

**COLUMBUS
METROPOLITAN
HOUSING AUTHORITY**

ADMINISTRATIVE PLAN

FOR THE

HOUSING CHOICE VOUCHER

PROJECT-BASED VOUCHER

AND

SHELTER PLUS CARE

PROGRAMS

Adopted: 10-28-11

**COLUMBUS METROPOLITAN HOUSING AUTHORITY
HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN
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1. STATEMENT OF LOCAL POLICIES AND OBJECTIVES

The Housing Choice Voucher Program was created by the Housing and Community Development Act of 1974 and further amended by federal legislation. The Housing Choice Voucher Program has two separate components—the Housing Choice Voucher Programs and Project-Based Program. The Shelter Plus Care Program is a special stand-alone program created by Congress to assist disabled and homeless persons.

Administration of these housing programs will be in compliance with the Ohio Revised Code, CMHA Personnel Policy, Equal Opportunity Plan, and this Administrative Plan. If any policy in this Plan is in conflict with federal or state law or regulation, the applicable law or regulation shall take precedence over this Plan.

A. PURPOSE OF THE HOUSING CHOICE VOUCHER PROGRAM AND THE CMHA ADMINISTRATIVE PLAN

The overall plan for CMHA Housing Choice Voucher Program is designed to achieve four major objectives:

1. To provide improved living conditions for low-income families while maintaining their rent payments at an affordable level;
2. To promote freedom of housing choice and the de-concentration of low-income and minority families;
3. To provide decent housing for eligible participants; and,
4. To provide an incentive to private property owners to rent to eligible low-income families by offering timely assistance payments and protection against unpaid rent.

The purpose of this Administrative Plan is to establish discretionary policies and implement HUD regulations for the administration of the Housing Choice Voucher Housing Choice Voucher and Shelter Plus Care Programs.

The Plan covers both admission and continued participation in these programs. Policies are the same for all programs, unless otherwise noted in this Plan or by HUD regulations.

CMHA's Board of Commissioners must approve revisions to this Plan.

CMHA is responsible for complying with all subsequent changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations and/or federal law will have precedence.

B. LEGAL JURISDICTION

The legal jurisdiction for the operation of the CMHA Housing Choice Voucher Program is Franklin County, Ohio.

C. PRIVACY RIGHTS AND RELEASE OF INFORMATION

CMHA recognizes that the right of privacy must be afforded to all Housing Choice Voucher applicants and participants. Therefore, disclosure of any information about applicants or participants that is maintained by CMHA is prohibited unless the family executes a release of information. CMHA may share family information with the appropriate federal agencies and other third parties in the course of conducting official agency business.

In accordance with HUD regulations, CMHA will provide upon a prospective landlord's request, the family's current address and their current landlord's address and telephone number and the family's previous address and their previous landlord's address and telephone number from CMHA records if it can be obtained from CMHA records. CMHA will not be held responsible for any inaccurate information obtained from the family's file. No further information about the family will be provided unless the family gives the prospective landlord their written consent to review the information collected by CMHA. CMHA also reserves the right to verify that the person(s) requesting the information is an actual prospective landlord and may request the landlord to release CMHA from any claims.

Information concerning CMHA's participating Housing Choice Voucher landlords may be obtained upon written request. CMHA may assess a fee for all records photocopied and/or the time spent to obtain the information from CMHA's computerized data system.

All other requests for the release of information about the Housing Choice Voucher Program and CMHA's administrative records and documents will be subject to approval by CMHA pursuant to federal and state law.

D. DESCRIPTION OF PROGRAMS OFFERED

CMHA operates the following programs:

- Housing Voucher Program;
- Shelter Plus Care Program; and,
- Project-Based Housing Choice Voucher Program

EQUAL OPPORTUNITY HOUSING PLAN

A. PURPOSE

The Columbus Metropolitan Housing Authority Equal Opportunity Housing Plan fulfills the requirements outlined in 24 CFR § 982.53 of the HUD regulations governing the Housing Choice Voucher Program

B. SEVERABILITY

Any part of the Equal Opportunity Housing Plan found to be in conflict with the statutes or regulations governing these programs shall be void and does not affect the remaining operable parts of this Plan.

OBJECTIVE I - OUTREACH TO LOWER INCOME FAMILIES

A. POLICY

It is CMHA's policy to provide the widest possible dissemination of information to low-income families regarding the availability of Housing Choice Voucher Housing Assistance in order to maximize safe affordable housing opportunities for eligible families who reside in Franklin County.

B. METHOD

CMHA's Housing Choice Voucher Program is widely known in the Columbus area. CMHA uses local and general circulation newspapers to announce when CMHA is accepting applications for Housing Choice Voucher Assistance. CMHA places advertisements in these newspapers, which will at a minimum, contain the following information:

- Description of the Housing Choice Voucher Program;
- How families are determined to be eligible;
- Time and location of applications to be accepted and the deadline for making an application;
- Telephone number and contact person for further information about the Program.

CMHA will also make notices available to local social service agencies, local radio and television stations and other agencies that provide services to low-income families in Franklin County. CMHA also responds to telephone calls from interested families who are seeking information about the Program.

**OBJECTIVE II - PROMOTING GREATER HOUSING OPPORTUNITIES
FOR FAMILIES OUTSIDE AREAS OF LOW-INCOME AND MINORITY
CONCENTRATION POLICY**

It is the policy of CMHA to make Housing Choice Voucher Program information available to all owners and managers of decent and affordable housing in Franklin County and to encourage current participating Housing Choice Voucher owners and managers to continue to provide quality housing to CMHA's Housing Choice Voucher families.

A. POLICY IMPLEMENTATION

CMHA conducts a comprehensive marketing program to broaden housing opportunities for low-income families who are assisted by CMHA's Housing Choice Voucher Program. Efforts to educate owners and promote CMHA's Housing Choice Voucher Program include the following:

- A Housing Choice Voucher landlord newsletter;
- An Internet website (www.cmhanet.com) containing information about the CMHA Housing Choice Voucher Program;
- Working meetings and seminars with landlords to explain Housing Choice Voucher regulations and CMHA policies;
- The development of Program marketing publications;
- Customer service training for CMHA's Housing Choice Voucher staff; and,
- Active recruitment of units by the staff.

CMHA has approved Voucher Payment Standards at 110% of current Fair Market Rents to enable families to locate units in low poverty areas within Franklin County.

To aid Program participants, CMHA has developed a list of available vacant units by location, bedrooms, and housing type (duplex, single family, etc.). This list is updated monthly as owners inform CMHA that their units are available for Housing Choice Voucher families. This list is made available to Housing Choice Voucher participants upon request.

Nothing in this Section shall be construed to violate the "finders- keepers" policy and the non-steering provisions of the tenant-based Housing Choice Voucher Program.

**OBJECTIVE III - ENSURING EQUAL OPPORTUNITY TO APPLICANTS FOR
PARTICIPATION IN CMHA'S HOUSING CHOICE VOUCHER AND SHELTER PLUS
CARE PROGRAMS POLICY**

CMHA shall select families for participation without regard to a family's age, race, color, gender, familial status, creed, religion, disability, or national origin.

A. ADMINISTRATIVE PROCEDURES

CMHA's selection process is outlined in this Plan and is consistent with HUD regulations. CMHA ranks the applications by local preferences and by application date without regard to the applicant's bedroom size. Preference priorities may be revised in accordance with changing federal regulations. CMHA takes families from the applicant wait list whenever Housing Choice Voucher funds are available to enter into additional housing assistance contracts.

CMHA constantly updates the Housing Choice Voucher applicant wait list. Updating is accomplished by mailing "still interested" cards to families and by notifying families to update and verify information furnished to CMHA. Families who fail to return "still interested" cards to CMHA or refuse or fail to provide updated information will be removed from the Housing Choice Voucher applicant wait list.

OBJECTIVE IV - SERVICES AND ASSISTANCE TO FAMILIES WHO HAVE ALLEGED THEY HAVE ENCOUNTERED DISCRIMINATION DURING THEIR HOUSING SEARCH

A. POLICIES AND PROCEDURES

Information on fair housing laws is provided to all Housing Choice Voucher participants at group or one-on-one briefings. The HUD-903 Form is given to all families at their briefing with instructions to contact CMHA in the event that the family has reason to believe that they have been illegally denied housing. CMHA will assist families in completing the form and refer families to the Columbus HUD Office for further investigation.

Families will also be referred to the Columbus Urban League and/or the Legal Aid Society of Columbus. Both agencies investigate fair housing complaints.

CMHA will also make available to families alleging discrimination a list of vacant units whose owners are willing to rent to Voucher holders.

OBJECTIVE V - UTILIZATION OF LOCAL FAIR HOUSING AGENCIES

As stated above, CMHA will refer any family who has a fair housing complaint to the Columbus Urban League, the Legal Aid Society of Columbus, or such other agencies designated by HUD. CMHA will cooperate with these agencies in their investigation of the family's complaint.

Advice and assistance will be offered to disabled families as necessary in accordance with federal, State, and local law. CMHA will offer reasonable accommodation in the administration of the Housing Choice Voucher policies and in giving assistance to disabled families to finding affordable and decent housing and complying with HUD and CMHA regulations and policies.

OBJECTIVE VI - EQUAL OPPORTUNITY IN CMHA'S EMPLOYMENT PRACTICES

CMHA is an equal opportunity employer who has established policies and practices that ensure equal opportunity to its employees and offers housing assistance to Franklin County residents without regard to race, color, creed, religion, gender, disability, familial status, or national origin.

OBJECTIVE VII – EQUAL OPPORTUNITY FOR PERSONS WITH DISABILITIES

Qualified persons with disabilities solely by reason of their disabilities must not be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 504 requires Housing Choice Voucher agencies to affirmatively ensure that persons with disabilities are given an equal opportunity to participate in the Housing Choice Voucher Program. HUD's Section 504 regulations, which are contained in 24CFR 8(Subpart A-E) provide a more detailed explanation of Housing Choice Voucher responsibilities.

A qualified person with a disability:

- Must be afforded an opportunity equal to that afforded others;
- Must be provided housing or benefits as effective as those afforded to others; and,
- May not be provided different or separate housing or benefits unless necessary to provide with a person with a disability with housing or benefits that are as effective as those provided to others.

CMHA will afford persons with disabilities an equal opportunity to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities.

CMHA is obligated to administer its housing assistance program in the most integrated setting possible that is appropriate to the needs of qualified persons rather than to separate the person from the general population. In any case, a person with a disability must ask for an accommodation of their disability before CMHA treats them differently.

The Director of Section 8 Programs shall be designated as the Section 504 Compliance Officer for Housing Choice Voucher and Shelter Plus Care Programs.

A. DEFINITION OF REASONABLE ACCOMMODATION

A person with a disability may require special accommodations in order to have equal access to the Housing Choice Voucher Program. The types of reasonable accommodations CMHA can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for CMHA, or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

1. Types of Reasonable Accommodations

When needed, the PHA must modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff
- Displaying posters and other housing information in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair

B. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made.

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

C. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided below:

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual;
- Has a record of such impairment, or
- Is regarded as having such impairment.

The phrase “physical or mental impairment” includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

HUD’s definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the \$480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Some people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.

The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious, or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required.

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in this Plan. All information related to a person's disability will be treated in accordance with the Plan's confidentiality policies. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA will not inquire about the nature or extent of any disability.

D. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION

CMHA will consider a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability preferably in writing to CMHA.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of the PHA at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

After a request for an accommodation is presented, CMHA will respond, in writing, within 10 business days.

If CMHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the CMHA's operations), the CMHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the Housing Choice Voucher program and without imposing an undue financial and administrative burden.

If the CMHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, CMHA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family.

E. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents may be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

F. PHYSICAL ACCESSIBILITY

The CMHA will endeavor to comply with the following law and regulations pertaining to physical accessibility, including the following:

- PIH 2002-01 (HA), Accessibility Notice
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This Plan describes the key policies that govern the CMHA's responsibilities with regard to physical accessibility.
- Notice PIH 2002-01(HA) Accessibility Notice (which must be posted in the HCV offices in a conspicuous place) summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- This Plan also provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of CMHA facilities will conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, CMHA will include a current list of available accessible units known to the PHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

G. DENIAL OR TERMINATION OF ASSISTANCE

CMHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation.

When applicants with disabilities are denied assistance, the notice of denial must inform them of the CMHA's informal review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal hearing process.

When a participant family's assistance is terminated, the notice of termination must inform them of the CMHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, CMHA may consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the CMHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, CMHA may make the accommodation.

3. ELIGIBILITY FOR ADMISSION

To be eligible for admission, a family must meet HUD's criteria for eligibility and any additional criteria established by CMHA in compliance with federal regulations.

HUD has established the following factors to determine eligibility:

- Family Composition;
- Income Limits;
- Provision of supplying Social Security Numbers;
- Qualify on the basis of citizenship or eligible immigrant status;
- Consent to CMHA's collection and use of family information for family members;
- Other Criteria for Admission that Relates to Prior History on CMHA's housing programs;
- Drug related and violent criminal activity, detrimental alcohol abuse, and sex offender background checks.

A family's initial eligibility for placement on the waiting list and admission will be based upon the above listed factors.

A. FAMILY COMPOSITION

The applicant must qualify as a Family. A family may be:

1. A single person or group of single persons:
 - A. A single person may be one of the following:
 - An elderly person (see definition below);
 - A disabled person (see definition below);
 - A displaced person (see definition below); or,
 - Any other single person.
2. A single person, a married couple, or two persons who will live regularly together in the same dwelling unit with a child or children.
3. A group of persons consisting of two or more elderly or disabled persons living together or one or more elderly or disabled persons living with one or more live-in aides.

4. An elderly and/or disabled household whose head or spouse meets the following definition where the household head or spouse must be:
- 62 years of age or older;
 - Handicapped with a physical impairment which is expected to be of long continued and indefinite duration, but does not prohibit independent living and is of such nature that the ability could be improved by more suitable housing conditions; or
 - Disabled pursuant to Section 223 of the Social Security Act or Section 102 of the Developmentally Disabled Act;
 - An expectant mother unless she aborts prior to admission. If she aborts prior to admission, she will be classified as a single person;
 - A remaining member of a family assisted by CMHA's Housing Choice Voucher Program; or,
 - A person displaced by governmental action, or a person whose dwelling has been extensively destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

Head of Household

The head of household is the person who assumes legal responsibility for the household and is listed on the application.

A family may not designate an elderly family member as head of household solely to qualify the family as an Elderly Household. There can be a co-head if the adult members are not married and both claim to assume joint legal responsibility for the household and are listed on the application as co-head.

Live-In Attendants

A Family may include a live-in attendant who:

- Has been determined by CMHA to be essential to the care and well being of the elderly, handicapped or disabled family member;
- Is not obligated for the support of the elderly, handicapped or disabled member;
- Would not be living in the unit except to provide care of the elderly, handicapped or disabled family member; and,
- Their income will not be counted for purposes of determining eligibility or rent contribution.

Relatives are not automatically excluded from being care attendants, but must meet the definition described above.

A live-in attendant with a child is not qualified as a live-in attendant, since the child is not needed to attend the elderly, handicapped or disabled individual. Live-in attendants cannot be the remaining members of the family's family if the person they are attending is no longer a participant in the Housing Choice Voucher Program.

To determine whether a live-in attendant is "essential to the care and well being of the elderly, handicapped or disabled person," CMHA will send a third party verification request to a reliable medical source familiar with the family. The letter will request exact information on the services the live-in attendant needs to justify why the live-in attendant is medically necessary.

B. INCOME LIMITATIONS

The annual income of families must not exceed income limits as established by HUD.

A family is eligible if their annual income does not exceed the income limits as established by HUD or if the family:

- Is "continuously assisted" under the 1937 Housing Act. CFR part 511;
- Is a low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project;
- Is a low-income non-purchasing family residing in a project subject to home ownership;
- Is a low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 165; or,
- Is residing in a HUD-owned multi-family rental housing project when HUD sells, forecloses, or demolishes the project.

"Continuously assisted" means that the family has been receiving assistance under the 1937 Housing Act when they apply to receive assistance under the CMHA Housing Choice Voucher Program. There may be a brief interruption of assistance under these programs and to the admission to the Voucher Program. To be eligible under the category of "continuously assisted," the interruption of assistance cannot be greater than 90 days and the circumstances for the termination of housing assistance under the 1937 Housing Act must have been beyond the control of the family.

The applicable income limit for admission is the income limit for the area in which the family initially leases a unit and first becomes a Housing Choice Voucher participant.

C. MANDATORY SOCIAL SECURITY NUMBERS

Families are required to provide Social Security Numbers for all family members age six and older prior to admission if they have been issued a number by the Social Security Administration.

All members of the family must:

- Provide their Social Security Number and legal first, middle, and legal surname;
- Provide written certification that they have not been assigned a Social Security Number. If the individual is under 18, his or her parent or guardian must execute the certification. If the participant who has signed a certification form obtains a Social Security Number, it must be disclosed at the next regularly scheduled income reexamination.

If a family member cannot provide his or her Social Security card, other documents listed below showing his or her Social Security Number may be used for verification. He or she may be required by CMHA to provide one or more of the following alternative documents:

- Identification card issued by a federal, state or local agency;
- Identification card issued by an employer or trade union;
- Identification card issued by a medical insurance company;
- Earnings statements or payroll stubs;
- Bank statements;
- IRS Form 1099;
- Benefit Award letters from government agencies;
- Unemployment benefit letter;
- Retirement benefit letter;
- Life insurance policies; or,
- Court records such as real estate, tax notices, marriage, divorce, judgments, or bankruptcy records.

If CMHA verifies Social Security benefits with the Social Security Administration, the acceptance of the Social Security Number by the Social Security Administration will be considered documentation of its validity.

Applicants may not become participants until the Social Security Number documentation is provided or provides a sworn affidavit that they do not have a social security number, but will obtain one by their next recertification.

New family members over 5 years of age will be required to verify (or certify, as applicable) their Social Security information when the family reports the change in family composition, whether that be at an annual or interim reexamination.

D. OTHER CRITERIA FOR ADMISSION

Other criteria must be met for a family to be eligible for assistance under CMHA's Housing Choice Voucher Program:

- The family must have paid any outstanding debt owed CMHA or another PHA on any previous tenancy in Public Housing or Housing Choice Voucher Programs. (Does not apply to previous Housing Choice Voucher New and Substantial Rehabilitation and Shelter Plus Care participants.) The family must repay in full in order to be considered eligible for admission;
- The family must have left any previous tenancy under the Housing Choice Voucher Program without being in violation of a family obligation under its Housing Choice Voucher Program;
- There is reasonable cause to believe that a family member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents;
- No person may be admitted to the CMHA Housing Choice Voucher Program if they are subject to a lifetime registration as a sex offender under a State registration program; and,
- The family must not have been convicted or pled guilty to drug-related criminal activity or violent criminal activity within the past three years of their preliminary application date or within the past 3 years from the date of final eligibility determination including criminal activity by any family member listed on the family's application.

Drug-related criminal activity means:

- The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, a controlled substance (as defined in the Controlled Substance Act);
- The manufacturing or production of methamphetamine on the premises of any federally assisted housing;
- The illegal use or possession (other than with intent to manufacture, sell or distribute), of a controlled substance, except that such use or possession has occurred within 18 months of their final eligibility date;

- Drug related criminal activity does not include the use or possession if the family member can demonstrate that s/he:
 1. Has an addiction to a controlled substance, has a record of such impairment, or is regarded as having such impairment, and;
 2. Is currently enrolled in or has successfully completed a substance abuse program and does not currently use or possess controlled substances.

Violent criminal activity includes:

1. Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.
2. Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or
3. Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the CMHA (including a CMHA employee, contractor, subcontractor, or agent).

Evidence of drug related and/or violent criminal activity or sexual offender status is based upon records obtained from public agencies.

Initial screening will be limited to accessing public information maintained by local law enforcement agencies. The inquiries will be standardized and directed to all families by the inclusion of the inquiry on the application form.

Families who have been evicted from Public Housing or by Housing Choice Voucher owners for engaging in drug related or violent criminal activities will be denied admission to the wait list or will be denied admission to the Housing Choice Voucher Program if they were evicted due to drug related or violent criminal behavior within past three years of their final eligibility determination date.

With the exception of the sexual offender status, this section shall not apply to admission to the Shelter Plus Care Program. CMHA does not select participants for the Shelter Plus Care Program.

E. SUITABILITY OF FAMILY

CMHA does not screen for factors such as credit rating or landlord references and makes no guarantee of the suitability of the applicant family as a tenant. Screening the family is the sole responsibility of the landlord.

F. CHANGES THAT OCCUR BETWEEN FINAL ELIGIBILITY DETERMINATION AND LEASE DATE

Changes in the family's economic circumstances or familial composition that occur during this period will not affect eligibility to lease the unit.

G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the CMHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

1. U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport. Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

2. Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date

the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

3. Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. CMHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

4. Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered mixed families. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

5. Ineligible Families

CMHA will not provide assistance to a family before the verification of at least one family member. When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, the family will be sent a written notice of the determination. The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process.

H. INDEPENDENT STUDENT STATUS

CMHA will consider a student "independent" from his or her parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

- 1 The individual is of legal contract age under state law.

2. The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.
3. To be considered an independent student according to the Department of Education, a student must meet one or more of the following criteria:
 - Be at least 24 years old by December 31 of the award year for which aid is sought.
 - Be an orphan or a ward of the court through the age of 18
 - Be a veteran of the U.S. Armed Forces.
 - Have one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)
 - Be a graduate or professional student
 - Be married
4. The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms. The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

4. APPLYING FOR ADMISSION

A. HOW TO APPLY

CMHA maintains separate application wait lists for the tenant-based Housing Choice Voucher Program and for Sugar Grove Square, a project-based Housing Choice Voucher apartment community. Sugar Grove Square is designated as an elderly-only residence. Applicants for Sugar Grove Square must be at least 62 years of age at the time of their application.

Shelter Plus Care applicants must be referred to CMHA by their sponsor agencies. The Shelter Plus Care is a non-wait listed Program that offers immediate housing for homeless and disabled families or single persons. Applicants are referred to CMHA by sponsor agencies.

Families wishing to apply for any of CMHA's Housing Choice Voucher Programs must complete a preliminary application. A full application will be required when the family reaches the top of the wait list.

If CMHA decides to open a waiting list, CMHA will publish the preliminary application acceptance date in local general circulation newspapers. CMHA's advertisement will state criteria that define and limit the type of families that may apply for assistance during this period of application taking. The publication will also specify the location where preliminary applications are taken.

Applications are taken to solely to compile a wait list. Due to the demand for housing in CMHA's jurisdiction, CMHA does not generally take applications on an "open enrollment" basis but may elect to do so.

The complete application process will be undertaken in two phases:

- A preliminary application will be taken first and eligibility will be determined for admission to the wait list. This application is a self-declaration (CMHA does not verify) by the family of their family composition, income, and assets. Previous participation in either Public Housing or Section 8 will be checked before admission to the wait list. Criminal background may not be checked if the family does not admit to any recent criminal activity on the preliminary application.
- When the family is selected from the wait list, CMHA will take a full application, verify the information provided by the family, and make a final eligibility determination.

Acceptance of Applications:

- When preliminary and full applications are received, they will be dated and/or time stamped.
- Preliminary applications do not require an interview, but full applications do.

Any family requesting a preliminary application for Housing Choice Voucher rental assistance will be given the opportunity to apply as long as a waiting list is open and CMHA is accepting applications.

B. OPENING/CLOSING OF PRELIMINARY APPLICATION TAKING

Preliminary applications will be accepted only during the advertised periods of enrollment. These enrollment periods are determined based upon the need of CMHA to augment its wait lists to comply with federal and local admission preferences.

CMHA may suspend the acceptance of preliminary applications during the enrollment period by public notice if the number of applicants on a waiting list indicates that additional families would not be able to receive a Voucher within 12 months.

- Re-opening of a Wait List

The following procedures will apply to all public notices concerning periods of enrollment:

- Publishing the notice in the local newspaper;
- Posting the notice in the Applications Office; and,
- Publishing the notice in local minority media publications.
- Applicant Wait Lists

CMHA elects to maintain and process applications from separate wait lists for the Sugar Grove Square apartment complex and the tenant-based Housing Choice Voucher Program. In the event the family wishes to make an application to reside in a Public Housing community, the family will be advised to complete a separate Public Housing preliminary application. Applicants must report changes in income and family composition to each Program.

C. SUGAR GROVE SQUARE APPLICATION AND ADMISSION REQUIREMENTS

CMHA elects to maintain a separate wait list for this apartment community. Preliminary applications will be taken only at the apartment community. Sugar Grove Square is located at 530 South State Street, Westerville, Ohio 43081.

CMHA will advertise the opening and closure of the Sugar Grove Square wait list in accordance with Chapter 4 of this Administrative Plan and HUD regulations. Preliminary applications will be forwarded to CMHA's central office for processing. CMHA will process full applications pursuant to this Administrative Plan and HUD regulations. Final eligibility or denial will be based upon the below listed criteria.

All tenant-based Voucher wait-listed applicants who are elderly (62 years or older) will be offered an initial opportunity to be placed on the initial wait list to be established for Sugar Grove Square. This will be accomplished by a written invitation with a time limit for responding. Elderly families who subsequently apply for the tenant-based Voucher Program will also be offered an opportunity to be placed on this wait list if the wait list is still opened. Applicants will be notified at the time of their initial application or at other times at the sole discretion of CMHA. The project-based preliminary application date will be the date and time of when it was received by CMHA.

Any elderly family with an issued non-expired tenant-based voucher may convert their tenant-based voucher to a project-based voucher for use at Sugar Grove Square if they are approved for occupancy at Sugar Grove Square. CMHA is not responsible for screening prospective tenants for Sugar Grove Square.

In addition to the HUD preference for assisting “extremely low” (30% of median) and “very low” (50% of median) income families and the State of Ohio veteran’s preference, applicants who are legal residents of Westerville, Ohio at the time of their application will also receive a wait list preference. Preliminary applications will be further ranked by date and time within these preference categories.

D. PRELIMINARY APPLICATION PROCEDURES

CMHA will utilize a basic preliminary application form.

The purpose of the preliminary application is to assess family eligibility and preferences for placement on the waiting list. The preliminary application may be in a written or electronic format through Internet access.

The preliminary application requests the following information and must be completed in its entirety:

- Legal names and birth dates of all household members;
- Gender and relationship of members;
- Address and telephone number;
- Amount and source of all income and assets;
- Information to confirm any disabilities of family members; and,
- Information related to selection preferences and criminal history, if any.

When the preliminary application is completed, CMHA staff will assess the family's eligibility as a Housing Choice Voucher participant. If eligible, the family will be placed on the Housing Choice Voucher wait list. Placement on the wait list does not guarantee that a wait-listed family will receive housing assistance.

If the family is ineligible, CMHA will provide written notification to the family.

While on the wait list, families are responsible for reporting to CMHA changes in family circumstances (including income, address, and family composition changes) in writing and are responsible for responding to requests from CMHA to update preliminary applications. Refusal or failure to provide information may result in the family being declared ineligible and removed from the wait list.

CMHA's decision to withdraw from the wait list the name of an applicant family that includes a person with disabilities is subject to reasonable accommodation in accordance with 24 CFR, Part 8. If the family did not respond to the CMHA's request for information or updates because of the family member's disability, CMHA will reinstate the applicant in the family's former position on the waiting list.

E. NOTIFICATION OF FAMILY STATUS IN THE WAIT LIST

After being placed on the wait list, the family will be informed by mail. Families will be selected for processing by preference(s) and date of their preliminary application.

F. COMPLETION OF THE FULL APPLICATION PROCESS

When CMHA or the project site office determines that a Voucher can be issued to the family within 60 days, families on the appropriate wait list will be requested to begin the full application process. The family will mail a Personal Declaration form to the family and schedule an appointment with the family.

The family must complete the full application process on their own by using the Personal Declaration Form as the basis for the full application.

Families will be scheduled for an interview as part of CMHA's procedures for processing a full application.

Completion of a full application does not guarantee immediate housing assistance. CMHA may suspend Voucher issuance at any time.

1 Requirement to Attend Scheduled Meeting

It is the family's responsibility to reschedule the interview prior to the scheduled interview date if they cannot attend the appointment. If the family misses their appointment, the family must contact CMHA to reschedule their appointment within 10 calendar days after the day of the initial appointment. If the family does not reschedule within 10 days, CMHA has the right to reject the application. Families will be notified in writing if the application is rejected for this reason.

Rejection of the full application means that the household will be removed from the wait list and must wait six months from their rejection date before they can reapply.

The household head or spouse is required to attend the interview and sign the housing application. All adult members must sign the application and sign the required forms.

2 Verification of Full Application Information

Information provided by the family will be verified including information on family composition, income, assets, allowances and deductions, preference status, full time student status, and other factors relating to eligibility determination before the family is issued a Voucher.

Third party verifications (sent by mail) and by Internet are preferred. Oral third party verifications are acceptable if documented.

If third party written verification is impossible or the third party does not respond within a two-week period, CMHA will use documents provided by families. Documents will be photocopied when not prohibited by law. When documents cannot be photocopied, staff certification forms will be used to record the source of information and will be signed and dated by the staff person who viewed the document.

If CMHA determines at the interview that more information or verification is needed, the family will be given or sent a need-more letter, requesting the family to provide the information within 10 days from the date of the letter. If there is no response after 10 days, a second need-more letter will be sent with an additional 10-day response period. For social security numbers and legal name discrepancies, the family must be given 30 days to provide the information requested.

If there is no response to the second need-more letter, an ineligibility letter will be sent to the family. Acceptable verification of preferences is listed under the preference section of this Plan. Preferences will be verified prior to completing the full application process and may be done prior to calling the family in for an interview. If preference status has changed the family will be notified of their new status on the wait list.

G. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

Because HUD issues changes in rules and regulations, it is necessary to make a final eligibility determination. Family circumstances may have also changed between preliminary application and final eligibility determination.

After the verification process is completed, CMHA makes its final determination of eligibility, based on the same or updated factors as preliminary eligibility, but using verified data.

The household is not eligible for Voucher issuance until this final determination has been made, even though their application has been preliminarily determined eligible and placed on the wait list.

H. GROUNDS FOR DENIAL OF ADMISSION

In accordance with the regulations, CMHA may deny assistance to families or placement on a waiting list if any of the following conditions exist:

- If a member of the family has ever been evicted from Public Housing within the past three years from the court awarded eviction date.
- If CMHA has previously terminated assistance in CMHA's Voucher Program for any adult member of the family for program violations within the past three years from the termination date;
- If a member of the family has been convicted of or pled guilty to a drug-related or violent criminal activity within the past three years from placement on the wait list (preliminary eligibility date or from the final eligibility determination date
- If a member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program at any time (life-time ban);
- The manufacturing or production of methamphetamine on the premises of any federally assisted housing at any time (life time ban);
- If an family member is subject to lifetime registration as a sexual offender at any time (life-time ban);
- If a family owes rent or other amounts to CMHA or to another housing authority in connection with Housing Choice Voucher or Public Housing Program. This section does not apply to admission to the Shelter Plus Care Program.
- If a family has not reimbursed a 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;
- If a family has breached an agreement with a housing authority to pay amounts owed to a housing authority; or
- If a family has engaged in or threatened abusive or violent behavior toward CMHA staff in the course of making an application for housing assistance and CMHA processing the family's application for assistance.

Former Housing Choice Voucher participants or Public Housing residents are eligible to reapply for the Housing Choice Voucher program under the following conditions:

- Previous Housing Choice Voucher participants who have been terminated from the Housing Choice Voucher Program may reapply. A three-year period of ineligibility must be completed before the family is permitted to re-apply and be wait-listed. The ineligibility period starts at the termination date of the previous housing assistance;
- All amounts owed CMHA must have been paid in full; and
- All former adult residents evicted from CMHA’s public housing program must also complete a three-year period of ineligibility. The ineligibility period starts at the court approved eviction date. However, if the reason for eviction was family fraud, the family is permanently barred from participating in the Housing Choice Voucher Program.

For applicants under the sponsorship of Columbus Shelter Board’s Rebuilding Lives Program, the three-year period of ineligibility for drug and violent criminal activity is reduced to a 1-year period. All other eligibility conditions must be met.

With the exception of the sexual offender status, this section shall not apply to admission to the Shelter Plus Care Program. CMHA does not select participants for the Shelter Plus Care Program.

I. RIGHT TO INFORMAL REVIEW

Families who are denied Housing Choice Voucher assistance at either the preliminary or full application stage are entitled to an informal review of their application. Families are considered “applicants” until there is an effective lease and Payment contract, at which time they become “participants.”

Ineligible families will be promptly provided with a letter detailing their individual status, stating the reason for their ineligibility, and offering them an opportunity for an informal review.

An informal review may be requested for the following decisions that deny:

- Placement on the Housing Choice Voucher wait list;
- Issuance of a Voucher; or,
- Participation in the Housing Choice Voucher Program.

Families must submit their request in writing to CMHA within 10 calendar days from the date of the notification.

Informal reviews shall be conducted in accordance with this Plan.

J. INITIATION OF THE FULL APPLICATION PROCESS

CMHA will send written notice to the family that an appointment has been scheduled to begin the full application process. The notice will include a Personal Declaration Form that must be completed and brought to the interview. If the family fails to appear for this appointment, the family must contact CMHA within 10 calendar days to schedule a second appointment. If the family fails to contact CMHA to schedule a second appointment, CMHA will initiate procedures to remove the family from the wait list.

If the family contacts CMHA to schedule a second appointment, CMHA will send a notice to the family of their second and final appointment date.

No more than two appointments may be scheduled for the purpose of starting the full application process.

K. NEED-MORE APPOINTMENT AND/OR DOCUMENTS

At the family's initial appointment, CMHA may require the family to provide additional documents or certifications in order to complete the full application process. CMHA will schedule a "need-more" appointment with the family to enable the family to give the requested items directly to the application caseworker. This procedure enables the caseworker to complete the application interview and certification process. The caseworker may also request that the family return or mail the additional needed items to CMHA's offices in order to conclude the full application process. A deadline for receiving required documents will be given to the family in writing and noted in the family's file.

CMHA will give a family no more than two opportunities to provide the required additional information in order to complete the full application process. The family's refusal or inability to provide the requested information shall be grounds for the removal from the wait list. If the family is removed from the wait list for failure or refusal to complete the application process, there will be a six-month waiting period from the date of their rejection before they can re-apply for Housing Choice Voucher assistance.

5. ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST

A. PRELIMINARY APPLICANT WAIT LIST

The wait list will be maintained by using following criteria:

- The preliminary application will consist of a written and/or electronic application and will be maintained in a permanent file. These files will be filed numerically by a computer assigned six-digit client number.
- Preliminary applications are maintained in preference order and by date and time on a computer data base; and,
- All applications must meet income eligibility requirements as established by HUD or by CMHA in conformance with HUD regulations.

The wait list will be continuously updated.

The following types of applicants will not be considered part of the wait list:

- Portability families from another jurisdiction who are considered eligible pursuant to Voucher portability regulations;
- Families “targeted” by HUD to receive a special type of Voucher;
- Families displaced because of demolition or disposition of a public housing project;
- Families residing in a multi-family rental housing project when HUD sells, forecloses, or demolishes the project;
- Families covered by the Low Income Housing Preservation and Resident Homeowner Act of 1990;
- A non-purchasing family residing in a project subject to a home ownership program under 24 CFR 248.173;
- A family displaced because of mortgage prepayment or voluntary termination of mortgage insurance contract (24 CFR 248.165);
- A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term;
- A non-purchasing family residing in a HOPE I or HOPE II project; or
- Shelter Plus Care applicants.

CMHA will retain a hard copy of records of the Housing Choice Voucher applicant wait lists for one fiscal year (January 1 to December 31) in order to provide an audit trail for inspection by Independent Public Audit (IPA) and HUD. When HUD approves the IPA audits, CMHA will release the applicant wait lists for destruction.

B. APPLICANT WAIT LIST PREFERENCES

CMHA chooses to target all its Housing Vouchers (except for special set asides, e.g., Shelter Plus Care and supportive and/or local housing initiatives) to 75 percent of families earning 30 percent or less of the Franklin County median income as adjusted for family size.

CMHA may enter into separate agreements with community service providers or other appropriate agencies to provide housing assistance to severely disadvantaged client populations which may be homeless, disabled, victims of domestic violence, or other severely disadvantaged populations. Such agreements may not exceed 20 percent of the available Housing Vouchers at any time.

C. ORDER OF SELECTION

Within income levels and preference categories, applications will be evaluated and sorted in ascending order (oldest first) by the date and time of application. Preference categories shall be assigned the following point system:

Categories of HUD Preferences	Points
A. Under 30% of Median Income:	3
B. Over 30% of Median Income:	0
C. Family: (Elderly/Disabled/Two or more persons)	11
D. Single/Non-Elderly/Not Disabled:	0
 Categories of Local Preferences	
E. Veteran/Active Duty:	1
F. Non-Veteran/Civilian	0
G. No Rental Payment	5
H. Rental Payment	0
I. Supportive Services/Emergency Vacate/Local Housing Initiative	30
J. No Supportive Services/No Emergency	0
H. Family Unification Preference	30

These preferences shall be aggregated to form an applicant wait list hierarchy with applications subsequently ranked by application date and time within each preference category.

Wait List Matrix

Total Points

I/H	A	G	C	E	50
I/H	A	G	C	F	49
I/H	B	G	C	E	47
I/H	B	G	C	F	46
I/H	A	H	C	E	45
I/H	A	H	C	F	44
I/H	B	H	C	E	42
I/H	B	H	C	F	41
I/H	A	G	D	E	39
I/H	A	G	D	F	38
I/H	B	G	D	E	36
I/H	B	G	D	F	35
I/H	A	H	D	E	34
I/H	A	H	D	F	33
I/H	B	H	D	E	31
I/H	B	H	D	F	30
J	A	G	C	E	20
J	A	G	C	F	19
J	B	G	C	E	17
J	B	G	C	F	16
J	A	H	C	E	15
J	A	H	C	F	14
J	B	H	C	E	12
J	B	H	C	F	11
J	A	G	D	E	9
J	A	G	D	F	8
J	B	G	D	E	6
J	B	G	D	F	5
J	A	H	D	E	4
J	A	H	D	F	3
J	B	H	D	E	1
J	B	H	D	F	0

A household headed by a disabled or elderly person (62 years or older) shall be designated as a family for wait list purposes.

CMHA will maintain each of the above groups on its wait list. Admissions to the Housing Choice Voucher Program are monitored quarterly to ensure compliance with HUD income targeting requirements.

1. Local Preferences

- A. A veteran's preference pursuant to the Ohio Revised Code.
- B. No type of permanent rental Payment (federal, state, or local) is received by the family.
- C. Referrals to CMHA by supportive housing organizations for CMHA's Project-Based Voucher Program or by agreements with Community Shelter Board agencies.
- D. Emergency vacate orders issued by local code enforcement agencies where the cause of the vacate order was beyond the family's control.
- E. A local housing initiative is the repair or demolition of affordable housing units as a means to improve the overall condition of the rental property. Relocation of tenants with CMHA voucher assistance is necessary to implement the owner's property improvement plan. Affordable housing units mean tax credit rental units or rental units whose rents are subsidized by federal or non-federal resources.
- F. Family Unification Preference—25 Vouchers are allocated to families referred to CMHA by Franklin County Children Services.
- G. Under the category of local preference (I) —Supportive Services, 54 Vouchers are allocated to families referred to CMHA by Franklin County Board of Developmental Disabilities.

Payment is defined as any type of federal, state, or local housing rental assistance that is currently received by the family. Examples include, but are not necessarily limited to, HOPWA, HOME, Section 202 rental assistance, Shelter Plus Care, Ohio Department of Alcohol and Drug Addiction Services and/or Mental Health rental assistance, Housing Choice Voucher Project-Based, or Public Housing Programs. Payment does not include any type of rental assistance that is categorized as temporary or transitional in nature.

2. Initial Determination

If the preference verification indicates that the family is not entitled to a preference, the family will be returned to the wait list without the preference or denied a place on the wait list. The decision to deny the family a place on the wait list will be dependent upon the criteria for accepting eligible applications.

D. MAINTAINING THE APPLICANT WAIT LIST

After the preliminary eligibility determination has been made, families are placed on the wait list by income, preference status, and by application date and time. CMHA will maintain an accurate wait list that conforms to HUD regulations and CMHA administrative policies.

The wait list will provide the following information on apparently eligible households who have active pre-applications:

- Name of head of household and all family members currently residing in the household;
- Date and time the pre-application was received;

- Unit size required;
- Preference status codes;
- Minority status;
- Eligibility date;
- Client number; and
- Location code.

E. UPDATING THE WAIT LIST

CMHA will periodically update the wait list to ensure that it is current and accurate. In order to update the wait list, CMHA will mail an "Are You Still Interested" Letter to the family's last known address, requesting information regarding their continued interest in maintaining a place on the wait list.

Any mailings to the family that require a response, CMHA will give a reasonable deadline for the family's written response. If the family does not respond by the deadline, the family will be removed from the wait list.

If the family did not notify CMHA of an address change as required, CMHA will not be responsible for the family's failure to receive the update request. Letters returned to CMHA will result in families being removed from the wait list. CMHA will not be held responsible for lost or delayed mail.

If a family is removed from the wait list for failure to respond, they will not be entitled to a reinstatement unless the Housing Choice Voucher Programs Director determines there were circumstances beyond the family's control.

Reasonable accommodation will be granted in accordance with 24 CFR Part 8. If family that includes a person with disabilities did not respond to CMHA's request for information or updates because of the family member's disability, CMHA will reinstate the applicant to their former position on the waiting list.

6. PAYMENT STANDARDS

A. VOUCHER SIZE ISSUED

HUD regulations require that CMHA establish Payment standards for the determination of bedroom sizes for the Housing Choice Voucher Program. These standards provide for a minimum commitment of Payment while avoiding overcrowding. They also must meet the minimum requirements of the Housing Quality Standards.

The unit size assigned to a participant in the Housing Choice Voucher Program serves as the basis for determining maximum rent that can be paid to an owner for the unit selected by the family.

The unit size on the Housing Choice Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size selected.

The Payment standards are based on the following number of persons per household:

Bedroom Size	Minimum No. of Persons in Household
0-BR	1
1-BR	1
2-BR	2
3-BR	3
4-BR	4
5-BR	5
6-BR	6

The Payment standards for the Housing Choice Voucher are also subject to the following guidelines:

- It will not be necessary for persons of different generations or opposite sex, except for spouses (or those living as spouses) to occupy the same bedroom;
- Two children of the same sex may share a bedroom. CMHA may grant a larger bedroom size to accommodate different generations (ten years or greater);
- A single head of household shall not be required to share a bedroom with his/her children; and,
- A single individual with no other children who informs CMHA that she is pregnant at the time of her Voucher issuance may be assigned a 2-Bedroom Voucher.

The family may request a larger Voucher Payment size by providing a written justification to CMHA. The family's request must be made within 10 days of CMHA's designation of the bedroom size on the family's Voucher.

CMHA will consider the request according to the conditions outlined in this Plan and determine whether or not the request will be granted. The necessity for an exception to unit size standards must be verified and documented. The granting of the exception shall be at the sole discretion of CMHA.

Special circumstances may dictate a larger size than the Payment Standards permit:

- Spouses who, because of verified medical reason, cannot share a bedroom and cannot locate a dwelling unit that has another room that can qualify as a sleeping area; or,
- An elderly person or person with a disability who requires a live-in attendant.

CMHA will review the request and give the larger size if CMHA determines the request is reasonable.

B. UNIT SIZE SELECTED

The family may select a smaller or larger dwelling unit size than the bedroom size that is listed on the Voucher with the following conditions:

- **Rent burden limitation.** The family's rent burden must not exceed 40 percent at initial lease up.
- **Utility Allowance.** The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects regardless of the size authorized on the family's Voucher.
- **Housing Quality Standards.** HQS Standards allow 2 persons per living/sleeping room and would permit the following occupancy conditions, assuming that a living room qualifies as a living/sleeping area:

Bedroom Size	Maximum No. of Persons in Household
0-BR	1
1-BR	4
2-BR	6
3-BR	8
4-BR	10
5-BR	12
6-BR	14

C. DOCUMENTATION

Modifications from the above listed policies must be documented.

INCOME AND PAYMENT DETERMINATIONS

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and CMHA's Payment. CMHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and CMHA policies related to these topics in three parts as follows:

- **Part 1: Annual Income.**

HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and CMHA policies for calculating annual income are found in Part I.

- **Part 2: Adjusted Income.**

Once annual income has been established HUD regulations require CMHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and CMHA policies for calculating adjusted income are found in Part II.

- **Part 3: Calculating Family Share and CMHA Payment.**

This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining CMHA Payment and required family payment.

PART 1: ANNUAL INCOME

A. OVERVIEW

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

- (1) Received by, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member even if the funds are mailed to or accepted by another person who resides at another residence;
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 7-1)
- Annual Income Exclusions (Exhibit 7-2)
- Treatment of Family Assets (Exhibit 7-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 7-4)
- The Effect of Welfare Benefit Reduction (Exhibit 7-5)

This Chapter describes general requirements and methods for calculating annual income for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 8.

B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded
Foster child or foster adult	Income from all sources is excluded
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age (<u>including high school students</u>) or older (not head, spouse, or co-head)	Employment income above \$480/year is excluded All other sources of income, except those specifically excluded by the regulations, are included.

1. Temporarily Absent Family Members

Families must notify CMHA in writing within 10 calendar days of any absence of any household member from the unit of more than 30 consecutive days. The family must supply CMHA-requested information or certification on the purpose of family absences. The family's failure or refusal to cooperate shall be grounds for termination.

If the family leaves the unit for more than 3 consecutive months, or for more than 90 days in a calendar year, except for medical circumstances described below, the unit will not be considered to be their only place of residence and they will be terminated from the program.

Common family situations require CMHA to require the following policies:

- Families must accurately report their current household composition to CMHA at all times;
- If there is a one parent home and the children are removed from the parent and after counseling, the children will be returned, CMHA will contact the child welfare agency to determine how long it will be before the children will be returned;
- The parent will retain his/her eligibility as a remaining member of the family. S/he must be issued a smaller Voucher, if the children are projected to be out of the home for more than six months from the initial removal date; and,
- To determine whether and when the bedroom size should be changed, CMHA will use an approximate time of six months as a guide, depending on the individual circumstances and verification provided.

2. Spouse

If the spouse leaves the household and will be gone for 3 months (90 days) or more and the family declares in writing that their spouse is permanently absent, they will be determined permanently absent and removed from the lease. A spouse working in another city or state does not qualify as being permanently absent unless the household head provides a sworn affidavit that they are separated and the spouse has permanently left the household.

When the household becomes more than one household (e.g. divorce or legal separation), CMHA must determine who is eligible to participate in the program.

Unless there is mutual consent or a Court stipulated determination, CMHA will make the decision as to which party is able to retain the Voucher.

In making this decision, CMHA may consider the following guidelines:

- The desires of the parties involved;
- Custody of the children;
- The individual to whom the Voucher was issued, if not jointly;
- The remaining family composition in the unit; or,
- The possibility of domestic violence.

Documentation for any of the above criteria will be the responsibility of the requesting parties. If documentation is not provided, CMHA reserves the right to issue the Voucher to the remaining member of the family.

3. Adult Children

If an adult child enters the military service and leaves the household, they will be determined permanently absent. A student (other than husband or wife) who attends school away from home but lives with the family during school recesses may be considered permanently absent (income not counted, not on lease, not counted for Voucher size) or temporarily absent (income counted, on lease, counted for Voucher size) at the family's option.

4. Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to CMHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

5. Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

If a child has been placed in foster care, CMHA will verify with the appropriate agency to determine if the child is expected to be returned to the home. If the agency confirms that the child has been permanently removed from the home, the child will not be counted as a family member.

6. Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted. CMHA will request verification from a licensed medical professional and will use this determination. If the medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualifies as an elderly person or a person with disabilities.

7. Re-admittance of an Elderly or a Disabled Person

A single elderly or disabled person may be re-admitted to the Voucher Program if they were terminated for being out of their unit for longer than 6 months for a medical reason. A request for re-admittance must be made within 1 year of their termination date and a Voucher must be available for issuance.

8. Joint Custody of Dependents

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 51 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, CMHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

C. ANTICIPATING ANNUAL INCOME

CMHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. Policies related to anticipating annual income are provided below.

1. Basis of Annual Income Projection

CMHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes CMHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected.
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income).
- CMHA believes that past income is the best available indicator of expected future income.

When CMHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), CMHA will review and analyze historical data for patterns of employment, paid benefits, tax returns, and receipt of other income and use the results of this analysis to establish annual income. Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to CMHA to show why the historic pattern does not represent the family's anticipated income.

- **Known Changes in Income**

If CMHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$6/hour will begin to receive \$6.25/hour in the eighth week after the effective date of the reexamination. In such a case CMHA would calculate annual income as follows: $(\$6/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$6.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases CMHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs.

3. Using Up-Front Income Verification (UIV) to Project Income

HUD strongly recommends the use of up-front income verification (UIV). UIV is “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 large number of individuals”. HUD allows CMHAs to use UIV information in conjunction with family-provided documents to anticipate income. CMHA procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated within the last 30 days of CMHA interview date.

CMHA will follow “HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available” in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines substantial difference as a difference of \$200 or more per month.

4. No Substantial Difference

If UIV information for a particular income source differs from the information provided by a family by less than \$200 per month, CMHA will follow these guidelines:

- If the UIV figure is less than the family's figure, CMHA will use the family's information.
- If the UIV figure is more than the family's claim, CMHA will use the UIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, CMHA will use the family-provided information.

5. Substantial Difference.

If UIV information for a particular income source differs from the information provided by a family by \$200 or more per month, CMHA will follow these guidelines:

- CMHA will request written third-party verification from the discrepant income source in accordance with this plan.
- When CMHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), CMHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.
- CMHA will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.
- CMHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

D. EARNED INCOME TYPES INCLUDED IN ANNUAL REVIEW

1. Wages and Related Compensation

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income. For persons who regularly receive bonuses or commissions, CMHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, CMHA will use the prior year amounts. In either case the family may provide, and CMHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, CMHA will count only the amount estimated by the employer.

2. Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

E. TYPES OF EARNED INCOME NOT COUNTED IN ANNUAL INCOME

1. Temporary, Nonrecurring, or Sporadic Income

This type of income (including gifts) is not included in annual income. Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

2. Children's Earnings

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income.

3 Certain Earned Income of Full-Time Students (Age 18 years or older)

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program.

4. Income of a Live-in Aide

Income earned by a live-in aide is not included in annual income.

5. Income Earned under Certain Federal Programs

Income from some federal programs is specifically excluded from consideration as income including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973.
- Payments received under programs funded in whole or in part under the Job Training Partnership Act.
- Awards under the federal work-study program.
- Payments received from programs funded under Title V of the Older Americans Act of 1985.
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998.

6. Resident Service Stipend

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for CMHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of CMHA's governing board. No resident may receive more than one such stipend during the same period of time.

7. State and Local Employment Training Programs

Incremental earnings and benefits to any family member resulting 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 are excluded from annual income. 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 training program. CMHA defines training program as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency.

Training may include, but is not limited to:

- (1) classroom training in a specific occupational skill,
- (2) on-the-job training with wages subsidized by the program, or
- (3) basic education.

CMHA defines incremental earnings and benefits as the difference between:

- (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and
- (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program. In calculating the incremental difference, CMHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with CMHA's interim reporting requirements.

8. HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD are excluded from annual income. Eligible sources of funding for the training include operating Payment, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

To qualify as a training program, the program must meet the definition of training program provided above for state and local employment training programs.

9. Earned Income Tax Credit

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 are excluded from annual income. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee’s payroll check.

10. Earned Income Disallowance

The earned income disallowance for persons with disabilities is discussed in the following section.

F. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text is included as Exhibit 7-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

1. Eligibility

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. Previously unemployed includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families.
- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

2. Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income." CMHA defines prior income, or prequalifying income, as the family member's last certified income prior to qualifying for the EID. The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

3. Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

- **Second 12-Month Exclusion and CMHA phase-In**

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

5. Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance. All months are counted.

During the 48-month eligibility period, CMHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

G. BUSINESS INCOME

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions for 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”.

1. Business Expenses

Net income is gross income less business expense. To determine business expenses that may be deducted from gross income, CMHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

2. Business Expansion

HUD regulations do not permit CMHA to deduct from gross income expenses for business expansion. Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

3. Capital Indebtedness

HUD regulations do not permit CMHA to deduct from gross income the amortization of capital indebtedness. Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means CMHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

4. Negative Business Income

If the net income from a business is negative, \$0 business income will be used as annual income.

5. Withdrawal of Cash or Assets from a Business

HUD regulations require CMHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, CMHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

6. Co-owned Businesses

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

H. ASSETS

Overview

There is no asset limitation for participation in the HCV program. However, HUD requires that CMHA include in annual income the interest, dividends, and other net income of any kind from real or personal property. This section discusses how the income from various types of assets is determined. For most types of assets, CMHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined; and,
- How income from the asset will be calculated

Exhibit 7-1 provides the regulatory requirements for calculating income from assets and Exhibit 7-3 provides the regulatory definition of net family assets. This section begins with a discussion of general policies related to assets and then provides HUD rules and CMHA policies related to each type of asset.

1. Income from Assets

CMHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes CMHA to use other than current circumstances to anticipate income when:

- (1) an imminent change in circumstances is expected;
- (2) it is not feasible to anticipate a level of income over 12 months; or.
- (3) CMHA believes that past income is the best indicator of anticipated income.

For example, if a family member owns real property that typically receives rental income but the property is currently vacant, CMHA can take into consideration past rental income along with the prospects of obtaining a new tenant. Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to CMHA to show why the asset income determination does not represent the family's anticipated asset income.

2. Valuing Assets

The calculation of asset income sometimes requires CMHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions.

3. Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account). For a discussion of lump-sum payments that represent the delayed start of a periodic payment. See Section J. Periodic Payments.

4. Imputing Income from Assets

When net family assets are \$5,000 or less, CMHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, CMHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

5. Determining Actual Anticipated Income from Assets

It may not be necessary for CMHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

6. Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

7. Jointly Owned Assets

This type of annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

If an asset is owned by more than one person and any family member has unrestricted access to the asset, CMHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, CMHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, CMHA will prorate the asset evenly among all owners.

8. Assets Disposed Of for Less than Fair Market Value

HUD regulations require CMHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

9. Minimum Threshold

CMHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual re-certifications, the family may request an interim recertification to eliminate consideration of the asset.

Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

10. Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

11. Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

12. Family Declaration

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. CMHA may verify the value of the assets disposed of if other information available to CMHA does not appear to agree with the information reported by the family.

I. TYPES OF ASSETS

1. Checking and Savings Accounts

For regular checking accounts and savings accounts, cash value has the same meaning as market value. If a checking account does not bear interest, the anticipated income from the account is zero. In determining the value of a savings account, CMHA will use the current balance.

If total assets equal \$5,000 or more:

- In determining the value of a checking account, CMHA will use the average monthly balance for the last six months.
- In determining the anticipated income from an interest-bearing checking or savings account, CMHA will multiply the value of the account by the current rate of interest paid on the account.

2. Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, CMHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), CMHA will calculate asset income based on the earnings for the most recent reporting period.

3. Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs.
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option after the first 10 years after the purchase date of the home.
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives.
- Equity in real property when a family member's main occupation is real estate. This real estate is considered a business asset, and income related to this asset will be calculated as described in Part 1 of Chapter 7.
- Interests in Indian Trust lands.
- Real property and capital assets that are part of an active business or farming operation. A family may have real property as an asset in two ways:

(1) owning the property itself, and

(2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless CMHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

4. Trusts

A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries). There are two types of trusts:

- **Revocable Trusts**--If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.
- **Non-revocable Trusts**--In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate.

5. Retirement Accounts

There are several types of accounts to consider:

- **Company Retirement/Pension Accounts**--In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, CMHA must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset.

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate, except to the extent that it represents funds invested in the account by the family member.

- **IRA, Keogh, and Similar Retirement Savings Accounts**--IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

6. Personal Property

Personal property such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, CMHA will use the family's estimate of the value. However, CMHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets.

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

7. Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy is included in the calculation of the value of the family's assets. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

J. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify the type of periodic payments that must be counted as income.

1. Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family.
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum.

2. Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income.

When a delayed-start payment is received and reported during the period in which CMHA is processing an annual reexamination, CMHA will adjust the family share and CMHA Payment retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with CMHA.

3. Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone). CMHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency.
- 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 received under the Low-Income Home Energy Assistance Program
- Amounts received under the Child Care and Development Block Grant Act of 1990.
- Earned Income Tax Credit (EITC) refund payments.
- Lump sums received as a result of delays in processing Social Security and SSI payments.

K. PAYMENTS IN LIEU OF EARNINGS—UNEMPLOYMENT & DISABILITY

Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts.

L. WELFARE ASSISTANCE

1. Overview

Welfare assistance (OWF-Ohio Works First or GA-General Assistance) is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

2. Sanctions Resulting in the Reduction of Welfare Benefits

CMHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the HUD regulation is provided as Exhibit 7-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

3. Covered Families

The families covered are those who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare 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.

4. Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, CMHA must include in annual income “imputed” welfare income. CMHA must request that the welfare agency inform CMHA when the benefits of an HCV participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits:

- (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits,
- (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or
- (3) because a family member has not complied with other welfare agency requirements.

5. Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

M. PERIODIC AND DETERMINABLE ALLOWANCES

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

1. Alimony and Child Support

CMHA must count alimony or child support amounts awarded as part of a divorce or separation agreement if they have not received the funds for the previous 90 consecutive days from the review date. CMHA will count court-awarded amounts for alimony and child support unless CMHA verifies that:

- (1) the payments are not being made, and
- (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

2. Regular Contributions or Gifts

CMHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family. Temporary, nonrecurring, or sporadic income and gifts are not counted.

Examples of regular contributions include:

- (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments);
- (2) cash or other liquid assets provided to any family member on a regular basis; and,
- (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Regular payment is defined as a family receiving monetary and nonmonetary contributions or gifts on a least 3 previous occasions in the past 12 months from the initial annual (or interim) appointment date for reexamination or program eligibility.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by CMHA. For contributions that may vary from month to month (e.g., utility payments), CMHA will include an average amount based upon past history.

N. STUDENT FINANCIAL ASSISTANCE

In 2005, Congress passed a law (for Section 8 Programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

1. Student Financial Assistance Included in Annual Income

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received:

(1) under the 1965 HEA,

2) from a private source, or

(3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, CMHA will use the definitions of dependent child, institution of higher education, and parents as defined in this Plan along with the following definitions:

- Assistance under the Higher Education Act of 1965 includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- Assistance from private sources means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- Tuition will have the meaning given this term by the institution of higher education in which the student is enrolled.

2. Student Financial Assistance Excluded from Annual Income

Any student financial assistance not subject to inclusion is fully excluded from annual income whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance.
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of institution of higher education
- Students who are over 23 **AND** have at least one dependent child.
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

O. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME—SEE EXHIBIT 7-2

1. Exclusions

- Reimbursement of medical expenses.
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program.
- 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)
- 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.
- Adoption assistance payments in excess of \$480 per adopted child.
- Refunds or rebates on 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. HUD publishes an updated list of these exclusions periodically. It includes:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
 - (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973.
 - (c) Payments received under the Alaska Native Claims Settlement Act.
 - (d) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes.
 - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.

- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act. References to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998.
- (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians.
- (h) 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 interests 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 interests held in such trust or restricted lands.
- (i) Payments received from programs funded under Title V of the Older Americans Act of 1985.
- (j) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re Agent-product liability litigation.
- (k) Payments received under the Maine Indian Claims Settlement Act of 1980.
- (l) 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.
- (m) Earned income tax credit (EITC) refund payments received on or after January 1, 1991.
- (n) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
- (o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- (p) 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.
- (q) 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.
- (r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.

PART 2: ADJUSTED INCOME

A. INTRODUCTION

1. Overview

HUD regulations require CMHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income.

In determining annual adjusted income, the responsible entity CMHA must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family;
 - (ii) 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
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 8.

2. Anticipating Expenses

Generally, CMHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), CMHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, CMHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. CMHA may require the family to provide documentation of payments made in the preceding year.

B. DEPENDENT DEDUCTION

A deduction of \$480 is taken for each dependent. Dependent is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are not dependents.

C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family. An elderly family is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a disabled family is a family whose head, spouse, co-head, or sole member is a person with disabilities.

D. MEDICAL EXPENSES DEDUCTION

The medical expense deduction is permitted only for families in which the **head, spouse, or co-head is at least 62 or is a person with disabilities**. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses if they exceed three percent of annual income.

1. Definition of Medical Expenses

HUD regulations define medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

The most current IRS Publication 502, Medical and Dental Expenses, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, <u>but not nonprescription medicines even if recommended by a doctor</u>	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

2. Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, CMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable the disabled person or other family member to work.

E. DISABILITY ASSISTANCE EXPENSES DEDUCTION

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

- (1) are necessary to enable a family member 18 years or older to work,
- (2) are not paid to a family member or reimbursed by an outside source,
- (3) in combination with any medical expenses, exceed three percent of annual income; and,
- (4) do not exceed the earned income received by the family member who is enabled to work.

1. Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work.

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, CMHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When CMHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

2. Eligible Disability Expenses

Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work.

3. Eligible Auxiliary Apparatus

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

4. Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, CMHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

5. Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted household. However, expenses paid to a relative who is not a member of the assisted household may be deducted if they are not reimbursed by an outside source.

6. Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

CMHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, CMHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and CMHA will consider, the family's justification for costs that exceed typical costs in the area.

7. Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, CMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable the disabled person or other family member to work.

F. CHILD CARE EXPENSE DEDUCTION

Child care expenses are defined as amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

1. Clarifying the Meaning of *Child* for This Deduction

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household. However, child care expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses. Child care payments cannot be paid to another household member and be qualified as a legitimate deduction.

2. Determining Who Is Enabled to Pursue an Eligible Activity

The family must identify the family member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed). In evaluating the family's request, CMHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

3. Seeking Work

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by CMHA.

4. Furthering Education

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

5. Being Gainfully Employed

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full or part-time) for which a family member is compensated.

6. Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by the amount of employment income that is included in annual income.

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

CMHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working.

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, CMHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

7. Eligible Child Care Expenses

The type, duration, and the location of care to be provided is determined by the family. CMHA will determine the amount of deduction based upon the family's circumstances and documentation provided.

8. Allowable Child Care Activities

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, CMHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

9. Necessary and Reasonable Costs—See Title XX Regulations

Child care expenses will be considered necessary if:

(1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and

(2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, CMHA will use the schedule of child care costs from the local welfare agency. Families may present, and CMHA will consider, justification for costs that exceed typical costs in the area.

PART 3: CALCULATING FAMILY SHARE AND CMHA PAYMENT

A. OVERVIEW OF RENT AND PAYMENT CALCULATIONS

1. TTP Formula

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent of \$50 that has been established by CMHA. Minimum rent does not apply to Shelter Plus Care participants.

CMHA has authority to suspend and exempt families from minimum rent when a financial hardship exists.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

2. Family Share

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds CMHA's applicable payment standard:

(1) the family will pay more than the TTP; and,

(2) CMHA may not approve the tenancy at initial occupancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued.

3. CMHA Payment

CMHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

4. Utility Reimbursement

When CMHA Payment for a family exceeds the family's rent to owner, the family is due a utility reimbursement.

CMHA will make utility reimbursements to the family.

B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT

1. Overview

CMHA may grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If CMHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

2. HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following:
 - (a) implementation of assistance, if approved, or
 - (b) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
- (2) The family would be evicted because it is unable to pay the minimum rent. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.
- (3) Family income has decreased because of changed family circumstances, including a recent loss of employment.
- (4) A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

3. Determination of Hardship

When a family requests a financial hardship exemption, CMHA must suspend the minimum rent requirement beginning the first of the month following the family's request. CMHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term. CMHA defines temporary hardship as a hardship expected to last 90 days or less.

Long-term hardship is defined as a hardship expected to last more than 90 days. When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent. CMHA will make the determination of hardship immediately.

4. No Financial Hardship

If CMHA determines there is no financial hardship, CMHA will reinstate the minimum rent and require the family to repay the amounts suspended.

5. Temporary Hardship

If CMHA determines that a qualifying financial hardship is temporary, CMHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay CMHA the amounts suspended. HUD requires CMHA to offer a reasonable repayment agreement, on terms and conditions established by CMHA. CMHA also may determine that circumstances have changed and the hardship is now a long-term hardship. CMHA will enter into a repayment agreement in accordance with the procedures found in this plan.

6. Long-Term Hardship

If CMHA determines that the financial hardship is long-term, CMHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$50/month child support payment, the hardship will continue to exist until the family receives at least \$50/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

C. APPLYING PAYMENT STANDARDS

1. Overview

CMHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of CMHA's payment standards.

Payment standard is defined as the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under CMHA's Payment standards or (2) the payment standard for the size of the dwelling unit rented by the family.

CMHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. If during the term of the HAP contract for a family's unit, the owner lowers the rent, CMHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit.

2. Changes in Payment Standards

When CMHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations and phase-in effective dates established by CMHA.

3. If a Decrease in a Payment Standard Occurs

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. CMHA will determine the payment standard for the family as follows:

Step 1: At the first regular reexamination following the decrease in the payment standard, CMHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

Step 2: CMHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by CMHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. CMHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

Step 3: At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless CMHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

4. If an Increase in the payment standard occurs

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination.

5. Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size. See Chapter 15, C, 6-Changes in Family Composition.

6. Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, CMHA is allowed to establish a higher payment standard for the family within the basic range.

D. APPLYING UTILITY ALLOWANCES

1. Overview

A CMHA-established utility allowance schedule is used in determining family share and CMHA Payment. CMHA will use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using CMHA Payment standards.

2. Reasonable Accommodation

HCV program regulations require a CMHA to approve a utility allowance amount higher than shown on CMHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability.

The family must request the higher allowance and provide CMHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required.

3. Utility Allowance Revisions

Revised utility allowance schedules are phased in at annual reexaminations. Revised utility allowances will be applied to a family's rent and Payment calculations at the first annual reexamination that is effective after the allowance is adopted and made effective.

E. PRORATED ASSISTANCE FOR MIXED FAMILIES

HUD regulations prohibit assistance to ineligible family members. A mixed family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. CMHA must prorate the assistance provided to a mixed family. CMHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if CMHA Payment for a family is calculated at \$500 and two of four family members are ineligible, CMHA Payment would be reduced to \$250.

F. THE EFFECT OF WELFARE BENEFIT REDUCTION

1. Applicability

This section applies to covered families who reside in public housing or receive Section 8 tenant-based assistance and receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare 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.

CMHA must count imputed welfare income. Imputed welfare income is the amount of annual income 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.

2. Specified welfare benefit reduction.

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

"Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

- at expiration of a lifetime or other time limit on the payment of welfare benefits;
- because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or
- because a family member has not complied with other welfare agency requirements.

3. Imputed welfare income.

- A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to CMHA by the welfare agency), plus the total amount of other annual income.

- At the request of CMHA, the welfare agency will inform CMHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform CMHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. CMHA will use this information to determine the amount of imputed welfare income for a family.
- A family's annual income includes imputed welfare income in family annual income, as determined at CMHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to CMHA by the welfare agency).
- The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed
- CMHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

G. REVIEW OF CMHA DECISION

A participant in the Section 8 tenant-based assistance program may request an informal hearing to review CMHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if CMHA denies the family's request to modify such amount, CMHA shall give the family written notice of such denial, with a brief explanation of the basis for CMHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with CMHA's determination, the family may request an informal hearing on the determination under CMHA informal hearing procedures.

H. CMHA'S RELATIONSHIP TO WELFARE AGENCY.

CMHA will ask welfare agencies to inform CMHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives CMHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

CMHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to CMHA. However, CMHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, or for providing the opportunity for review or hearing on such welfare agency determinations.

Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. CMHA shall be entitled to rely on the welfare agency notice to CMHA of the welfare agency's determination of a specified welfare benefits reduction.

EXHIBIT 7-1: ANNUAL INCOME

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the 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; (3) 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. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) 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 \$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;

(4) The 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 (except as provided in paragraph (c)(14) of Exhibit 7-2);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the

welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- (7) 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;
- (8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)
- (9) For section 8 programs only and as provided in 24 CFR 5.612, 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 1965 (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.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

What does the term "assistance" mean?

- (a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).
- (2) It includes such benefits even when they are:
 - (i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and
 - (ii) Conditioned on participation in work experience or community service or any other work activity.
- (3) Except where excluded under paragraph(b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.
- (b) [The definition of "assistance"] excludes:
 - (1) Non-recurrent, short-term benefits that:
 - (i) Are designed to deal with a specific crisis situation or episode of need;
 - (ii) Are not intended to meet recurrent or ongoing needs; and
 - (iii) Will not extend beyond four months.
 - (2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(VII) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

EXHIBIT 7-2: ANNUAL INCOME EXCLUSIONS

(c) Annual income does not include the following:

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

(2) 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);

(3) 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 paragraph (b)(5) of this section);

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

(5) Income of a live-in aide, as defined in Sec. 5.403;

(VII) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

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

(8) (i) Amounts received under training programs funded by HUD;

(ii) 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);

(iii) 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;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for CMHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of CMHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) 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;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

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

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

(13) [Reserved]

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

(15) 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;

(16) 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; or

(17) 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 the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to CMHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits
--

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

b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1601-1607(c));

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

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

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);

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

h) The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

i) 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. 1087uu);

- j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
- k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- m) 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);
- n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
- o) 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);
- p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
- q) 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);
- r) 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

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

EXHIBIT 7-3: TREATMENT OF FAMILY ASSETS
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24 CFR 5.603(b) Net Family Assets

(1) 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 excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, CMHA shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

EXHIBIT 7-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES
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Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.*(a) Applicable programs.* The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) Definitions. The following definitions apply for purposes of this section.

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. A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

- (1) 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;
- (2) 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
- (3) 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.

(c) Disallowance of increase in annual income—

- (1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.
- (2) Second twelve month exclusion and phase-in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

(d) Inapplicability to admission. The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable)

VERIFICATION OF FAMILY INFORMATION

INTRODUCTION

CMHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. CMHA must not pass on the cost of verification to the family.

CMHA will follow the verification guidance provided by HUD. This chapter summarizes those requirements and provides supplementary CMHA policies.

Part 1 describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part 2), income and assets (Part 3), and mandatory deductions (Part 4).

Verification policies, rules and procedures may be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of CMHA.

PART 1: GENERAL VERIFICATION REQUIREMENTS

A. FAMILY CONSENT TO RELEASE OF INFORMATION

The family must supply any information that CMHA determines is necessary to the administration of the program and must consent to CMHA verification of that information.

1. Consent Forms

It is required that all adult applicants and participants (18 years and older) sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and CMHA may collect information from State Wage Information Collection Agencies (SWICA) and current and former employers of adult family members. Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

2. Penalties for Failing to Consent

If any family member who is required to sign a consent form fails to do so, CMHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with CMHA procedures.

B. OVERVIEW OF VERIFICATION REQUIREMENTS

1. CMHA Verification Hierarchy

CMHA may use five methods to verify family information and the circumstances in which each method will be used. CMHA will attempt to use the most reliable form of verification that is available and to document the reason(s) when a lesser form of verification is used.

In order of priority, the types of verification that CMHA will use are:

- Up-front Income Verification (EIV, Work Number, etc.) whenever available
- Third-party Written Verification
- Third-party Oral Verification
- Review of Documents
- Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 8-1 in this Chapter provides guidance with respect to how each method may be used.

2. Requirements for Acceptable Documents

Any documents used for verification must be the original (not photocopies) and generally must be dated within 30 calendar days of the date of the family's appointment letter. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages are considered original documents.

CMHA staff member who views the original document must make a photocopy and date stamp the copy for the family's file.

Any family self-certifications must be made on a form provided by CMHA and must be signed in the presence of CMHA representative.

3. File Documentation

CMHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that CMHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to CMHA's use of HUD's Enterprise Income Verification (EIV) system and from other federal agencies that maintain computerized information about earnings and benefits.

CMHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until CMHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of CMHA.

1. Definition of Substantial Difference

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. In "HUD Guidelines for Projecting Annual Income When UIV Data is Available" [HUD website, April 2004], HUD recommends using \$200 per month as the threshold for a substantial difference. Therefore, **CMHA will use \$200 per month or more** as the threshold for a substantial difference. See Chapter 7 for CMHA's policy on the use of UIV to project annual income and for CMHA's threshold for substantial difference.

2. When No Substantial Difference Exists

If UIV information does not differ substantially from family information, the UIV documentation may serve as third-party written verification.

3. When a Substantial Difference Exists

When there is a substantial difference between the information provided by the UIV source and the family, CMHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

4. Use of HUD's Enterprise Income Verification (EIV) System

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. CMHA will use the EIV system when available.

5. EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth. When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed. CMHA will identify participants whose identity verification has failed as part of the annual reexamination process.

CMHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When CMHA determines that discrepancies exist due to CMHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

If third-party verification is not required as described below, CMHA makes at least two unsuccessful attempts to obtain third-party verification before using another form of verification.

1. Reasonable Effort and Timing

CMHA must diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

CMHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods.

CMHA will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source must be documented in the file. Regarding third-party oral verification, CMHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification CMHA will document the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

2. When Third-Party Information is Late

When third-party verification has been requested at least twice and the timeframes for submission have been exceeded, CMHA will use the information from documents provided by the client on a provisional basis.

If CMHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, CMHA will process an interim reexamination to adjust the figures used for the reexamination, regardless of CMHA's interim reexamination policy.

3. WHEN THIRD PARTY VERIFICATION IS NOT REQUIRED

- **Primary Documents**--Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.
- **Certain Assets and Expenses**--CMHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value. CMHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$5,000 annually *and* the family has original documents (dated within 30 days of the appointment date) that support the declared amount.

4. Certain Income, Asset and Expense Sources

CMHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification. For example, CMHA will rely upon review of documents when CMHA determines that a third party's privacy rules prohibit the source from disclosing information.

CMHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense and the family has original documents that provide the necessary information.

If the family cannot provide original documents, CMHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

E. REVIEW OF DOCUMENTS

If CMHA has determined that third-party verification is not available or not required, CMHA will use documents provided by the family as verification. CMHA may also review documents when necessary to help clarify information provided by third parties. In such cases CMHA will document in the file how CMHA arrived at a final conclusion about the income or expense to include in its calculations.

F. SELF-CERTIFICATION

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to CMHA.

CMHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made on a form provided by CMHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of CMHA representative.

PART 2: VERIFYING FAMILY INFORMATION

A. VERIFICATION OF LEGAL IDENTITY

CMHA will require families to furnish verification of legal identity for each household member.

Hierarchy of Verification for Legal Adults and Children

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or state identification card U.S. military discharge (DD 214) Current U.S. passport Employer identification card	Certificate of birth Adoption papers Custody agreement Jobs and Family Services ID Card School records

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

Legal identity must be verified with each contact for all adult family members.

B. SOCIAL SECURITY NUMBERS

Every family member must provide documentation of a valid social security number (SSN), or a self-certification stating that no SSN has been issued. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

CMHA will also accept the following documents as evidence if the SSN is provided on the document:

- Driver's license;
- Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union
- Payroll stubs;
- Benefit award letters from government agencies; retirement benefit letters; life insurance policies; or,
- Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records).

If the family reports an SSN but cannot provide acceptable documentation of the number, CMHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. CMHA will verify the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

CMHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

Social security numbers will be verified only once during continuously-assisted occupancy unless a discrepancy occurs.

An adult added to the family by marriage or for a live-in aid must provide their social security number for purposes of conducting criminal background checks and previous program participation. Any new adult family member must also meet eligibility requirements and must not owe CMHA funds from any previous or current participation.

C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

If an official record of birth or evidence of social security retirement benefits cannot be provided, CMHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded). Self-certification will not be permitted in this instance.

Age must be verified only once during continuously-assisted occupancy unless a discrepancy occurs.

D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter of this Plan.

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships except in the following instances:

1. Marriage

CMHA will require the family to document the marriage. Self-certification is not permitted. A marriage certificate is required to verify that a couple is married.

2. Separation or Divorce

- A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.
- A copy of a court-ordered maintenance or other court record is required to document a separation.

- If no court document is available, written documentation from a recognized community-based agency may be accepted.
- A sworn written affidavit signed in the presence of CMHA.

3. Absence of Adult Member

If an adult member who was formerly a member of the household is reported to be **permanently absent**, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill). As a last resort, a sworn affidavit from the head of household attesting to the fact that the adult member has permanently left the household may be accepted.

See Part 1, Section B, Household Composition and Income, of Chapter 7 for a definition of temporary absence.

4. Foster Children and Foster Adults

Documentation from the state or local government agency responsible for the placement of the individual with the family is required.

5. Guardianship

The following hierarchy will be used to verify guardianship:

1. Court-ordered assignment.
2. Verification from social services agency.
3. School records.

E. VERIFICATION OF STUDENT STATUS

CMHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

- The family reports full-time student status for an adult other than the head, spouse, or co-head.
- The family reports child care expenses to enable a family member to further his or her education.
- The family includes a student enrolled in an *institution of higher education*.

1. Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

CMHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).
- The student is at least 24 years old.
- The student is a United States veteran.
- The student is married.
- The student has at least one dependent child and cannot verify at least one of these exemption criteria, CMHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, CMHA will then proceed to verify either the student's parents' income eligibility or the student's independence from his/her parents (see below).

2. Independent Student

CMHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

- Either reviewing or verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of independent student.
- Reviewing prior year income tax returns to verify whether a parent has claimed the student as a dependent.
- Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0.

F. DOCUMENTATION OF DISABILITY

CMHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income.

1. Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list

preferences (if applicable) or certain income disallowances and deductions [VG, p. 23]. For family members claiming disability who receive disability benefits from the SSA, CMHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system when it is available. CMHA will request a current (dated within the last 30 days of the appointment date) SSA benefit verification letter from each family member claiming disability status. When the applicant or participant receives the benefit verification letter, they will be required to provide it to CMHA.

2. Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603:

A person with disabilities:

(1) Means a person who:

(i) Has a disability, as defined in 42 U.S.C. 423;

(ii) Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

(A) Is expected to be of long-continued and indefinite duration;

(B) Substantially impedes his or her ability to live independently, and

(C) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

(iii) Has a developmental disability as defined in 42 U.S.C. 6001.

(2) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;

(3) For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and

(4) Means "individual with handicaps", as defined in Sec. 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

For family members claiming disability who do not receive disability benefits from the SSA, a professional licensed by the State of Ohio must provide third-party verification that the family member meets the HUD definition of disability.

G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

Housing assistance is available to persons who are citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is Chapter 3 of this Plan. This verifications chapter discusses HUD and CMHA verification requirements related to citizenship status. See Exhibit 8-2 at the end of this Chapter.

The family must provide a certification (214 Immigration/Citizenship Status) that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy.

1. U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors. CMHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation. Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless CMHA receives information indicating that an individual's declaration may not be accurate.

2. Eligible Immigrants

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

3. CMHA Verification

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, CMHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

If a family claims that any or all of the family members are aliens, CMHA will request to view any of the following original documents:

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by INS for issuance of replacement of any of the above documents; or,
- Other accepted evidence as announced by INS.

CMHA will follow all USCIS protocols for verification of eligible immigration status.

H. VERIFICATION OF PREFERENCE STATUS

CMHA must verify any preferences claimed by an applicant. For applicants applying under the supportive services local preference, CMHA must obtain a written referral from the supportive service agency.

PART 3: VERIFYING INCOME AND ASSETS

A. EARNED INCOME

1. Tips

If tip income is not included in a family member's W-2 or pay stubs by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year. Imputed income from tips will be calculated at 15% of the base income.

2. Income from Employment

Verification forms must request the employer to specify the:

- Date of hire;
- Frequency of pay;
- Effective date of the last pay increase; and
- Probability and effective date of any increase during the next 12 months.

Employment verification form completed by the employer consisting of (in the following order):

- Check stubs or earning statements showing employee's gross pay per pay period and frequency of pay.
- W-2 forms if the family has had the same job for at least two years and pay increases can be accurately projected.
- Affidavits or income tax returns signed by the family describing self-employment and amount of income or income from tips and other gratuities.

B. BUSINESS AND SELF EMPLOYMENT INCOME

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted.
- If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- 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.

For any person who is unable to provide such a statement to record income and expenses for the coming year, CMHA may use the prior year as a baseline for estimating income for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

- At any reexamination CMHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.
- If a family member has been self-employed less than 3 months, CMHA will accept the family member's certified estimate of income and schedule an interim reexamination in 3 months. If the family member has been self-employed for 3 to 12 months CMHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

1. Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, CMHA will request a current (dated within the last 30 days from the interview appointment) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), CMHA will ask the family to request a benefit verification letter. Once the applicant has received the benefit verification letter they will be required to provide it to CMHA.

To verify the SS/SSI benefits of participants, CMHA will obtain information about social security/SSI benefits through the HUD EIV System.

If benefit information is not available in HUD systems, CMHA will request a current SSA benefit verification letter from each family member that receives social security benefits. Once the participant has received the benefit verification letter they will be required to provide it to CMHA.

D. ALIMONY OR CHILD SUPPORT

The way CMHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order:

- If payments are made through a state or local entity, CMHA will request a record of payments for the past 90 days and request that the entity disclose any known information about the likelihood of future payments.
- Third-party verification from the person paying the support
- Current copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules. If not current, a payment history must be obtained.

- Copies of the latest checks and/or payment stubs for last 90 days.
- 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.

E. ASSETS AND INCOME FROM ASSETS

1. Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value (FMV) in the preceding two years. CMHA needs to verify only those certifications that warrant documentation that includes the following:

- The type of asset disposed of for less than FMV.
- The date they disposed of the asset.
- The amount the family received.
- The asset's market value at the time of disposition.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and CMHA verified this amount. Now the person reports that she has given this \$10,000 to her son. CMHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, CMHA must verify the value of this asset.

F. NET INCOME FROM RENTAL PROPERTY

The family must provide:

- A current executed lease for the property that shows the rental amount or certification from the current tenant
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, CMHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

G. RETIREMENT ACCOUNTS

When third-party verification is not available, the type of original document that will be accepted will depend upon the family member's retirement status.

- Before retirement, CMHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.
- Upon retirement, CMHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.
- After retirement, CMHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

H. INCOME FROM EXCLUDED SOURCES

CMHA must obtain verification for income exclusions only if, without verification, CMHA would not be able to determine whether the income is to be excluded. For example: If a family's

16 year old has a job at a fast food restaurant, CMHA will confirm that CMHA records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

CMHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, CMHA will report the amount to be excluded as indicated on documents provided by the family.

I. ZERO ANNUAL INCOME STATUS

CMHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income. All adult family members (18 years or older) must execute an affidavit declaring zero income.

J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance.

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education. Excluded amounts are verified only if, without verification, CMHA would not be able to determine whether or to what extent the income is to be excluded.

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance, CMHA may request third-party written verification of both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student.

In addition, CMHA may request written verification from the institution of higher education regarding the student's tuition amount if information submitted by the student is not specific enough for CMHA to determine.

If CMHA is unable to obtain third-party written verification of the requested information, CMHA will pursue other forms of verification following the verification hierarchy.

K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, and does not have a dependent child, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with HUD regulations.

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

If CMHA is required to determine the income eligibility of a student's parents, CMHA will request an income declaration and certification of income from the appropriate parent(s), CMHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to CMHA. CMHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART 4: VERIFYING MANDATORY DEDUCTIONS

A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require that CMHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

1. Dependent Deduction

CMHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed.
- Any person age 18 or older for whom the dependent deduction is claimed is either a person with a disability or a full time student.

2. Elderly/Disabled Family Deduction

CMHA must verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

B. MEDICAL EXPENSE DEDUCTION

The amount of the deduction will be verified following the standard verification procedures described in Part 1 of this Chapter. See IRS Publication 502.

1. Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62, or a person with disabilities. CMHA must verify that the family meets the definition of an elderly or disabled family.

2. Expenses to Consider

A. Qualified:

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses.

B. Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source. The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

3. Expenses Incurred in Past Years

When anticipated costs are related to on-going payment of medical bills incurred in past years, CMHA will verify:

- The anticipated repayment schedule;
- The amounts paid in the past, and,
- Whether the amounts to be repaid have been deducted from the family's annual income in past years.

4. Verification of Medical Expenses

CMHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

- Third-party verification form signed by the provider, when possible.
- If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case CMHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. CMHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

In addition, CMHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in Chapter 7, Part 2, Section E. The amount of the deduction will be verified following the standard verification procedures described in Part 1 of this Chapter.

1. Amount of Expense

Attendant Care: CMHA will accept a letter from the care provider and/or provide a third-party verification form directly to the care provider.

Expenses for attendant care will be verified through:

- A letter provided by the care provider.

- Third-party verification form signed by the provider, when possible
- If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

Auxiliary Apparatus:

Expenses for auxiliary apparatus will be verified through:

- A letter provided by the provider of the auxiliary apparatus.
- Third-party verification of anticipated purchase costs of auxiliary apparatus.
- If third-party is not possible, a billing statement for purchase of the auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.
- If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, CMHA will verify that:

- The family member for whom the expense is incurred is a person with disabilities.
- The expense permits a family member, or members, to work.
- The expense is not reimbursed from another source.

2. Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. CMHA will verify that the expense is incurred for a person with disabilities.

3. Family Member(s) Permitted to Work

CMHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

CMHA will seek third-party verification from a Rehabilitation Agency or licensed medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work

4. Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

D. CHILD CARE EXPENSES

The amount of the deduction will be verified following the standard verification procedures described in Part 1 of this Chapter. In addition, CMHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable based upon prevailing local childcare rates.

1. Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13.

Note—Child care expenses for a disabled child regardless of age are considered a disability expense.

2. Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

3. Pursuing an Eligible Activity

CMHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities. See Title XX rules regarding allowable hours for transportation and study.

Information to be Gathered:

CMHA will request and analyze information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work:

Whenever possible, CMHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases CMHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to CMHA any reports provided to the other agency.

Furthering Education:

CMHA will obtain the class schedule or similar documentation from academic or vocational educational institution to document that the person is enrolled.

Gainful Employment:

CMHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

4. Allowable Type of Child Care

CMHA will verify that the type of child care selected by the family is allowable. CMHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

5. Reasonableness of Expenses

Only reasonable child care costs can be deducted. The actual costs the family incurs will be compared with CMHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, CMHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 8-1: EXCERPT FROM HUD VERIFICATION GUIDANCE
NOTICE (PIH 2004-01, pp. 11-14)**

Upfront (UIV)	Highest (Highly Recommended, highest level of third party verification)
Written 3rd Party	High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)
Oral 3rd Party	Medium (Mandatory if written third party verification is not available)
Document Review	Medium-Low (Use on provisional basis)
Tenant Declaration	Low (Use as a last resort)

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Wages/Salaries	Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. Note: The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information.	The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				
<p>Verification of Employment Income: The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.</p> <p>Effective Date of Employment: The PHA should always confirm start and termination dates of employment.</p>					

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Self-Employment	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. Note: The PHA must document in the tenant file, the reason third party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. Note: The PHA must document in the tenant file, the reason third party verification was not available.
<p>Verification of Self-Employment Income: Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement.</p>					
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports.	The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. (Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. (Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)	The PHA may accept an original SSA Notice from the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. Note: The PHA must document in the tenant file, the reason third party verification was not available.
Welfare Benefits	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. Note: The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Child Support	Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. Note: The PHA must document in the tenant file, the reason third party verification was not available.
Unemployment Benefits	Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.	The PHA may call the State Wage Information Collection Agency to obtain current benefit amount.	The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. Note: The PHA must document in the tenant file, the reason third party verification was not available.
	Use of HUD systems, when available.				
Pensions	Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information.	The PHA may call the pension provider to obtain current benefit amount.	The PHA may review an original benefit notice from the pension provider provided by the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. Note: The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Assets	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information.	The PHA may call the source to obtain asset and asset income information.	The PHA may review original documents provided by the tenant. Note: The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. Note: The PHA must document in the tenant file, the reason third party verification was not available.
Comments	Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review.	Note: The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source.	The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount.		The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. Notarized statement should include a perjury penalty statement.
Note: The PHA must not pass verification costs along to the participant.					
Note: In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)					

**EXHIBIT 8-2: SUMMARY OF DOCUMENTATION REQUIREMENTS
FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to CMHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
 - “Admitted as a Refugee Pursuant to Section 207”
 - “Section 208” or “Asylum”
 - “Section 243(h)” or “Deportation stayed by Attorney General”
 - “Paroled Pursuant to Section 221 (d)(5) of the USCIS”

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
 - A final court decision granting asylum (but only if no appeal is taken);
 - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
 - A court decision granting withholding of deportation; or
 - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

9. BRIEFING OF FAMILIES AND ISSUANCE OF VOUCHERS

A. BRIEFINGS

1. Purpose of the Briefing

The purpose of the briefing is to explain the Voucher information packet to each family. The family will also be informed of their Housing Choice Voucher family obligations.

2. Briefing Attendance Requirement

All families are required to attend the briefing class when they are initially issued a Voucher. No Voucher will be issued unless the household head has attended a briefing class.

A family who provides prior notice of their inability to attend a briefing class will be scheduled for the next briefing class. Only one rescheduled class is permitted.

Failure of a family to participate in a scheduled briefing class may result in withdrawal of their application. The family will be notified of their withdrawal from the wait list and of their right to an informal review. A family who is withdrawn from the wait list for failure to attend the briefing class must wait six months from their withdrawal date before they can reapply for Housing Choice Voucher assistance.

3. Format of the Briefing

A Housing Choice Voucher staff member generally handles briefing of Voucher families in a group environment. When group briefings are conducted, families are given the opportunity to inquire about their Total Family Payment or Housing Voucher Payment calculation how utility allowances are calculated. Families will be requested to sign relevant documents including their Voucher prior to the briefing.

The family will be given a Voucher information packet that will contain the items required by HUD regulations.

In addition to supplying the family with a briefing information packet, CMHA will conduct an oral briefing, which will include information on the following subjects:

- A description of how the Voucher Program works;
- Family and owner responsibilities;
- Where the family may lease a unit - outside or inside of CMHA's jurisdiction (portability);

- Explanation on portability policies and procedures;
- Explanation of the advantages of moving to an area that does not have a high concentration of low income families;
- Briefing packet items such as utility allowances, instructions, certifications, and forms;
- Housing Quality Standards;
- How to locate and select a unit;
- Tenant screening policies; and,
- Other mandated HUD items that must be included in the briefing packet.

4. Household Obligations under the Housing Choice Voucher Program

Under the Housing Choice Voucher Housing Choice Voucher Program, the relationship between family and landlord are the same as in the private housing market.

However, when the family receives a Housing Choice Voucher, the family has the following additional obligations:

- Finding a rental unit that meets the minimum standards of HQS for size of the unit;
- Submitting the Request For Tenancy Approval Form to CMHA within the Voucher period for CMHA approval;
- Keeping appointments set by CMHA for determination of continued eligibility and unit compliance with HQS;
- Notifying CMHA in a timely manner, as defined in this Section XV of this Administrative Plan, of changes in household composition and income;
- Notifying their owner and CMHA prior to moving from their unit; and,
- Complying with other obligations of the family as listed on the family's Voucher.

5. Owner Referrals of Housing

Voucher holders are informed at their briefing sessions of available housing list. This list is updated monthly and is available to the public.

6. CMHA Policy on Furnishing Information to Prospective Landlords

Upon a prospective landlord's written request, CMHA will furnish the family's current address and the name and address of the family's current and previous landlord if the information is available from CMHA's records. No other information will be furnished without the written consent of the family.

B. SECURITY DEPOSIT REQUIREMENTS

The owner may collect a security deposit from the family that is not in excess of private market practice. CMHA will allow a prospective owner to collect a security deposit of not more than one month's CMHA-approved contract rent from the family. When the family moves from the unit, the owner, subject to local and state law, may use the security deposit for unpaid rent, unit damages, or for other amounts the family owes under the lease. Owners must comply with HUD regulations in order to participate in the Housing Choice Voucher Program.

C. VOUCHER ISSUANCE

At the briefing session, each family will be issued a Housing Choice Voucher Form that specifies the rights and responsibilities of family.

1. Expirations

The Voucher is valid for a period of 90 days from the date of issuance. Prior to expiration, the family may contact CMHA to inquire about assistance CMHA can provide the family in locating suitable housing.

The family must submit a Request for Lease Approval and Lease within the 90-day period unless CMHA has granted an extension.

2. Extensions

A family may request an extension of the Voucher issuance period. All requests for extensions must be received prior to the expiration date of the Voucher, unless the expiration date falls on a weekend or holiday.

Extensions are permissible at the sole discretion of CMHA primarily for the following reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time that has hampered the family's ability to find a unit within the initial 90-day period. Verification of the circumstance is required;
- The family has documented to CMHA's satisfaction that they have made a good faith effort to locate a unit throughout the initial 90-day period;

- The family has submitted a Request for Lease Approval prior to the expiration of the 60-day period, but the unit has not passed a Housing Quality Standards inspection; or,
- The family is disabled and requests accommodation pursuant to HUD regulations.

CMHA may extend (in increments) the time period for unit searching up to an additional period 30 days. The maximum time period for a Voucher cannot exceed 120 days. While the initial 120-day time period does not apply to disabled families, the unit searching time must be a continuous period of time from the initial issuance date.

D. PORTABILITY OF VOUCHERS

1. General Policies

A family issued a Voucher may lease a unit anywhere in the jurisdiction of CMHA or outside CMHA jurisdiction as long as household head or spouse already had established a legal domicile in CMHA's jurisdiction at the time the family first submitted an application for participation in the Housing Choice Voucher Program.

If the family did not establish a legal domicile at the time of the family's initial Voucher application to CMHA, the family does not have any right to lease a unit outside of CMHA's jurisdiction within the first 12 months after the family is initially admitted to the Housing Choice Voucher Program. An exception may be granted by CMHA if the family cites economic or personal hardship that can be documented and if the family obtains the approval of the "receiving housing authority."

2. Income Eligibility

(a). Admission to the Housing Choice Voucher Program

A family must become eligible to be admitted to the Housing Choice Voucher Program where the family initially leases a unit. In the event of a family who under portability regulations transfers their Voucher to a "receiving housing authority", the family must meet income eligibility guidelines of the receiving housing authority.

(b) Current Participants

If the portable family is already a participant in the initial housing authority's Housing Choice Voucher Program, income eligibility is not reexamined.

3. Initial Housing Authority Administration of Portability

When CMHA becomes the “initial housing authority”, CMHA will comply with HUD regulations.

4. Receiving Housing Authority Administration of Portability

When CMHA becomes the “receiving housing authority”, CMHA will decide if the family is income eligible for Housing Choice Voucher housing assistance.

Other aspects of administration will be subject to HUD regulations and CMHA’s internal Housing Choice Voucher administrative policies.

5. Prohibition on Moving to another PHA Due to Higher Costs

Denial may only be based upon the criteria listed in PIH Notice 2008-43. HUD may supplement or amend this PIH notice.

10. LOCATING SUITABLE HOUSING

A. RESPONSIBILITY FOR LOCATING HOUSING

When a Voucher has been issued to the family, it is the family's responsibility to locate suitable housing. This means that the housing must be within the rent burden limitations set by the Housing Choice Voucher Program and meet Housing Quality Standards requirements including minimum bedroom size requirements for units.

CMHA will maintain updated referral lists of owners who have called CMHA to list their available units. The list will be made available to Voucher families upon request.

Housing referrals lists are available in CMHA offices.

B. ELIGIBLE TYPES OF HOUSING

The following types of housing may be utilized in the Voucher program (unless designated otherwise):

- All structure types can be utilized, including but not limited to single family, duplex, or multifamily garden apartments, town houses, and high rises;
- Manufactured homes where the family leases the mobile home and the pad;
- Manufactured homes where the family owns the mobile home and leases the pad;
- Independent Group Residences; or,
- Congregate Housing.

C. REQUEST FOR TENANCY APPROVAL AND OWNER LEASE

The Request for Tenancy Approval and the Owner's lease must be submitted prior to the expiration of the Housing Voucher unless the Voucher has been extended by CMHA.

The Request for Tenancy Approval Form must be signed and submitted to CMHA by both owner and Voucher family with an unsigned copy of the lease that the owner will be using for the unit.

CMHA will approve the lease and the Request for Tenancy Approval Form if the lease conforms to HUD and CMHA requirements and if both parties properly execute the Request for Lease Approval Form. CMHA reserves the right to reject the Request for Lease Approval if the gross rent (proposed contract rent plus family paid utilities) is not supported by a comparable rent analysis.

Only one Request for Tenancy Approval may be submitted at any time unless the unit is rejected or withdrawn by the owner or family.

D. VOUCHER AFFORDABILITY INDEX

CMHA will not approve a unit for a Voucher Contract if a family's rent burden exceeds 40 percent. Rent burden for the Voucher Program is defined as the amount that a family must pay toward rent and utilities as a percentage of the family's adjusted monthly income that has been reported to CMHA.

E. CMHA APPROVAL OF OWNER

CMHA will not approve an owner's unit if HUD has informed CMHA that the owner is debarred, suspended, or subject to limited denial of participation. HUD may also direct CMHA to deny an owner to participate for violations of fair housing or other federal equal opportunity requirements.

CMHA may also deny approval to lease a unit from an owner if the owner has:

- Violated owner obligations under a Housing Choice Voucher housing assistance payment contract;
- The owner's failure to refund a security deposit after vacating the unit;
- Charging more rent to Housing Choice Voucher families than non-Housing Choice Voucher families;
- Knowingly making false certifications and providing false information (fraud) to CMHA for the purpose of economic gain;
- Illegal landlord actions prohibited by the HUD regulations and/or the Ohio Revised Code;
- Compensating CMHA employees in exchange for referring prospective tenants;
- Inducing CMHA employees to not enforce HQS regulations and/or to grant excessive contract rent determinations;
- Demanding and/or accepting illegal payments from Housing Choice Voucher families;
- Making side agreements with a family for extra rent without the knowledge and consent of CMHA;

- Failing to attempt to evict families who have been arrested for illegal drug use, possession, and/or selling after being notified of a drug raid by local law enforcement authorities;
- Failing to notify CMHA within 30 days of vacated Housing Choice Voucher assisted units;
- Failing to provide eviction notices to CMHA;
- Knowingly permitting the family to have unauthorized boarders or lodgers; and/or,
- Allowing a HCV tenant to sub-lease a CMHA assisted unit;
- Commit fraud, bribery, or other criminal acts on a mortgage loan application;
- Convicted of the sale or distribution of illegal drugs;
- Delinquent state or local real estate taxes or fines;
- A history or practice of non-compliance with HQS for units assisted by CMHA's Housing Choice Voucher Program as defined by CMHA; and/or,
- Convicted of local housing code violations.

Non-compliance with HQS means:

- Six or more rent abatements in a retroactive 12-month period from the current month;
- Four or more HAP contract cancellations due to HQS non-compliance in a retroactive 12-month period from the current month;
- Units submitted for initial (move-in) HQS inspections that are repeatedly (4 or more units in a retroactive 12-month period from the current month) not ready for immediate occupancy and are not in compliance (more than 6 HQS violations, including any utility that is not operating at the time of the initial inspection) with HQS regulations; or
- The owner is currently cited by local code enforcement authorities for serious rental property code violations and these violations have not been corrected. Serious code violations are building code violations that pose an immediate threat to the safety and welfare of the legal occupant as determined by local building code enforcement officials.

If any of the above instances of non-compliance occurs, CMHA may suspend an owner's future participation in the CMHA Housing Choice Voucher Program for a period of 12 months from the date of notification to the owner. Suspension of participation means that CMHA will not enter into new HAP Contracts with the owner for a period of twelve months. Reinstatement of the owner's participation in the Housing Choice Voucher Program will depend on CMHA's evaluation of the owner's efforts to comply with CMHA, HUD, state, and local laws and regulations. If CMHA determines that the owner has not made a good faith effort, the suspension may continue for additional 12-month periods until the owner demonstrates to CMHA's satisfaction that sustained progress had been made towards compliance with Housing Choice Voucher regulations and CMHA Administrative Plan policies.

While existing Housing Choice Voucher contracts are not affected by the above policies, CMHA reserves the right to cancel an owner's remaining Housing Choice Voucher contracts if there are continued Housing Choice Voucher contract violations or for any of the non-compliance instances listed above. CMHA may permanently deny an owner from future participation if it is in the best interest of CMHA.

For purposes of this section, "owner" includes any person or entity who: (a) enters into a HAP contract and/or is assigned a vendor account by CMHA; and/or (b) holds an interest, direct or indirect, in an entity which enters into a HAP contract and/or is assigned a vendor account by CMHA. A direct interest is any ownership interest. An indirect interest is any circumstance where CMHA determines, at its discretion, that the individual or entity is closely related to the person or entity that enters into the HAP contract and/or is assigned a vendor account, such as by marriage, relatives, affiliated entities, or other indirect connection. If an owner's participation is suspended, that suspension may, at CMHA's discretion, apply to all entities in which that owner holds any direct or indirect interest. In determining whether to suspend participation or cancel a contract for any particular vendor account, CMHA may, in its discretion, consider all of the relevant circumstances.

11. HOUSING QUALITY STANDARDS AND INSPECTIONS POLICIES

A. GENERAL PURPOSE

CMHA is required by HUD regulations to inspect the unit to ensure that it complies with Housing Quality Standards.

Housing units may not be assisted by the CMHA Housing Choice Voucher Housing Program unless these standards are met. Units must also meet the Housing Quality Standards to remain under contract with CMHA.

There are four types of inspections CMHA conducts:

- Initial (move-in);
- Annual;
- Complaint/Damage;
- Quality Control.

B. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS

CMHA adheres to the acceptability criteria in the Housing Choice Voucher Program regulations and HUD Inspection Booklet with the following exceptions:

- Units with windows that are designed to be opened must have screens on all windows unless the unit is located in a building that has total HVAC system and does not have windows that can be opened for fresh air; and,
- Owners will be required to remove and/or repair or cover defective paint surfaces. An extension may be granted as a severe weather-related item as defined below. This section does not apply to units where CMHA must visually test for defective paint surfaces due to the age of the structure (prior to 1978) and with prospective occupants of the unit whose age is less than 6 years. In these cases, CMHA will follow HUD regulations.

Major surfaces for non-lead based units are defined as follows:

- Interior: More than two square feet on any wall surface;
- Exterior: More than 20 square feet on any wall surface; and,

- Interior or exterior building components (window sills, soffit, fascia, trim, etc.): More than 10 percent of the building component.
- For defective paint surfaces that must be remedied by repainting, only solid color paints and solid color stains that are designed to cover the defective surface are acceptable. Clear stains and sealers that do not thoroughly cover the defective paint surface are not acceptable. Clear coatings that are worn off and must be repaired such as varnish on a hardwood floor must be covered with products that are similar to the original varnish.
- Adequate interior heat shall be considered to be 68 ° F.;
- CMHA may declare that unsanitary conditions exist in a unit where exposed food, garbage, and excrement present a health hazard to occupants;
- Plastic trash bags will not be considered “adequate covered facilities” in buildings with 4 or more units. Suitable containers for the temporary storage of refuse are required; and,
- In units where the family must pay for utilities, each unit must have a separate metering device(s) for measuring consumption for each unit.

Repair or replacement of structure elements such as exterior painting and concrete repairs must be given an extended deadline if weather inhibits adequate repair or replacement. If the unit does not pass inspection at a later time specified by CMHA, CMHA may abate rent and cancel the HAP Contract for owner noncompliance.

At CMHA’s sole discretion, extensions of up to 60 days may be granted to permit a landlord to complete repairs if the landlord has made a good faith effort to initiate repairs. If repairs are not completed within 90 days after the initial inspection date, CMHA may abate rent and cancel the HAP contract for owner noncompliance.

C. CLEARING DEFICIENCIES FOR INITIAL (MOVE-IN) INSPECTIONS

CMHA will schedule a timely inspection of the unit on the date the owner indicates the unit will be ready for inspection or as soon as possible thereafter (generally within ten days) upon receipt of a Request for Tenancy Approval Form and Lease. The owner will be notified of the results. If the unit fails the Housing Quality Standards inspection, the owner will be given a deadline for repairs.

On an initial inspection, the owner will generally be given a deadline to correct the items noted as “Fail,” depending on the extent of the repairs that are required to be made. CMHA also reserves the right to refuse to conduct the inspection if CMHA determines that the unit is not ready for inspection.

The owner will generally only be allowed one re-inspection of the violations initially cited. Any additional inspections are at CMHA's sole discretion. If CMHA accepts a family's Request for Tenancy Approval, the "clock" stops for the amount of time (initially 90 days) for the family to find suitable housing. The "clock" restarts when CMHA rejects the unit and the family is reissued their Voucher to submit another unit for inspection.

D. DEADLINE FOR CORRECTING HQS FAIL ITEMS FOR CONTRACT UNITS

The owner or family must be given time to correct the failed items cited on the inspection report for a unit under contract. If the item endangers the family's health or safety (using the emergency item list below), the owner or family must be given 24 hours to correct the violations. For less serious failures, the owner or family may be given up to 30 days to correct the item(s). Repair deadlines are at CMHA's sole discretion.

E. EMERGENCY FAIL ITEMS

The following items are to be considered of an emergency nature and are to be corrected by the owner or family within 24 hours of notice by the Inspector:

- Broken lock on first floor windows or any exterior door;
- Electrical outlet that is smoking or sparking;
- Entire window missing (security and weather concerns);
- Natural gas/propane leaks from stove;
- Major plumbing leak(s);
- Natural gas leak or fumes;
- Electrical situation which could result in shock or fire;
- No heat (outside temperature is below 60 degrees Fahrenheit);
- No water; and/or,
- No electricity.

CMHA may give a short extension (not more than 48 additional hours) where the owner or family cannot be notified or it is impossible to repair within the 24-hour period.

If emergency items that are the owner's responsibility are not corrected within 72 hours, the HAP Contract will be canceled immediately by notice to the owner.

If emergency items are the family's responsibility to correct and are not corrected within 72 hours, CMHA will terminate the housing contract immediately by sending written notice to the family and owner.

F. ABATEMENT POLICIES

When it has been determined that a unit on the program fails to meet Housing Quality Standards and the owner has been given an opportunity to correct the problem(s) and does not do so within the time frame established by CMHA (up to 30 days), the rent for the unit shall be abated.

The initial abatement period shall be 10 days or less. If the correction is not made, the abatement will continue through the HAP Contract cancellation notice.

CMHA will inspect abated units within 5 days of the owner's contact with CMHA to inspect the completed work.

The abatement will end the first calendar day following the owner's notice to CMHA if the unit passes inspection.

The owner will not be abated for family caused HQS violations. The family will be given up to 30 days to correct any deficiencies. If the repairs are not completed by the deadline, CMHA will send a notice of termination to the family and the owner.

G. HAP CONTRACT TERMINATION FOR OWNER CAUSED HQS VIOLATIONS

If the owner fails to correct all the items within the initial 10-day abatement period, CMHA will send a contract termination notice to the owner and family. During this period (minimum 30 days notice prior to the first of the month), the abatement will remain in effect.

When the Housing Assistance Payments Contract or the Voucher Payment Contract is terminated for Housing Quality Standards violation(s), it cannot be reinstated unless the repairs are done and CMHA is notified before the effective termination date. The family must also agree to remain in the unit.

If the HAP Contract termination notice has been sent to the owner, only one additional Housing Quality Standards inspection will be conducted to verify if repairs have been completed.

H. HAP CONTRACT TERMINATIONS FOR FAMILY CAUSED HQS VIOLATIONS

If the family fails to make the required repairs by CMHA's deadline, CMHA will send a proposed notice of termination to the family and owner. The proposed termination notice will offer the family an opportunity to request an informal hearing with CMHA.

If the family fails to request an informal hearing with CMHA within the designated deadline, CMHA will send a final notice of termination to the family and owner. The final notice will be 30 day advanced written notice to the owner. The owner will continue to receive a housing Payment until the final effective termination date.

If the family is granted an informal hearing, the owner will continue to receive a housing Payment until otherwise notified in writing by CMHA.

Tenant caused HQS damages exceeding \$1,000 as determined by CMHA, may subject the family to termination of assistance if the family has moved from the unit without legal action being initiated by the owner. In the event the family has already received their voucher, termination of housing assistance may occur after the family has left the damaged unit and is currently under lease with a new owner or is in the process of finding a new unit to submit.

Owners must submit a court-ordered judgment for HQS damages exceeding \$1,000 to CMHA no later than 6 months after CMHA terminates the family's housing assistance in order for CMHA to proceed with the family's termination. The list of tenant caused HQS damages must be itemized with actual labor and material costs or reliable estimates from contractors or material suppliers. Since the court has already issued a judgment for damages, CMHA is not obligated to provide an informal hearing for the family for disputed damages or repair or replacement costs.

I. RESPONSIBILITY OF THE FAMILY TO ALLOW INSPECTION

CMHA must be allowed to inspect the unit at reasonable times with reasonable notice. The family is notified of the inspection appointment by mail. If the family is not able to be at home, the family must call to reschedule the inspection or make arrangements to have an adult family representative or the landlord present. CMHA will not conduct inspections when there is no adult present in the unit.

If the family misses the inspection appointment and does not arrange for the representative or the landlord to be there, one final inspection appointment will be scheduled.

If the family misses two inspection appointments, CMHA will consider the family to have violated a family obligation and their assistance may be terminated in accordance with HUD and CMHA policies.

J. REIMBURSEMENT OF UNPAID UTILITIES TO THE OWNER

A family is required to pay utilities that are their responsibility while participating in the Housing Choice Voucher and Shelter Plus Care Programs. Housing Choice Voucher and Shelter Plus Care assisted families are subject to termination of housing assistance if they transfer a utility to their owner without the owner's or CMHA's written consent or if they have not paid for the utility charges for their previously assisted unit and these charges have been subsequently assessed to the property owner. Unlike charges for damages and unpaid rent, no legal action is necessary for the owner to seek reimbursement from the tenant for reimbursement of utility

charges. In order for the owner to seek CMHA's assistance to obtain reimbursement of improperly assigned tenant utility charges, the following conditions must be met:

1. A claim for unreimbursed utility charges must be made in writing to CMHA within 120 days after termination of the lease and housing assistance contract. Pursuant to the housing assistance payment contract, termination of the lease by the tenant or owner causes termination of the housing contract. Termination of the housing contract by CMHA or the owner causes the lease to be terminated.
2. Sufficient documentation must accompany the owner's claim.
3. In the event of unit abandonment, CMHA may not process a claim if the unit was determined by CMHA to be abandoned and the owner failed to report the vacancy to CMHA in writing within calendar 10 days from when the unit was discovered vacant.
4. CMHA has no obligation to process a claim against a family whose housing assistance has been permanently terminated with notice to the owner. At CMHA's sole discretion, any subsequent reinstatement of the family's participation by appeal may be subject to the family's reimbursement of unpaid utility charges assessed to the owner.
5. The dwelling lease and the Request for Tenancy Approval Form initially approved by CMHA and executed by the family and the owner must stipulate that the tenant was responsible for the payment of the utility.
6. CMHA provided the utility allowance for this utility to the family based upon the unit information provided to CMHA by the owner.
7. The owner's lease must comply with the Ohio Revised Code and HUD regulations.
8. The utility service was properly metered.
9. A subsequent change in the initially approved dwelling lease that reassigned the payment of a utility service to the family must have CMHA's prior approval. CMHA must have also provided the utility allowance to the family.
10. CMHA reserves the right to request additional information if the owner's documentation is less than satisfactory. The owner must agree to provide additional documentation upon CMHA's request. CMHA may impose a deadline for receiving additional information. Failure to comply with deadlines or provide information may cause CMHA to deny the claim.
11. If the family fails to reimburse the owner for utility charges during their previous tenancy, the family must reimburse the prior owner within 30 calendar days of the owner's written notice. Reimbursement may also be satisfied by deducting the cost of utility charges from the family's security deposit. If the owner has deducted the cost of the utility charges from the family's security deposit, the owner shall not be entitled to reimbursement under this policy. Duplicative reimbursement is prohibited.
12. Owners must send a request for payment to the family by USPS certified mail, return receipt request. The "green card" and the invoice for the utility charges must be submitted to CMHA before any adverse action is taken against the family. The charges must correspond with utility service received by the family during the term of family's assisted lease.
13. CMHA may forward the owner's request for reimbursement notice to the family in the event the family does not give a forwarding address to the owner or if they refuse to accept the owner's mailed notice. CMHA will instruct the family to contact the owner to make arrangements for repayment. The family is obligated to repay the owner within 30

- calendar days of CMHA's notice or enter into a repayment agreement with the owner.
14. The owner is not obligated to enter into a repayment agreement with the family.
 15. CMHA must approve the repayment agreement for reimbursement of utility charges. An original copy of the executed agreement must be submitted to CMHA by the owner within 30 days after the agreement was executed. If not submitted within 30 calendar days, CMHA will not enforce the terms of the agreement.
 16. The owner's utility reimbursement agreements must meet the following conditions:
 - A. Three original copies of agreement with one provided to CMHA.
 - B. The agreement must be signed by both parties and dated.
 - C. No processing or administrative fees may be assessed.
 - D. No interest or carrying charges on unpaid balances may be assessed.
 - E. The owner may assess late fees or service charges to the family which have been assessed by the utility or utility billing service.
 - F. Equal monthly installment payments must be paid on the first of each month with the final month being the balance due.
 - G. Early payoff permitted without penalty fees or other charges.
 - H. Grace period of 10 calendar days before the payment is considered late.
 - I. A late payment charge of \$15.00 or less per month may be assessed.
 - J. Payment must be made by check or money order. No cash payments.
 - K. A fee of \$35 may be assessed by the owner for each returned check due to insufficient funds.
 - L. The agreement must provide a mailing address to receive payments by postal service. The family's current address must be listed.
 - M. The agreement may not demand payment in person or at the family's residence.
 - N. Payments will be applied in the following order:
 - i incurred late fee penalties;
 - ii returned check charges;
 - iii past due amounts;
 - iv current month due.
 17. If a repayment agreement is executed by the owner and family after the first of the month, the initial payment will commence on the first day of the second month following the month in which the repayment agreement was executed. If a repayment agreement is executed by the owner and family on the first of the month, the first payment shall commence on the first day of the following month.
 18. For amounts \$ 500.00 or less, the term shall be no greater than 6 months.
 19. For amounts over \$500.00, the term may not exceed 12 months.
 20. A family shall be denied further housing assistance if they fail to repay the owner in full or to enter into a repayment agreement with the owner within 30 days of CMHA's written notice. If the family does not make arrangements with the owner within CMHA's 30-day period, the owner must notify CMHA in writing that the family failed to reimburse him/her for the entire amount or did not enter into a repayment agreement. The owner must notify CMHA of the family's non-compliance within 60 days of the final day of the CMHA 30-day period.
 21. A family will be considered noncompliant with an owner's repayment agreement and subject to termination of housing assistance if they fail to make 2 or more scheduled

monthly payments or if payments that have been made have over the previous 60 days have not been sufficient to keep the amount due current. The burden of proof rests with the owner for non-compliance. Copies of checks received, deposit slips, and ledger sheets must document the family's non-compliance.

22. Utility charges are not subject to dispute with CMHA if the utility invoice clearly demonstrates the utility service charges were within the family's assisted tenancy term as indicated by the term of the lease or the housing assistance payment contract. Documentation provided by the utility provider shall be final. CMHA reserves the right to adjust the utility charges if a portion of the service period for the charges occurred before or after the term of the housing assistance contract. Disputes regarding the service charges must be settled with the utility provider.
23. The family or owner must provide appropriate documentation to support compliance with these policies. Failure of either party to provide documentation within time frames established by CMHA may subject the family to termination of assistance or refusal to terminate the family if the owner fails to comply with CMHA's requests.
24. The family must comply with the terms of the executed repayment agreement. In the event of non-compliance, the family is subject to termination of housing assistance upon a written 30-day notice to their current owner. If the family subsequently satisfies the terms of the repayment agreement and they or their former owner provides evidence of compliance prior to the date of their termination of assistance, CMHA will reinstate the family. No retroactive reinstatement of housing assistance is authorized if the family satisfies the terms of the repayment agreement or reimburses the owner the full amount due after the date of termination of assistance.
25. One original copy of the executed agreement must be submitted to CMHA by the owner within 30 calendar days after the agreement is executed. If not submitted to CMHA in person or by postal service within 30 calendar days (weekend and holidays excluded), CMHA is no longer obligated to enforce the provisions of this administrative plan for unpaid tenant utility charges.
26. False claims may subject the owner to be banned from future participation.
27. False information provided by the family may subject the family to permanent termination of housing assistance.

CMHA assumes no liability or responsibility for monitoring a family's efforts to reimburse their former owner. CMHA will not act as a collection agent or mediator, or provide financial services for either party. CMHA's actions will be limited to notifying the family of the charges and assessing the evidence provided by either party to determine the denial or continuation of housing assistance in the event the owner notifies CMHA that the family has failed to provide reimbursement for unpaid utility charges.

12. LEASE APPROVAL AND HAP/VOUCHER CONTRACT EXECUTION

A. DOCUMENTS SUBMITTED

An Owner may use their lease if the lease complies with the HUD regulations, State, and local laws. CMHA will not generally review the lease for compliance with state and local law. The HUD Lease Addendum form will amend an owner's lease.

The family is required to submit the lease and Request for Tenancy Approval prior to the expiration of their Voucher. CMHA will notify the family and the landlord if the unit and lease have been approved or rejected.

Owners must also submit proof of ownership of the property and Management Agreement if a management agent manages the property. Proof of Ownership may be in the form of deeds, property tax invoices, property insurance documents or closing statement forms. Land contracts, purchase contracts and subleasing agreements are unacceptable. Exceptions may be made for Sponsor's participating in the Shelter Plus Care Program. The owner's vendor account must match the legal name of property ownership for correct tax identification numbers. CMHA may refuse to enter into a housing assistance contract unless the owner provides a correct IRS tax identification number that matches the legal ownership name.

B. FAIR MARKET RENT LIMITATIONS

The gross rent (contract rent plus family-paid utilities) for the Shelter Plus Care Program unit should not exceed the Fair Market Rent applicable for a family's bedroom size when the family submits a unit for approval. Fair Market Rent limitations do not apply to the Housing Choice Voucher Program.

C. EXCEPTION RENT AREAS

There are no exception rent areas within Franklin County at this time.

D. RENT REASONABLENESS DETERMINATION FOR HOUSING CHOICE VOUCHER PROGRAM

CMHA will make a determination as to whether the rent to an owner is a reasonable rent in comparison to rent charged for other comparable unassisted units.

Rent reasonableness determinations are made when units are placed under HAP contract for the first time; if an owner requests a rent increase; if there is a 5 percent decrease in the HUD published Fair Market Rents; if HUD so directs CMHA to conduct a rent comparability analysis on a unit(s); or CMHA, in its sole discretion, elects.

CMHA will determine, on a case-by-case basis, that the approved rent:

- Does not exceed the maximum rent allowed by HUD;
- Does not exceed rents charged by the owner for comparable unassisted units in the premises; and,
- Is reasonable in relation to rents charged by the owner for comparable unassisted units in the open market.

When comparing Housing Choice Voucher assisted units with open market units, CMHA will consider the location, quality, size, unit type, age, amenities, housing services, maintenance and utilities to be provided by the owner.

For the purpose of solely determining rent reasonableness, a room that qualifies as a sleeping area under Housing Quality Standards cannot be considered a bedroom if the room is used as the only means of access to another room that could be used as a sleeping area. In units where a room that was formerly used as a dining room or other living area can be converted to sleeping area, but will not be considered for a larger unit unless the unit is recognized as a larger unit by the Franklin County Auditor.

CMHA utilizes a database with the above listed information and rental rates on unassisted rental units in the metropolitan area to determine a reasonable rent for a Housing Choice Voucher-assisted unit. CMHA will inspect the Housing Choice Voucher property and evaluate it based upon its comparability to nearby unassisted units, using numerical values to evaluate the unit and compare it to other units. CMHA reserves the right to make adjustments to an owner's requested rent based upon the above indicators in evaluating properties for rent reasonableness. CMHA will maintain records, which include comparable data on open market units and the evaluation of the Housing Choice Voucher unit. These factors are utilized to determine a reasonable rent.

CMHA may complete rent reasonableness for multifamily properties issuing a "blanket determination" for approving Housing Choice Voucher contract rents at the multifamily property. A "blanket determination" rent is made after reviewing the open market rents at the property and those of nearby comparable properties. CMHA reserves the right to make a determination of a reasonable rent utilizing its best judgment under unusual or extraordinary circumstances including, but not limited to, a high vacancy rate; the absence of comparable data; or other factors which may affect the rent of a Housing Choice Voucher assisted property. Such determinations require the approval of the Director of Housing Choice Voucher Programs.

CMHA shall advise the family as to whether the rent is reasonable and shall assist in the negotiation of the rent with the owner if requested by the family. Housing Choice Voucher assisted rents shall not exceed rents for similar unassisted units located in the same building or complex.

E. SEPARATE AGREEMENTS

Owners and families may execute agreements for services, appliances, and other items outside those, which are not normally provided under the lease if the agreement is in writing and approved by CMHA.

If the owner does not provide a range or refrigerator, CMHA may lower the contract rent.

Any appliance, service or other item which is routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or is permanently installed in the unit cannot be put under separate agreement and must be included in the lease.

If there is separate agreement, the family must have the option of not utilizing the service, appliance or other item.

CMHA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements. If the family and owner have come to an agreement on the amount of charges for specific items, the charges will be approved if they are reasonable and not a substitute for higher rent.

Copies of all separate agreements must be provided to CMHA.

F. UNIT APPROVAL

After CMHA has approved the Request for Tenancy Approval form and lease, determined rent reasonableness, conducted an inspection and passed the unit, CMHA will process the HAP Contract.

If CMHA determines that the lease cannot be approved for any reason, the owner and the family will be notified. CMHA will explain the problems to the owner and whether the problems can be corrected.

If the proposed Gross Rent exceeds the Fair Market Rent (Shelter Plus Care Program), CMHA will discuss with the landlord the possibility of either reducing the Contract Rent or including some or all of the utilities in the Contract Rent. CMHA will conduct a rent burden test for Voucher families to determine if the family's rent burden does not exceed 40 percent of their adjusted monthly income.

If the owner accepts CMHA's offer of a revised rent, CMHA will continue processing the Request for Tenancy Approval form and lease.

If the owner does not agree on the contract rent after CMHA has attempted to negotiate a revised rent, CMHA will inform the family that the lease cannot be approved. The family should continue efforts to locate eligible housing before the Voucher expires.

G. HAP CONTRACT EXECUTION

Prior to HAP Contract execution, CMHA will review the family's composition and information about income and allowances. If significant changes have occurred, the information will be verified and the Total Family Payment will be recalculated in accordance with HUD and CMHA policies.

If the unit has passed the HQS inspection and the owner has accepted the contract rent, CMHA will prepare the HAP Contract and Lease Addendum. In preparing the documents, CMHA will compute the Total Family Payment, Family Rent, Utility Reimbursement (if any), and the Housing Assistance Payment.

When the leasing documents are prepared, CMHA will notify the owner to execute the Housing Choice Voucher contract and retain copies of the lease, contract, and lease addendum in the family's file.

Generally, families and owners will be required to visit CMHA's offices to execute the required documents. The documents may also be mailed out for signature with the Housing Assistance Manager's approval in hardship cases. All contract documents must be signed by both parties within 60 days of the contract effective date.

13. OWNER PAYMENTS, UTILITY ALLOWANCES, AND ADJUSTMENTS

A. OWNER PAYMENT IN THE HOUSING VOUCHER PROGRAM

The payment to the landlord is based upon Contract Rent approved by CMHA less the family's portion of the rent as determined by CMHA.

A payment to the landlord is called a Housing Assistance Payment.

A payment to the family is called a Utility Assistance Payment

Rents are controlled by the family's rent burden and rent reasonableness in the Voucher Program. The rent amount approved by CMHA impacts the calculation of Housing Assistance Payment provided by CMHA as noted in the Housing Voucher Contract.

The maximum Payment level for each family is determined by the Payment Standard for the family less 30% of the family's monthly-adjusted income. A family may pay an additional 10 percent of their monthly-adjusted income for rent and utilities.

The Payment Standard to be used in the calculation is based on the family's Voucher Payment size.

The Housing Assistance Payment to the Owner is the lesser of:

- The actual Housing Voucher Payment described above; or
- The rent to owner (similar to Contract Rent).

Payment Standards are reviewed annually and will be adjusted in accordance with Chapter 23 — Payment Standards for the Voucher Program.

B. UTILITY ALLOWANCE

The Utility Allowance Schedule for family-paid utilities applies to all Housing Choice Voucher Programs.

If the family pays for some or all utilities, CMHA will provide the family with a utility allowance. The allowances are based on actual rates and average consumption estimates based on the type of unit the family rents. Allowances are not based on a family's actual energy consumption.

CMHA reviews the Utility Allowance Schedule on an annual basis. If adjustments are required, the Utility Allowance Schedule is revised. Revised allowances are applied to new contracts or adjusted at annual or interim re-certifications.

Approved utility allowance schedules will be given to families when they receive their Voucher. CMHA calculates the allowance for the bedroom size and the type of unit the family selects. This allowance factors in calculating a family's rent contribution.

Where families provide their own range and refrigerator, an allowance is given to enable the family to purchase, maintain, or rent a range or refrigerator even if the family already owns either appliance.

Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance based on factors provided by HUD.

C. MAKING PAYMENTS TO OWNERS

After the HAP Contract is executed, CMHA begins processing payments to the owner.

The effective date and the amount of the HAP payment are printed on a monthly HAP Register.

The HAP Register and other reports are used for monitoring the accuracy and timeliness of payments.

Payments for the CMHA Housing Choice Voucher Program are processed by a computer system. After data input, changes are made automatically to the HAP Register for the following month.

D. UTILITY REIMBURSEMENT PAYMENTS

Where the Utility Allowance exceeds the Total Family Payment of the family, CMHA provides a Utility Reimbursement Payment to the family each month.

E. ADJUSTMENTS DUE TO ERROR OR INCORRECT INFORMATION

Payment errors due to inaccurate use of utility allowances, incorrect rent calculations, or other mistakes affecting HAP and/or tenant rent discovered while performing client file reviews will be corrected within 30 days unless additional information must be obtained to remedy the problem. Reimbursement of HAP or UAP will be made by special adjustment and noted in the tenant's file.

F. ELECTRONIC TRANSFER PAYMENT SYSTEM FOR OWNERS

CMHA will issue payments to owners and housing assistance agencies by using a secure electronic transfer payment (ETP) system. Payments will be made to an owner's designated bank account or a special purpose reloadable bank card that must be obtained from CMHA's financial institution partner. Enrollment in the system is mandatory. Mandatory use of CMHA's

ETP system is a lawful agency administrative decision and not subject to owner appeals.

Owners executing housing assistance payment contracts that become effective on or after December 1, 2011 must enroll in CMHA's ETP system. All owners will be phased into the ETP system no later than June 30, 2012. Owners may voluntarily enroll at any time after December 1, 2011 by completing an authorization agreement to receive payments through the ETP system.

Owners requested to enroll in CMHA's ETP system must complete the registration process within a reasonable deadline established by CMHA. Failure to enroll in CMHA's ETP system may cause CMHA to withhold all funds until the owner is successfully registered, terminate all existing housing assistance payment contracts, and/or deny the owner future participation in any of CMHA's assisted housing programs.

Use of CMHA's ETP system for owners is subject to the following terms and conditions:

1. The ETP Authorization Form must be completed prior to initiating enrollment.
2. CMHA has a reasonable processing time to complete an owner's ETP system enrollment.
3. A valid email address is required and must be kept current.
4. A correct taxpayer identification or social security number is required at all times.
5. CMHA is not responsible to provide equipment, Internet access, or computer software.
6. Payments are subject to the terms of the HAP Contract.
7. CMHA has the right to withdraw monies from the owner's ETP account for payments made in error or to recover monies that the owner is not entitled to receive under the terms and conditions of the Housing Assistance Payment contract.
8. The owner is responsible for the security of their password and bank account information.
9. CMHA is not responsible for the misuse or theft of funds or for the loss or misuse of bank cards. Owners must report the theft of funds or loss or misuse of bank card to CMHA's financial institution partner immediately upon learning of such misuse, loss, or theft.

G. ELECTRONIC TRANSFER PAYMENT SYSTEM FOR FAMILIES

CMHA will issue utility assistance payments to families by using a secure electronic transfer payment (ETP) system. Payments will be made to a family's designated bank account or via a special purpose reloadable bank card that must be obtained from CMHA's financial institution partner. Use of the ETP system is mandatory. Mandatory use of CMHA's ETP system is a lawful agency administrative decision and not subject to informal appeals.

Families eligible to receive a utility assistance payment must enroll in the ETP system at the time of voucher issuance or at their annual re-examination of income. A phase-in schedule to convert families who receive paper check utility assistance payments to the ETP system will be established to enable CMHA to complete the conversion by December 31, 2012. Families will enroll by completing an authorization agreement to receive payments through the ETP system.

Families requested to enroll in CMHA's ETP system must complete the ETP system registration process prior to a reasonable deadline established by CMHA. Failure to enroll in CMHA's ETP system may cause CMHA to withhold all utility assistance payments until the family is successfully registered.

Use of CMHA's ETP system for families is subject to the following terms and conditions:

1. The ETP Authorization Form must be completed prior to initiating enrollment.
2. CMHA has a reasonable processing time to complete a family's ETP system enrollment.
3. A valid email address is required and must be kept current.
4. A correct taxpayer identification or social security number is required at all times.
6. CMHA is not responsible to provide equipment, Internet access, or computer software.
7. Payments are issued under the following conditions:
 - a. The family legally occupies the unit on the first of each month for which the payment was made and has no other residence;
 - b. The family has complied with family obligations regarding their role to maintain the unit in compliance with the housing quality standards;
 - c. The family is not paying any unauthorized additional rent other than the amount approved by CMHA in the housing assistance contract or as amended.
8. CMHA has the right to withdraw monies from the family's ETP account for payments made in error or to recover monies that the family is not entitled to receive under the terms and conditions of the housing assistance payment contract.
9. The family is responsible for the security of their password and bank account information
10. CMHA is not responsible for bank fees for the excessive use or abuse of the bank card.
11. CMHA is not responsible for the loss, theft, or illegal use of the bank card. The family must report the loss, theft, or illegal use of the bank card to CMHA's financial institution partner immediately upon learning of the theft of funds or loss of card.

14. ANNUAL ACTIVITIES

There are four activities CMHA conducts on an annual basis. These activities may be accomplished independently or simultaneously:

- Annual re-certifications of family income, assets, deductions, and composition;
- Check for criminal convictions that disclose drug related or violent criminal behavior (convictions or guilty plea) within the previous 12 months from the family's initial recertification appointment date;
- Annual HQS inspections;
- Process contract rent increases (if requested by the owner) or reductions if required by HUD or CMHA.

CMHA maintains a listing of units under contract by month to ensure systematic reviews of contract rent, allowances for utilities and other services, and housing quality in accordance with the requirement for annual reexamination. Monetary changes are made automatically to the HAP Register in order to issue HAP and UAP payments at desired effective dates.

A. ANNUAL RECERTIFICATION

Families will be requested to provide information on income, assets, allowances and deductions, and family composition at least annually.

Annual re-certifications for mid-month move-ins (e.g. September 15th) will be conducted no later than the following year by the first of the move-in month (e.g. September 1st).

When families move to another dwelling unit, a recertification will be scheduled unless the last recertification was completed more than 90 days prior to lease and contract termination.

1. Reexamination Notice to the Family

CMHA will maintain a reexamination tracking system and at least 90–120 days in advance of the scheduled annual reexamination effective date. The head of household will be notified by mail that s/he is required to attend a reexamination interview on a specified date (or reschedule an appointment in advance if the scheduled date is unacceptable.)

2. Verification of Information Provided

The staff for annual re-certifications will use the policies and procedures outlined in Chapter 8, Verification Procedures.

3. Changes in Family Rent

When the information is analyzed, all necessary documents are prepared and signed by the family, and all other requirements have been met, CMHA will recalculate the family's portion of rent.

CMHA will notify both the owner and family of the adjusted family portion of the rent and housing assistance payment to be paid by CMHA.

If there is a rent increase due to an increase in the family's income, the new rent portion will go into effect following a full 30-day notice prior to the first of the month. If there has been misrepresentation by the family, or if the family caused a delay in the reexamination processing, an increase in rent may be made retroactively.

If there is a rent decrease, it will be effective on the scheduled effective reexamination date (unless the family has caused a delay in reexamination processing.)

B. ANNUAL HQS INSPECTION

CMHA will conduct an inspection using the Housing Quality Standards (and other standards approved in this Administrative Plan) at least annually.

The owner must correct HQS fails if the fail items were caused by normal wear and tear. HQS fail items caused by the family or family members or guests of the family must also be corrected by CMHA's inspection deadline.

C. RENT INCREASES BY OWNER

CMHA will determine that the approved rent:

- Does not exceed rents charged by the owner for comparable unassisted units in the private market; and,
- Is reasonable in relation to rents charged by other owners for comparable units in the private market.

Rent increases for mid-month move-ins (e.g. September 15th) will be granted no earlier than a year from the first of the month following move-in (e.g. October 1st.)

Documentation on comparable unassisted rents will be maintained in rent reasonableness data.

Rent increases must have a 60-day notice to the family and a copy to CMHA. All rent increases are subject to CMHA approval pursuant to rent reasonableness standards and HUD regulations. Only one rent increase will be approved in a 12-month period. If the rent request was not approved, owners must wait an additional six months before submitting a new rent increase request.

1. Shelter Plus Care Program

Shelter Plus Care Program owners must request a rent increase in writing. Rent increases to owners under this program are to be effective on or after the anniversary date of the S+C Contract.

2. Voucher Program

Owners may not request a rent increase in the Voucher Program prior to the expiration of the first term of the lease.

3. Project-Based Voucher

Project-Based Owners must request a rent increase in writing. Rent increases are made at the contract anniversary date. Rent increase requests must be submitted to CMHA 90 days prior to the contract anniversary date.

INTERIM RECERTIFICATIONS

A. CHANGES TO REPORT

For all Housing Choice Voucher Programs, the family's portion of rent will remain in effect for the period between regularly scheduled annual reexaminations except:

- The family **may** report any of the following changes which would result in a decrease in the family's rent:
 1. Decrease in income; or,
 2. Increases in allowances or deductions.
- The family must report income or cash benefits for any member of the family if any existing or new source of income if the increase is \$200 or more per month.

Decreases in the family portion of the rent will be effective the first day of the month following the month in which the change occurs if reported in a timely manner.

Increases in the family portion of rent will be effective the first day after a 30-day advanced written notice to the family and owner unless the family failed to report the income change in a timely manner or caused delays in the processing of the rent reexamination.

CMHA does not conduct interim re-certifications which could result in an increase of rent until the family's scheduled annual recertification unless the family:

- Reports zero income for any adult family members at an interim or annual recertification;
- Has an increase in an existing or new income source that is \$200 or more per month;
- Has an annual income that cannot be projected with any reasonable degree of accuracy;
- Has submitted false, incomplete, or inaccurate information at their last recertification; or,
- Has been paying an incorrect family rent as a result of CMHA error. (The family will not be subject to a retroactive charge for overpayments by CMHA).

B. PROCESSING CHANGES FOR INTERIMS

CMHA will verify and process only the change reported in income and/or family composition information. CMHA will process the initial reported change. Any additional changes that affect the family's portion of rent may be reported after the effective date of the initial interim rent change. CMHA will process only one reported change at any one time.

A HAP Amendment Form will be sent to the owner and family if the family's portion of rent has changed.

C. TIMELY REPORTING

1. Reporting of Changes

The standard for reporting changes for interims (other than changes in family composition which are described below) in a timely manner is for the family to report the change by the end of the month in which the change occurs. The family must complete and submit the Change Reporting Form to CMHA either by mail or returning the form to CMHA offices. If mailed, CMHA will not be held responsible for mail delays. The Change Reporting Form will be date stamped upon receipt and routed to appropriate staff. The date stamp on the form will serve as the family's notification date to CMHA and serve as a start date for internal processing. Staff will send written notice of an appointment date to the family within 3 days after the form was received by CMHA. The family will also be advised to contact CMHA if they do not receive an appointment within 10 days after submitting the Change Reporting Form to CMHA.

Reporting income or family composition changes to CMHA by telephone will not be accepted. CMHA must receive the Change Reporting Form from the family in order schedule an interim appointment.

There may be situations where due to holidays and weekends, the family may not be able to submit the change form by the end of month in which the change occurs. Therefore, if the change occurs during the last 5 calendar days of the month, and the change form is received by CMHA within the first 5 calendar days of the next month, it will be considered timely reporting.

In this case, any decrease can be made retroactive to the first of the month following the change. The family will be given the customary 30-day notice (prior to the first of the month) for an increase.

The family will be required to sign a third party verification form, unless third party verification is impossible to obtain. The family will also be required to bring any documents in to prove the change. If the family does not bring the required information with them to the interview, they will be required to return to CMHA with the documentation within 10 calendar days. In addition, third party verification is sent out, verifying the change.

If the family does not submit the requested information within the 10 calendar days, the family's portion of the rent will be calculated when either the third party verification or the document is received, and it will be considered "untimely reporting" by the family.

If the family does not come in within the 10-day grace period identified, the decrease cannot be retroactive to the first of the month.

2. Procedures When the Change is Reported in a Timely Manner

CMHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following:

- The family will be given a 30-day notice prior to the first of the month for a rent increase. Increases in the family rent are to be made effective upon thirty days notice, prior to the first of the month, so that the change is always effective on the first of the month; or,
- Decreases in the family rent are to be made effective the first of the month following the change. However, no downward rent adjustments are to be processed until all the facts have been verified, even if a retroactive adjustment results.

The change may be based on the documentation the family brought with them to the interview and followed up by a third party verification sent. Verbal confirmation by the family will not be acceptable.

If the family does not bring the information with them, they will be requested to return with the documentation within 10 calendar days or it will be considered untimely reporting.

3. Procedures when the Change Is Not Reported in a Timely Manner

If the family does not report the change by the end of the month in which the change occurred, or within the 10-day grace period specified in Section C. 1 above, the family will be determined to have caused an unreasonable delay in the interim reexamination processing.

- **Increased Family Rent:** The change will be effective retroactive to the date it would have been effective, had it been reported on a timely basis; or,
- **Decreased Family Rent:** The change will be effective on the first of the month following completion of processing by CMHA (not on a retroactive basis.)

Deviation from normal effective dates is justified because of the family's failure to supply the required information.

The calculation methodology is the same even if there was a change three or four years ago that the family did not report and should have. The change is retroactive to the date they should have reported the change and processed by CMHA. A history must be established to determine how much money the family owes CMHA.

4. Procedures When CMHA Does Not Process the Change in a Timely Manner

"Processed in a timely manner," means that the change is effective on the date it would

have been effective when the family reported the change in a timely manner.

If the change cannot be made effective on those dates using the required notice periods, the change is not processed by CMHA in a timely manner.

If CMHA staff does not process changes in a timely manner, an increase will be effective with the required thirty days notice prior to the first of the month after completion of the processing by CMHA.

If the change resulted in a decrease, an overpayment by the family will be calculated retroactively to the date it should have been effective. An adjustment payment will be to the family or to the owner on behalf of the family.

5. Timing of Next Annual Recertification

In the event an interim adjustment has been completed, the next regular reexamination will be scheduled within a year from the last effective date of examination of the family's income and family composition.

6. Changes in Family Composition

All births must be reported at the family's next annual recertification or when the family gives notice to move to a new unit.

Marriage, divorce, death, separation, custody, or guardianship changes must be reported immediately even if there is no increase in the family's household income. Any adult proposed to be added to the family's household must be approved by CMHA. Failure to report these changes in a timely manner is a violation of family obligations.

If a family does not report the change at their annual recertification or when requested to provide information for an interim recertification, the same kind of overpaid Payment will be calculated by taking the lesser of the larger size Payment Standard or gross rent of the unit and subtracting the smaller size Payment Standard to get the overpayment.

For example, if a family had a 3BR Payment Standard and actually qualified for a 1BR Payment Standard at recertification but did not inform CMHA, the calculation would be as follows:

$$\begin{array}{r} 3BR \text{ Payment Standard or Gross Rent of the Unit (the lower of the two)} \\ - \quad \underline{1BR \text{ Payment Standard}} \\ = \quad \textbf{Overpaid Payment} \end{array}$$

CMHA may also assess a retro-charge for any unreported income.

16. TERMINATION AND FAMILY MOVES

A. FAMILY MOVES

The family can decide to move to another unit after the initial 12 months has expired or after obtaining a mutual rescission of the lease from the family's landlord. CMHA has no authority to end a lease. CMHA will issue the family a Voucher if the family does not owe CMHA money and the family is in compliance with HUD and CMHA Housing Choice Voucher regulations.

B. FAMILY NOTICE TO MOVE

Families are required to give advanced written notice of their intent to end the lease to their owner in accordance with their lease (not less than 30 days and not greater than 60 days). During the first term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and CMHA's consent, it will be considered a serious lease violation and may subject the family to termination from the Housing Choice Voucher Program.

The family must provide a copy of the lease termination notice to CMHA. A family's failure to provide a copy of the lease termination notice to CMHA shall be considered as a violation of Family Obligations and may cause the family to be terminated from the Housing Choice Voucher Program.

Acceptable lease termination notice to the owner must be done by certified mail. The family will be required to provide the certified mail receipt and a copy of the lease termination notice to CMHA. If the owner does not accept the certified mail receipt, the family will be required to provide the receipt and envelope showing that the attempt was made. A copy of the lease termination notice shall also be given to CMHA.

Failure to follow the above procedures may subject the family to termination from the Housing Choice Voucher Program.

C. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS

If the household breaks up, (divorce or legal separation), CMHA must determine who is eligible to participate in the program.

Unless there is mutual consent or a Court stipulated determination, CMHA will make the decision as to which party is able to retain the Voucher.

In making this decision, CMHA may consider the following guidelines:

- The desires of the parties involved;
- Custody of the children;

- The individual to whom the Voucher was issued, if not jointly;
- The remaining family composition in the unit; or,
- The possibility of domestic violence.

Documentation for any of the above criteria will be the responsibility of the requesting parties. If documentation is not provided, CMHA reserves the right to issue the Voucher to the remaining member of the family.

D. EVICTIONS

In the event the owner desires to terminate the lease, the owner must comply with the conditions of the lease and housing contract. The lease may be terminated by:

- Court action pursuant to the Ohio Revised Code using the grounds for eviction cited in the lease; or,
- A mutual lease rescission executed by the owner and family (The form must be approved by CMHA).

Other actions may result in lease termination:

- The owner may terminate a lease at any time after the initial one year period or at the end of any renewal period;
- The unit becomes over-crowded according to Housing Quality Standards: or
- CMHA terminates the housing assistance contract due to owner or tenant non-compliance with the contract or family obligations. If the contract is terminated, the lease is also terminated.

In the event of a lease termination or eviction, CMHA may deny or terminate further program assistance to the tenant to the extent authorized by, and consistent with, 24 C.F.R. §982.552(b). Prior to any issuance of a new Voucher, CMHA will conduct a recertification pursuant to CMHA policies.

E. OWNER NOTICE TO VACATE UNIT

Owners may only give families notice according to their lease and/or the HUD Lease Addendum provisions. Owners are required to follow eviction procedures consistent with their housing contract and must comply with federal, State, and local law.

F. FAMILY FRAUD

If the family has committed fraud (see definition in this Plan) in connection with the Housing Choice Voucher Program, CMHA may terminate assistance and cancel the contract. If the family has understated income and assets, overstated deductions, or has falsely declared their family composition, CMHA will make every effort to recover any housing Payment overpayment made as a result of the family's fraud or program abuse and refer the matter to local authorities for criminal prosecution.

G. OWNER FRAUD

If an owner has committed fraud (see definition in this Plan) in connection with the Housing Choice Voucher Program, CMHA may terminate the Contract and review the circumstances and family's involvement to determine if the family is eligible to relocate to another unit with continuation of assistance.

CMHA will make every effort to recover any overpayment made as a result of owner fraud or abuse.

If the owner has committed fraud, CMHA may suspend further participation, refuse to enter into any new housing contract, and/or terminate current HAP contracts.

CMHA may also refer the matter to its legal counsel for civil litigation and to local authorities for criminal prosecution.

H. CHANGE IN OWNERSHIP

CMHA must receive a written request by the owner who executed the HAP in order to make changes regarding the change of ownership.

CMHA will process a change of ownership if accompanied by acceptable documentation showing the transfer of title and the correct Tax Identification Number or Social Security Number of the actual owner of the property. New owners to the Program must properly execute IRS form W-9. CMHA may withhold payment until the correct tax identification number is received. CMHA will request the owner to execute a HAP Contract Transfer Form. A new owner may request a new lease and HAP Contract be executed with the family and CMHA.

CMHA reserves the right to deny participation in the CMHA Housing Choice Voucher Program pursuant to HUD and CMHA policies

17. DENIAL OR TERMINATION OF ASSISTANCE

A. GENERAL POLICY

CMHA may deny or terminate assistance at any time for any of the following reasons:

- Families who have committed fraud in any federal housing assistance program, or
- Families who have violated any of the following Family Obligations:
 1. The family must supply any information that CMHA or HUD determines necessary for the administration of the program, including any evidence of citizenship or eligible immigration status;
 2. The family must supply any information requested by CMHA or HUD for use in regular or interim reexamination of the family's income and family composition in accordance with HUD requirements;
 3. The family must disclose and verify legal names and social security numbers and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 813;
 4. Any information supplied by the family must be true and complete;
 5. The family is responsible for any HQS breach caused by the family as described in §982.404(b);
 6. The family must allow CMHA to inspect the unit at reasonable times and after reasonable notice;
 7. The family must not commit any serious or repeated violation(s) of the lease;
 8. The family must notify CMHA and owner before the family moves out of the unit, or terminates the lease on notice to the owner. See §982.314(d);
 9. The family must promptly give CMHA a copy of any owner eviction notice;
 10. The family must use the assisted unit for residence by the family. The unit must be the family's only residence;
 11. CMHA must approve the composition of the assisted family in the unit. The family must promptly inform CMHA of the birth, adoption, or court-awarded custody of a child. The family must request CMHA's approval to add any other family member as an occupant of the unit;

12. The family must promptly notify CMHA if any family member no longer resides in the unit;
13. If CMHA has given approval, a foster child or a live-in-aide may reside in the unit;
14. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to the primary use of the for residence by members of the family;
15. The family must not sublease or let the unit;
16. The family must not assign the lease or transfer the unit;
17. The family must supply any information or certification requested by CMHA to verify that the family is living in the unit, or relating to family absence from the unit, including any CMHA requested information or certification on the purposes of family absences. The family must cooperate with CMHA for this purpose. The family must notify CMHA of absence from the unit;
18. The family must not own or have any interest in the unit (home ownership participants excluded from this rule);
19. The family's members must not commit fraud, bribery, or any corrupt or criminal act in connection with the Housing Choice Voucher Program;
20. The family's members may not engage in drug-related criminal activity, or violent criminal activity (see §982.553); or,
21. An assisted family, or members of the assisted family, may not receive Housing Choice Voucher family-based assistance while receiving another housing Payment, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

In addition to the above requirements, CMHA may terminate assistance if:

1. Families who refuse to enter into a repayment agreement or who are in default of an executed repayment agreement by missing two consecutive payments. CMHA may accept partial payment but CMHA's acceptance does not limit CMHA's right to terminate assistance for default. For any family in default, the outstanding balance must be paid prior to the issuance of a Voucher or execution of a HAP Contract;

2. Families with total family contribution that is sufficient to pay the full gross rent and six months has elapsed since CMHA's last HAP payment was made to the family's landlord;
3. Any adult family member that has been evicted from public housing;
4. For any family member that has been terminated from the CMHA Housing Choice Voucher Program for family violations;
5. The family currently owes rent or other amounts to a housing authority in connection with Housing Choice Voucher or public housing assistance under the 1937 Housing Act;
6. 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;
7. Failure of a FSS program participant to comply without good cause with the FSS contract of participation; or,
8. The family has engaged in abusive or violent behavior toward CMHA's personnel.
9. Tenant caused HQS damages exceeding \$1,000 as determined by CMHA. See Chapter 11, Section H—HAP Contract Terminations for Family Caused HQS Violations.

B. DEFINITIONS AND RELATED POLICIES

1. Drug-related or Violent Criminal Activity:

Family must not engage in drug-related criminal activity or violent criminal activity, including criminal activity by any Family member.

Drug-related criminal activity means:

- The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, a controlled substance (as defined in the Controlled Substance Act);
- The illegal use or possession (other than with intent to manufacture, sell or distribute), of a controlled substance, except that such felonious use or possession must have occurred within 18 months of preliminary application date, final eligibility determination date, or initial re-exam appointment date. Different dates are applicable to the status of a family's housing assistance.

- Drug related criminal activity does not include the use or possession if the family member can demonstrate that s/he:

1. Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment; and,

C. Has recovered or is recovering from such addiction and does not currently use or possess controlled substances.

- 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.

D. Evidence of Criminal Activity:

In determining whether to deny or terminate assistance based on drug- related criminal activity or violent criminal activity, CMHA terminate assistance when information from a public record that a family member has been convicted or has pled guilty to the charge.

As a measure to determine whether the person has violated this family obligation, one of the following situations must be present:

- There has been an arrest for engaging in drug-related criminal activity or violent criminal activity (as defined above), by any family member, which resulted in a conviction or guilty plea within the last 12 months from the initial re-exam appointment date; (for application processing, see Chapters 3 & 4) or
- The family has been evicted for engaging in drug-related criminal activity or violent criminal activity (as defined above), including criminal activity by any family member.

E. THE \$0 ASSISTANCE FAMILY

\$0 assistance families may remain on the program for 6 months from the effective date they went to \$0 assistance.

If the family’s total family contribution is sufficient to pay the full gross rent and 6 months has elapsed since CMHA’s last HAP payment was made, the family’s assistance is automatically terminated.

There are no expiration dates on leases. There is no new lease and contract at reexamination time unless the owner offers the family a new lease.

However, if the owner requests a rent increase during this period and the rent increase would cause CMHA to resume HAP payments, or if at reexamination time, the family had a loss of income, there would be a HAP payment.

If payments are resumed, there would be an interim adjustment and a HAP amendment form would be sent out, listing the new amounts

The family will be notified of their rights to remain on the program at \$0 assistance for 6 months.

In the event that the family wants to move to another unit during this period, CMHA would not execute a new HAP Contract for the new unit at \$0 assistance. If there would be assistance (because of a higher rent, for example), CMHA may execute a new HAP Contract.

D. NOTICE OF TERMINATION

When CMHA decides to terminate assistance to the family, CMHA must give notice to the family and the owner. A 30-day written termination notice that includes the following information:

- The reasons for the termination;
- The effective date of the termination;
- The household's right to request an informal hearing; and,
- The family's responsibility to pay the full rent to the owner if they remain in the unit.

18. RECOVERING OVERPAYMENTS FROM OWNERS

A. DEFINITION OF OVERPAYMENT OF HOUSING ASSISTANCE

An overpayment of housing assistance occurs when CMHA issues a housing assistance payment that is not in accordance with the terms of the housing assistance payment contract, beyond the term of the owner's voucher-assisted lease with the tenant, when the tenant does not reside in the unit, or when the owner intentionally provides false information to CMHA for the purpose of entering into or continuation of a housing assistance payment contract. While some overpayments are due to CMHA processing errors, the majority of overpayments are caused by an action or inaction by the family and/or owner that subsequently causes the overpayment and has brought to CMHA's attention after a payment has been issued.

B. RIGHT OF RECOVERY

Under the terms of the housing assistance payment (HAP) contract, CMHA has been granted the authority to recover overpayments, suspend housing assistance payments, abate or reduce of housing assistance payments, terminate housing assistance payments, and terminate the HAP contract. If CMHA determines that the owner is not entitled to the housing assistance payment or any part of it, CMHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner (including amounts due under any other Housing Choice Voucher assistance contract).

C. OWNER APPEAL OF THE RECOVERY OF OVERPAID HOUSING ASSISTANCE

Chapter 19 (Complaints and Appeals by Participants and Owners) of this Administrative Plan specifies that an appeal must be taken within the timeframes designated for each action listed within this section. CMHA sends written notice to the owner of the action that will be taken by CMHA with regard to each assisted unit. An appeal must be made to CMHA's decision and it must be within the timeframes listed for the specific action taken by CMHA. If the owner's appeal is not received within the timeframes, the owner's appeal shall be deemed waived and abandoned, the appeal shall be resolved against the owner, and shall not thereafter be subject to further appeal or review. No appeal will be considered at the time CMHA recovers the overpayment or sends a notice to the owner for repayment because the time for appeal has expired.

D. RECOVERING OVERPAYMENTS OF HOUSING ASSISTANCE

The recovery of overpayments may be accomplished through several means:

1. Deductions from future payments made to the owner for the same client or for other clients that are under a HAP contract with the owner;
2. The owner returns the check to CMHA;

3. The check is voided at the owner's request;
4. The check is not cashed within 60 days and is voided; or
5. The owner remits payment to CMHA for the balance due.

In the event a payment is made to CMHA, the payment must be made by personal check, money order, or bank check. CMHA will not accept cash payments. If an owner's personal check is returned for insufficient funds, CMHA may charge an additional insufficient fund charge and require the owner to submit future payments by money order or by bank check.

E. COLLECTING OUTSTANDING OWNER OVERPAYMENTS

In the event the owner fails to repay the repayment balance within 60 calendar days of the initial HAP adjustment, the owner will be sent a notice that payment is due within 30 days. If the owner does not pay within the next 30 days, the owner will be sent a second and final notice requesting payment within 10 calendar days. If no payment is received within this 10-day period, the owner's account will be forwarded to a collections agency. CMHA will not enter into any repayment agreement with an owner.

F. REFUSAL TO ENTER INTO FUTURE HAP CONTRACTS

CMHA has the right to refuse to enter into any additional housing assistance payments contracts with an owner until any outstanding balance is paid in full.

E. DEFINITION OF OWNER

For purposes of this Administrative Plan, "owner" includes any person or entity who: (a) enters into a HAP contract and/or is assigned a vendor account by CMHA; and/or (b) holds an interest, direct or indirect, in an entity which enters into a HAP contract and/or is assigned a vendor account by CMHA. A direct interest is any ownership interest. An indirect interest is any circumstance where CMHA determines, at its discretion, that the individual or entity is closely related to the person or entity that enters into the HAP contract and/or is assigned a vendor account, such as by marriage, relatives, affiliated entities, or other indirect connection. If an owner's participation is suspended, that suspension may, at CMHA's discretion, apply to all entities in which that owner holds any direct or indirect interest. In determining whether to suspend participation or cancel a contract for any particular vendor account, CMHA may, in its discretion, consider all of the relevant circumstances.

19. COMPLAINTS AND APPEALS BY PARTICIPANTS AND OWNERS

A. COMPLAINTS

CMHA will investigate and respond promptly to complaints by families or owners. CMHA may require that complaints other than HQS violations be put in writing to CMHA. Each complaint regarding physical condition of the units may be reported by phone to the Inspection staff. Anonymous complaints are checked whenever possible.

B. APPEALS BY OWNERS

1. General

- (a) This owner appeal procedure applies to the following decisions:
 - (i) a decision by CMHA denying, in whole or in part, a rent increase request;
 - (ii) a decision by CMHA to abate rent for one or more units based on a finding that one or more housing quality standards violations (as set forth in the Code of Federal Regulations and the Housing Choice Voucher Programs Department Administrative Plan) have not been timely corrected;
 - (iii) a decision by CMHA to cancel a HAP Contract after an abatement has occurred;
 - (iv) a decision by CMHA to terminate a HAP Contract retroactively and recover Payment paid for prior months during which an assisted tenant no longer resided in the unit (disputing the time when the family left the unit);
 - (v) a decision by CMHA to terminate a HAP Contract for owner breach (other than failure to maintain the unit in compliance with housing quality standards);
 - (vi) other decisions, if the written notice of the decision indicates that it may be appealed through this procedure.
- (b) This procedure does not apply to any decisions other than those identified in (a).
- (c) Exhaustion of Administrative Remedies.

This procedure sets forth a process for review of certain administrative decisions made by CMHA. This Owner Appeal Procedure must be followed in all respects and fully exhausted prior to the filing of any judicial or other action for review of any decision to which this procedure applies. Failure to timely follow and fully exhaust this procedure may result in dismissal of any judicial action.

(d) Effect of time limits.

Notices of appeal must be received by CMHA within the number of calendar days indicated in Section 4, below. The time periods for submitting notices of appeal begin to run at the date of issuance (not receipt) set forth on the decision being appealed. CMHA must receive notices of appeal by the delivery deadlines provided in this Owner Appeal Procedure. The owner may choose any method of delivery, but the owner is responsible for ensuring that the notice is received by CMHA by the applicable delivery deadline.

Failure to act within the time limits specified in this Owner Appeal Procedure, at any level or juncture, will result in the loss by the owner of the right to seek further review of a particular decision and will constitute a failure to exhaust administrative remedies. If the respective time limitations set forth in this Owner Appeal Procedure, including those for delivery and receipt of written notices or documents, are not strictly met, the owner's appeal shall be deemed waived and abandoned, the appeal shall be resolved against the owner, and shall not thereafter be subject to further appeal or review.

(e) Notice to owner; Notices of appeal

(i) All notices to owners shall be sent by regular U.S. mail to the address to which payments under the HAP Contract are sent;

(ii) All notices of appeal submitted by owners pursuant to this procedure must be in writing, must be addressed and directed as set forth in Section 4, below, and must contain the following language in a conspicuous place: NOTICE OF OWNER APPEAL PURSUANT TO ADMINISTRATIVE PLAN. In addition, all notices of appeal must have attached the decision appealed from and must set forth, specifically and in detail, each and every basis upon which the owner believes the decision is incorrect or is in violation of CMHA policies or HUD regulations. Any hearing held pursuant to this Owner Appeal Procedure will be limited to the issues set forth in the notice of appeal.

2. **Informal Resolution**

Although not a necessary prerequisite to invocation of this Owner Appeal Procedure, owners are encouraged to immediately bring perceived errors or omissions to the attention of CMHA staff through informal means, such as telephone conversations, voice mail or e-mail. Such informal means may lead to resolution of owner concerns. Attempts to resolve concerns through informal means, however, do not alter or modify the time limits within which the owner must invoke and/or continue the formal appeal process, and the owner is responsible for ensuring that requests for formal review are submitted properly and within the designated time limits.

3. **Levels Of Formal Review**

This Owner Appeal Procedure provides the opportunity for two levels of review for each decision to which this Owner Appeal Procedure applies. The two levels shall be as follows:

- (a) For decisions identified in 1.(a)(i) through 1.(a)(iii):
 - (i) The first level appeal will be to the Inspections Manager or his/her designee;
 - (ii) The second level appeal will be to the Director, Housing Choice Voucher Programs Department or his/her designee.
- (b) For decisions identified in 1.(a)(iv):
 - (i) The first level appeal will be to the Housing Assistance Manager or his/her designee;
 - (ii) The second level appeal will be to the Director, Housing Choice Voucher Programs Department or his/her designee.
- (c) For decisions identified in 1.(a)(v):
 - (i) The first level appeal will be to the Director, Housing Choice Voucher Programs Department or his/her designee;
 - (ii) The second level appeal will be to the Deputy Director or his/her designee.
- (d) For decisions identified in 1.(a)(vi), the appeal levels will be as described in the written notice of the decision.

4. **Formal Appeal Procedures**

(a) **Rent Increase Decision Appeals**

- (i) If an owner wishes to appeal a decision denying, in whole or in part, a rent increase request, the owner must deliver the written notice of appeal, in the form designated in 1.(e)(ii), above, to the Inspections Manager within fifteen (15) calendar days of the issuance of the correspondence notifying the owner of the decision.
- (ii) The Inspections Manager will schedule and conduct a conference with the owner within fifteen (15) calendar days of receipt of the proper written notice of owner appeal, unless the owner and CMHA mutually agree to an extension of no more than fifteen (15) additional calendar days.

- (iii) The initial conference will be held with the Inspections Manager. Counsel will not be permitted to attend this conference, and it will not be recorded or transcribed.
- (iv) The Inspections Manager will issue a written decision within fifteen (15) calendar days of the conference. The decision will be issued by regular U.S. mail and sent to the address to which payments under the HAP Contract are sent.
- (v) If the owner is not satisfied with the decision of the Inspections Manager, the owner may appeal that decision by delivering a written notice of appeal, in the form designated in 1.(e)(ii), above, to the Director, Housing Choice Voucher Programs Department. This notice of appeal must be received by the Director within fifteen (15) calendar days from the date appearing on the decision of the Inspections Manager.
- (vi) If no notice of appeal is received by the Director within the specified time frame, further appeal is waived and the decision of the Inspections Manager becomes final.
- (vii) The Director or his/her designee will schedule and conduct a conference within fifteen (15) calendar days of receipt of the notice of appeal, unless the owner and CMHA mutually agree to an extension of no more than fifteen (15) additional calendar days.
- (viii) At the hearing before the Director or his/her designee, the following procedures apply:
 - (A) The owner and CMHA may be represented by counsel. If either CMHA or the owner desires counsel to be present, that party must notify the other of counsel's presence at least seven (7) calendar days before the hearing. If either party gives timely notification of the attendance of counsel, counsel for the other party shall be permitted without additional notice. If there is no timely notification by either party, counsel shall not be permitted.
 - (B) The hearing will be recorded by CMHA, by tape recording, stenographer, videotape, or other means determined by CMHA. The owner may provide a stenographer, at the owner's expense, so long as the transcript of the hearing is provided to CMHA thereafter.
 - (C) The owner may present evidence, including witness testimony. If the owner wishes to present witness testimony at the hearing, the owner shall notify the Director or his/her designee at least five (5) calendar days before the hearing of the identity of each witness and a summary of expected testimony.

If there is no timely notification, the owner will not be permitted to present witness testimony. The Director or his/her designee may, but is not required to, ask questions of the owner and any witnesses. CMHA staff and the owner may present their positions in writing at the time of the hearing.

- (ix) Unless it is impracticable to do so, a written decision will be issued within thirty (30) calendar days of the hearing. The decision of the Director or his/her designee is final.

(b) **Abatement/Contract Cancellation Appeals**

- (i) If an owner wishes to appeal a rent abatement, the owner must deliver the written notice of appeal, in the form designated in 1.(e)(ii), above, to the Inspections Manager within ten (10) calendar days of the issuance of the correspondence notifying the owner of the abatement.
- (ii) The Inspections Manager will schedule and conduct a conference with the owner within fifteen (15) calendar days of receipt of a proper written notice of owner appeal.
- (iii) If a HAP Contract is cancelled as a result of the owner's failure to correct HQS violations during the time period specified in the notice of abatement, the owner may appeal the cancellation by delivering a written notice of appeal, in the form designated in 1.(e)(ii), above, to the Inspections Manager within ten (10) calendar days of the date of issuance of the correspondence notifying the owner of the cancellation.
- (iv) If the owner has timely appealed the underlying rent abatement decision, the appeal of the HAP Contract cancellation decision will be consolidated with and considered at the same time as the appeal of the rent abatement. If the owner did not timely appeal the underlying rent abatement decision, the Inspections Manager will schedule and conduct a conference with the owner within fifteen (15) calendar days of receipt of a proper written notice of owner appeal. If the underlying rent abatement was not appealed, the appeal of the cancellation will be limited to review of whether the owner satisfactorily performed the required repairs and notified CMHA of completion of the work within the required period prior to cancellation.
- (v) The initial conference will be held with the Inspections Manager. Counsel will not be permitted to attend this conference, and it will not be recorded or transcribed.
- (vi) The Inspections Manager will issue a written decision within fifteen (15) calendar days of the conference. In the case of an appeal of a cancellation decision, other than in situations involving an emergency fail item pursuant to 24 CFR 982.404(a)(3), every effort will be made to issue the decision prior to the date upon which the tenant is required to vacate the unit, although such timing cannot be guaranteed.

The decision will be issued by regular U.S. mail and sent to the address to which payments under the HAP Contract are sent.

- (vii) If the owner is not satisfied with the decision of the Inspections Manager, the owner may appeal that decision by delivering a written notice of appeal, in the form designated in 1.(e)(ii), above, to the Director, Housing Choice Voucher Programs Department. This notice of appeal must be received by the Director within fifteen (15) calendar days from the date appearing on the decision of the Inspections Manager.
- (viii) If no notice of appeal is received by the Director within the specified time frame, further appeal is waived and the decision of the Inspections Manager becomes final.
- (ix) The Director or his/her designee will schedule and conduct a conference within fifteen (15) calendar days of receipt of the notice of appeal, unless the owner and CMHA mutually agree to an extension of no more than fifteen (15) additional calendar days.
- (x) At the hearing before the Director or his/her designee, the following procedures apply:
 - (A) The owner and CMHA may be represented by counsel. If either CMHA or the owner desires counsel to be present, that party must notify the other of counsel's presence at least seven (7) calendar days before the hearing. If either party gives timely notification of the attendance of counsel, counsel for the other party shall be permitted without additional notice. If there is no timely notification by either party, counsel shall not be permitted.
 - (B) The hearing will be recorded by CMHA, by tape recording, stenographer, videotape, or other means determined by CMHA. The owner may provide a stenographer, at the owner's expense, so long as the transcript of the hearing is provided to CMHA thereafter.
 - (C) The owner may present evidence, including witness testimony. If the owner wishes to present witness testimony at the hearing, the owner shall notify the Director or his/her designee at least five (5) calendar days before the hearing of the identity of each witness and a summary of expected testimony. If there is no timely notification, the owner will not be permitted to present witness testimony. The Director or his/her designee may, but is not required to, ask questions of the owner and any witnesses. CMHA staff and the owner may present their positions in writing at the time of the hearing.

- (xi) Unless it is impracticable to do so, a written decision will be issued within thirty (30) calendar days of the hearing. The decision of the Director or his/her designee is final.

(c) **Appeal of a Decision to Terminate a HAP Contract Retroactively**

- (i) If an owner wishes to appeal a decision described in 1.(a)(iv), the owner must deliver the written notice of appeal, in the form designated in 1.(e)(ii), above, to the Housing Assistance Manager within fifteen (15) calendar days of the issuance of the correspondence notifying the owner of the decision.
- (ii) The Housing Assistance Manager will schedule and conduct a conference with the owner within fifteen (15) calendar days of receipt of the proper written notice of owner appeal, unless the owner and CMHA mutually agree to an extension of no more than fifteen (15) additional calendar days.
- (iii) The initial conference will be held with the Housing Assistance Manager. Counsel will not be permitted to attend this conference, and it will not be recorded or transcribed.
- (iv) The Housing Assistance Manager will issue a written decision within fifteen (15) calendar days of the conference. The decision will be issued by regular U.S. mail and sent to the address to which payments under the HAP Contract are sent.
- (v) If the owner is not satisfied with the decision of the Housing Assistance Manager, the owner may appeal that decision by delivering a written notice of appeal, in the form designated in 1.(e)(ii), above, to the Director, Housing Choice Voucher Programs Department. This notice of appeal must be received by the Director within fifteen (15) calendar days from the date appearing on the decision of the Housing Assistance Manager.
- (vi) If no notice of appeal is received by the Director within the specified time frame, further appeal is waived and the decision of the Housing Assistance Manager becomes final.
- (vii) The Director or his/her designee will schedule and conduct a conference within fifteen (15) calendar days of receipt of the notice of appeal, unless the owner and CMHA mutually agree to an extension of no more than fifteen (15) additional calendar days.
- (viii) At the hearing before the Director or his/her designee, the following procedures apply:

- (A) The owner and CMHA may be represented by counsel. If either CMHA or the owner desires counsel to be present, that party must notify the other of counsel's presence at least seven (7) calendar days before the hearing. If either party gives timely notification of the attendance of counsel, counsel for the other party shall be permitted without additional notice. If there is no timely notification by either party, counsel shall not be permitted.
- (B) The hearing will be recorded by CMHA, by tape recording, stenographer, videotape, or other means determined by CMHA. The owner may provide a stenographer, at the owner's expense, so long as the transcript of the hearing is provided to CMHA thereafter.
- (C) The owner may present evidence, including witness testimony. If the owner wishes to present witness testimony at the hearing, the owner shall notify the Director or his/her designee at least five (5) calendar days before the hearing of the identity of each witness and a summary of expected testimony. If there is no timely notification, the owner will not be permitted to present witness testimony. The Director or his/her designee may, but is not required to, ask questions of the owner and any witnesses. CMHA staff and the owner may present their positions in writing at the time of the hearing.
- (ix) Unless it is impracticable to do so, a written decision will be issued within thirty (30) calendar days of the hearing. The decision of the Director or his/her designee is final.
- (d) **Appeal of a Decision to Terminate a HAP Contract for Owner Breach**
 - (i) If an owner wishes to appeal a decision described in 1.(a)(v), the owner must deliver the written notice of appeal, in the form designated in 1.(e)(ii), above, to the Director, Housing Choice Voucher Programs Department within fifteen (15) calendar days of the issuance of the correspondence notifying the owner of the decision.
 - (ii) The Director or his/her designee will schedule and conduct a conference with the owner within fifteen (15) calendar days of receipt of the proper written notice of owner appeal, unless the owner and CMHA mutually agree to an extension of no more than fifteen (15) additional calendar days.
 - (iii) At the hearing before the Director or his/her designee, the following procedures apply:

- (A) The owner and CMHA may be represented by counsel. If either CMHA or the owner desires counsel to be present, that party must notify the other of counsel's presence at least seven (7) calendar days before the hearing. If either party gives timely notification of the attendance of counsel, counsel for the other party shall be permitted without additional notice. If there is no timely notification by either party, counsel shall not be permitted.
- (B) The hearing will be recorded by CMHA, by tape recording, stenographer, videotape, or other means determined by CMHA. The owner may provide a stenographer, at the owner's expense, so long as the transcript of the hearing is provided to CMHA thereafter.
- (C) The owner may present evidence, including witness testimony. If the owner wishes to present witness testimony at the hearing, the owner shall notify the Director or his/her designee at least five (5) calendar days before the hearing of the identity of each witness and a summary of expected testimony. If there is no timely notification, the owner will not be permitted to present witness testimony. The Director or his/her designee may, but is not required to, ask questions of the owner and any witnesses. CMHA staff and the owner may present their positions in writing at the time of the hearing.
- (iv) Unless it is impracticable to do so, a written decision will be issued within thirty (30) calendar days of the hearing. The decision of the Director or his/her designee is final.
- (v) If the owner is not satisfied with the decision of the Director or his/her designee, the owner may appeal that decision by delivering a written notice of appeal, in the form designated in 1.(e)(ii), above, to the Deputy Director of CMHA. This notice of appeal must be received by the Deputy Director within fifteen (15) calendar days from the date appearing on the decision of the Director or his/her designee.
- (vi) If no notice of appeal is received by the Deputy Director within the specified time frame, further appeal is waived and the decision of the Director or his/her designee becomes final.
- (vii) Within fifteen (15) calendar days of the delivery of the written notice of appeal to the Deputy Director, the owner must deliver written objections to the decision of the Director or his/her designee. Absent prior approval, the objections should not exceed fifteen (15) double-spaced typewritten pages. The objections should contain every basis upon which the owner believes the decision of the Director or his/her designee is in error.

If the owner wishes to have the Deputy Director consider a transcript prepared by a court reporter secured by the owner, the owner must provide a copy of the transcript, and the written objections must make specific reference to those pages of the transcript relevant to each objection.

- (viii) In rendering his/her decision, the Deputy Director or his/her designee may review the transcript of the hearing before the Director or his/her designee, along with all exhibits submitted at that hearing. The Deputy Director or his/her designee will review the objections submitted by the owner. Evidence or exhibits not presented to the Director or his/her designee during the hearing will not receive consideration by the Deputy Director or his/her designee.
- (ix) The Deputy Director or his/her designee will issue a written decision, which will be final.

5. **Designation of Hearing Officers**

The Director of the Section 8 Programs Department and the Deputy Director may designate another hearing officer, including but not limited to a CMHA Department Head, a CMHA Hearing Officer, or an outside party, to conduct hearings provided for in this Owner Appeal Procedure. No designated hearing officer shall have been involved in the decision being appealed. Housing Choice Voucher staff (other than a CMHA Hearing Officer) shall not be eligible to be the designated hearing officer of the Director, Housing Choice Voucher Programs Department or the Deputy Director.

When such a designation is made, the Director shall review the hearing officer's decision prior to issuance to ensure that such decision is not contrary to HUD regulations or requirements, or otherwise contrary to federal, state, or local law. If the Director, Housing Choice Voucher Programs Department determines that the decision is contrary to law, the owner will be notified that the decision is not binding, and the Director, Housing Choice Voucher Programs Department (or, in the case of decisions described in 1.(a)(iv), the Deputy Director) shall issue a decision based upon the record made at the hearing.

If necessary, the Housing Assistance Manager and/or Inspections Manager may designate a department supervisor who was not involved in the decision being appealed to hold a conference otherwise to be held by the Housing Assistance Manager or Inspections Manager.

6. **Complaints Regarding CMHA Policy**

In connection with any appeal provided for under this Owner Appeal Procedure, an owner may express disagreement with the appropriateness of the CMHA policy or interpretation of HUD regulations that led to the decision appealed from. However, as such issues do not involve factual determinations, no hearing will be provided to address the appropriateness of CMHA policy or interpretation of HUD regulations. Rather, such issues may be addressed in writing by CMHA, without hearing.

7. **Judicial Review of Final Decisions**

Judicial review of any final decision under this Owner Appeal Procedure may be obtained only in the Franklin County Court of Common Pleas pursuant to Ohio Revised Code Chapter 2506, if such judicial appeal is otherwise appropriate and permitted.

C. APPEALS BY PARTICIPANTS

All Housing Choice Voucher participants have a right to appeal CMHA's decisions that may affect their status as a participant and the type and scope of benefits that are afforded to them under the Housing Choice Voucher Program. Appeals to certain CMHA decisions must be made pursuant to the HUD regulations and CMHA's policies that govern informal hearings. An informal hearing allows a participant an opportunity to present the participant's individual circumstances or personal hardship, which could reverse or modify CMHA's initial decision. The informal hearing also affords the hearing officer an opportunity to review CMHA's initial or proposed decision(s) for compliance with HUD regulations and CMHA policies. The hearing officer may reverse, modify, or affirm with or without conditions, CMHA's initial or proposed decision as long as the hearing officer's decision is not contrary to HUD regulations or requirements, or otherwise contrary to federal, state, or local law.

CMHA will not be required to provide an informal hearing to a participant family for any of the following:

- Discretionary administrative determinations, i.e., repayment agreement terms, appointments, etc.;
- Refusal to enter into a repayment agreement after the repayment amount has been confirmed;
- General policy issues or class grievances;
- Establishing or reviewing CMHA's utility allowances;
- Extending or suspending a term of a Voucher;
- Approving a unit or owner's lease;
- HQS determinations on a unit;
- HQS occupancy violations because of family size; or,
- CMHA's contractual rights and remedies with an owner.

All requests for Informal Hearings must be made within 10 calendar days of the date of the notification letter or within 10 calendar days from CMHA's initial administrative action or decision. All requests must be made in writing and must be addressed to CMHA's Director of Housing Choice Voucher Programs. Requests received after the deadline will not be processed. CMHA accepts no responsibility for lost or delayed mail.

If the participant's request for an Informal Hearing is received by CMHA's deadline, an Informal Hearing will be scheduled and the participant will be sent written confirmation (at the participant's last known address) of the informal hearing's location, time, and date.

If the participant's request for an Informal Hearing is received after CMHA's deadline, CMHA will reject the participant's request for the hearing by sending a rejection letter to the participant. The letter will be sent to the participant's last known address.

The participant must bear the burden of proof for any claim of lost or undelivered mail. CMHA will maintain all copies of correspondence in the participant's file.

The Informal Hearing shall be conducted by a Hearing Officer who will be neither the person who made or approved the decision under review or a subordinate of such person. Hearing Officers may be CMHA employees appointed by CMHA's Executive Director.

The Hearing Officer shall regulate the conduct of the hearing in accordance with CMHA's hearing procedures. The Hearing Officer shall conduct the hearing informally. Oral or documentary evidence pertinent to the facts and issues raised by the parties may be received without regard to admissibility under the rules of evidence applicable to judicial hearings. The Hearing Officer shall require CMHA, the participant, counsel, and all other participants and spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the Hearing Officer to obtain order may result in the exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting relief or denial of the relief sought.

CMHA will provide reasonable accommodation for a person with disabilities in order to participate in the hearing. CMHA reserves the right to decide the type and scope of accommodation. The informal hearing may be recorded and/or transcribed at the sole expense of the party who has arranged for the service.

At the hearing, the participant must first make a showing of an entitlement to the relief sought. Thereafter, CMHA must sustain the burden of justifying CMHA's action or failure to act against which the complaint is directed.

The participant shall be afforded a fair "due process" hearing, which shall include:

- The right to be represented by counsel or other representative;

- The opportunity for the participant to examine before the Informal Hearing any CMHA documents which are directly relevant to the hearing. The participant may be allowed to copy any such document at his or her own expense. If CMHA does not allow access to a particular document, CMHA may not rely on the document at the hearing;
- The right to a private hearing unless the participant requests a public hearing;
- The right to present evidence and arguments in support of the participant's complaint to controvert evidence relied upon by CMHA and to confront and cross-examine all witnesses upon whose testimony or information CMHA relies upon to support its decision; and,
- A decision based solely and exclusively upon the facts presented at the hearing.

The participant will also be advised that CMHA must be given the same opportunity to examine before the informal hearing any participant documents that are relevant to the hearing. The participant must allow CMHA the opportunity to copy any document at CMHA's expense. If the participant fails or refuses to allow CMHA to examine the requested documents, the participant may not rely upon the document(s) at the hearing. If the participant or CMHA fails to show at the scheduled hearing, the Hearing Officer may make a decision to postpone the hearing for five business days (excluding holidays and weekends) or make a determination that the party has waived their right to a hearing.

The participant and CMHA shall be notified of the Hearing Officer's determination; provided that a determination shall not constitute a waiver of any right the participant may have to contest CMHA's disposition of the Informal Hearing in a court of law.

D. DECISION OF THE HEARING OFFICER

The Hearing Officer shall prepare and issue a written statement on the participant's appeal within 15 calendar days after the hearing. The decision must briefly state the reasons for the decision and must be based upon the preponderance of evidence presented at the hearing. A copy of the hearing decision will promptly issued to the participant.

CMHA is not bound by the Hearing Officer's decision when:

- CMHA is not required to provide an opportunity for an informal hearing, or exceeds the authority of the person conducting the hearing under CMHA's informal hearing procedures; or,
- The decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, state, or local law.

If CMHA determines that it is not bound by an informal hearing decision, CMHA will promptly notify the participant of the determination and of the reasons for the determination.

Nothing in this section shall constitute a waiver of, nor affect in any way, the rights of the participant to a trial or judicial review in any court proceedings that may be brought in the matter at a later time.

20. MISSED APPOINTMENTS FOR PARTICIPANTS

A. GENERAL POLICIES

A family who fails to keep appointments (a face to face meeting with the appropriate CMHA staff member) at CMHA's offices or at the family's unit within the time frame specified in this Plan, without notifying CMHA in advance, may be sent a notice of termination of assistance. Grounds for termination shall be the family's refusal or inability to supply such certification, release, information, or documentation as CMHA determines to be necessary in the following situations:

- Visiting CMHA's offices to provide verification information;
- Voucher Briefing;
- Lease signing and Briefing;
- Allowing Housing Quality Inspections;
- Annual Recertification Activities;
- Interim Reporting Requirements;
- Quality-Control Appointments/Inspections; or,
- Fraud or Program Abuse Investigations.

B. APPOINTMENTS AT CMHA OFFICES

CMHA sends advance written notice to the family to meet with CMHA Housing Choice Voucher staff to initiate annual or interim recertification procedures. If the family fails to show for the first appointment, a second appointment is scheduled with written notice of the second appointment mailed to the family. If the family fails to show for the second appointment, CMHA shall send a proposed notice of termination of housing assistance to the family. The proposed termination shall provide the family an opportunity for an informal hearing before final CMHA action.

Families must be punctual for their appointments at CMHA offices. Families, who have arrived more than 20 minutes after their scheduled appointment time, will be considered to have missed their appointment with CMHA staff. Rescheduling appointments will be at the discretion of CMHA.

If a family notifies CMHA that they are unable to keep either the first or the second review appointment, a third appointment may be scheduled at the discretion of CMHA if CMHA determines that the family had a valid excuse for missing the previous appointments.

No more than three appointments may be granted to initiate activities listed in the General Policies of this Section.

C. NEED-MORE APPOINTMENTS OR DOCUMENTS

At the family's initial appointment, CMHA may require the family to provide additional documents or certification in order to complete the recertification process. CMHA will schedule a "need-more" appointment with the family to enable the family to give the requested items directly to the Housing Choice Voucher caseworker. This procedure enables the caseworker to complete the recertification interview process. The caseworker may also request that the family return or mail the additional needed items to CMHA's offices in order to conclude the recertification process.

The deadline for receiving required documents will be given to the family. Any additional items needed by CMHA will be requested in writing and noted in the family's file.

CMHA will give the family no more than two "need-more" notices to provide the required additional information in order to complete the recertification process. The Family's refusal or inability to provide the requested information within specified time frames shall be grounds for termination of housing assistance. Prior to any final action by CMHA, the family will be offered an opportunity for an informal hearing.

D. INSPECTIONS

See Chapter 11 —Section I of this Administrative Plan

21. REPAYMENT AGREEMENTS

Repayment Agreements are executed with families who must reimburse CMHA for overpaid HAP Payment due to unreported income and assets, late reporting of income changes, incorrect or incomplete information about family composition, or when CMHA makes a damage and/or vacancy loss payment to the family's previous landlord.

No family may have more than one repayment agreement in effect at any time for funds due CMHA, or will there be any consolidation of any debts owed to CMHA. Each occurrence must be treated separately.

If CMHA enters into a Repayment Agreement with the family, the terms of the Repayment Agreement will be as follows:

AMOUNT DUE	INITIAL PAYMENT*	MAX TERM
\$500 or less	50% due	6 months
\$501 - 1000	40% due	12 months
\$1001 - 2,500	33% due	18 months
\$2,501 – 3,000	20% due	24 months
\$3,001 or more	No repayment agreement.	Must be terminated for fraud and may be referred for prosecution and other legal action.

* Due at the execution of the Repayment Agreement

Allowing a family to enter into a Repayment Agreement with CMHA will be at the sole discretion of CMHA. CMHA may terminate assistance if the family refuses to enter into a Repayment Agreement. If the purpose of repayment agreement was to recover funds due to the family under reporting income, the family will be terminated for fraud.

Families who owe more than \$3,000 may pay the amount of funds necessary to lower the balance of funds due CMHA to \$3,000 or less to be eligible to enter into a repayment agreement. The initial payment as listed above must also be paid.

A family is in default of a Repayment Agreement by missing two consecutive payments or behind by two payments must pay their outstanding balance upon notice by CMHA. CMHA may terminate assistance if the family breaches the Repayment Agreement.

22. MONITORING PROGRAM PERFORMANCE

Monthly reports are maintained and monitored for reviewing the waiting list, the outstanding Vouchers, and the HAP Register to assure achievement of the outreach goal and the leasing schedule.

Special reports to monitor processing and performance indicators are created and distributed to the managers and staff.

Management staff conducts monthly quality-control file audits and qualify control inspections in order to comply with HUD and CMHA policies.

Additional reports are done by management to monitor SEMAP and CMHA performance indicators

23. PAYMENT STANDARDS FOR THE HOUSING CHOICE VOUCHER PROGRAM

A. PAYMENT STANDARDS

Payment Standards for the Housing Choice Voucher Program will never be less than 90 percent or more than 110 percent of the current Fair Market Rent for units located in Franklin County.

B. AFFORDABILITY ADJUSTMENTS

CMHA will review the Payment Standard annually to determine whether an affordability adjustment should be made. Any adjustments will be made in accordance with HUD regulations

24. CHARGES AGAINST THE HOUSING CHOICE VOUCHER ADMINISTRATIVE FEE RESERVE

Periodically, it is necessary for CMHA to make charges against the Housing Choice Voucher Administrative Fee Reserve to meet unseen or extraordinary expenditures for maintenance, equipment, or services for housing programs that are administered by CMHA.

CMHA's Board of Commissioners have authorized CMHA's Executive Director to charge up to \$25,000 against the Housing Choice Voucher Administrative Fee Reserve for any single item designated for maintenance, equipment, or services for any CMHA administered housing program.

Any single item exceeding \$25,000 will require prior Board of Commissioners approval before any charge is made against the Housing Choice Voucher Administrative Fee Reserve.

25. HOMEOWNERSHIP ASSISTANCE PROGRAM

The Columbus Metropolitan Housing Authority establishes a Housing Choice Voucher tenant-based voucher home ownership program in Franklin County pursuant to the U.S. Department of Housing and Urban Development regulations.

A. ELIGIBILITY

To be eligible for participation in Columbus Metropolitan Housing Authority's (CMHA) Housing Choice Voucher Home Ownership Program, the family must be currently participating in CMHA's Housing Choice Voucher Program and have a minimum of \$3,500 in their FSS escrow account or in other personal savings. For disabled families, the minimum amount of FSS escrow or personal savings for home ownership shall be reduced to \$2,000. Eligible families are also subject to the following requirements:

1. Family must continue to meet the requirements of the Housing Choice Voucher Housing Choice Voucher Program.
2. Family must be in full compliance of the lease.
3. All members of the family must qualify as a first-time homebuyer, not having any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance. First-time homebuyer includes a single parent or displaced homemaker who, while married, owned a home with their spouse, resided in a home owned by their spouse, or is a family of which a family member is a person with disabilities, and use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such person.
4. If any member of the family has previously received assistance under the home ownership program, and has defaulted on a mortgage securing debt, the family is not eligible to participate in the Housing Choice Voucher homeownership program.
5. Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member may have a present ownership interest in a residence at the commencement of homeownership assistance.
6. Family must demonstrate that one or more adult members of the family who will own the house at commencement of homeownership assistance is employed on a full-time basis (not less than an average of 30 hours per week) and has been continuously employed at least one year before commencement of homeownership assistance. This employment requirement does not apply to an elderly family or disabled family.

7. Family must demonstrate that the annual income (gross income) of the adult family members who will own the home at the commencement of homeownership assistance is not less than \$18,000. Income counted in meeting the minimum income requirement must come from sources other than welfare assistance. Disabled families are exempt from this requirement but must meet affordability standards.
8. Family must attend and satisfactorily complete pre-assistance homeownership and housing counseling provided by a HUD-certified home ownership counseling agency. The home ownership counseling must include finance and budgeting education and credit counseling.

B. HOME OWNERSHIP DOWN PAYMENT

The Housing Authority has established a minimum home ownership down payment of at least 3.5 percent of the purchase price and requires that one percent of the purchase price come from the family's personal resources.

C. FAMILY OBLIGATIONS

Before commencement of homeownership assistance, the family must execute the HUD Statement of family Obligations form and a release of information form. In this statement, the family agrees to comply with all family obligations under the homeownership option.

D. TIME FRAME OF UTILIZATION

After executing the Statement of Homeowner Obligations (Form-HUD-52649), the participating family must locate a home for purchase and sign a sales contract within 90 calendar days. Any extension beyond the initial 90 days will be reviewed on a case-by case basis and will be at the sole discretion of CMHA. If the family is unable to enter into a Contract of Sale after exhausting all extensions, the family will remain in the Housing Choice Voucher Program as a renter. If family's search time expires, they must wait 120 calendar days before they are permitted to sign a new Home Owner Obligations Form.

E. PORTABILITY

Families that are determined eligible for home ownership assistance may exercise the homeownership option outside of CMHA's jurisdiction if the receiving public housing authority is administering a Housing Choice Voucher Homeownership program and is accepting new families into its Housing Choice Voucher homeownership program.

The family must attend the briefing and counseling sessions required by the receiving public housing authority. The receiving public housing authority will determine whether the financing for, and the physical condition of the unit, is acceptable.

The receiving public housing authority must promptly notify the initial housing authority if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the public housing authority.

F. FINANCING

The participating family is responsible for obtaining financing. Financing must meet Federal Housing Administration (FHA) mortgage insurance credit underwriting requirements and property inspections when FHA financing is used. CMHA will determine affordability of financing on a case-by-case basis.

Seller financing and balloon payments are prohibited forms of financing. Voucher funds may not be used to assist with financing cost (down payment, closing cost, etc.) unless authorized by HUD. It is recommended that the family use funds in the FSS escrow account for such cost.

The lender must supply a copy of the mortgage application, pre-approval letter, and form HUD-1 Settlement Statement and application (if any) for down payment grant assistance.

All loan closing documents must be provided to CMHA at least 3 business days prior to the loan closing date.

G. UNIT ELIGIBILITY

The Housing Authority reserves the right to determine if the unit selected by the family is eligible for the Housing Choice Voucher homeownership program. The unit is also subject to the following requirements:

1. The unit may be new (under construction) or an existing unit at the time the Housing Authority determines that the family is eligible for homeownership assistance;
2. The unit is a one-unit property or single dwelling unit in a condominium community;
3. The unit must be inspected by the CMHA and must meet HQS requirements;
4. If the unit has passed the HQS inspection, the unit must be also inspected by an independent and certified professional home inspector who has been chosen by the family;
5. The family must determine and document whether or not the unit is in an airport runaway clear zone or an airfield clear zone;
6. The family must determine and document whether if the unit is in a flood hazard area. Units in flood hazard areas must be insured for flood damage; and CMHA may not approve a unit if it is informed (by HUD or otherwise) that the seller is debarred, suspended, or subject to limited denial of participation.

H. PROHIBITED HOUSING TYPES

Families are not permitted (including families that move into the HA program under portability procedures) to purchase the following special housing types:

- Congregate Housing;
- Group home;
- Shared housing;
- Cooperative housing;
- Mobile Homes; or,
- Single room occupancy (SRO)

I. CONTRACT OF SALE AND INSPECTION

Prior to commencement of home ownership assistance, the family must enter into a “Contract of Sale” with the seller of the unit. The family must provide to CMHA a copy of the “Contract of Sale” and a copy of the MLS for the property for review.

The Contract of Sale must include the home’s price and terms of sale, the purchaser’s pre-purchase inspection requirements, addendums (if any), and notice that the sale is conditional on the purchaser’s acceptance of the inspection report; and an agreement that the purchaser is not obligated to pay for necessary repairs.

The family must obtain an independent professional home inspection of the unit’s major systems at the family’s expense. The independent inspector may not be a Housing Authority employee or contractor or other person under the control of the Housing Authority. The 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 must provide a copy of the inspection report to both the family and the Housing Authority. The Housing Authority may not commence home ownership assistance for the family until the Housing Authority has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with the HQS (and may qualify for assistance under the Housing Authority’s tenant base rental voucher program), CMHA shall have discretion to disapprove the unit for assistance under the home ownership option because of information in the inspection report.

CMHA will conduct a Housing Quality Standards (HQS) inspection and will review an independent professional inspection of the unit’s major systems. CMHA retains the right to disqualify the unit for inclusion in the homeownership program based on the HQS inspection or the professional inspection report.

Home ownership expenses include principal and interest for initial mortgage and refinancing debt, real estate taxes and public assessments, mortgage insurance, home insurance, utility allowance from rental voucher program and CMHA’s allowance for routine maintenance cost.

The purchase of foreclosed “HUD” homes or any type of “as is” sale is prohibited because the prospective buyer is not responsible for repairs.

J. HOUSING ASSISTANCE PAYMENTS

The Housing Authority will use the Voucher Program Payment Standards in determining Payment Standards amounts for the homeownership program. Payment Standards are the greater of (1) the Payment Standard at commencement of homeownership assistance or (2) the Payment Standard at the most recent reexamination since commencement of homeownership assistance. The family’s Housing Choice Voucher home ownership assistance payment (HAP) will be the lower of (1) the Housing Choice Voucher Payment Standard minus the total tenant payment or (2) the monthly Homeownership expenses minus the total tenant payment. CMHA will annually reexamine the family income and composition and make appropriate adjustments to the amount of the monthly housing assistance payment.

Home ownership assistance payments will be made directly to the family. It will be the family’s responsibility to make the entire mortgage payment to the lender in a timely manner.

While the rent burden standard is not applicable for home ownership, it does give an indication of affordability. CMHA will use this 40% affordability standard as a guideline for approving families for home ownership.

If the family’s income increases to a point that they do not receive an assistance payment, eligibility for such payments will continue for (180) calendar days. At the end of a continuous period of 180 days without any assistance payments, eligibility for Housing Choice Voucher assistance may automatically terminate. CMHA, at its sole discretion, may waive the termination of the Housing Choice Voucher assistance if the termination of the assistance results in extreme hardship.

K. MAXIMUM TERM OF HOME OWNERSHIP ASSISTANCE

Housing Choice Voucher home ownership assistance will only be provided while the family resides in the home. The maximum length of time a family may receive home ownership assistance is 15 years if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer. In all other cases the maximum term is 10 years. Elderly and disabled families are exempt from the time limit.

The maximum term of home ownership assistance applies to the total time a family receives home ownership assistance, regardless of whether the family purchases another home.

The maximum term applies to any member of the family who:

1. Has an ownership interest in the unit during the time that home ownership payments are made;
2. Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made; or
3. 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. However, such a family must be provided at least 6 months of home ownership assistance after the maximum term becomes applicable, provided the family is otherwise eligible to receive home ownership assistance.

L. CONTINUED ASSISTANCE REQUIREMENTS

Home ownership assistance will only be paid if the family resides in the home. If the family moves out of the home, CMHA will not continue homeownership assistance after the month in which the family moves out. The family or lender is not required to refund to the CMHA the homeownership assistance for the month in which the family moves out.

To continue to receive home ownership assistance, the family must comply with the following Housing Choice Voucher homeownership program family obligations:

1. The family must comply with the terms of any mortgage securing debt incurred to purchase the home, and any refinancing of such debt;
2. The family may not sell, convey or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home;
3. The family must supply required information regarding income and family composition in order to correctly calculate the total tenant payment;
4. The family must provide information on any mortgage or other debt incurred to purchase the home, any refinancing of such debt and any sale or other transfer of any interest in the home;
5. The family must notify CMHA in writing within thirty days of action if the family defaults on a mortgage securing any debt incurred to purchase the home;
6. The family must provide CMHA with a thirty day written notice before the family moves out of their home;

7. Upon the death of a family member who holds in whole or in part title to the home, home ownership assistance may continue pending settlement of the decedent's executor or legal representative as long as the home is solely occupied by remaining family members and remaining family members are in compliance with the CMHA's Housing Choice Voucher Program; and,
8. The family must provide documentation to CMHA that they are current on the mortgage, insurance, and utility payments at their annual re-certification.

M. MOVE TO A NEW UNIT

Families are prohibited from moving to a new unit if they own title or interest in the prior home, have not resided in the home for one year, and/or if the family has failed to comply with all initial requirements, with the exception of the first-time home buyer and pre-assistance counseling requirement.

A home ownership family may purchase another home with Housing Choice Voucher assistance provided there is no mortgage loan default and the family is in compliance with the Housing Choice Voucher homeownership program family obligations.

N. DEFAULTS

If a participant in the Housing Choice Voucher home ownership program defaults on their home mortgage loan, the participant will be terminated from the Housing Choice Voucher rental voucher and home ownership program but may reapply for the Housing Choice Voucher rental voucher program waiting list after a three year waiting period. Failure to comply with FHA regulations regarding mortgage loan defaults will disqualify the participant from reapplying for the Housing Choice Voucher rental voucher program.

O. LOAN REFINANCING

Refinancing must be approved in advance by CMHA. Unit affordability factors still apply for continued Voucher home ownership assistance.

P. DENIAL OR TERMINATION OF ASSISTANCE

CMHA shall deny or terminate homeownership assistance for the following reasons:

1. Failure to comply with CMHA or Housing Choice Voucher Program regulations;
2. Failure to comply with the Housing Choice Voucher homeownership family obligations;
3. Mortgage default; or
4. Failure to pay real estate taxes.

26. FAMILY SELF-SUFFICIENCY PROGRAM

A. STATEMENT OF POLICIES AND OBJECTIVES

In accordance with the National Affordable Housing Act of 1990 and the Family Self-Sufficiency Regulations, CMHA administers a Family Self-Sufficiency Program. CMHA will strive to maintain a minimum program size that is based upon available staff resources.

Administration of the FSS Program shall be in compliance with this Administrative Plan and Family Self-Sufficiency Program Regulations.

B. PURPOSE OF THE PLAN

The overall plan for Housing Choice Voucher Family Self-Sufficiency Program is designed to achieve the following objectives:

- To reduce the dependency of low-income families on welfare assistance and Housing Choice Voucher housing assistance.
- To provide Housing Choice Voucher families with opportunities to enhance their education, job training and employment skills.
- To provide Housing Choice Voucher families with opportunities for home ownership if home ownership is part of their goals.

C. OUTREACH AND RECRUITMENT

CMHA will publicize and disseminate information, as needed, informing Housing Choice Voucher tenants of the availability of the Family Self-Sufficiency Program. Families are selected on a first-come, first served basis. CMHA may wait list applicants for FSS participation if demand exceeds staff workloads.

All FSS notices will briefly describe the program and basic qualifications for potential FSS participants to contact the FSS coordinator. If a tenant is interested in participating in the program and they feel they meet the basic qualifications, they will be given information on when the next orientation meeting is scheduled.

D. SELECTION PROCESS

CMHA will offer the FSS program to all participant families. Participation in the FSS program is voluntary. Families will be recruited and selected from current Housing Choice Voucher participants on a first-come, first served basis.

E. ORIENTATION

FSS orientation meetings will be scheduled on an as needed basis. The orientation meeting is a mandatory requirement to enter the FSS program. Participants will receive specific information on the program, participant contract, service plan, escrow account, program completion and program termination.

F. PARTICIPANT INTERVIEW AND ASSESSMENT

After attending the program orientation meeting, all interested FSS participants will be scheduled for a personal interview and needs assessment meeting. Attending the interview and needs assessment meeting is mandatory for entry into the FSS Program.

G. FAMILY ACTION PLAN

After completion of the needs assessment, a family-focused action plan will be developed. All the services that are to be provided to the family will be outlined.

H. CONTRACT OF PARTICIPATION

The head-of-household will sign the Contract of Participation. The Contract of Participation specifies the services to be provided to the family and the obligations that the family agrees to undertake. The head of the family must agree to seek and retain employment.

The contract is for five (5) years, but may be extended for two (2) years for good cause. All extension requests must be submitted to the FSS coordinator in writing.

I. MODIFICATION OF CONTRACT OF PARTICIPATION

The contract may be modified as family circumstances changes, if the changes are mutually agreeable to the family and the Housing Authority. All modifications must be submitted in writing.

J. ESCROW ACCOUNT

CMHA will establish an escrow account for the participating FSS family, and credit to this account, in accordance with HUD requirements a portion of the increase of rent paid that would otherwise result from increases in earned income of family members during the term of this contract.

Interim withdraws may be made from the family's FSS escrow account to assist the family in completing goals of the contract. Request for interim withdraws must include a signed written request from the head of the participating family and proper documentation supporting the request. Receipts for items/services purchased must be presented to FSS Coordinator within 10 days of fund disbursement.

Failure to present receipts can result in denial of future interim withdraw request. Interim withdraw requests will be reviewed and approved by the FSS Coordinator on a case-by-case basis. The balance amount in a family's FSS account in excess of any amount owed to CMHA may be paid to the head of the participating family after:

- 1) CMHA determines that the participating family has met its obligations under the Contract of Participation, including the requirements of each individual training and services plan; and,
- 2) The head of family certifies that, to the best of his/her knowledge and belief, members of the FSS family no longer receive any Federal, State, local or other public assistance.
- 3) The family's TTP equals or exceeds the Fair Market Rent for their Voucher size and they have met all other conditions of the Program.

Amounts in the FSS account shall be forfeited if CMHA determines that:

- 1) A participating family has failed to meet its obligations under the Contract of Participation;
- 2) The participating family is no longer under a Contract of Participation and is still receiving Federal, State, local or other public assistance for housing; or,
- 3) The family has been terminated from the Housing Choice Voucher Program for failure to comply with Family Obligations.

K. TERMINATION OF THE CONTRACT OF PARTICIPATION

FSS families have the right to withdraw from the FSS program. All requests to terminate must be submitted in writing to the FSS coordinator.

CMHA may terminate a FSS contract when the head of family has failed to fulfill the terms of the participation contract and any extension.

L. HEARING RIGHTS

Participants have the right to appeal a termination of their contract of participation. Appeals must be filed in writing to the Director of Housing Choice Voucher Programs within 10 calendar days of the date of proposed termination. See Chapter 19 – Appeals by Participant

27. PROJECT BASED VOUCHER PROGRAM

A. PURPOSE

CMHA's project based voucher program is established to provide safe and affordable housing opportunities for elderly, disabled, and/or severely economically disadvantaged families. Persons who are elderly and/or have disabilities or who are economically disadvantaged must be offered supportive services as a condition of occupancy. Supportive housing services include but are not necessarily limited to:

- a private apartment;
- a service coordinator to help residents arrange for services;
- access to support services 24 hours a day, as needed; or case management and support services;
- personal care services;
- housekeeping and laundry assistance;
- grocery shopping;
- transportation;
- social activities;
- medication reminders and assistance;
- companions;
- help with chores;
- personal finance and household budget counseling;
- access education, training, and/or job counseling; or
- on-site day care to enable parents to work or attend school.

B. PROCUREMENT

Units selected for project-based assistance will be obtained by a competitive request for proposals initiated by CMHA or for units for which competitively awarded 9 percent housing tax credits have been provided. Owners who have received competitively awarded 9 percent tax credits must make a written request to CMHA for project-based voucher assistance within 3 years from the date of their award. CMHA will require the owner to submit an application based upon selection criteria. All units must meet selection criteria.

If a request for proposals is initiated by CMHA, CMHA will publicly advertise the availability of project-based assistance for a specified number of units through a written application method. The request for proposal application will contain selection criteria that shall not limit proposals to a single site or impose restrictions that would preclude proposals for different sites. A deadline for submission for proposals will be required. A public advertisement will be placed in *The Columbus Dispatch*.

C. SELECTION CRITERIA

Proposals for project-based assistance may be requested for new or existing structures or structures that will undergo rehabilitation. The type of units sought for project based assistance may have special conditions that are created to achieve a desired housing outcome for the type of families targeted to receive housing assistance and/or to create affordable housing opportunities in specific geographic areas meeting site selection criteria. Site selection criteria will be included as part of the proposal in order to inform prospective bidders of the methodology used to evaluate proposals.

D. EVALUATION OF APPLICATIONS

Applications will be judged individually and may be approved for project based assistance if:

1. The application meets proposal requirements and the purposes described above;
2. The application meets site selection standards set by HUD pursuant to 24CFR Part 983.
3. Time tables for contract execution are met;
4. The owner is in good standing with HUD and CMHA; and,
5. The application is consistent with project based voucher regulations.

CMHA reserves the right to reduce the number of project-based units that have been requested.

E. AWARD OF PROJECT BASED CONTRACTS

Project based contracts will be approved by the CMHA Board of Commissioners. CMHA shall give prompt written notice of such selection to the party that submitted the proposal and prompt public notice of such selection.

F. PARTICIPANT RIGHTS AND RESPONSIBILITIES

Admission, tenant rent contributions, occupancy, tenancy, annual reexaminations, and housing quality standards and policies for participants will be governed by 24CFR Parts 982, 983, and this Administrative Plan. Voucher issuance and portability are restricted while the family participates in the project based voucher program. Tenants may convert to the tenant based voucher program after residing in a project based unit after the initial term (not less than one year) expires. Tenants must comply with HUD's list of family obligations and Administrative Plan requirements.

G. OVER AND UNDER HOUSED FAMILIES

CMHA will not approve a move-in rental subsidy for a family who occupies a unit that is larger than their voucher bedroom size as determined in Chapter 6 of this Administrative Plan.

If at any time during the tenancy a family is determined to be over housed or under housed, the owner must transfer the family to another appropriately sized project-based assisted unit becomes available. The transfer may be made within the units assisted by the existing project-based contract or another suitable unit that is currently assisted by another project-based contract. The new unit must be inspected and approved for occupancy prior to initiating the subsidy payment.

This transfer must occur within 90 days after the owner is provided notice that the family no longer qualifies for their unit. If a unit is not available within the 90-day period, the family may be given a tenant-based voucher to move to a new unit. CMHA will terminate the family's subsidy payment to the owner at the end of the 90-day period.

H. CMHA RESPONSIBILITIES

CMHA's project-based voucher program will comply with HUD and CMHA regulations and policies. If CMHA owned units are selected for project-based voucher assistance, CMHA will be required to allow a HUD field office review of the CMHA's proposal and selection process.

CHAPTER 28. CODE OF CONDUCT

The U. S. Department of Housing and Urban Development (HUD) requires public housing agencies to adopt a code of conduct as a condition to receiving funding assistance. The code of conduct must be incorporated into CMHA's Section 8 Administrative Plan.

The code of conduct requires CMHA employees administering the Housing Choice Voucher and Shelter Plus Care Programs to comply with HUD's *Conducting Business in Accordance with Core Values and Ethical Standards*.

Accordingly, CMHA's Personnel Policy as amended is incorporated by reference to this Administrative Plan.

GL GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

ADJUSTED INCOME. Estimated annual income, less allowable HUD deductions.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written agreement between HUD and a CMHA to provide annual contributions to cover housing assistance payments and other expenses pursuant to the Act.

ANNUAL INCOME. The estimated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

ASSETS. (See Net Family Assets.)

ASSISTED FAMILY. A family who pays less than the market rent as defined in the regulations. Includes families receiving rent supplement, Rental Assistance Payments, or Housing Choice Voucher assistance and all other 236 and BMIR families, except those paying the 236-market rent or 120% of the BMIR rent, respectively.

CHILD CARE EXPENSES. Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for an adult to further their education.

CONTRACT. (See Housing Assistance Payments Contract.)

CONTRACT RENT. In the Housing Choice Voucher Program, Contract Rent is the total rent paid to the owner, including the family payment and the HAP payment from CMHA.

CMHA. The Columbus Metropolitan Housing Authority.

DEPENDENT. A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

DISABLED PERSON. "Disabled person" means a person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or in Section 42 U.S.C. 6001(7).

DISPLACED PERSON. "Displaced person" means a person displaced by governmental action 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.

ELDERLY HOUSEHOLD. A family whose head or spouse or whose sole member is at least 62 years of age or a disabled person as defined in this section or a handicapped person as defined in this section or may include 2 or more elderly, disabled or handicapped persons living together or 1 or more such persons living with another person who is determined to be essential to his or her care and well being.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBLE FAMILY (Family). A family is defined by CMHA in the administrative Plan, which is approved by HUD.

EXCESS MEDICAL EXPENSES. Any medical expenses incurred by elderly families only in excess of 3% of Annual Income which are not reimbursable from any other source.

FAIR MARKET RENT. The rent limit published in the Federal Register for Housing Choice Voucher Program, which includes utilities (except telephone) and ranges and refrigerators. It is used as a standard to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Separate FMRs are established for dwelling units of varying sizes (number of bedrooms) and types. It is used as a maximum for Gross Rent in the Housing Choice Voucher Program (without an exception rent.) In the Voucher Program, it is used as a cap for the Payment Standard, used in the ACC calculation of Payment dollars, and is used to calculate the administrative fee.

FAMILY. The applicant must qualify as a Family. A Family consists of:

1. Two or more persons related by blood, marriage, or mutually agreed living arrangement who will live regularly together in the same dwelling unit, and whose income and resources are available to meet the family's needs or a single person who qualifies under the HUD regulations. An expectant mother with no other children will qualify for assistance as a family. She will be listed on the waiting list and qualifies for admission into housing unless she aborts or miscarries prior to admission. Once she is admitted as a single pregnant woman, she will be considered the remaining member of the family if she aborts or miscarries; or
2. An elderly household whose head or spouse meets the following definition (unless otherwise approved by HUD, such as for Rental Rehabilitation Program.) The head, spouse, or co-family must meet the following criteria:
 - 62 years of age or older;

- 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;
- Disabled within the meaning of Section 223 of the Social Security Act or Section 102 (7) or 6001(7) of the Developmentally Disabled Act;
- Displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a declared disaster or otherwise formally recognized under federal disaster relief laws.
Governmental action is defined as Federal, State, or local government; or,

3. Remaining member of a family.

FAMILY RENT. (Formerly called Net Family contribution). The amount payable monthly by the family as rent to the owner. Where all utilities (except telephone) and other essential housing services are supplied by the owner, Family Rent equals Total Family Payment. Where some of all utilities (except telephone) and other essential housing services are not supplied by the owner and the cost thereof is not included in the amount paid as rent to the owner, Family Rent equals Total Family Payment less the Utility Allowance.

FAMILY OF VETERAN OR SERVICEPERSON. A family is a "family of a veteran or serviceperson" when:

- The veteran or serviceperson (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.
- The veteran or serviceperson, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

FRAUD. To knowingly deceive another or causing another to be deceived by any false or misleading representation, by withholding information, by preventing another from acquiring information, or by any other conduct, act, or omission that creates, confirms, or perpetuates a false impression in another, including a false impression as to law, value, state of mind, or other objective or subjective fact. To knowingly obtain, by deception, some benefit for oneself or another, or to knowingly cause, by deception, some detriment to another.

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 a higher educational institution offering an undergraduate, graduate, or professional degree.

GROSS FAMILY CONTRIBUTION. Changed to Total Family Payment.

GROSS RENT. The sum of the contract rent and the utility allowance. If there is no utility allowance, the contract rent equals gross rent.

HANDICAP ASSISTANCE. Anticipated costs for care attendants and auxiliary apparatus for handicapped or disabled family members, which enable a family member (including the handicapped family member) to work.

HANDICAPPED PERSON. A person having a physical or mental impairment which:

- Is expected to be of long-continued and indefinite duration;
- Substantially impedes his or her ability to live independently; and
- Is of such a nature that such ability could be improved by more suitable housing conditions.

HEAD OF HOUSEHOLD. The head of household is the person who assumes legal responsibility for the household and is listed on the application as head.

HOUSING ASSISTANCE PAYMENT. The payment made by CMHA to the owner of a unit under lease by an eligible family, as provided in the HAP Contract. The payment is the difference between the Contract Rent (Rent to Owner in the Voucher Program) and Family Rent.

HUD. The Department of Housing and Urban Development

HQS. Housing Quality Standards

IMPUTED ASSET. Asset disposed of for less than fair market value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate times the total cash value of assets. Calculation when assets exceed \$5,000.

INCOME. Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. Annual income.

LANDLORD. This term means either the owner of the property or the managing agent.

LEASE. A written agreement between an owner and an eligible family for the leasing of a housing unit.

LOWER INCOME FAMILY. A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% on the basis of its findings that such variations are necessary because of the prevailing levels of construction costs or unusually high or low incomes.

MARKET RENT. The rent HUD authorizes the owner in multi-family housing to collect from families ineligible for assistance. For Rent Supplement, Section 202 and Housing Choice Voucher units, the market rent is the same as the Contract Rent. For BMIR units, market rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Those total medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance.

MINOR. A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

MONTHLY-ADJUSTED INCOME. 1/12 of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME. 1/12 of the Annual Income.

NEGATIVE RENT. Now called Utility Reimbursement.

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be help in trust.

PARTICIPANT. A family becomes a participant in CMHA's Housing Choice Voucher Program when there is an effective HAP Contract between CMHA and the owner on behalf of the family.

PUBLIC HOUSING AGENCY (CMHA). Any state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof), which is authorized to engage in or assist in the development of operation of housing for low-income families.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation to determine the rent the family will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim re-certifications.

REMAINING MEMBER OF FAMILY. Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., widow age 47, not disabled or handicapped).

RENT BURDEN. The percentage of adjusted monthly income that is devoted to paying the family's portion of rent to the owner and tenant-paid utilities. Normally, the rent burden is limited to 30 percent. For the tenant-based rental assistance families may pay an additional 10%. The rent burden for project-based voucher rental assistance is limited to 30 percent. Families who participate in the Voucher Home Ownership do not have a rent burden limitation, but will be required to meet an affordability test.

RENT TO OWNER. This is called Contract Rent in the Voucher Program. It is the total amount of rent payable to the owner by the family and CMHA per month for an assisted unit.

RESIDENT ASSISTANT. A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Housing Choice Voucher housing assistance and who is essential to these individuals' care or well being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Housing Choice Voucher assistance nor contribute to a portion of his or her income or resources towards the expenses of these individuals.

SECURITY DEPOSIT. A dollar amount (maximum set according to the regulations), which can be used for unpaid rent or damages to the owner upon termination of the lease.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

SINGLE PERSON. A person living alone or intending to live alone.

SPOUSE. The husband or wife of the head of the household.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association), which receives the benefit of Payment in the form of:

- Below-market interest rates pursuant to Section 221(3)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act;
- Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965;
- Direct loans pursuant to Section 202 of the Housing Act of 1959;
- Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;
- Payments under the Housing Choice Voucher Housing Assistance Payments Program pursuant to Housing Choice Voucher of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency; or
- A Public Housing Project.

PAYMENT STANDARD. The amount used to calculate the housing assistance a family will receive in CMHA's Housing Choice Voucher Program.

SUPPORTIVE SERVICE. Supportive housing services include but are not necessarily limited to:

- a private apartment for independent living;
- a service coordinator to help residents arrange for services;
- access to support services 24 hours a day, as needed;
- case management and support services;
- personal care services;
- housekeeping and laundry assistance;
- grocery shopping;
- transportation;
- social activities;
- medication reminders and assistance;
- companions;
- help with chores;
- personal finance and household budget counseling;
- access education, training, and/or job counseling; or
- on-site day care to enable parents to work or attend school.

TOTAL FAMILY PAYMENT (TTP). The total amount the HUD rent formula requires the family to pay toward rent and utilities.

UNIT. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from 0 bedrooms to 6 bedrooms.

UTILITIES. Utilities mean water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone and television cable services are not included as a utility.

UTILITY ALLOWANCE. CMHA's estimate of the average monthly utility bills (except telephone and television cable) for an energy-conscious household. This estimate considers only utilities paid directly by the family. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and are listed on CMHA's Utility Allowance Schedule.

UTILITY REIMBURSEMENT PAYMENT. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Family Payment for the family occupying the unit.

VACANCY LOSS PAYMENTS. When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to 1 additional month, if he notifies CMHA as soon as he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible family except for good cause.

VERY LOW INCOME FAMILY. A Lower Income Family who's Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Voucher Program.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released from under conditions other than a dishonorable discharge.

ZERO INCOME FAMILY A family with any adult non-disabled members who report zero income and who are not full time students.