exists:
  - a. The owner has violated obligations under any Section 8 HAP contract;
  - b. The HA has obtained documentation that the owner has committed fraud, bribery or any other corrupt or criminal action in connection with any Federal housing program;
  - c. The owner has engaged in drug trafficking;
  - d. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program;
  - e. The owner has a history or practice of renting units that fail to meet state or local housing codes; or
  - f. The owner has not paid state or local real estate taxes, fines or assessments.
  - g. The owner has charged a tenant family additional monies for the rental unit other than the amounts on the lease agreement.
  - h. The owner knowingly allows a participant to commit fraud while receiving rental assistance. (The owner also shall be responsible to repay the housing assistance payments received on behalf of the tenant.)
5. The owner was convicted of or issued a court restraining order for physical violence, violent crimes, possession or sale of drugs. Failure to comply with

program regulations may be cause for prosecution. The individual circumstances and seriousness of such conditions will be considered prior to disapproval of an owner.

6. The owner knowingly allows a participant to engage in or allows guests to engage in violent or drug-related criminal activity. (Denial of owner participation shall be according to the same time limits as applicant denial and participant termination.) If the OMHA determines that the owner is approvable and that the lease does not violate any program rules, the lease may be approved. If the lease cannot be approved, the owner and subsidy holder will be notified and provided with the reason and an opportunity to correct any deficiencies.
7. Restrictions on leasing to Relatives: The OMHA will not approve a RFTA or provide assistance to a family if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the OMHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. Families that are currently receiving rental assistance shall not be affected by this restriction. This rule applies to new admissions and to moves with continued assistance.

**H. Approval of Owner's Proposed Lease (24 CFR 982.308)**

The OMHA may adopt a model lease for its Section 8 Voucher program and may encourage owners to use it. However, owners may elect to use their own lease. All leases must include the Section 8 lease addendum language verbatim or the owner must sign the HUD lease addendum with the prospective tenant. If the owner selects his/her own lease, the Voucher holder must submit a copy for review at the time the Request for Lease Approval is submitted. The OMHA will review all leases proposed by property owners to ensure that:

1. The lease includes the lease addendum language verbatim.
2. Utilities which must be paid by the tenant, if any, are specified.
3. The initial lease term is for at least one year and includes a provision for automatic renewals for a definite or indefinite length.
4. The lease identifies provisions of renewal and rent increases.

**I. Housing Quality Standards Inspections (24 CFR 882.109, 982.401)**

1. Inspection Procedures. If the family is issued a voucher, the family may then search for a unit. Once the family finds a unit, and the owner is willing to lease the unit under the program, the family may request OMHA approval to lease the unit. A family is permitted to submit only one request at a time. The request must be submitted on the RFTA form HUD-52517.

The OMHA will use an approved HUD inspection form. The inspection form is maintained in the tenant file. The OMHA will require furnace inspections to be conducted by a licensed heating contractor. A summary will be sent to both the owner and the tenant, if applicable. In the case of any "fail" items, a re-inspection is completed prior to approval of any payments. In the case of any "inconclusive items," further documentation of the acceptability of the

items will be required, or a re-inspection will be completed to confirm acceptability of the unit.

The various types of inspections include: annual, move-in, move-out, complaint and special. The OMHA will inspect each dwelling unit leased to an eligible family at least annually and at such other times as may be necessary to insure that the owner is maintaining the unit in accordance with the HUD Section 8 Minimum Housing Quality Standards (HQS) and is providing the agreed upon utilities and other services. The annual inspection will be performed in conjunction with the annual reexamination of family circumstances.

The OMHA encourages that both the owner and tenant are present during annual inspections. The OMHA will send a written notification to the landlord and tenant informing them of the inspection date and time.

When a unit fails the HQS inspection, the OMHA will notify the owner of the failed item(s) and the required time to repair (24 hours for emergency items, 30 days for other non-emergency items). If the owner fails to take corrective action within the time prescribed in the notice, the OMHA may exercise any of its rights or remedies under the contract, including abatement of Housing Assistance Payments (even if the family continues in occupancy) and termination of the contract. If the family wishes to be rehoused in another dwelling unit with Section 8 assistance and the OMHA decides to terminate the Housing Assistance Payments Contract, the OMHA shall issue to the family another Voucher to begin their search.

A family's assistance may be terminated if the family has breached its responsibilities under the program and is responsible for HQS failure for the following reasons: failure to pay for tenant-supplied utilities and services; failure to provide and maintain tenant-supplied appliances, or; damages caused by guests or family members.

## 2. Lead Based Paint Hazard Procedures

Visual assessments shall be conducted by a certified inspector on any pre-1978 units that are occupied or will be occupied by children under age 6.

Areas to be inspected include interior and exterior painted surfaces of the rental unit and any common areas frequented by children under age 6.

If the HQS inspector identifies deteriorated paint, the condition must be documented on the HQS inspection form. The HQS inspector should note whether the area of deteriorated paint is less than the de minimis levels.

Violations of HQS must be identified in writing and given to the owner, the resident, and the PHA must specify a time frame for correction of the

violations. No more than 30 days is allowed for correction of annual inspection violations, and for new admissions, the condition must be correct prior to occupancy. A reasonable time exemption is allowed during a period when weather conditions are unsuitable for conventional construction activities.

Deteriorated paint surfaces must be corrected by the owner or a representative of the owner, provided that person is certified in safe work practices. Work may include, but is not limited to, the removal of loose paint, repair of the areas, and the repainting or covering of the areas.

Clearance testing shall be done to the unit by a certified inspector. The cost of the initial clearance testing shall be the responsibility of the PHA. The cost of any further clearance testing shall be the responsibility of the owner. The results of the clearance testing shall be provided to the owner, the applicant or resident and to the PHA.

Failure to correct a HQS violation shall result in the stopping payment to the owner and the termination of the HAP contract. Owners and residents must be notified in writing when payment is stopped or when termination will occur.

The OMHA will provide inspections of all units, and a report of findings will be placed in the Voucher holder's file. The inspection report will include comments on unit conditions and will be utilized for comparison purposes at annual inspections.

All inspections will be made to assure structures and rental units conform to the HQS. All deficiencies must be repaired before initial execution or renewal of a HAP Contract. Minor problems which may become HQS deficiencies are cited on the inspection report as an advisory to the owner and tenant. Repairs needed in order for a unit to meet the HQS will be noted in writing and may be mailed to both the landlord and tenant if applicable.

Initial inspections must be completed before participation in the Section 8 Rental Assistance Program. Variance Requests or Appeals shall be allowed as follows:

If use of the occupied premises can be determined to be in compliance with the code, then code violations in unoccupied areas of the unit can be allowed, pending appeal, and the unit may be placed on the Section 8 Program.

For exterior repairs, if the owner has proof of materials on order or repairs to be completed under contract and the interior of the unit is code-compliant, the unit will not be delayed from going on the program, pending request for a time extension. Proof of orders and contracts should be included with the

request.

Initial units may not go on the program pending appeal if the denial of the appeal would automatically result in illegal occupancy.

Blanket requests for extensions of time to complete the majority of the inspection deficiencies to put initial units on the program will not be accepted. At the very least, all interior violations and any exterior violations which are a potential immediate threat to the life or safety of the occupants must be corrected. Weather related extensions of time will be considered.

All attempts will be made to inform the landlord of all inspections. Inspections consisting of immediate health and safety items may be performed if the OMHA is unable to contact the landlord.

The tenant or landlord may request the OMHA to perform a "Complaint" inspection of the unit if either believes the unit does not meet the HQS. This inspection may be performed at any time during the term of the HAP contract. The inspector is required to inspect only the item(s) listed in the complaint, but may document other failed items if noticed during the inspection and require repairs.

If deficiencies are not repaired in the time period given by the inspection report, abatement or contract termination may result. During the abatement period, the landlord shall not be entitled to any Housing Assistance Payments during which the unit did not meet the HQS and the tenant shall not be held responsible for the housing assistance payments abated by the OMHA.

### 3. Family Obligations in Regard to HQS

All tenants are to maintain their units according to the standards as set forth in the HQS. A tenant found in violation of any of these standards by the OMHA or having been issued a municipal citation shall be terminated from the housing assistance program if corrective action is not taken within the time frame allowed by the OMHA. Housing Assistance Payments to the owner shall be stopped and the HAP contract shall be terminated once tenant assistance is terminated because of family-caused HQS violations. Some examples of HQS violations for which a family is responsible for are:

- a. Family failure to pay for tenant-supplied utilities;
- b. Family failure to provide and maintain tenant-supplied appliances;
- c. Damages caused by the family or guest to the unit or premises (beyond ordinary wear and tear.)

Applicants claiming code enforcement/displacement preference for residing in substandard units shall not receive federal preference points if the unit is in substandard condition due to the applicant's failure to perform his or her obligation as a tenant.

4. Quality Control Procedures.

In order to ensure that the inspections are adhering to the HQS, and are providing consistent determinations, a random sample consistent with SEMAP recommendations shall be reviewed by the Executive Director on an annual basis.

**J. Initial Contract Rents**

1. Fair Market Rent.

*Vouchers:* (24 CFR 982.507,982.305) For the Voucher Program, the Contract Rent is not limited by the FMR, however at no time may the voucher Contract Rent exceed rent that is paid for comparable, unassisted units. However, at the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, if the gross rent for the unit is greater than the payment standard for the family, the family share may not exceed 40 percent of the family's monthly adjusted income. The determination of adjusted monthly income must be based on verification received by the OMHA no earlier than 60 days before the voucher is issued.

2. Rent Reasonableness. (24 CFR 982.507) The purpose of the Rent Reasonableness test is to assure that:

- a. A fair rent is paid for units selected for participation in the Section 8 Program, and
- b. The program does not have the effect of inflating rents in the community. Rent reasonableness will be determined for Voucher holders at initial lease up and whenever the owner requests a rent adjustment. Documentation of reasonable rent will be included in each participant's file. The reasonableness of the rent requested by the owner will be determined on the basis of:
  - i. OMHA market survey information on rents for comparable units in the area;
  - ii. Factors considered in the determination of rent reasonableness are: location, size, type, quality, age, amenities, housing services, maintenance and utilities.

The OMHA will collect and maintain substantial data to determine and support rent reasonableness for all program rents. Data will be purged and updated regularly by OMHA staff.

If the OMHA determines that the amount of rent requested by the owner is not reasonable, OMHA may assist the family in negotiating a reasonable rent. Failure by the owner to lower the rent to an acceptably reasonable amount will result in disapproval of the unit for the program.

**SECTION X**  
**HOUSING ASSISTANCE PAYMENTS CONTRACT**

**A. HAP Contract Execution** (24 CFR 982.311, 451, 452, 454, 455)

1. Once the owner, lease and unit are approved, and a reasonable rent negotiated, the OMHA will enter into a HAP contract.

The HAP contract is a contract between the OMHA and the owner and provides for the OMHA to make monthly payments to the owner for a specific family in a specific unit. The term of the contract runs concurrently with the lease term. The HAP contract terminates if the lease terminates. No payments may be made after the family moves out or the lease term ends.

2. Once the leasing/contract documents are prepared, OMHA staff will meet with the owner and family to review documents. (If the landlord is unable to meet in person, the OMHA can mail the documents to the landlord.) In addition to reviewing the specific terms of the HAP contract and lease, staff will explain:
  - a. Owner requirements to maintain the unit, allow inspections, and inform the OMHA if the tenant vacates without notice.
  - b. Tenant requirements to pay rent, maintain the unit, allow inspections, cooperate with the OMHA's recertification requirements, and notify the OMHA when the family wishes to move.
3. The OMHA will make their best effort to sign all HAP contracts before lease terms start and will ensure that all contracts are executed within 60 days after the beginning of the lease term.
  - a. If the HAP contract was signed within the 60 day period after the lease term started, housing assistance payments may be made retroactive to the beginning of the lease term.
  - b. If the HAP contract was executed more than 60 days following the beginning of the lease term, the contract is void and no housing assistance payments may be made to the owner.
4. A new HAP contract will be required for new and revised leases. Changing the security deposit, family members, utilities furnished by owner, or acceptability of pets will require execution of a new HAP contract. A new contract will be required when a resident is required to move due to termination not connected with eligibility (damage to the unit, i.e. fire, sale of the residence, etc.). In the case of such a termination, the resident has 60 days to submit a new RFTA.

**B. Payments to Owners** (24 CFR 982.311)

1. Housing Assistance Payment, (the difference between the contract rent and the portion of the rent payable by the family) shall be paid to the owner in accordance with the contract. No payments will be made on behalf of an assisted family until the lease and the Housing Assistance Payments Contract have been signed by all appropriate parties. The OMHA will maintain an internal control system which will ensure the accurate posting and tracking of

Housing Assistance Payments to owners.

2. Payments to landlords shall be made via ACH, which is an electronic transfer of funds from the OMHA bank account. Staff will process HAP to landlords on a timely basis so as to assure that payments are posted to the landlord's account not later than the 6th day of the month for which payment is made. Dwelling units not passing inspection by the final inspection day of the month for an on-time payment but before the 1st of the month may receive a late payment the following month without penalty to the OMHA. The staff may assist owners to secure applicants for any units that become vacant due to termination of occupancy for any reason prior to the scheduled expiration of the HAP Contracts.
3. By accepting each monthly HAP payment from the OMHA, the owner certifies that the rent to owner is not more than the rent charged by the owner for comparable unassisted units and that the unit meets HQS. The owner must give the HA information requested by the OMHA regarding rents charged for other units. (24CFR982.507)
4. The cost and value of meals and supportive services may not be included in the calculation of rent to owner. The lease may not require the family members to pay charges for meals and supportive services, and non-payment of such charges is not grounds for termination of tenancy. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises. (24CFR982.510)
5. The HAP contract will provide for penalties (late fees) against the OMHA for late payment of the HAP due to the owner if all of the following circumstances apply:
  - a. Such late fees are in accordance with generally accepted practices and law in the local market governing penalties for late payment of rent by a tenant.
  - b. The owner charges such penalties for assisted and unassisted tenants.
  - c. The owner also charges such penalties to the tenant for late payment of family rent to owner.

The OMHA does not have to pay the late payment penalty if HUD determines that the payment was late due to factors beyond the OMHA's control. Late penalties are not applicable for the first two calendar months of the HAP contract term. Penalties may only be paid from administrative fees or administrative fee reserve. Landlords must notify the OMHA of any bank account changes by the 20th of each month in writing to ensure the changes are entered into the system. The OMHA must receive a written request by the owner of the dwelling unit in order to make changes regarding the housing assistance payment. Any payments delayed due to a failed inspection on the dwelling unit will not be considered late for the purposes of penalty payments. (24CFR982.451)

**C. Contract Rent Adjustment - Voucher Program**

The Contract Rent may not be increased during the first year of the lease. After the

initial year, owners may request an increase by providing at least 60 days written notice prior to the annual recertification date. The written notice of any proposed increase must be sent to the family, in accordance with the lease and contract, and to the OMHA. The increase will not be approved unless the increased rent meets rent reasonableness requirements. Families who wish to move because of the owner's rent increase will be required to give the owner proper notice and notify the OMHA at least sixty (60) days in advance.

The rent to owner will only be increased for HAP covering months commencing on the later of the first day of the first month commencing on or after the contract anniversary date, or at least 60 days after the OMHA receives the owner's request.

At each anniversary date the OMHA must adjust the rent to the owner at the request of the owner in accordance with HUD regulations. The adjusted rent to owner may be the most recently determined reasonable rent; or the amount requested by the owner. The rent to owner may be adjusted up or down in accordance with HUD regulation.

Owners' requests for rent increases will be considered with respect to the rent amounts of the unassisted units in the same building, housing market, the costs of ownership, the costs of utilities and the rentals of comparable properties. Requests for rent increases not justified by the evidence or in excess of those rents authorized to be paid will be rejected. Requests for rent increases due to extraordinary circumstances will be fully documented and forwarded to the Federal agency for concurrence.

Termination of HAP contract: Insufficient funding. The OMHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

The termination process due to insufficient funding, after notifying HUD in advance, will be as follows:

First, by reducing payment standards for all participating families in an attempt to prevent terminations.

Second, by terminating contracts that are receiving the greatest dollar amount of HAP (including utility reimbursements), in the following order:

1. Single adults, with no children (excluding elderly, disabled/handicapped)
2. Couples with no children (excluding elderly, disabled /handicapped)
3. Families with children (excluding elderly, disabled/handicapped)
4. Elderly and/or disabled families

Families terminated as a result of these procedures shall be placed back on the Section 8 program, if eligible, before any new admissions in the order that they

were terminated (i.e. first off, first on).

**D. Rent Abatement and Contract Terminations for HQS Violations (24 CFR 982.404)**

When an owner fails to correct cited repairs within the specified time frame, housing assistance payments will be abated at the end of the month in which the failed reinspection occurred, and will continue until such time when:

The owner corrects the deficiencies, in which case the housing assistance payments may be resumed as of that date; or

The HAP contract expires or is terminated.

The OMHA will not resume HAP payments until the owner has corrected the deficiencies. No retroactive payments will be made for the period during which the rent abatement occurred. When the deficiencies are corrected, however, a prorated housing assistance payment may be provided to the owner for the period commencing with the date a OMHA inspector certified the required work was completed.

The OMHA will send the owner advance written notification, in accordance with the HAP contract, when the OMHA plans to abate payments. The OMHA will also notify the family of this action and apprise the family of its responsibility, based on applicable State or local law, for the payment of the tenant share of rent to the owner.

The OMHA will terminate HAP contracts which are under abatement at the earlier of:

1. the month the family living in the unit has moved, or
2. sixty days after the last payment was made.

HAP contracts will be terminated immediately, without application of the rent abatement process described above, in cases of owner failure to repair life-threatening conditions within the required 24 hour time period. This applies only to cases in which the owner is responsible for the situation not when the tenant has caused the violation. Life-threatening conditions include but are not limited to:

1. No heat between October 1 and May 1.
2. No electricity.
3. No gas.
4. No running water.
5. Natural gas leak or fumes.
6. Major plumbing leaks or flooding (such as sewer backup or stoppage).
7. Any electrical outlet, switch, stationary light fixture, fuse box or circuit breaker that smokes, sparks or short circuits, creating a fire hazard.
8. Broken or missing lock on any dwelling unit doors accessible to the outside of the dwelling unit.
9. Uninhabitable units due to fire, tornadoes, destroyed or vandalized

property that prevent a tenant from using the bathroom or kitchen or from entering the dwelling unit.

## SECTION XI ONGOING ACTIVITIES

### A. **Annual Reexaminations** (24 CFR 882.515)

1. The OMHA will re-examine the income, assets, expenses and family composition of all families at least annually. Reexaminations determine the participant's monthly TTP (Total Tenant Payment) and rent to owner (Tenant Rent), eligibility for continued participation, and required unit size. At the time of annual re-examination, criminal history and sex offender status will be re-checked. The OMHA follows all pertinent HUD regulations in its completion of reexaminations. Approximately ninety (90) days prior to the family's reexamination effective date, the family will be notified of a scheduled reexamination interview. If the family is unable to attend or fails to attend the scheduled interview and/or inspection, the OMHA will notify the family to re-schedule another appointment. If the family fails to keep the second appointment, the OMHA will send the family a notice terminating assistance under the Section 8 program effective on the family's reexamination effective date. Employment and income data, assets, full-time student status, medical expenses (elderly and disabled families only), child care expense, and handicapped assistance expenses will be verified, documented and placed in the participant's folder. The OMHA will utilize up-front income verification (UIV) methods, the Work Number, whenever possible as well as any other UIV that might become available to the OMHA, including EIV. Third party written verifications are the preferred kind of verifications. EIV verifications will be used first, as the preferred third party verifications. If the income on the UIV is disputed by the family, a 3<sup>rd</sup> party written or oral verification will be conducted. Written or oral third party verifications are acceptable, if properly documented. Verification of date, time, person confirming information shall be kept in the tenant file. When 3<sup>rd</sup> party verifications are not possible, review of tenant-supplied documents will be used. Documents will be photocopied, OMHA staff will sign a statement confirming that the verification documents were viewed by recording the document source, date, time, amount, etc. When tenant-supplied documents are not available, tenant-certifications will be used. All verifications will be maintained in the participant's folder for six years following the tenant file being closed. Verified information will be analyzed to determine TTP and the appropriate unit size.
2. Tenants requiring larger or smaller units are issued a Voucher for the appropriate bedroom size dwelling unit at the annual reexamination, or at such other times necessary. However, if the family size exceeds the maximum subsidy standard for continued occupancy, the family must be immediately issued the appropriate size Voucher. During the first two years the Payment Standard may not be less than the standard previously used, except when the family qualifies for a smaller unit.
3. Tenants whose Total Tenant Payment equals or exceeds the gross rent for their dwelling unit, will be notified of their responsibility for the entire

contract rent amount.

- a. Housing Assistance Payments shall be terminated with proper notice to both the tenant and owner.
  - b. Suspension of Housing Assistance Payments shall not affect the tenant's other rights under the lease, nor shall suspension preclude the resumption of payments as a result of loss of income or other relevant circumstances.
  - c. OMHA will terminate the contract if six (6) months have passed since the date of the last Housing Assistance Payment.
4. Increases in the participant's portion of the rent to owner (Tenant Rent) will be effective on the scheduled reexamination effective date, with reasonable advance notice (30 days) provided the participant has complied with all reporting requirements. When the participant has failed to do so, the participant's portion will increase retroactive to the reexamination effective date. Additionally failure to report in writing any changes in family income or composition may result in termination of program benefits. Retroactive changes in participants rent share will not be made when delays are solely the fault of the OMHA or a verification source.
  5. Decreases in participant's portion of rent shall take effect on the reexamination effective date. i.e.: utility allowance increases, voucher payment standard changes, etc.

## **B. Interim Reexaminations**

Changes in family income or composition may result in an interim recertification. Increases in income and/or changes in family composition must be reported in writing and documented in the tenant family's file. All changes that will result in a decrease in rent shall be processed. An interim reexamination does not change the anniversary date for the annual reexamination.

1. Income/Family Composition Changes. The resident must report in writing within 10 days:
  - a. All changes in the household composition. Additions to the household must be pre-approved by the OMHA and the owner; and
  - b. Any increase in gross household income
2. The resident may report any of the following changes which would result in a decrease in rent:
  - a. Decrease in income expected to last at least 60 days; and
  - b. Increase in allowances or deductions.
3. Zero Income. Families reporting \$0 income will be required to have all adult household members sign a certification of \$0 income and a release allowing the OMHA to obtain a certified copy of any tax return submitted to IRS by all adults residing in the household. Additionally, all adult household members must report income and source of assistance to pay debts and living expenses on a monthly basis. Failure to comply with these reexamination requirements will be considered grounds for termination of assistance.
4. All families reporting a change in income due to a reduction in welfare assistance or FIP Benefits resulting from the tenant's action or inaction due to

fraud, failure to participate in an economic self-sufficiency program, or failure to comply with a work activities requirements shall be denied any reduction in tenant's contribution to the rent. However, if the welfare reduction is the result of the expiration of a lifetime time limit on receiving benefits, or a situation where the family has complied with welfare program requirements but cannot obtain employment e.g., the family has complied, but loses welfare because of a durational time limit such as a cap on welfare benefits for a period of no more than five years, an income change can be processed. If the OMHA receives a request for interim income change of an income reexamination based upon reduced welfare assistance, the OMHA shall receive written verification from the Department of Human Services as to the reason for the reduction of benefits. If DHS verifies the reduction in benefits because of the family's noncompliance with economic self-sufficiency programs or work activities requirements or because of fraud, the reduction in the tenant's portion of rent will be denied. The family shall be offered the chance to appeal according to the OMHA Administrative Plan grievance procedures.

5. Effective Date of Rent Changes Due to Interim Recertifications.
  - a. *Tenant Rent Decreases:* If a change in family circumstances or income results in a decrease in Tenant Rent, the adjustment in rent will be effective the first day of the month, following verification of reported change. Decrease in Tenant Rent will not be granted without verification of the decrease in income.
  - b. *Tenant Rent Increases:* For Families reporting \$0 income, a change in family circumstances or income that results in an increase in Tenant Rent shall be effective the first day of the month following the reported change if written notice of new rent is sent to the tenant before the 16<sup>th</sup> day of said month. If written notice is not sent by the OMHA before the 16<sup>th</sup>, the change shall be effective the first day of the second month following the reported change.
  - c. If a change is a result of an additional household member and/or an increase in per month gross household income, an increase in Tenant Rent shall be effective the first day of the month following the reported change if written notice of new rent is sent to the tenant before the 16<sup>th</sup> day of said month. If written notice is not sent by the OMHA before the 16<sup>th</sup>, the change shall be effective the first day of the second month following the reported change.
  - d. If a change in income is a result from an increase in monthly gross household income and has not been properly reported, the family shall be responsible for repayment of any Housing Assistance Payments made on their behalf. Failure to report any changes in family income or composition in writing may result in termination of program benefits.
  - e. Tenant and owner will be notified as to any changes in the Housing Assistance Payment or Tenant Rent.
  
6. Errors. If an error in Tenant Rent is revealed at any time during the income

year, proper adjustment will be made to correct the error as follows:

- a. If the error is the fault of the tenant, and results in the tenant owing additional rent, such rent shall be repaid by the family within a reasonable period of time. Failure to repay may result in termination.
- b. If the error is not the fault of the tenant and it results in increased Tenant Rent, such rent shall be made effective the first day the change is corrected. If a refund is necessary, because of a decrease in rent, it shall be processed immediately.
- c. If the error is not the fault of the tenant, and corrective action results in a decreased rent, such rent shall be made effective as of the date the error was made.

**C. Changes in Household Composition**

All participants are required to report in writing any change in household composition within 10 days of the change to the OMHA and to the landlord. The owner must approve new family members or changes to the lease. New household members may be added to the resident's lease if the new family member has been added as the result of birth, marriage, reconciliation with a spouse, legal adoption, award of custody to or by a member of a household on the lease and award of a foster child. However, no new household member over the age of five years may be added unless and until that person has provided the required information to the OMHA and been determined eligible for admission according to the guidelines specified in Section II of this policy. The OMHA has the right to deny admission to any person found to be ineligible. All requests to add an additional adult family member must be in writing to the OMHA and accompanied by written agreement by the landlord.

Participants must provide documentation as required by the OMHA when reporting that a family member has left the household. In the case of an income producing household member, the OMHA will require a document verifying the new address or other evidence deemed acceptable by the OMHA. Utility bills, a driver's license, an automobile registration, voter registration, an employer's verification, or a lease or a rent receipt bearing the family member's name, new address and a date are examples of acceptable evidence. Court papers indicating that a family member has left the household such as a Petition for Dissolution of Marriage, a Petition for an Order of Protection, or a Petition for Legal Separation may also be acceptable.

**D. Family Moves with Continued Assistance (24 CFR 982.314) (See also Section XII, Terminations)**

1. If the tenant desires to relocate, they may do so freely upon completion of the first year's term of the lease. However, the tenant must first submit a 30 day written notice to the landlord stating his/her intention to vacate. A copy of this notice, signed by the tenant, must be provided to the OMHA.
2. Any assisted family participating in the OMHA's Section 8 Housing Programs may be permitted to move to a different qualified dwelling unit one time during a twelve month period. The OMHA Staff are authorized to conduct

only one unit change procedure per family, per year. Any assisted family wishing to exceed this limitation must successfully obtain relief at any one of the levels of the Grievance Procedure outlined in this Administrative Plan. The Hearing Officer conducting the Grievance Hearing will, among other resources and limitation, draw upon the rules and regulations in 24 CFR, Part 882/887/982 to guide the decision-making process in such cases. If the move is granted, the tenant must also provide a written rescission form supplied by the OMHA, signed by the landlord & tenant.

3. Families are required to provide 30 days (one full calendar month) written notification of intent to move unless written mutual rescission is provided by both landlord and tenant. The family may move only if the lease is properly terminated, owner is evicting or has given notice to vacate, or tenant has the right to terminate the lease and has provided proper notice to vacate, and tenant has the right to terminate the lease and has provided proper notice of lease termination. Any move (both within and outside OMHA jurisdiction) by a family during the initial year from an assisted unit shall be prohibited. More than one move (both within and outside OMHA jurisdiction) during any one year (12 month period) shall be prohibited.
4. Participants are limited to one move in any 12 month period.
5. If the family wants to move to a new unit that is located in another jurisdiction, the family must provide notice to the OMHA and must specify the area where the family wants to move. (See also Section IX, B. Portability.)
6. The OMHA may deny a participant family's request to move if the family owes money to the OMHA or another housing agency or a previous landlord while participating in the Section 8 Program if the landlord has submitted the court's judgment or order or court approved mediation agreement; or if the HA does not have sufficient funding for continued assistance. (See also Section XI, Ongoing Activities, H. Repayment Agreements.)

**E. Assistance for Families Under Lease**

The OMHA will plan, develop and coordinate working relationships with human services and social service agencies that can be of help to tenants. The OMHA staff will assist in providing information and referral service to tenants. Families who have questions regarding their participation in the Voucher Program, may request assistance from the OMHA.

Families who experience difficulty in tenancy will be urged in the first instance to consult their landlord (owner) and confirm this in writing. Staff will intercede only as necessary to facilitate communication between the parties. In no instance will the staff be an advocate for any owner or family, or participate in any difficulty which is not in the best interest of the program, while taking into consideration the rights of all parties. Difficulties beyond the capacity of staff to handle will be referred to agencies who may be servicing the families or in the alternative, an agency may be requested to intercede.

**F. Family Break-Up (24 CFR 982.315)**

In the case of family break-up, the OMHA has the discretion to decide which members of an assisted family will continue to receive the housing assistance. In making such a determination, the factors to be considered may include:

1. Whether the assistance should remain with family members remaining in the original assisted unit;
2. The interest of minor children or of ill, elderly or disabled family members; and
3. Whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under the settlement or judicial decree, the OMHA will follow the court's determination of which family members continue to receive assistance in the program.

In the case where there is no adult remaining family member and there are minors still living in the unit, the OMHA will accept proof of legal guardianship of remaining minors and will grant remaining member status subject to all program eligibility considerations.

If a single parent leaves the household and another adult is brought in to care for the children, the housing assistance may not be terminated if the landlord agrees to this change. However, the adult member will not be considered Head of Household or the Voucher participant unless guardianship of the children is granted.

If the husband or wife obtains a divorce or legal separation and the household composition does not consist of minor children, the person who leaves the household will no longer be considered part of the family for rental assistance purposes. In the case of a family whose household composition includes minor children, the adult member who retains physical custody of the children shall be designated as head of household and retain the rental assistance. However, the OMHA shall honor any court determination of which family members keep the certificate/voucher assistance. Written documentation/verification of the change in household composition must be provided to the OMHA.

If the husband or wife is temporarily (less than 180 days) absent from the household, the absent party will be determined temporarily absent and will not require any changes to the household composition. However, an income change may still be required.

An adult child claiming student status who resides in the College dormitory or housing facilities supplied by the school will be considered temporarily absent if the child resides with the family at the permanent address.

Children who are subject to a joint custody agreement but are given primary care by one of the parents or reside in the unit for more than 50% of the time with one of the parents shall be considered members of the household with the primary care parent for eligibility and occupancy purposes.

**G. Family Absence From Unit** (24 CFR 982.312)

The family must supply information and certification to the OMHA to verify that the family is residing in the unit. The family must also promptly notify the OMHA of the absence from the unit, including any information requested about the purpose of the family absence(s).

The assisted unit must be the only place of residence for the family. The family may be absent from the unit for brief periods; not to extend beyond two weeks. Any absence period longer than two weeks requires written notification to the OMHA and the owner prior to the absence. Any absences extending beyond 30 consecutive days must have OMHA approval in writing prior to the absence. The tenant may apply for OMHA approval for an extended absence by submitting a written request to the OMHA and the owner prior to the absence. The tenant must allow for sufficient time for a written response by the OMHA (no less than two weeks.) Absences of 30 days or longer without prior written OMHA approval shall be considered abandonment of the unit. Approval for absences longer than 30 days shall be given due to physician-approved medical causes. However, in no instance shall the tenant be absent from the assisted unit for more than 180 consecutive calendar days. Absences for longer than 180 consecutive calendar days shall be cause for termination.

The OMHA may verify occupancy and residency of the unit by checking with local utility companies to verify the names of tenant-supplied utilities, or any other source of verification available to the OMHA. The tenant family has the obligation to verify residency in the unit or absences when requested by the OMHA.

Abandonment of Unit

It shall be the policy of the OMHA to terminate a contract for assistance in the case of a unit no longer used by a client family as the only place of residence.

Abandonment shall be defined as non-use of the unit by all persons listed on the lease as place of residence for a period of thirty (30) days consecutively. An exception to this policy will be non-residence in the unit due to physician-approved medical causes.

**H. Repayment Agreements**

If a participant owes money to the OMHA, the OMHA may require the participant to enter into a repayment agreement (promissory note) or may require repayment on demand. If the participant does not comply with the repayment agreement, the OMHA may terminate the participant from the program.

The monthly repayment schedule shall be negotiated with the tenant prior to signing

the agreement. The amount of the payment to the OMHA under the repayment agreement shall not be less than \$25.00 per month.

The OMHA will attempt to collect all amounts owed the OMHA by the tenant family for overpayment of HAP due to failure to report income, fraud, misrepresentation, by requesting the Tenant to enter into a repayment agreement in cases where the tenant family has already completed a unit change or continuance of assistance before payment has been made. Failure to enter into a repayment agreement or failure to make the required payments may result in termination of housing assistance payments. Applicants on the waiting list or tenant families wishing to move who owe the OMHA or any other housing authority amounts for tenant rent, damages, or vacancy loss must repay these amounts in full prior to admission or continuation to the Section 8 Housing Choice Voucher Program. Additionally, any applicant or participant who has violated a previous lease while receiving rental assistance by damaging the contract unit or the premises beyond ordinary wear and tear must repay these amounts in full prior to admission or continuation in the Section 8 Housing Choice Voucher Program. The previous landlord shall submit proof of damages to the OMHA by submitting the court's judgment or order or court approved mediation agreement. The applicant must repay the previous landlord according to the court's judgment or order or court's approved mediation agreement prior to issuance of a Voucher. Notification of denial will be in writing with the results of the determination and notification of appeal process. Any person owing monies to the OMHA will be required to repay the amount owed before issuance of a Voucher. Any person owing monies to another HA must provide proof of repayment.

Any landlord accepting housing assistance payments for units not occupied by the tenant family must repay the amounts received for the period not occupied in full. The OMHA reserves the right to prosecute either the landlord or tenant in all cases deemed fraudulent.

If the OMHA determines that the family committed fraud or was grossly irresponsible, the OMHA may require the family to repay the entire amount of Housing Assistance benefits in full or have its assistance terminated.

If the family's assistance is terminated and repayment has not been made, the money will still be considered to be owed and the HA may still take action to collect the amounts owed.

The OMHA will notify all participants who fail to repay debts owed or enter into a repayment agreement of our intent to pursue collection of those monies from the state of Iowa income offset program. The OMHA will also include the information used by HUD to create a national repository that will be available with the EIV systems for all PHA's to access as debts owed to public housing agencies and terminations.

(See also Section II, A. (9) Eligibility Criteria, Section XI, D. (6) Family Moves

with Continued Assistance and Section XII, B. Housing Assistance Terminations, 1.f.)

All requests for information regarding applicants, participants or participating owners, or any other program information must be submitted in writing on the form provided by the OMHA.

The applicant, participant, or owner for which information has been requested will be notified by the OMHA of said request.

The OMHA will follow the City of Oskaloosa Public Records Request Policy, Digital Data Licensing Agreement and Fee Schedule for accessing and/or producing public records.

**SECTION XII**  
**TERMINATION, CLAIMS AND COMPLAINTS AND APPEALS**

**A. Termination of Tenancy By Owner or Participant**

1. Owner Initiated Lease Terminations. (24 CFR 982.310, 311) During the term of the lease, the owner may terminate tenancy on the following grounds:
  - a. Serious or repeated violation of the terms and conditions of the lease;
  - b. Violation of Federal, State or local law that imposes obligations on a tenant in connection with the occupancy or use of the premises; or
  - c. Other good cause. However, during the first year of the lease, the owner may not terminate for "other good cause" unless the termination is based on something the family did or failed to do. The following are some examples of "other good cause" for termination of tenancy by the landlord:
    - i. Failure by the Tenant Family to accept the offer of a new or revised lease.
    - ii. Tenant Family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or property.
    - iii. Criminal activity by Tenant, any member of the household, a guest or another person under the tenant's control, that threatens the health and safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity of the premises.
    - iv. Any drug related criminal activity on or near the premises.
    - v. The landlord's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit; or
    - vi. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to rent the unit at a higher rental).

In the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease, requiring the tenant to vacate the property prior to sale shall not constitute other good cause, except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner: (a) will occupy the unit as a primary residence; and (b) has provided the tenant a notice to vacate at least 90 days before the effective date of such notice. This provision shall not affect any State or local law that provides for longer time periods or addition protections for tenants. **This provision will sunset on December 31, 2012 unless extended by law.**

- d. The owner may only evict the tenant from the unit by instituting a court action.

NOTE: This list of examples is intended as a non-exclusive statement of some situations included in "other good cause," but shall in no way be

construed as a limitation on the application of "other good cause" to situations not included in the list. The owner may not terminate the tenancy during the first year of the term of the lease, for example, for reasons (i), (v) or (vi) of "other good cause."

If termination is due to a "business or economic reason" (i.e., the OMHA is unable to approve the amount of rent you are currently charging), or "expiration" of the HAP contract, a written notice must be sent the tenant family in accordance with the lease and state and local law.

- e. If owner initiates an eviction action in accordance with the lease and the family continues to live in the unit, the OMHA issues a 30 day notice to terminate HAP.
  - f. The owner will keep the full HAP payment for the month in which the family moves out.
  - g. The owner may terminate tenancy by providing at least sixty (60) days written notice of his/her intent of non-renewal of the lease prior to the renewal date.
2. Participant Initiated Lease Terminations.
- a. If a tenant wishes to move, they may do so at any time after the first year of the term of the lease. The tenant must submit at least 30 days (1 full calendar month) written notice to the landlord. A copy of this notice, signed by the tenant, must be provided to the OMHA.
  - b. If a family desires to be released prematurely from a lease in effect at the time, such tenant shall first obtain a Mutual Rescission form from the OMHA. This form must be completed in full by both the landlord and tenant and returned to the OMHA. The OMHA shall review the request for continued assistance and notify the family of its decision.
  - c. When a dwelling unit becomes unavailable to the program due to termination of a Housing Assistance Payments Contract the family, provided they continue to meet all program eligibility requirements, will be issued a copy of their Voucher.
  - d. If the family wishes to terminate assistance voluntarily and remain in the unit, the family and owner must execute a new lease.
3. If a family moves with continued assistance, the term of the lease for the new unit may begin during the month in which the family moves from the old unit, and payment may overlap for the old and new units. This is not considered a duplicative housing subsidy. The OMHA may deny permission to move if there is insufficient funding for continued assistance.

**B. Housing Assistance Termination (24 CFR 982.552)**

Program participants in the Section 8 programs will continue to receive assistance as long as they comply with program obligations and rent an eligible dwelling. If a participant family fails to abide by the program obligations, they may be terminated from the Section 8 Program which will result in the discontinuation of housing assistance. The OMHA shall conduct a review of the criminal history of each

participant at the time of entry to the program and at each annual review thereafter.

All participants for whom the OMHA intends to terminate assistance will be provided a written notification informing them of the reason for the termination determination and the right to request an informal hearing. (See Section F for further discussion of grievance procedure.)

1. The OMHA may terminate housing assistance for the following reasons:
  - a. If the family violates any family obligations under the program. (24 CFR 982.551). The family shall remain ineligible for OMHA's program for three years.
  - b. If any member of the family has been evicted from public housing, or any previous Section 8 dwelling, the family shall remain ineligible for OMHA'S program for three years.
  - c. Participation in the Section 8 programs may be terminated if the tenant or any family member engages in drug-related criminal activity violent criminal activity, including criminal activity by any family member, or criminal activity associated with alcohol abuse which is threatening to the premises, property or safety of other tenants. For the purposes of this section:
    - i. Drug-related criminal activity means one of the following:
      - A. The manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802);
      - B. The use or possession (other than with intent to manufacture, sell or distribute), of a controlled substance, except that such use or possession must have occurred within one year before the date that the PHA provides notice to an applicant or to a participant of the PHA's determination to terminate assistance. Drug-related criminal activity does not include such use or possession, if the Family member can demonstrate that he or she is currently receiving treatment or has recovered from such addiction and does not currently use or possess controlled substances. As a condition of being allowed to reside in the unit, the OMHA will require evidence of participation in, or successful completion of, a treatment program from the family member who has engaged in the illegal use of drugs.
    - ii. Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another; any abusive behavior or threats of physical harm or sexual assault; any abuse of a child or dependent person including the neglect, abandonment, or endangerment of that person. Endanger the life, safety or welfare of other persons includes, but is not limited to:
      - A. Sexual Abuse

- B. Domestic Abuse
- C. Assault
- D. Stalking
- E. Neglect, Abandonment or Abuse of a Child
- F. Homicide or Manslaughter
- G. Mayhem
- H. Arson
- I. Commission of a Crime with a Weapon

A conviction for domestic abuse/assault will not constitute cause for denial of application or termination of participation if the Family member can demonstrate that he or she has received treatment from a recognized counseling program and no longer engages in violent criminal activity.

- iii. Criminal activity associated with alcohol abuse includes any criminal activity while under the influence of alcohol that interferes or could interfere with the health, safety, or right to peaceful enjoyment of the premises by others.
  - iv. Criminal activity associated with alcohol abuse will not constitute cause for denial of application or termination of participation if the family member can demonstrate that he or she is currently receiving treatment from a recognized treatment/counseling program and no longer engages in abusive alcoholic intake. As a condition of being allowed to reside in the unit, the OMHA will require evidence of participation in, or successful completion of, a treatment program from the family member who has engaged in the illegal use of drugs.
2. Limitations of termination of participation:
- a. Participants with any serious or aggravated misdemeanor conviction shall be denied assistance for OMHA's program for three years from the date of the conviction.
  - b. Participants with any felony conviction shall be denied assistance for five years from the date of conviction.  
Participants or applicants shall not be eligible for participation in OMHA's program for the time period referenced above, regardless of sentencing.
  - c. The OMHA shall prohibit participation in the Section 8 Housing Choice Voucher program if any member of the family is a registered sex offender.
  - e. Participants convicted of sexual abuse, sexual assault or any other type of violent criminal sexual activity involving a minor child shall be terminated from the Section 8 Program according to the above-mentioned classification of convictions.
  - f. Participants shall be permanently terminated from participation in the Section 8 Programs if any member of the household is convicted of manufacturing or producing methamphetamine on the premises of the assisted housing unit in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

3. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program the family shall remain ineligible for OMHA's program for three years.
4. If the family currently owes rent or other amounts to the OMHA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act, The family must pay monies owed before continued assistance is permitted.
5. If the family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, or other amounts owed by the family under the lease, The family must pay monies owed before continued assistance is permitted.
6. If the family breaches an agreement with the OMHA to pay amounts owed to an HA, or amounts paid to an owner by an HA, the family must pay monies owed before continued assistance is permitted.
7. If the family breaches an agreement to a previous landlord for repayment of damages to a previous unit while receiving assistance which is subject to the court's judgment or order or court approved mediation.
8. If a family has engaged in or threatened abusive or violent behavior towards OMHA personnel the family shall remain ineligible for OMHA's program for three years. While recognizing that program clients often experience frustration in relating to program requirements, the OMHA also requires a standard of conduct. The OMHA will reserve the right to terminate assistance to a client in instances of abusive behavior or threats of physical harm. The Executive Director shall make this determination. Such termination shall occur only where the offending tenant has been notified in writing of such behavior. This notice shall inform the client that continuation of the abusive or threatening behavior will result in termination of program assistance.
9. If any family member fails to sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 5 the family shall remain ineligible for OMHA's program for three years.
10. Evidence of citizenship (i.e., the declaration) and eligible immigration status is not submitted by date specified by the OMHA the family shall remain ineligible for OMHA's program for three years.
11. Evidence of citizenship or eligible immigration status is submitted in a timely manner, but INS primary and secondary verification does not verify eligible status of any family member and:
  - a. Family does not pursue INS appeal or OMHA informal hearing rights or
  - b. INS appeal and informal hearing rights are pursued but final appeal and/or hearing is decided against family member, the family shall remain ineligible until status is verified.
12. The tenant has failed to meet his/her HQS obligation in cases where they are responsible for tenant supplied appliances or utilities and/or the activities of their guests. The family shall remain ineligible for three years.
13. The tenant has failed to promptly notify the OMHA if any family member no longer resides in the unit. The family shall remain ineligible for three years.
14. The family fails to promptly inform the OMHA of birth, adoption, or custody of a child and request approval to add any other family member. The family

- shall remain ineligible for three years.
15. The family fails to promptly notify the OMHA of any absence from the unit. The family shall remain ineligible for three years.
  16. The family has committed fraud, bribery or any other corrupt or criminal act in connection with the Voucher programs. The family shall remain ineligible for three years.
  17. The tenant has a total tenant payment equal to or greater than the gross rent for the unit for six (6) months.
  18. If the family allows any person, who is not an authorized member of the household, to use the assisted unit address for receipt of mail or for any other purpose, without the written permission of the OMHA.
  19. If a family signed a statement certifying that a person who engaged in domestic violence against the household would not be allowed to reside in the household, breach of this certification may be grounds for termination of assistance. [5.420(b)(4)(iii)(B)]
  20. Termination of Assistance related to VAWA  
An incident or incidents or actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.  
The OMHA may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants.

The OMHA may honor court orders regarding the rights of access or control of the property, including EPO's, DVO's and other orders issued to protect the victim and is used to address the distribution or possession of property among household members where the family "breaks up".

There is no limitation on the ability of the OMHA to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence or stalking, other than the victim may not be subject to a "more demanding standard" than non-victims.

There is no prohibition on the OMHA terminating assistance if it "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's (victim's) assistance is not terminated."

Any protections provided by law which give greater protection to the victim are not superseded by these provisions.

The OMHA may require certification by the victim of victim status on such forms as the OMHA and/or HUD shall prescribe or approve.

### **C. Contract Termination**

1. HAP contracts terminate automatically 180 calendar days after the last housing assistance payment to the owner. The HA may terminate, with a 30-day written notice, a contract with a landlord for the following reasons:
  - a. The unit is not in compliance with Section 8 HQS because the owner has refused, or failed to correct the deficiencies after proper notice by the OMHA.
  - b. The tenant has moved.
  - c. The tenant has been notified by the OMHA to move because the unit is either overcrowded or under occupied.
  - d. The owner has committed any fraud or made any false statement to the OMHA or HUD in connection with the contract, or has committed fraud or made any false statement in connection with any federal housing assistance program.
  - e. The unit is determined by the OMHA and/or owner to be abandoned/unoccupied.
  - f. Lease is terminated by mutual agreement of the owner and tenant, then the HAP contract automatically terminates in accordance with the contract terms.
  - g. The OMHA cannot approve the new rent requested by the owner, and the owner will not accept a lower rent.
  - h. The OMHA has found it necessary to terminate the tenant's assistance for documented good cause.
  - i. Owner has decided to terminate tenancy for "other good cause" that is a business or economic reason.
  - j. If the owner has violated any obligation under the assisted HAP Contract or under any other HAP contract under Section 8 of the U.S. Housing Act of 1937.
  - k. For projects with mortgages insured by HUD, or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the Regulatory Agreement; or if the owner has filed any false statement or misrepresentation with HUD in connection with the mortgage or loan.
  - m. Any owner charging the tenant family additional monies for the rental unit other than the amounts on the lease agreement shall repay the tenant in full and may be prohibited from participating in the Section 8 Assistance Program for three years.
  - n. Any owner who knowingly allows a participant to engage in or allows guests to engage in violent or drug-related criminal activity shall be prohibited from participating in the Section 8 Assistance Program according to the same time limits as applicant denial and participant termination procedures.
  - o. Any owner who knowingly allows a participant to commit fraud while receiving rental assistance shall be responsible to repay the housing

assistance payments received on behalf of the tenant and may be prohibited from participating in the Section 8 Assistance Program for three years.

- p. Failure to comply with program regulations may be cause for prosecution.
- q. If the OMHA terminates the HAP contract for failure by the owner to correct HQS deficiencies and failure to cooperate with the terms of the Housing Assistance Program, the owner may be barred from future participation in the Section 8 Rental Assistance Program.
- r. If the owner has violated obligations under any Section 8 HAP contract; committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; has a history of non-compliance with HQS or similar standard in any federal housing program; has a history of leasing units that fail State or local housing codes and refuses to make repairs; or has not paid State or local real estate taxes, property related fines or assessments, he/she may be denied participation in the Voucher Program.

**NOTE:** If the OMHA determines that a breach has occurred, the OMHA may exercise any of its rights or remedies under the Contract. The OMHA shall notify the Owner in writing of such determination, including a brief statement of the reasons for the determination. The notice by the OMHA to the owner may require the owner to take corrective action (as verified by the OMHA) by a time prescribed in the notice. The OMHA's rights and remedies under the Contract include recovery of overpayments, termination or reduction of Housing Assistance Payments, and termination of the Contract.

#### **D. Complaints and Appeals**

##### **1. Complaints.**

- a. *Discrimination:* If a person encounters discrimination from an owner in obtaining a unit, or from OMHA, the OMHA will assist the person in filing a complaint with the Department of Housing and Urban Development (HUD) with a review of the specific circumstances and will provide them with the toll-free number for HUD's Fair Housing hotline.
- b. *Tenant/Landlord Complaint Regarding HA Decision:* If a tenant or landlord disagrees with a decision by a Section 8 staff person, the following procedure is available:
  - i. Contact the Housing Specialist and discuss the problem. If a settlement cannot be reached, then
  - ii. Contact the Executive Director. If a settlement cannot be reached, then a request for an informal hearing may be filed.

##### **2. Informal Hearings.**

- a. *Participants:* The OMHA has established a grievance procedure which is in accordance with federal regulations. All informal hearings will be handled as specified by these procedures. (See F. Grievance Procedures.)
- b. *Applicants:* The OMHA has established a procedure which is in accordance with federal regulations. All applicant informal reviews will

be handled as specified by these procedures. (See Section III. Informal Review)

**E. Grievance Procedures (24 CFR 982.555)**

In the event any owner or applicant for assistance or any tenant desires to appeal a determination by the OMHA, such aggrieved person will be fully advised as to the hearing procedures. The informal hearing examiner shall be the Executive Director. In the event the Executive Director made the decision in question and cannot act as hearing officer, a board member will be appointed. The OMHA will provide an opportunity for an informal hearing to review certain OMHA determinations relating to the individual circumstances of the participants. The purpose of the Informal Hearing is to consider whether a decision is in accordance with the law, the OMHA's administrative rules and HUD regulations. The right to an informal hearing applies only when the participant claims that the rule(s) or law(s) have been incorrectly applied. An informal hearing may be requested by the participant for the following types of decisions.

1. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the HA utility allowance schedule.
3. A determination of the family unit size under the OMHA subsidy standards.
4. A determination that a program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the OMHA subsidy standards, or the OMHA determination to deny the family's request for an exception from the standards.
5. A determination to terminate assistance for a participant family because of the family's action or failure to act in violation of any applicable law or regulation.
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under OMHA policy and HUD rules.

In the cases described above, the OMHA must give the opportunity for an informal hearing before the OMHA terminates housing assistance payments for the family under an outstanding HAP contract.

An informal hearing will not be provided for the following:

- a. To review discretionary administrative determinations by the OMHA or to consider general policy issues or class grievances;
- b. To review the OMHA's determination that a dwelling unit does not comply with Housing Quality Standards, that the owner has failed to maintain or operate a contracted unit to provide decent, safe and sanitary housing, or that the unit does not comply with Housing Occupancy Standards because of an increase in family size or change in family composition;
- c. To review a decision by the OMHA to exercise any remedy against the

owner under an outstanding contract including the termination of housing assistance payments to the owner;

- d. To review the OMHA schedule of utility allowances;
- e. To review the OMHA's decision not to approve a family's request for an extension of the term of the Voucher issued to an assisted family who wants to move to another dwelling unit with continued program participation.

Requests for an informal hearing must be made within 10 days of the written notification of the change in benefits or termination. A written explanation of benefits or the determination shall be provided to the aggrieved person within 20 days of the hearing.

#### **F. Procedures**

Each tenant in the Section 8 Housing Choice Voucher Program shall be entitled to notice and an opportunity to be heard as mentioned above. The level of benefits for any such tenant shall not be reduced or terminated by the Housing Agency prior to delivery of the notice and completion of a hearing (i.e., delivery of notice of decision) described below, if such is requested.

1. A Section 8 tenant shall be notified in writing of any OMHA finding. The notice shall be delivered by Certified mail. It shall contain a statement of the reasons for the proposed determination. It shall state:
  - a. The factual basis of the determination, including a summary of the information on which it is based;
  - b. A layperson's explanation of the legal basis of the determination;
  - c. The citations to the particular sections of the statutes, rules, or other authorities involved;
  - d. The fact that the hearing officer is available for a further explanation of the decision, and is available to meet with the tenant to attempt to settle any dispute informally; and
  - e. The tenant's right to inspect the entire contents of his/her file prior to the hearing and examine and copy, at his/her own expense, all documents, records, rules, regulations, and any other information relevant to the determination.

The notice shall further state that the tenant is entitled to an informal hearing if such a hearing is requested by the tenant in writing within ten days of the date postmarked on the notice or as specified in the notice, and that benefits will continue at the present level until after the hearing is completed if one is requested. The notice shall also inform the tenant that s/he shall have the following rights at the hearing if one is requested:

- a. An opportunity to present his/her own arguments and evidence orally;
- b. An opportunity to defend by confronting and cross-examining all witnesses on whose testimony or information the PHA relies;
- c. The right to be represented by counsel or other person chosen as his/her representative, at his/her own expense;

- d. A decision within twenty days of the date of the hearing will be rendered based solely and exclusively on the rules and evidence presented at the hearing.

The OMHA will also advise the tenant of the possible availability of free legal services in the area, if requested. Finally, the notice shall state the date when the determination will become effective if a hearing is not requested, and the period of time for which the proposed determination will be effective.

If the tenant requests a hearing, the agency shall within five days of the receipt of such request, inform the tenant in writing of the date, time and place of the hearing. The hearing shall not be scheduled sooner than 20 days after the date postmarked on the agency's notice of hearing unless the tenant consents to an earlier date in writing. The Housing Specialist or appropriate staff will notify both the aggrieved person and other parties to the dispute, in writing as to the date, time and place of the hearing. All parties will be encouraged to attend all hearings. Upon notification in advance with at least 48 hours notice on any party's unavailability to attend a scheduled hearing, the hearing will be rescheduled one time only without justification of the need to reschedule. After the hearing has been rescheduled a request to reschedule a second time by the same party with at least 48 hours notice will only be considered for legitimate reason. Legitimate reasons may include but are not limited to illnesses of self or family, death in the family, weather related restriction. The hearing officer will have the opportunity to decide if the request is legitimate and with good cause. However, if any party fails to give such notice and does not attend a scheduled hearing, the hearing will be conducted as scheduled and the party failing to appear shall forfeit all rights to further appeal.

2. Informal Hearing:

At the informal hearing, all parties shall be given the opportunity to respond to evidence and present argument on all issues involved. Witnesses or documents which have been submitted shall be subject to cross-examination and review by any party as necessary for a full and true disclosure of the facts. Parties may be represented by counsel or other representative.

3. Evidence:

The HA and the family shall be given the opportunity to present evidence, and may question any witnesses. Evidence shall be received and considered even though it would be inadmissible under rules of evidence applicable in a court of law, and shall be considered if reasonably reliable. Irrelevant, immaterial, or unduly repetitious evidence shall be excluded. Objections to any evidence submitted may be noted during the hearing process along with the reason for the objection.

Documentary evidence may be received in the form of copies or excerpts if the original is not readily available. Upon request, parties shall be given an opportunity to compare the copy with the original, if available.

4. Discovery:
  - a. By family:

The family will be given the opportunity to examine before the OMHA hearing any OMHA documents that are directly relevant to the hearing. If the OMHA does not make the document available for examination on request of the family, the OMHA may not rely on the document at the hearing.
  - b. By OMHA:

The OMHA must be given the opportunity to examine at the OMHA office before the hearing any family documents that are directly relevant to the hearing. The OMHA must be allowed to copy any such document at the OMHA's expense. If the family does not make the document available for examination on request of the OMHA, the family may not rely on the document at the hearing.

All documents intended to be used at the hearing must be available and examined at least 24 hours prior to the hearing. If the information is not available until after 24 hours prior to the hearing, it shall not be used at the hearing.

5. Burden of Proof:

The family must supply any information that the OMHA or HUD determines is necessary in the administration of the program, including submission of required evidence. "Information" includes any requested certification, release or other documentation. The OMHA must show the factual determination relating to the family based upon a preponderance of the evidence.
6. Hearing Officer:

The person who conducts the hearing shall regulate the conduct of the hearing according to the stated hearing procedures. A hearing officer assigned to render a decision, shall not communicate, directly or indirectly, in connection with any issue of fact or evidence in that contested case, with any other person or party, except during the hearing with notice and opportunity for all parties to participate. Parties or their representatives in a contested case shall not communicate, directly or indirectly, in connection with any issue of fact or law in that contested case, with the hearing officer assigned to render a decision, except during the hearing with notice and opportunity for all parties to participate. No hearing officer shall have participated in the initial determination, or have any previous knowledge with the case which would cause impartial or unfair judgment toward the parties involved in the hearing. Nor shall any hearing officer be subject to the authority or direction of any person who had previously made a determination in connection with that case.

Any party involved in the hearing may file a request of disqualification or personal bias of a hearing officer if notice has been given showing evidence that is contrary to the rules for hearings. The hearing officer must enter any such notice as part of the record in the case.

7. Decorum:

The hearing officer shall require the PHA, tenant, counsel and other

participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer to maintain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of relief sought, as appropriate.

8. Record:

The record in the hearing shall include: all evidence received or considered; all questions and offers of proof, objections, and rulings; all finding of facts and any decision, opinion, or report by the officer presiding at the hearing. No recording device shall be allowed during the hearing.

9. Continuance:

The hearing may be continued at the request of either the housing agency or tenant for good cause such as illness or other unavoidable absence of a party or witness, or by agreement between the public housing agency and the tenant. A continuance may also be granted by the hearing officer to seek additional evidence or verify facts presented at the hearing.

10. Decision:

Within twenty days after the date of the hearing, the hearing officer shall issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing even if the evidence would be inadmissible in a court of law. A copy of the hearing decision shall be furnished to the family by first class mail.

A finding shall be based upon the kinds of evidence on which reasonably prudent persons are accustomed to rely for the conduct of their serious affairs, and may be based upon such evidence even if it would be inadmissible in a jury trial.

The decision shall be supported by a statement of the findings of facts which support the decision and a brief explanation of the decision in layperson's terms.

11. Explanatory Notes.

Nothing herein shall be construed as restricting the tenant's rights to request a re-determination of Total Tenant Payment at any time on the basis of changes in Family Income or other relevant circumstances pursuant to 24 C.F.R. 982.555.

All requests for hearings must be received by the HA within the stated deadline on the notice of the decision or proposed determination. If the aggrieved party does not follow the time limits stated, his/her benefits may be reduced or terminated on the effective date specified in the notice of the determination.

12. Time Guidelines for Grievance Procedures/Informal Hearing

Requests for hearing:

Within 10 days of the written notification of the change in benefits or

termination

Scheduling of hearing:

No sooner than 20 days after the date postmarked on the notice of hearing unless the tenant/applicant consents to an earlier date in writing.

Results of hearing:

Written notice of the result of the hearing must be provided within 20 days of the hearing date.

Rescheduling of hearing:

The hearing shall be rescheduled upon at least 48 hours notice on any party's unavailability to attend a scheduled hearing.

### **SECTION XIII ADDITIONAL ITEMS**

#### **A. Misrepresentation**

The resident is to be notified in writing if the Authority finds evidence that the resident or any adult member of the resident family has misrepresented facts affecting the family's eligibility or rent. Willful misrepresentation of facts may result in retroactive rent charges, termination of assistance, and/or criminal prosecution. Section 1001 of Title 18 of the United States Code makes it a criminal offense to knowingly make a false statement to any department or agency of the United States as to any matter within its jurisdiction and establishes penalties of fines up to \$10,000 and/or imprisonment not to exceed five years. Any applicant or participant who misrepresents information, such as but not limited to, family composition, family income, current residency and previous addresses shall be determined to be ineligible for participation for three years in the Assisted Housing Program from the date of termination. Any participant receiving assistance through fraudulent circumstances or by misrepresentation shall also be required to repay the Assisted Housing benefits paid on their behalf during the time of the misrepresentation.

Any applicant or participant shall be provided with written notice and a chance to respond to the allegation of fraud or misrepresentation. All information provided by the applicant/participant must be true and complete.

Any information provided by the applicant or participant which cannot be verified and certified shall be considered incomplete and unacceptable. Proof of tenancy at another address of any unauthorized person shall be required, to be verified of the property address where the person claims residency. Verifications must be submitted within the time limits specified on the written notice provided to the applicant or participant. If the applicant or participant fails to respond or fails to provide verifications as requested by the OMHA, a determination shall be made based on the records and documents already on file.

No other person other than the members of the household approved by the OMHA may use the assisted housing unit address. Household members are only approved upon written notification by the OMHA and the landlord. Any participant who allows the use of the assisted housing unit address by non-approved persons shall be in violation of program rules. Unauthorized persons using the assisted unit address for mailing purposes shall be construed as evidence that the unauthorized person resides in the household and will be cause for termination of assisted housing benefits.

All utilities and services for which the participant is responsible shall be provided in an adult household member's name unless prior authorization is granted by the OMHA. Any violation of this policy shall be cause for termination.

Falsification, misrepresentation, or concealment by the applicant or participant of any material fact bearing upon or relating to any determining factor for admission or bearing upon or related to the rent to be paid by the applicant will disqualify the individual or family from assistance for three (3) years from the date of termination. The participant must repay any monies paid on their behalf by the OMHA or any other housing authority during the time of the fraudulent practice before a Voucher may be issued. Additionally, the applicant must receive favorable review through the grievance procedure. Failure to report in writing changes in household composition, income, or assets as defined above may be cause for prosecution.

**B. Monitoring Program Performance**

The OMHA places strong emphasis on staff communication in regular staff meetings. Problems and potential problems are investigated, discussed and handled using team effort. The OMHA management policy is formulated accordingly. Internal policies and procedures, as required for the implementation of the Administrative Plan, shall be developed as necessary. A monitoring and evaluation system has been developed to include major program areas. This system is designed to ensure that regulations are followed and program goals are met. Changes in approach are initiated on an as-needed basis, subject to program regulations and funding limitations. Annual and interim reexaminations, leases, contracts, and supporting documents are checked by appropriate staff for accuracy, completion, and program compliance. An annual financial audit will be conducted on an annual basis by an independent public accountant. The OMHA will maintain records of applications, eligibility and ineligibility determinations, verifications, leases, contracts and payment information in applicant and participant files. Inactive files will be maintained for a minimum of five years after the files have been audited. All other aspects of monitoring program performance will be performed in accordance with HUD requirements and the OMHA's policies.

**C. Resident Advisory Board**

A Resident Advisory Board shall be established by requesting participation from current participants. Any interested program participant may be a member of the Board. Efforts shall be made to make board members a representative sample of program participants. The Resident Advisory Board shall meet at least quarterly at a time established by the Executive Director. The members shall review any proposed substantial changes to the Administrative Plan and Five Year Plan and recommend approval to the Governing Board.

**D. Governing Board**

The Governing Board shall consist of five Mayor appointed members of the community and shall have jurisdiction over OMHA activities and shall provide oversight of the OMHA.

**E. Interpretation and Amendment**

1. Interpretation

The policies set forth herein shall be interpreted, implemented and acted upon

in relation to the laws of the United States and the State of Iowa, and all rules, regulations and policies enacted, enforced or promulgated by the United States Department of Housing and Urban Development, all of which shall take precedence over the policies and procedures described in this Administrative Plan and all of which are incorporated herein by reference and all current rules, regulations and policies, including but not limited to Income Limits, Utility Schedules and Fair Market Rents, shall be in accordance with Federal law.

2. Amendment

The policies outlined herein shall be amended only by resolution adopted by the affirmative vote of the OMHA Board upon recommendation by the OMHA, except that no action shall be required to make changes required by laws of the United States or the State of Iowa or any rules, regulations and policies enacted, enforced or promulgated by the United States Department of Housing and Urban Development, all of which shall take precedence over the herein expressed Policies, and all of which are incorporated herein by reference. The OMHA Board will be notified of any subsequent changes that may be effective through new Federal regulations.

**F. Managing the On-Going Operation**

The day-to-day operations of the program will be under the direction of the Executive Director who will also be responsible for internal management. The Executive Director will provide general supervision and support to assure an operation that is efficient, expeditious and responsive to regulations governing the program and to program clients. Individual files will be maintained for each unit in the program. Any information regarding housing subsidy, tenancy and program participation may be obtained from the files and may be released to prospective landlords. All decisions and determinations will be provided in writing to the appropriate parties. Financial reports and budgets will be prepared by the Executive Director. Annual budget submissions and changes in policies or in programs will be reviewed and approved by the OMHA Board. All applications for additional units will be prepared by the Executive Director in full consultation with the OMHA Board and will be based on needs established in the five year plan. As of the date of revision of this Administrative Plan, the Section 8 Existing Housing Programs requires management by ~~one~~ **two** full-time and ~~two~~ **one** part-time staff. Staff are required to learn all aspects of the program, and they are provided opportunities to improve their skills by attending appropriate meetings, trainings and professional development functions.

**SECTION XIV**  
**SECTION 8 HOME OWNERSHIP PROGRAM**

**A. Overview**

The Section 8 Home Ownership Program permits eligible participants in the Section 8 Housing Choice Voucher Program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. The home ownership option is available to current participants who have completed an initial Section 8 lease term consisting of 12 months, do not owe monies to the OMHA or any other Housing Agency for any outstanding debts, and who meet the eligibility criteria set forth below.

Section 8 home ownership assistance may be used to purchase the following type of homes within the City of Oskaloosa: new or existing single-family dwelling unit, condominium, cooperatives, or manufactured homes. The OMHA will also permit portability of Section 8 home ownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 home ownership program for which the participant qualifies. The home ownership option is limited to not more than 5% of the total Section 8 Voucher program administered by the OMHA in any fiscal year, provided that disabled families shall not be subject to the 5% limit.

**B. Family Eligibility Requirements**

Participation in the Section 8 home ownership program is voluntary. Each Section 8 home ownership participant must meet the general requirements for admission to the Section 8 Housing Choice Voucher Program as described in the OMHA Section 8 Housing Administrative Plan. The family must satisfy all of the following initial requirements at commencement of home ownership assistance:

1. The family must be a first-time homeowner. Each family, except families with a disabled member, must be a first-time homeowner. A first-time homeowner means that no member of the household has had an ownership interest in any residence during the three years prior to the home ownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a first-time home owner for purposes of the Section 8 Home Ownership Program.
2. The family must satisfy the minimum income requirement. At the time the family is determined eligible for the Home ownership program, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the Federal minimum hourly wage multiplied by 2,000 hours. Except in the case of an elderly or disabled family, the HA shall not count any welfare assistance received by the family in determining annual income. The disregard of welfare assistance income in this section only affects the determination of minimum annual income used to determine if a family initially qualifies for the Home ownership assistance and does not affect the calculation of the amount of the family's total tenant payment or Home ownership assistance payments. In the

case of an elderly or disabled family, the HA shall count welfare assistance in determining annual income.

3. The family must satisfy the employment requirements. With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home is employed full-time (not less than an average of 30 hours per week); and has been continuously employed during the previous year. In the case of an elderly or disabled family, the HA will consider income from all sources, including welfare assistance in evaluating whether the household meets the minimum income required to purchase a home through the Section 8 Home Ownership program. The Executive Director may also consider whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. The Executive Director may also consider self-employment to determine employment history.  
The employment requirement does not apply to an elderly or disabled family. In order to reasonably accommodate a family's participation in the program, families that include a person with disabilities may also be exempt from this requirement if an exemption is needed as a reasonable accommodation.
4. The family must not have defaulted on a mortgage securing debt to purchase a home under the home ownership option. If the head of household, spouse, or other adult household member who will execute the contract of sale, mortgage and loan documents have previously defaulted on a mortgage obtained through the Section 8 Home Ownership Program, the family will be ineligible to participate in the Home Ownership Program.
5. Except for cooperative members who have acquired cooperative membership shares prior to commencement of home ownership assistance, no family member has a present ownership interest in a residence at the commencement of home ownership assistance for the purchase of any home ownership assistance for the purchase of any home.
6. The family must complete and submit all necessary home ownership counseling sessions and documents as described in this plan prior to making a purchase offer.
7. At a minimum, the participant will be required to provide one percent of the home purchase price as a down payment.
8. The family must be financially capable to qualify for HA approved financing of the home. The OMHA shall review lender qualifications and the loan terms before authorizing home ownership assistance.
9. Other requirements for participation:

**C. Additional Family Participation Requirements**

1. Applicants for and new participants in the Section 8 Housing Choice Voucher Program shall be ineligible for participation in the Section 8 Home Ownership Program until completion of an initial Section 8 lease term (12 months) and at the participant's first annual re-certification in the Section 8 Housing Choice Voucher Program. Nothing in this provision will preclude Section 8 Home Ownership participants in other jurisdictions from transferring their assistance

to Oskaloosa.

2. Repayment of Any Housing Authority Debts and/or Family Obligations Participants in the Section 8 Housing Choice Voucher Program shall be ineligible for participation in the Section 8 Home Ownership Program if any debt or portion of a debt remains owed to the OMHA or any other Housing Authority. Additionally, participants who are in violation of their family obligations while receiving Section 8 assistance shall be ineligible for participation in the Section 8 Home Ownership Program.
3. The participant shall be required to repay any current court judgment or order or court approved mediation agreement. The Executive Director may allow exceptions for medical expenses after conducting an internal review.
4. Before commencement of Home ownership assistance for a family, the family must attend and satisfactorily complete ~~a~~ the pre-assistance Home ownership and housing counseling program required by the HA.
5. Within a specified time, the family must locate the home it proposes to purchase; submit a purchase or sales agreement containing specific components to the HA for approval; allow the HA to inspect the proposed home ownership dwelling to assure that the dwelling unit meets Housing Quality Standards; obtain an independent inspection covering major building systems; obtain HA approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and enter into a written agreement with the HA to comply with all of its obligations under the Section 8 Program.

**D. Home Ownership Counseling Program**

A family's participation in the home ownership program is conditioned on the family attending and successfully completing a home ownership and housing counseling program approved by the HA prior to commencement of home ownership assistance. Upon the Executive Director's determination, the family may be required to attend the home ownership and/or a post purchase-counseling program on a continuing basis.

**E. Locating a Home**

Once a family has been determined to be eligible for participation in the Section 8 Home Ownership Program, a family shall have sixty (60) days to locate a home to purchase. A home shall be considered located if the family submits an accepted purchase or sales agreement along with a bank or lender commitment. For good cause, the HA may extend a Section 8 family's time to locate the home in additional thirty (30) day increments. During a Section 8 participant's search for a home to purchase, their Section 8 rental assistance shall continue according to the OMHA's Section 8 Housing Administrative Plan. If a Section 8 participant family is unable to locate a home within this time limit, their Section 8 rental assistance through the Section 8 Housing Choice Voucher Program shall continue.

**F. Completion of Purchase**

Once a family has located a home to purchase and received approved financing, the

family shall have another sixty (60) days to complete the purchase and to close. For good cause, the HA may extend a Section 8 family's time to close on the home in additional thirty (30) day increments. If a Section 8 participant is unable to complete the purchase within the maximum time permitted by the HA, the HA shall continue the family's participation in the Section 8 Housing Choice Voucher Program. The family may not re-apply for the Section 8 Home Ownership Program until the family has completed an additional year of participation in the Section 8 Housing Choice Voucher Program.

**G. Eligible Units**

The unit selected by the Section 8 Home Ownership participant family must be either under construction or already existing at the time the HA determined that the family was eligible for Home ownership assistance. The unit must be a one unit property or a single dwelling unit in a cooperative or condominium.

The Section 8 Home Ownership participant family must not purchase a home if the HA has been informed (by HUD or otherwise) that the seller of the home is debarred, suspended, or subject to a limited denial of participation.

The unit must be inspected by a HA inspector and pass inspection according to the Housing Quality Standards as enforced by the OMHA. The unit must be inspected by an independent inspector and violations identified by the independent inspector and the HA must be corrected or under contract to be completed within 90 days of closing.

**H. Purchase or Sales Agreement**

Prior to execution of the offer to purchase or sales agreement, the family must provide the financing terms to the OMHA for approval. The purchase or sales agreement must provide for inspection by the HA and the independent inspector and must state that the purchaser is not obligated to purchase unless the inspections are satisfactory to the HA. The purchase or sales agreement must provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by the HA. A copy of the purchase or sales agreement must be submitted to the OMHA for approval.

The contract of sale must:

1. specify the price and other terms of sale by the seller to the purchaser,
2. provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser,
3. provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser,
4. provide that the purchaser is not obligated to pay for any necessary repairs,
5. contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

**I. Initial Inspection**

To assure the home complies with the Housing Quality Standards of the OMHA, home ownership assistance payments must not commence until the HA has inspected and approved the home. Another inspection must also be completed by a professional home inspector selected by the family and approved by the HA. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components. The independent inspector may not be a HA employee or contractor, or other person under control of the HA. The independent inspector must provide a copy of the inspection report both to the family and to the HA. The HA may not pay any Home ownership assistance for the family until the HA has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with the Housing Quality Standards of the OMHA, the HA shall have discretion to disapprove the unit for assistance under the Home ownership program because of information in the inspection report.

**J. Financing Requirements**

The proposed financing terms must be submitted to and approved by the OMHA prior to close of the financing. The OMHA shall determine the affordability of the family's proposed financing. In making such determination, the OMHA may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, and other outstanding debts. Certain types of financing, including but not limited to, balloon payment mortgages, are prohibited and will not be approved. Seller-financed mortgages through land contracts shall not be approved. Seller-financed mortgages through person-to-person mortgages will not be considered.

If a mortgage is not FHA-insured, the HA will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/FHA, Ginnie Mae, Fannie Mae, Freddie Mac, the Federal Home Loan Bank, or other private lending institutions. The HA may disapprove proposed financing, refinancing or other debt if it is determined that the debt is unaffordable, or if the lender or the loan terms do not meet the qualifications as set forth by the OMHA.

**K. Compliance with Family Obligations**

A family must agree, in writing, to comply with all family obligations under the Section 8 Program and the OMHA's home ownership policies. These obligations include (1) attending ongoing home ownership counseling, if required by the HA; (2) complying with the mortgage terms; (3) not selling or transferring the home to anyone other than a member of the assisted family who resides in the home while receiving home ownership assistance and who is approved by the HA; (4) not refinancing or adding debt secured by the home without prior approval by the HA; (5) not obtaining a present ownership interest in another residence while receiving home ownership assistance; (6) supplying all required information to the HA,

including but not limited to annual verification of household income, notice of change in home ownership expenses, notice of move-out, and notice of mortgage default; (7) repairing any violations identified by the HA and independent inspector as a result of the initial inspection within 90 days of closing.

**L. Amount of Assistance**

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible; the monthly home ownership expense; and, the family's household income. The HA shall pay a monthly Home ownership assistance payment directly to the lender on behalf of the family that is equal to the lower of:

1. The payment standard minus the total tenant payment; or
2. The family's monthly Home ownership expenses minus the total tenant payment.

Monthly home ownership expenses (other than a cooperative member) includes all of the following: principal and interest on the initial mortgage and any private mortgage insurance (PMI) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowner's insurance; maintenance expenses per HA allowance; costs of major repairs and replacements per HA allowance (replacement reserves); utility allowance per the HA's schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any; and land lease payments (where a family does not own fee title to the real property on which the home is located).

**M. Payment to the Lender**

The HA will provide the housing assistance payment prior either;

1. Directly to the family or;
2. At the discretion of the OMHA, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the OMHA will pay the excess directly to the family.

**N. Termination of Section 8 Home Ownership Assistance**

1. Automatic Termination of Home Ownership Assistance:  
Home ownership assistance for a family terminates automatically 180 calendar days after the last housing assistance payment on behalf of the family. However, the OMHA may grant relief from this requirement if an automatic termination would result in extreme hardship for the family.
2. Grounds for Termination of Home Ownership Assistance
  - a. **Obligations**  
A family's home ownership assistance may be terminated if the family fails to comply with its obligations under the Section 8 program, HA home ownership policies, or if the family defaults on the mortgage. If required, the family must attend and complete ongoing home ownership and/or

housing counseling classes. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide the HA with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; the family's household income and home ownership expenses on an annual basis; any notice of mortgage default received by the family; and any other notices which may be required by the HA's home ownership policies. Except as otherwise provided in this Plan, the family may not convey or transfer the home to any entity or person other than an approved member of the assisted family while receiving home ownership assistance. The HA shall terminate home ownership assistance at any time in accordance to Section 8 program rules and policies including but not limited to failure to comply with family obligations, crime by family members, misrepresentation of information or fraud.

**b. Occupancy of Home**

Home ownership assistance will only be provided while the family resides in the home. The home must be the family's only residence. If the family moves out of the home, the HA will not continue home ownership assistance commencing with the month after the family moves out.

**c. Changes in Income Eligibility**

A family's home ownership assistance may be changed during the annual re-certification of the household income and at other times according to the OMHA's policy of interim changes while the family is participating in the Section 8 Home Ownership Program. Participation in the Section 8 Home Ownership Program shall continue until such time as the assistance payment equals \$0.00 for a period of 180 consecutive days (6 months) and according to the term of the Section 8 Home Ownership Program.

**d. Maximum Term of Home Ownership Assistance**

Except in the case of a family that qualifies as an elderly or disabled household, the family members participating in the Section 8 Home Ownership Program shall not receive home ownership assistance for more than (1) Fifteen years, if the initial mortgage incurred to finance the home has a term of 20 years or longer; or (2) Ten years, in all other cases.

If the family qualifies as an elderly family at the time of initial home ownership assistance, the maximum term of assistance does not apply. If the family qualifies as a disabled family and continues to qualify as a disabled family, the maximum term of assistance does not apply. If, during the course of home ownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date home ownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of home ownership assistance after the maximum term becomes applicable.

**e. Procedure for Termination of Home Ownership Assistance**

A participant in the Section 8 Home Ownership Program shall be entitled

to the same termination notice and informal hearing procedures as set forth in the Administrative Plan for the OMHA.

**O. Continued Participation in Section 8 Housing Choice Voucher Program**

1. If the family defaults on an FHA-insured mortgage, the HA will permit the family to move with continued Section 8 Housing Choice rental assistance if the family demonstrates that it has (a) conveyed title to the home to HUD or its designee, as required by HUD; and (b) moved from the home within the period established or approved by HUD.
2. If the family defaults on a mortgage that is not FHA-insured, the HA may permit the family to move with continued Section 8 Housing Choice Voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to the lender or to its designee, as may be permitted or required by the lender; and (b) moved from the home within the period established or approved by the lender. However, the HA shall not provide continued tenant-based assistance for occupancy of a new unit so long as any family member owns any title or other interest in the home ownership program unit.

## SECTION 8 HOME OWNERSHIP OBLIGATIONS

This form is to be signed by the home buyer(s) in the presence of the Oskaloosa Municipal Housing Agency's (OMHA's) Home Ownership Program Manager. The Manager will explain any and all clauses which you, the home buyer(s), may not understand.

The following paragraphs describe your responsibilities under the Section 8 Home Ownership Program. If you or members of your household do not meet these responsibilities, through your actions or your failure to act, you may be terminated from the Section 8 Home Ownership Program.

1. **Family Obligations:** You must comply with all Family Obligations of the Section 8 Housing Choice Voucher Program (including compliance with Housing Quality Standards), excepting only the prohibition against owning or having an interest in the unit. *Family Obligations SS 982.551 (e), (f), (g) and (j) do not apply to the Section 8 Home Ownership Program.*
2. **Housing Counseling:** All participating family members (i.e. those signing the purchase offer and loan documents) must satisfactorily complete an OMHA provided or approved counseling program prior to commencement of home ownership assistance. OMHA may require any or all participating family members to attend additional housing counseling classes as a condition of continued assistance.
3. **Purchase Contract:** You must include contract conditions in any Offer to Purchase that gives OMHA a reasonable time (a) to inspect the home for compliance with HUD's Housing Quality Standards; (b) to review and approve a professional home inspection report obtained by you from an OMHA approved inspector; and (c) approve the terms of your proposed financing. Advise your Realtor of these requirements.
4. **Mortgage Obligations:** You must comply with the terms of any mortgage incurred in the purchase of the property and must notify OMHA's Home Ownership Program Manager within five (5) days of receipt of any late payment or default notice.
5. **Occupancy:** You must occupy the unit as your principal residence. You may not transfer, sell, or assign any interest in the property without OMHA's prior written consent. You may not rent or lease any part of the premises without OMHA's prior written consent. You must notify OMHA in writing at least 30 days prior to moving out of the house for a period of 30 days or longer or prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.
6. **Maintenance:** You must maintain the property in a decent, safe and sanitary manner.
7. **Annual Re-examination:** You must annually provide OMHA with current information regarding family income and composition in a format required by OMHA.
8. **Refinancing:** You must notify OMHA in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the

property with secondary financing and obtain OMHA's written approval of such financing prior to executing any loan documents.

9. **Default:** In the event of a default on your mortgage obligation, you must cooperate with OMHA and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Section 8 Housing Choice Voucher Program.

**By signing below, I attest that I have read and understood my obligations as a participant in the Section 8 Home Ownership Program and I agree to abide by these responsibilities. I understand that OMHA may terminate my home ownership assistance if I violate any of these obligations, but that I may request an informal review of any proposed notice of termination prior to it becoming effective.**

---

**Applicant Signature**

---

**Date**

---

**Co-Applicant Signature**

---

**Date**

**SECTION X  
VERIFICATION PROCEDURES**

**A. INTRODUCTION**

HUD regulations require the Oskaloosa Municipal Housing Agency (OMHA) to verify the factors of eligibility and Total Tenant Payment/Family Share. Applicants and program participants must provide true and complete information to the OMHA whenever information is requested. OMHA’s verification requirements are designed to maintain program integrity. This Chapter explains OMHA’s procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. OMHA will obtain proper authorization from the family before requesting information from independent sources.

OMHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was not obtained as well as the manner in which the eligibility factors were verified.

**B. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]**

OMHA will verify information through five methods of verification according to the hierarchy listed below:

PHA’s are required to access the EIV system and obtain an Income Report for each household. The PHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA should attempt the next lower level verification technique, as noted in the below chart.

The Verification Hierarchy. PHAs should begin with the highest level of verification techniques. PHAs are required to access the EIV system and obtain an Income Report for each household. The PHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition. If the Income Report does not contain any employment and income information for the family, the PHA should attempt the next lower level verification technique, as noted in the below chart.

Level	Verification Technique	Ranking
7	<b>Upfront Income Verification (UIV)</b> using HUD’s Enterprise Income	<b>Highest</b> (Mandatory)

	Verification (EIV) system (not available for income verifications of applicants)	
6	<b>Upfront Income Verification (UIV)</b> using non-HUD system	<b>Highest</b> (Optional)
5	<b>Written Third Party Verification</b>	<b>High</b> (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)
4	<b>Written Third Party Verification Form</b>	<b>Medium-Low</b> (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
3	<b>Oral Third Party Verification</b>	<b>Low</b> (Mandatory if written third party verification is not available)
2	<b>Review of Documents</b>	<b>Low</b> (Mandatory if written third party verification is not available)
1	<b>Tenant Declaration</b>	<b>Low</b> (Use as a last resort when unable to obtain any type of third party verification)

Note: This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

#### Verification Technique Definitions

#### Third Party Verification Techniques

Upfront Income Verification (UIV) (Level 7/6): The verification of income before or during a family reexamination, through an independent source that systematically and

uniformly maintains income information in computerized form for a number of individuals.

The EIV system is available to all PHAs as a UIV technique. The OMHA will continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

Written Third Party Verification (Level 5): An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. The OMHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations.

The OMHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the OMHA should project income based on the information from a traditional written third party verification form or the best available information.

Note: Documents older than 60 days (from the OMHA interview/determination or request date) is acceptable for confirming effective dates of income.

Written Third Party Verification Form (Level 4): Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). OMHA will send the form directly to the third party source by mail, fax, or email.

To reduce the administrative burden associated with use of the traditional third party verification, the OMHA may rely on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The OMHA will rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent

and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

Oral Third Party Verification (Level 3): Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. OMHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

**Review of Documents (Level 2)** OMHA staff may review and verify documents provided by the client. This method of verification must be fully documented. Such documentation may include reports of interviews, letters or telephone conversations with reliable sources. At a minimum, such reports shall indicate the date, the source of information, including the name and title of the individual contacted, and a summary of the information received. The sources of information may include, but are not limited to, the applicant (by means of interviews), landlords, employers, family social workers, clinics or physicians where warranted by the particular circumstances.

This verification method is commonly used in the event that the independent source does not respond to the OMHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

#### Non-Third Party Verification Technique

Tenant Declaration (Level 1): The tenant submits an affidavit or notarized statement of reported income and/or expenses to the OMHA. This verification method should be used as a last resort when the OMHA has not been successful in obtaining information via all other verification techniques. When the OMHA relies on tenant declaration, the OMHA must document in the tenant file why third party verification was not available.

#### **Exceptions to Third Party Verification Requirements**

The OMHA may have made numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal. In these cases, the OMHA is required to document in the family file the reason(s) why third party verification was not available.

The exception to third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2), which states, "The PHA must obtain and document in the family file third party verification of the following factors, or must document in the file why third party verification was not available": (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.

## **Compliance and reduction of administrative burden of third party verification**

The OMHA can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by:

1. Reviewing the EIV Income Report to confirm/validate tenant-reported income; and
2. Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations in the tenant file; and
3. Obtaining current acceptable tenant-provided documentation to supplement EIV information; and
4. Using current tenant-provided documentation and/o third party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, the OMHA does not need to obtain or request a benefit verification letter from the tenant.

**Required request for written third party verification.** The OMHA must request written third party verification under the following circumstances:

1. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
2. When the OMHA requires additional information that is not available in EIV and/or the tenant is unable to provide the OMHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - a. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - b. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - c. Confirm of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

Note: 24 CFR §5.236(a), prohibits PHAs from taking adverse action based solely on EIV information.

Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(A)(2)(i)).

1. For each new admission (form HUD-50058 action type 1), the OMHA is required to do the following:
  - a. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - b. Print and maintain a copy of the EIV Income Report in the tenant file; and

- c. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- 2. For each historical adjustment (form HUD-50058 action type 14), the OMHA is required to do the following:
  - a. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - b. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - c. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- 3. For each interim reexamination (for HUD-50058 action type 3) of family income and composition, the OMHA is required to have the following documentation in the tenant file:
  - a. ICN Page when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required.)
  - b. EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
- 4. For each annual reexamination of family income and composition, the OMHA is required to have the following documentation in the tenant file:
  - a. No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the OMHA), traditional third party verification form(s).
  - b. Disputed EIV Information: EIV Income report, current acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information.
  - c. Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and *if necessary* (as determined by the OMHA), traditional third party verification form(s).

If the tenant does not provide the requested information the OMHA may mail or fax a third party verification request form to the third party source. The OMHA is *required* to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the OMHA should also remind the tenant that s/he is required to supply any information requested by the OMHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The OMHA may determine that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner (as prescribed by the OMHA).

The Federal Privacy Act (5 USC §552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or a copy

provided or displayed) with another adult household member, unless the individual has provided written consent to disclose such information.

However, the OMHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified. EIV information and any other information obtained by the OMHA for the purpose of determining eligibility and level of assistance for a PIH rental assistance program may not be disclosed to third parties for any reason (even for similar verifications under other programs, such as eligibility for low income housing tax credit units, other federal or state assistance programs), unless the tenant has authorized such disclosure in writing.

The OMHA shall abide by all additional requirements in regards to the mandated use of HUD's Enterprise Income Verification (EIV) system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the *Final Rule: Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published at 74 FR 68924, on December 29, 2009.

**C. RELEASE OF INFORMATION [24 CFR 982.516]**

Adult family members will be required to sign the form HUD 9886 Release of Information/Privacy Act form. In addition, all adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Refusal to cooperate with the prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by PHA or HUD.

**D. ITEMS TO BE VERIFIED [24 CFR 982.516]**

All income not specifically excluded by the regulations.

Zero income status of household.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in the preceding two years.

Childcare expenses when it allows an adult family member to be employed, to actively seek employment or to further his/her education.

Medical expenses of all family members in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an *adult* family member to be employed.

Disability for determination of preferences, allowances or deductions.

U.S. citizenship/eligible immigrant status

Social Security Numbers for all family members

Birth Date by form of birth certificate or other documentation as approved by staff

“Preference” status, as applicable.

Marital status when needed for head or spouse definition.

Verification of Reduction in Benefits for Noncompliance:

Before granting a family’s request for rent reduction because of a decrease in benefits, PHA will obtain written verification from the agency stating that the family’s benefits were not reduced because of fraud or non-compliance with an economic self-sufficiency requirement.

**E. VERIFICATION OF INCOME [24 CFR 982.516]**

This section defines the methods the OMHA will use to verify various types of income.

1. Employment Income

Verification forms request the employer to specify the:

Dates of employment,

Amount and frequency of pay

Date of the last pay increase

Likelihood of change of employment status and effective date of any known salary increase during the next 12 months

Annual earnings

Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification in addition to UIV include:

Employment verification form completed by the employer.

Check stubs or earnings statements, which indicate the employee’s gross pay, frequency of pay or year to date earnings.

W-2 forms plus income tax return forms

Income tax returns signed by the family may be used for verifying self-

employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income, IRS Form 8121. In cases where there are questions about the validity of information provided by the family, OMHA will require the most recent federal income tax statements. Confirmation may be made on a case-by-case basis.

2. Social Security, Pensions, Supplementary Security Income (SSI) Disability Income  
Acceptable methods of verification in addition to UIV include:
  - a. Award or benefit notification letters prepared and signed by the providing agency.
  - b. Computer report electronically obtained or in hard copy.
3. Unemployment Compensation  
Acceptable methods of verification in addition to UIV:
  - a. Verification form completed by the unemployment compensation agency.
  - b. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
4. Welfare Payments or General Assistance  
Acceptable methods of verification in addition to UIV include:
  - a. Computer-generated Notice of Action.
5. Alimony or Child Support Payments  
Acceptable methods of verification in addition to UIV include:
  - a. Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.
  - b. A notarized letter from the person paying the support.
  - c. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.
6. Net Income from a Business  
In order to verify the net income from a business, OMHA will review IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.  
Acceptable methods of verification include:
  - a. IRS Form 1040, including Schedule C (Small Business), Schedule E (Rental Property Income), Schedule F (Farm Income).  
Note: If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.
  - b. Audited or un-audited financial statement(s) of the business.
  - c. Documents such as manifests appointment books, bank statements, and

receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

- d. Family's self-certification as to net income realized from the business during previous years.

7. Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a day care business which may or may not be licensed, OMHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family may be required to provide it.

OMHA may conduct interim reevaluations every 120 days and require the participant to provide a log with the information about customers and income.

8. Recurring Gifts

The family must furnish a self-certification, which contains the following information:

- a. The person who provides the gifts
- b. The value of the gifts
- c. The regularity (dates) of the gifts
- d. The purpose of the gifts

9. Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that any form of income is reported. The OMHA will notify all families claiming to have no income of the appropriate form to be filled out and returned to the office no later than the 10<sup>th</sup> of each month.

10. Full-time Student Status

Only the first \$480 of the earned income of full time students, other than head, co-head, or spouse, will be included towards family income. Financial aid, scholarships and grants received by full time students are not family income.

Verification of full time student status includes:

- a. Written verification from the registrar's office or other school official or from medical insurance documentation.
- b. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

**F. INCOME FROM ASSETS [24 CFR 982.516]**

1. Savings Account Interest Income and Dividends

Acceptable methods of verification include:

- a. Account statements, passbooks, certificates of deposit, or OMHA verification forms completed by the financial institution.
  - b. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
  - c. IRS Form 1099 from the financial institution provided that OMHA must adjust the information to project earnings expected for the next 12 months.
2. Interest Income from Mortgages or Similar Arrangements  
Acceptable methods of verification include:
- a. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
  - b. Amortization schedule showing interest for the 12 months following the effective date of the certification or re-certification.
3. Net Rental Income from Property Owned by Family  
Acceptable methods of verification include:
- a. IRS Form 1040 with Schedule E (Rental Income).
  - b. Copies of latest rent receipts, leases or other documentation of rent amounts.
  - c. Documentation of allowable operating expenses of the property; tax statements, insurance invoices, and bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
  - d. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

## **G. VERIFICATION OF ASSETS**

1. Family Assets  
OMHA will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash).  
Acceptable verification may include any of the following:
- a. Verification forms, letters, or documents from a financial institution or broker.
  - b. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
  - c. Assessed value of real estate.
  - d. Financial statements for business assets.
  - e. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
  - f. Appraisals of personal property held as an investment.
  - g. Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.
2. Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

For all certifications and re-certifications, OMHA will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows: (a) all assets disposed of for less than FMV; (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

## **H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME**

### **1. Child Care Expenses**

Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they charge and receive from the family for their services.

Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Child care expenses are deducted only to the extent that they are not reimbursed and reflect a reasonable charge; and are paid for the care of children under the age of 13.

As stated elsewhere in this document, child care is allowable for the following reasons:

#### Child-Care to Work

The maximum child-care allowed will be based on the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

#### Child Care for School

The OMHA will compare the number of hours the family member is attending school relative to the number of child care hours to determine the number of child care hours that will be included in the rent calculation.

#### Actively Seeking Employment

The OMHA will obtain evidence that the individual is fulfilling welfare-to-work requirements or the requirements for receiving unemployment compensation; or is otherwise actively seeking employment. Written verification from a local or state government agency that oversees work-related activities will be accepted.

If third party verification is not possible, OMHA will review documents provided by the family and/or a notarized statement from the family member attesting to his or her efforts to find employment.

2. Medical Expenses

Families, who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, reimbursed by an outside source. One or more of the methods listed below will verify all expense claims:

- a. Written verification by a doctor, hospital or clinic personnel, dentist, Pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- b. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- c. Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
- d. For attendant care:  
OMHA will require certification from a qualified professional having knowledge of the person's need for an attendant and who can verify the attendant is necessary as a medical expense.  
Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
- e. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- f. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- g. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. OMHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.

OMHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

3. Assistance to Persons with Disabilities [24 CFR 5.611(c)]

In All Cases

Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary

apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

## **I. VERIFYING NON-FINANCIAL FACTORS [24CFR 982.153(b)(15)]**

1. Verification of Legal Identity and Familial Relationships  
OMHA will require applicants to furnish verification of legal identity for all family members. The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.  
Certificate of birth, naturalization papers  
U.S. passport  
Resident alien card  
Government issued ID card
2. Verification of Marital Status (when necessary to determine custody of children)  
Verification of divorce status will be a certified copy of the divorce decree, signed by a court officer.  
Verification of a separation may be a copy of court-ordered maintenance or other records.  
Verification of marriage status is a marriage certificate.
3. Verification of Permanent Absence of Family Member  
If an adult member who was formerly a member of the household is reported permanently absent by the family, OMHA will consider any of the following as verification:
  - a. Divorce Decree
  - b. Legal separation agreement

- c. Order of protection/restraining order obtained by one family member against another
  - d. Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
  - e. Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
  - f. If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
  - g. If no other proof can be provided, OMHA will accept a self-certification from the head of household or spouse or co-head, if the head is the absent member.
4. Verification of Change in Family Composition  
OMHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.
5. Verification of Disability  
Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Development Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

**J. VERIFICATION OF CITIZENSHIP/ELIGIBLE IMMIGRANT STATUS [24 CFR 5.508, 5.510, 5.512, 5.514]**

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to declare their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while OMHA informal review is pending.

1. Citizens or Nationals of the United States  
All applicants and participants are required to sign a declaration under penalty of perjury. OMHA will require citizens to provide documentation of citizenship. Acceptable documentation will include at least one of the following original documents:
- a. United States birth certificate
  - b. United States passport
  - c. Resident alien/registration card
  - d. Social security card
  - e. Other appropriate documentation as determined by OMHA

2. Eligible Immigrants who were Participants and 62 or over on June 19, 1995  
Eligible immigrants who were participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.
3. Non-citizens with eligible immigration status  
Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family.
4. Ineligible family members  
Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.
5. Non-citizen students on student visas  
Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.
6. Failure to Provide  
If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.
7. Time of Verification  
For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final determination at the time of initial application. OMHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family. OMHA will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs at the first re-certification after the new member moves in. Once verification has been completed for any covered program it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, PHA must conduct the determination.

8. Extensions of Time to Provide Documents  
OMHA will grant an extension of 30 days for families to submit evidence of eligible immigrant status.
9. Acceptable Documents of Eligible Immigration  
The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.
  - a. Resident Alien Card (I-551)

- b. Alien Registration Receipt Card (I-151)
- c. Arrival-Departure Record (I-94)
- d. Temporary Resident Card (I-688)
- e. Employment Authorization Card (I-688B)
- f. Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified.
- g. A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept for five years.

**K. VERIFICATION OF SOCIAL SECURITY NUMBERS [24 CFR 5.216]**

Social Security numbers must be provided as a condition of eligibility for all family members. Verification of Social Security numbers will typically be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security Number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security Card information provided is/are complete and accurate:

1. An original SSN card issued by SSA
2. An original SSA-issued document, which contains the name and SSN of the individual; or
3. An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

## APPENDICES

### APPENDIX 1

#### SECTION 8 ADMINISTRATIVE PLAN GLOSSARY OF TERMS

##### ABSORBING OF PORTABLE TENANTS

In portability, the point at which a receiving HA chooses not to bill or stops billing the initial HA for assistance on behalf of a family and issues assistance from its own rent assistance allocation(s).

##### ADJUSTED INCOME

Annual income less the following allowances determined in accordance with HUD instructions:

1. \$480 for each Dependent;  
**Note:** The head, co-head, spouse, foster child or live-in aide are never counted as dependents.
2. \$400 for each family whose head or spouse is at least 62 years or age or disabled;
3. For any family that is not an elderly family or a disabled family but has a handicapped or disabled member other than the head of household or spouse, handicapped assistance expenses in excess of three percent of annual income, but this allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of assistance to the person with disabilities;
4. For any elderly family or disabled family:
  - a. that does not have handicapped assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed three percent of annual income;
  - b. that has disability assistance expenses greater than or equal to three percent of annual income, an allowance for disability assistance expenses computed in accordance with paragraph 3 of this section, plus an allowance for medical expenses that is equal to family's medical expenses;
  - c. that has disability assistance expenses that are less than three percent of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the amount by which the sum of these expenses exceeds three percent of annual income; and
5. Child care expenses (see Section V for detail).

##### ADMISSION

The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

##### ADULT

A person who is eighteen (18) years of age or older, or a person of less than eighteen (19) years of age who meets the qualifications of an emancipated minor.

#### ANNUAL INCOME

1. Annual income is the anticipated total income from all sources (monetary or not) received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of initial determination or re-examination of income, exclusive of income that is temporarily non-recurring or sporadic. Annual income includes, but is not limited to:
  - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
  - b. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.
  - c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. All allowance for depreciation is permitted only as authorized in paragraph 1b of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of excess of \$5,000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD.
  - d. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amount for the delayed start of a periodic payment (except as provided in 2n below).
  - e. Payments in lieu of earnings such as unemployment and disability compensation, worker's compensation and severance pay.
  - f. Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling.
  - g. All regular pay, special pay allowances of a member of the Armed Forces

(whether or not living in the dwelling) who is head of the family or spouse (but see 2g below).

2. Income Exclusions

Annual income does not include the following:

- a. Income from employment of children (including foster children) under the age of 18 years;
- b. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);
- c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in 1e above);
- d. Amounts received by the Family that are specifically for, or in reimbursement of, the cost of Medical Expenses for any Family member;
- e. Income of a live-in aide as defined in 24 CFR 5.403;
- f. The full amount of student financial assistance paid directly to the student or to the educational institution;
- g. The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire;
- h. Amounts received under training programs funded by HUD;
  - (i) Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - (ii) Amounts received by a tenant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program; or
  - (iii) A resident service stipend: this is a modest amount (not to exceed \$200 per month) received by a public housing resident for performing a service for the HA, on a part-time basis, that enhances the quality of life in public housing. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; or
  - (iv) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with the local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

- i. Temporary, nonrecurring or sporadic income (including gifts);
- j. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- k. Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
- l. Adoption assistance payments in excess of \$480.00 per adopted child;
- m. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;
- n. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- o. Amounts paid by a State Agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- p. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. The following is a list of incomes that qualify for that exclusion:
  - i. The value of the allotment provided to an eligible household under Food Stamp Act of 1977;
  - ii. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
  - iii. Payments received under Alaska Native Claims Settlement Act;
  - iv. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
  - v. Payments or allowances made under department of Health and Human Services' Low-Income Energy Assistance Program;
  - vi. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
  - vii. Income derived from the disposition of funds of Grant River Band of Ottawa Indians;
  - viii. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of Interior;
  - ix. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the BIA student assistance programs. These are made available to cover the cost of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of a student or an educational institution;

- x. Payments received from programs funded under Title V of the Older Americans Act of 1965;
  - xi. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, MDL No. 381 (E.D.N.Y.);
  - xii. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-426, 94 Stat. 1785).
  - xiii. The value of any childcare provided or reimbursed for under the Child Care and Development Block Grant Act of 1990.
  - xiv. Earned income tax credit.
3. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for shorter periods may be annualized, subject to redetermination at the end of the shorter period.
  4. Any family receiving the reparation payments referred to in paragraph 2j of this section that has been requested to repay assistance under this chapter as a result of receipt of such payments shall not be required to make further repayments on or after April 23, 1993.

APPLICANT (applicant family)

A family that has applied for admission to a program, but is not yet a participant in the program.

AREA OF OPERATION

The recognized City of Oskaloosa, which shall not conflict with any other area of jurisdiction.

ASSETS

The values of (or equity) in the real property, stocks, bonds, savings accounts or certificates, stocks or merchandise or valuables and other forms of capital investments. (Does not include personal and household belongings and automobiles.) Assets shall include any asset disposed of at less than fair market value within the last two years.

CHILD

A member of the family, other than the family head or spouse, who is under 18 years of age.

CHILD CARE EXPENSES

Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period of which annual income is computed, but only where such care is necessary to enable a family member to be gainfully employed or to further his/her education. A child care deduction will not be allowed if an adult family member is capable and available to provide the child care. The amount deducted shall reflect reasonable charges for child care, and, in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment and only to the extent such amounts are not reimbursed.

CITIZEN

A citizen (by birth or naturalization) or national of the United States

### CONTIGUOUS MSA

In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA is located.

### CONTINUOUSLY ASSISTED

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act Program when the family is admitted to the certificate or voucher program.

### CONTRACT RENT

The total amount of rent specified in the Housing Assistance Payments Contract as payable by the OMHA and the tenant to the owner for an assisted unit.

### DATING VIOLENCE

[AS DEFINED IN Section 40002 of AWA 1994] which states as follows:

SEC 40002(a)(8) – “DATING VIOLENCE – the term “dating violence” means violence committed by a person –

- a. who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- b. where the existence of such relationship shall be determined based on a consideration of the following factors:
  - i. The length of the relationship.
  - ii. The type of relationship.
  - iii. The frequency of interaction between the persons involved in the relationship.

### DECENT, SAFE AND SANITARY HOUSING

Housing that meets the Housing Quality Standards contained in the federal regulations or the requirements for Single Room Occupancy (SRO) housing.

### DEPENDENT

A member of the family household (excluding foster children, head of household, or spouse) who is under 18 years of age or is a disabled person or handicapped person or is a full-time student.

### DISABILITY

1. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
2. Blind and unable by reason for such blindness, to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
3. No person shall be considered disabled solely on the basis of any drug or alcohol addition.

### DISABLED PERSON

A person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423), or who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) which defines a developmental disability as:

"severe chronic disability that (a) is attributable to a mental or physical impairment or combination of mental and physical impairments; (b) is manifested before the person attains age twenty-two; (c) is likely to continue indefinitely; (d) results in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care, (2) receptive and responsive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and (e) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong extended duration and are individually planned and coordinated."

#### Criteria for Handicap or Disabled Status Section 8 Housing Programs:

Applicants attempting to obtain Section 8 Assistance may wish to qualify under certain criteria allowing consideration to disabled persons. In order to qualify, an applicant must meet criteria listed below and must apply according to the following procedure.

##### 1. Procedure

The applicant must provide verification of disabled status. There are two ways to provide such verification:

- a. If Social Security or Supplemental Security Income is received, as a disabled person or family, the income verification from the social Security Administration will provide sufficient verification that the applicant/participant meets the required criteria.
- b. If the applicant/participant has not been approved to receive Social Security or Supplemental Security Income as a disabled person or family, the applicant/participant must:

Provide the OMHA with documentation from two medical doctors which states that you are disabled according to the definition in Section 223 of the Social Security Act or in Section 102 (b) (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970.

##### 2. Criteria

- a. Section 223 of the Social Security Act defines disability as:
  - i. Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months;  
or
  - ii. In the case of an individual who as attained the age of 55 and is blind (within the meaning of "blindness" as defined in Section 416(i) (1) of this title), inability by reason of such blindness to engage in substantial, gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- b. Section 102(b) (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970 define disability as:
  - i. A disability attributed to mental retardation, cerebral palsy, epilepsy,

or another neurological condition of an individual found by the Secretary of Health, Education and Welfare to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual.

- ii. The Amendments define handicap as: A handicapped person means one having a physical or mental impairment which (1) is expected to be of long-continued and indefinite duration (2)substantially impedes the person's ability to live independently, and (3) is of such a nature that such ability could be improved by more suitable housing conditions.

#### DISPLACED FAMILY

A family in which each member, or whose sole member, is a person displaced by governmental action (this includes physical displacement from a unit under construction and funded by the rental rehabilitation program), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. Governmental action shall include persons and families participating in shelter service programs where shelter is available for a short period of time. This definition is used to determine general program eligibility, preferencing and eligibility for certain allowances when rent is calculated. See also the definition of Involuntarily Displaced (preference definition).

DOMESTIC VIOLENCE [AS DEFINED IN Section 40002 of VAWA 1994] which states as follows:

SEC 40002(a)(8) – ‘DOMESTIC VIOLENCE – the term ‘domestic violence’ includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.’”

#### DOMICILE

The legal residence of the household head or spouse as determined in accordance with State and local law.

#### DRUG-RELATED CRIMINAL ACTIVITY

Term means:

1. Drug-trafficking; or
2. Illegal use, or possession for personal use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802.))

#### DRUG-TRAFFICKING

The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

### ELDERLY FAMILY

A family whose head or spouse or whose sole member is an elderly, disabled or handicapped person. It may include two or more elderly, disabled, or handicapped persons living together, or one or more of these persons living with one or more live-in aides.

### ELDERLY PERSON

A person who is at least sixty-two (62) years of age.

### EVIDENCE OF CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

The documents which must be submitted to prove citizenship or eligible immigration status.

### EXCEPTION RENT

An initial rent (contract rent plus any utility allowance) in excess of the published FMR. The OMHA adopts payment standards between 90% - 110% of the published FMR. The OMHA may approve exception rents (above approved payment standards) up to 110% of the published FMR on a case-by-case basis. HUD may approve on a case-by-case basis an exception rent up to 120% of the published FMR.

### EXCESS MEDICAL EXPENSES

Any medical expenses incurred by elderly or disabled families in excess of 3% of annual income which are not reimbursable from any other source.

### FAIR MARKET RENT

The rent, including utilities (except telephone and television reception charges), ranges, refrigerators, and all maintenance, management, and other services, which as determined at least annually by HUD, would be required to be paid in order to obtain privately owned, existing decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Separate Fair Market Rents shall be established for dwelling units of varying sizes (number of bedrooms).

### FAMILY

1. Two or more persons sharing residency whose income and resources are available to meet the family's needs, and the person to be designated head of household is an adult.
2. An Elderly or Disabled Household whose head or spouse or sole member is elderly (62 or over), or disabled (per HUD definition). (See Appendix 1, Glossary of Terms, for the definitions of elderly, or disabled persons.) The household may include one or more elderly, or disabled persons living together or one or more such persons living with another who is determined to be essential to their care or well being.
3. A single adult person who has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws; or
4. A single adult person, with no other children, who is pregnant or in the process of securing legal custody of any individual under the age of 18 years and the individual has presented evidence that the child would reside with the family if the head of household were issued a ~~Certificate~~/Voucher; or who shares joint custody of any individual under the age of 18 years and the child

resides with the adult person at least ~~50~~ 51% of the time; (Note: Only one adult person with shared custody shall be allowed assisted status with children.) Or

5. The remaining adult member of a tenant family; or
6. Any other single person who is not elderly, displaced or disabled. (Assistance only provided if no other elderly, or disabled, or single displaced persons are on the waiting list.)

#### FAMILY UNIT SIZE

The appropriate number of bedrooms for a family. Family unit size is determined by the OMHA under the OMHA subsidy standards.

#### FULL-TIME STUDENT

A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

#### GROSS RENT

The total monthly cost of housing an eligible family, which is the sum of the Contract Rent and any utility allowance for the assisted unit.

#### HANDICAPPED ASSISTANCE EXPENSES

Reasonable expenses that are anticipated during the period for which annual income is computed, for attendant care and auxiliary apparatus for a handicapped or disabled family member and that are necessary to enable a family member (including the handicapped or disabled member) to be employed, or provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

#### HANDICAPPED PERSON

Handicapped with a physical impairment which is expected to be of long continued and indefinite duration, which substantially impedes but does not prohibit his ability to live independently, and is of such nature that such ability could be improved by more suitable housing conditions.

#### HEAD OF HOUSEHOLD

The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

#### HOMELESS FAMILY

"Homeless Family" includes any individual or family who:

1. lacks a fixed, regular, and adequate nighttime residence; and
2. has a primary nighttime residence that is:
  - a. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
  - b. An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - c. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

A "Homeless Family" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State Law.

For purposes of this section, Single Room Occupancy Housing is not substandard solely because it does not contain sanitary or food preparation facilities or both.

HOUSEHOLD

Any family members or approved live-in aide.

HOUSING AGENCY (HA)

A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

HOUSING ASSISTANCE PAYMENT (HAP)

The monthly assistance payment by a HA. The total assistance payment consists of:

1. A payment to the owner for rent to owner under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to owner. In the Voucher Program, the additional payment is called a "utility reimbursement".

HOUSING QUALITY STANDARDS (HQS)

The HUD minimum housing quality standards for housing assisted under the tenant-based program.

INITIAL CONTRACT RENT

In the Certificate/Voucher programs, the contract rent at the beginning of the initial lease term.

INITIAL HA

In portability, the term refers to both:

1. A HA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting HA.
2. A HA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing HA.

INITIAL LEASE TERM

The initial term of the assisted lease. The initial lease term must be for at least one year.

INS

The U.S. Immigration & Naturalization Service.

INVOLUNTARY DISPLACEMENT

If the applicant has vacated or will have to vacate his or her housing unit as a result of:

1. A disaster such as a fire or flood that results in the inhabitability of the applicant's unit;
2. Activity carried on by an agency of the U.S. or by any state or local governmental body or agency in connection with code enforcement or public improvements or development program;
3. Includes displacement because of disposition of a multifamily rental housing project by HUD under section 203 of the Housing and Community Development Amendments of 1978.
4. Governmental action shall include persons and families participating in shelter service programs where shelter is available for a short period of time.

JURISDICTION

The area in which the HA has authority under State and local law to administer the program.

LEASE

A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the HA.

LIVE-IN AIDE

A person residing with an elderly, or disabled person or persons solely for the purpose of providing medical care. The need for such care must be medically verified. Live-in aides are not counted as family members and their income is not included in the calculation of family income. The name of a live-in aide will not be listed on the lease, ~~as a household member~~ or calculation sheet. The notation "live-in aide" will be made on the lease and OMHA records for bedroom size determination purposes only. Tenant must request and receive approval for each and any live-in aide.

LOCAL PREFERENCE

A preference used by the OMHA to select among applicant families.

LOW-INCOME FAMILY

A family whose Annual Income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

LUMP-SUM BENEFIT

A payment of monthly benefits for a previous period which may be included as income (except such lump sums of Social Security shall not be counted as income). Only that portion of the payment attributable to the time the tenant resided continuously under the Section 8 Program may be counted as income.

MEDICAL EXPENSES

For purposes of income determination for elderly or disabled persons or families, medical expense in excess of 3% of total family income, where these expenses are not compensated for, or are covered by insurance. Medical expenses include such items as medical insurance premiums, dental expenses, prescription and nonprescription medicines, etc.

MINOR

A person less than eighteen years of age (Head of household, spouse, or an unborn child may not be counted as a minor.)

MIXED FAMILY

A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

NATIONAL

A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NET FAMILY ASSETS

Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital

investment excluding interests in Indian trust land and the equity in a housing cooperative unit.

NONCITIZEN

A person who is neither a citizen or national of the United States.

OMHA

Oskaloosa Municipal Housing Agency, a public housing authority established under 403.A. of the Code of Iowa.

OWNER

Any person or entity with the legal right to lease or sublease a unit to a participant.

PARTICIPANT (participant family)

A family that has been admitted to the OMHA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the OMHA for the family (first day of initial lease term).

PAYMENT STANDARD

In the voucher program, an amount used by the OMHA to calculate the housing assistance payment for a family. Each payment standard amount is based on the fair market rent and must be between 90 and 110% of the currently published FMR. The OMHA adopts a payment standard for each bedroom size of the most current published FMR in the OMHA jurisdiction. The payment standard for a family is the maximum monthly subsidy payment.

PORTABILITY

Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial HA.

PREMISES

The building or complex in which the dwelling unit is located, including common areas and grounds.

REASONABLE RENT

A rent to owner that is not more than either:

1. Rent charged for comparable units in the private unassisted market; or
2. Rent charged by the owner for a comparable assisted or unassisted unit in the building or premises.

Rent reasonableness determinations must be made before the OMHA approves the initial rent to the owner, before any increase in the rent to the owner is allowed and if there is a five percent decrease in the published FMR (Fair Market Rent) in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

To satisfy the HUD requirements, the OMHA shall have data on the rents being charged for unassisted units. A market survey shall be utilized for the data base of unassisted units. Additionally information gathered from newspapers, Realtors, professional associations, and inquiries of owners may be utilized. The comparability system shall take into consideration the

location (by zip code); size (utilizing number of bedrooms in unit or square footage of dwelling unit); type of dwelling unit; age of unit; quality of unit; amenities; housing services provided; maintenance provided; and utilities.

#### RECEIVING HA

In portability, an HA that received a family selected for participation in the tenant-based program of another HA. The receiving HA issues a Voucher, and provides program assistance to the family.

#### REMAINING FAMILY MEMBERS

The sole remaining family member after a reduction in family size shall be permitted to remain in housing if over the age of 18 and able to live independently.

#### RENT REASONABLENESS LIMITATION

The HA is required to certify for each Section 8 unit assisted that the contract rent is reasonable in relation to comparable units on the private unassisted market and not in excess of rents currently being charged for comparable unassisted units owned by the same landlord.

#### RENT TO OWNER

The monthly rent payable to the owner under the lease. Rent to owner includes payment for any services, maintenance and utilities to be provided by the owner in accordance with the lease.

#### RESIDENCY PREFERENCE

A HA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

#### RESIDENT OF AREA

A family living in the OMHA's jurisdiction, working in the OMHA's jurisdiction or notified that they are hired to work in the OMHA's jurisdiction. The length of time the family has lived or worked in the jurisdiction may not be considered.

#### RESPONSIBLE ENTITY

The person or entity responsible for administering the restrictions on providing assistance to non-citizens with ineligible immigration status.

#### SECURITY DEPOSIT

An amount deposited by the tenant, with the owner, which is not in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

#### SINGLE PERSON

A person who lives alone or intends to live alone who does not qualify as an elderly or disabled family, displaced person or the remaining member of tenant family.

#### SPOUSE

Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads".

### SUBSIDY STANDARDS

Standards established by an OMHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. See definition of "family unit size".

### SUSPENSION

Stopping the clock on the term of a family's Voucher, for such period as determined by the OMHA, from the time when the family submits a Request for Lease Approval to the OMHA, until the time when the OMHA approves or denies the request.

### TENANT

The person or persons (other than a live-in aide) who execute the lease as lessee of the dwelling unit.

### TENANT RENT

The difference between the Contract Rent and the calculated HAP.

### TOTAL TENANT PAYMENT

The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

### UTILITY ALLOWANCE

The OMHA's estimate of the average monthly utilities (except telephone, cable, internet) for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and bedroom size.

### UTILITY REIMBURSEMENT

The amount, if any, by which any utility allowance for family-paid utilities or other housing services exceeds the total tenant payment.

### VERY-LOW INCOME FAMILY

A Low-Income family whose Annual Income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

### VIOLENT CRIMINAL ACTIVITY

Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another. Violent criminal activities may include but are not limited to, murder, assault, rape, burglary, arson/vandalism, domestic abuse and child molestation.

### VOUCHER (rental voucher)

A document issued by a HA to a family selected for admission to the voucher program. The voucher describes the program, and the procedures for HA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.