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Chapter 100 – Program Basics
Policy 110  Overview of the Virginia Housing Development Authority (VHDA)

VHDA is a quasi-government agency governed by an eleven member Board of Commissioners consisting of eight gubernatorial appointees and three ex-officio members. One commissioner is a Housing Choice Voucher Program participant.

In fulfilling its legislative mandate to assist in providing decent, safe, and sanitary housing that is affordable by low- and moderate-income Virginians, VHDA finances and administers a variety of housing programs in the single family and multifamily areas including administration of a Housing Choice Voucher (HCV) Program.

VHDA receives no appropriations from the state legislature and is fully self-supporting through the revenues generated by its programs.

Administration of the HCV Program

In order to administer the HCV Program, VHDA partners with local housing agencies across the Commonwealth of Virginia and typically seeks to service areas where no other housing authority exists or housing resources are minimal.

VHDA and the local housing agency enter into a contract called the Administrative Services Agreement that outlines the responsibilities of each party and is renewable each year.
Policy 120  Housing Choice Voucher Program Overview

The Housing Choice Voucher (HCV) Program, funded by the U.S. Department of Housing and Urban Development (HUD), is intended to provide low-income families with decent, safe, and sanitary housing at prices that they can afford. Generally, housing is considered affordable if the family does not have to spend more than a HUD determined percentage of its adjusted income for rent and utilities.

Funding the Housing Choice Voucher Program

Congress appropriates taxpayer dollars each year for the HCV Program. Once HUD receives the money from Congress, the funds are disbursed to each housing authority operating a program. Funds are approved by HUD on a calendar year basis meaning that the funding term runs from January 1st to December 31st.

Listed below are the two categories to which funds are allocated:

- Housing Assistance Payments: Funding received under HAP is strictly restricted for rental payments to landlords, utility assistance payments and portability payments to other housing authorities.

- Administrative Fee Funding: This category is used to cover the costs for the administrative and operating expenses of the HCV Program. VHDA shares a portion of the administrative fee funding with the local housing agency to implement the program.
Policy 130  HCV Program Policy Resources

PHA 5-Year and Annual Plan
The PHA Plan gives a succinct overview of certain program policies. VHDA reviews and updates the PHA Plan on an annual basis as required by HUD regulation. One important component of the PHA Plan process is the public hearing which provides an opportunity for anyone to comment on our policies.

VHDA Administrative Plan and Agency Addenda
The VHDA Administrative Plan provides a more in depth review of HCV policy but does not address implementation procedures. HUD anticipates the Administrative Plan to be the guiding document for program implementation and lists the components that must be included in the plan in the federal regulations.

Agency addenda are reviewed on an annual basis and outline the local preferences an agency uses in the organization of its waiting list. VHDA must approve any addendum change.

HCVP Operations Manual
The Housing Choice Voucher Operations Manual describes the policies and procedures established by VHDA which a local housing agency must follow in the administration of the HCV Program.

The manual is to be used as a guide for the performance of the local housing agency's day-to-day responsibilities. The policies and procedures contained in the manual have been established to ensure an effective, efficient, and successful program. As such, all local housing agents are expected to be familiar with and adhere to these policies and procedures. If the agent has any questions concerning the intent or meaning of these policies, they must contact their VHDA Program Compliance Officer (PCO) for guidance.

Other program materials developed by VHDA may also elaborate on the implementation of certain procedures.

Forms and Letters Provided by VHDA
VHDA requires that agents only use the forms and letters developed by VHDA related to elements of program implementation such as managing the waiting list, completing verifications, and processing abatements. VHDA has standardized the various forms and sample letters into documents that include all HUD required warnings and notices to ensure proper regulatory compliance is met.

Agents must not modify any HUD or VHDA documents for their own purposes. You may request the development of a new form by contacting the VHDA Policy Specialist.
Policy Memoranda
Policy and procedure revisions become effective only as directed by memoranda or email updates issued by VHDA.
Policy 160  Summary of Program Responsibilities

Below is a brief summary of the tasks which VHDA is responsible for managing versus those of the local housing agency:

- Manage and report program data to HUD as required
- Ensure compliance with HUD regulations through annual audits, reviews, and quality control inspections
- Manage all accounting functions related to the HCV Program including processing of HAP and UAP checks
- Provide guidance to local housing agencies on policy issues
- Train local housing agencies as needed on program administration procedures and use of computer software
- Develop marketing materials for the HCV Program and provide materials to the local housing agencies
- Respond to any grievances from the local housing agencies, owners, families, or others

The local housing agency responsibilities include but are not limited to the following elements:

- Conduct outreach to families and owners to encourage participation in the HCV Program
- Manage the intake process by taking applications, issuing vouchers, and qualifying families and units for the program
- Complete annual and interim reexaminations and inspections timely to ensure family and owner compliance
- Maintain files and other documentation as directed by VHDA
- Seek policy guidance from VHDA as needed and comply with VHDA and HUD requirements
- Respond to any grievances from owners, families, or others
Chapter 200 – Record Keeping
Policy 200     Information for Display

The local housing agency must display the following information in a location visible to all those applying for or participating in the HCV Program:

- Equal Opportunity Housing Poster (HUD-928-1)
- HUD and VHDA definitions of family
- Income limits
- List of the agency’s local preferences
- Extension policy
- Subsidy standard policy
Policy 210  
Filing Protocol

Local housing agencies must adhere to the same filing protocol in order to make it easier to conduct audits and reviews.

The filing system is twofold. First, files must be setup according to the type of action occurring such as establishing a file for waiting list applications or vouchers under contract. Second, files for each family are setup within the particular action type.

File folders, preferably legal size, are to be established for all families that apply to the HCV Program unless the volume of information pertaining to the family does not necessitate such a need.

The family's name should be clearly listed on the folder tab and placed in alphabetical order. Information within the folder must be maintained as indicated by VHDA with revisions on top. PCO's can provide additional guidance for setting up files if needed.

All documents prior to the current year should be secured together by year. Correspondence related to each family can be kept together as a whole or within the year to which it pertains.

It is suggested that family files for those who qualify for the earned income disallowance (EID) or have an enhanced voucher should be kept together in a separate filing drawer. However, at a minimum these files should be flagged in some manner (colored stickers, colored folders, etc.) to make them easy to distinguish from other files.

Suggested List of File Names by Action Type

<table>
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<th>Action Type</th>
<th>Filing Method</th>
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<td>Waiting List Applications</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>WL Applications Rejected/Cancelled</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>Issued Vouchers Not Under Contract</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>Vouchers Expired/Cancelled</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>Processing Completed RFTA</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>Vouchers Under Contract</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>Vouchers - End of Participation</td>
<td>Alpha by family name</td>
</tr>
<tr>
<td>Advertising/Outreach</td>
<td>Date</td>
</tr>
<tr>
<td>Rent Reasonable Information</td>
<td>Bedroom size</td>
</tr>
</tbody>
</table>
Contents of the Family File
The contents of the family file must include the following information, as applicable, with the information organized from top to bottom based on the list below. Items in italic may not pertain to a particular family. Non-italicized items are mandatory requirements that must be in all files.

Permanent Documents
Agents are required to maintain a section of permanent documents that must be kept within the current family file. This requirement makes the audit process easier for the agent and the reviewer. The permanent documents are organized as follows and are applicable to all subsidy types:

- Waiting List Application (formerly Preliminary Application) form, original
- Date of birth documentation
- Social Security number documentation
- Citizenship declarations, original
- Sex Offender/Criminal Records Check Form, original completed at initial lease-up
- Family Portability Information (HUD-52665)
- Supplemental Information to Application for Federally Assisted Housing (HUD-92006)
- EID Tracking Sheet for each individual in a family
- Debts Owed to Public Housing Agencies and Terminations (HUD-52675)
- Power of Attorney documentation
- Reasonable Accommodation lifetime approval documentation

Note: For those who apply online, it will no longer be necessary to include the waiting list application in the file.

HCV Program Files
- Notice of Rent Amount (VHDA RA-1)
- HAP Contract (HUD-52641), original copy
- Lease Addenda
- Lease Agreement and Tenancy Addendum (HUD-52641-A), signed by owner and family
- Lead Based Paint Disclosure Form, original copy
- VHDA Rent Reasonableness form
- Inspection Checklist (HUD-52580), original and first page of electronic form
- VHDA Utility Allowance Schedule
- Request for Tenancy Approval (RFTA) (HUD-52517), original
- Voucher (HUD-52646), original
- Family Report (HUD-50058), copy of the first page of the electronic form
• All verification forms certifying family information, originals
  o Preference verifications
  o EIV Report
  o Income, asset, and expense verifications
• Family Certification of Income Sources form
• Remaining Member of a Tenant Family form, original
• Authorization for Release of Information/Privacy Act Notice (HUD-9886), original
• Sex Offender/Criminal Records Check form, original for subsequent years the check is run
• Interim Reporting Requirements Notice (VHDA INRPT-1), original
• Family Obligations Notice
• Reasonable Accommodation Request approval
• All other paperwork regarding the family

Mod Rehab Files (Bluegrass)
• Notice of Rent Amount (VHDA RA-1)
• Lease Addenda
• Lease Agreement, signed by owner and family
• Inspection Checklist (HUD-52580), original and first page of electronic form
• Unit Data Sheet, copy
• Statement of Family Responsibility (HUD-52578), original
• Family Report (HUD-50058), copy of the first page of the electronic form
• All verification forms certifying family information, originals
  o EIV Report
  o Income, asset, and expense verifications
• Family Certification of Income Sources form
• Remaining Member of a Tenant Family form, original
• Authorization for Release of Information/Privacy Act Notice (HUD-9886), original
• Sex Offender/Criminal Records Check form, original for subsequent years the check is run
• Interim Reporting Requirements Notice (VHDA INRPT-1), original
• All other paperwork regarding the family
Policy 270  Government Data Collection and Dissemination Practices Act

In accordance with the provisions of the Government Data Collection and Dissemination Practices Act (Title 2.2 Chapter 38 of the Code of Virginia, 1950, as amended), VHDA has taken precautions to guard the personal information it collects on any individual or family who wishes to participate or is participating in the HCV Program.

Subsequently, VHDA requires all local housing agencies to treat all information from individuals and families associated with the HCV Program, regardless of the source, as confidential and subject to the requirements of the Act.

Local housing agents are required to implement the following actions in order to comply with provisions of the Act:

- Post a notice on the filing cabinet(s), containing information on HCV applicants or participants, listing those persons who have access to the files and who are authorized to use such information.
- Place a memo in each file which is accessed by a person other than those authorized, listing the name of the person accessing the file, the reason and type of information requested, and a statement that the requestor was made aware of the provisions of the Act.
- Have all HCV Program applicants and participants read and sign the HUD-9886 form titled Authorization for Release of Information/Privacy Act Notice and maintain a copy in the family file.
- Store applicant and participant files in cabinets or an area that can be locked.
Policy 280  Records Retention Policy

All information relating to a family must be maintained by the local housing agency until such time as destruction of the information is allowed. Family information may be destroyed after three years has passed from the last date of action (refer to Policy 210 for action types) for an applicant.

For a participant, family information may be destroyed after three years has passed from the end of participation (EOP) date or for whatever reason the family is no longer participating in the HCV Program.

Information pertaining to families owing money to VHDA under a repayment agreement must be maintained for three years after the amount owed is paid in full.

For a family that has relocated under portability, all family information must be maintained when a billing situation exists between VHDA and the receiving housing authority. If a family has been absorbed by the receiving housing authority, any information pertaining to the family can be destroyed after three years has passed from the date the family was absorbed.

Family information must be destroyed by incineration, shredding, or other means that will render the information illegible.
Chapter 300 – Outreach
Policy 310  Conducting Outreach

Outreach is best described as the efforts of VHDA and the local housing agency to inform owners, families and the public about the HCV Program. A variety of mediums are used to present information about the program including: printed materials, media advertisements, standalone displays, and live presentations.

The local housing agency should put copies or descriptions of outreach efforts in the outreach file.

The Landlord

VHDA has made a special effort to increase landlord participation in the HCV Program by developing products targeted specifically to this audience including a tabletop display, a brochure summarizing the HCV Program and a PowerPoint template that can be used to develop a presentation. Additionally, a section has been added to VHDA’s website that specifically focuses on landlord issues.

Local housing agencies should contact VHDA to obtain brochures or for information on how to go about using the items listed above.

The Family

Outreach to families is not as involved a process as with landlords. There are more families waiting for a chance to participate in the HCV Program than there are vouchers available. When a local housing agency conducts outreach to a family, it is generally to advise that the agency will be accepting applications for the waiting list.

Typically, an advertisement in a local newspaper of general circulation is all that is required. However, agents should also consider advertising in minority publications to increase awareness of the program.

An agency is required to obtain VHDA approval prior to running an advertisement of any sort. In cases where the agency is opening the waiting list, the agency must contact their PCO for assistance. VHDA has developed ad templates that the agent can use that include all pertinent information required by HUD.

The Public

Outreach to the public at large is required by HUD when certain Housing Choice Voucher Program policies are changed. VHDA conducts a public hearing every year in conjunction with the PHA Plan. Local housing agencies are sometimes asked to conduct public hearings locally if they wish to change certain policies. VHDA will notify the agency if they are required to conduct a public hearing and provide you a notice for advertisement.
Chapter 400 – Waiting List
Policy 400 Overview of the Waiting List Process

Since the demand for housing assistance often exceeds the amount of funding available, long waiting periods to receive a Housing Choice Voucher are common. A waiting list is used to manage this demand and maintain a pool of applicants. Once a voucher becomes available, the agent alerts the next family on the list and begins the eligibility process to determine if the family meets the criteria to receive assistance.

HUD requires housing agencies to maintain a fair and equitable process when soliciting participants for its housing programs. VHDA and the local housing agencies must abide by certain regulations that promote equal housing opportunities.

Equal Opportunity and Fair Housing Requirements

The local housing agency may not discriminate against families on the basis of race, color, religion, sex, national origin, age, familial status or disability. The local housing agency will comply fully with all federal, state and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- The Fair Housing Act
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2013 (VAWA)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the Federal Register February 3, 2012

Please contact the VHDA Policy Specialist, Diana Crosswhite, if you would like a copy of the above regulations.
**Policy 410 Local Housing Agency Intake**

The local housing agency must admit applicants for participation in the Housing Choice Voucher Program in accordance with HUD regulations and with policies stated in the *PHA Plan, Administrative Plan* and *Administrative Plan Addendum*.

An applicant does not have any right or entitlement to be listed on the local housing agency waiting list, to any particular position on the waiting list, or to admission to the HCV program.

**When and How Applications Are Accepted**

The local housing agency must notify the public that it is accepting applications to the waiting list by advertising in the local newspaper. Families can only apply to the HCV Program through an online process.

The local housing agency determines the frequency applications are taken such as:

- Specific times of the day, week or month
- Bi-weekly, quarterly or monthly
- Specific time periods to meet the admission needs

**Use of the Web-based Application**

The *Online Waiting List Application* is considered a preliminary tool to gather information regarding an applicant for placement on the agency waiting list. The applicant is asked to provide general details such as name, address, and social security number. Additionally, the applicant reviews the list of preferences and indicates whether or not they feel they meet a particular preference.

The applicant will receive a confirmation number once their application is submitted.
Policy 412        Admitting a Family to the HCV Program

The local housing agency may admit an applicant for participation in the Housing Choice Voucher Program from the waiting list or as a special admission.

The local housing agency may not deny an applicant admission to the program for the following reasons:

- A family’s suitability for tenancy
- Where the family lived before admission to the program
- Where the family will live once assisted under the program
- Family characteristics including discrimination because of familial status, age, race, color, sex, religion, national origin, disability, recipients of public assistance, unwed parents, or children born out of wedlock, or whether a family participates in an FSS program

Types of Special Admissions

The local housing agency may admit a family not currently on the waiting list or without considering the family’s waiting list position as a special admission to the Housing Choice Voucher Program.

HUD Targeted Special Admissions

The following are examples of HUD funding that may be targeted for a family living in a specified unit:

- A family displaced because of demolition or disposition of a public or Indian housing project.
- A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project.
- For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990:
  - A non-purchasing family residing in a project subject to a homeownership program.
  - A family displaced because of mortgage prepayment or voluntary termination of a mortgage insurance contract.
  - 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 1 or HOPE 2 project.

VHDA Special Admissions

A listing and description of the special admissions determined by VHDA follows:

- A Place to Start: Only available for use by the Central Virginia Resource Corporation.
Client Receiving Agency Services: Only available for use by agencies that work with the special needs population as a means to prioritize individuals receiving services of the agency.

CVRC (New Clay House): Only available for use by the Central Virginia Resource Corporation.

Disaster Housing Assistance Payment (DHAP) Program Absorbed: Only available for HUD directed Katrina and Rita disaster housing situations.

Emergency Placement: Used for events such as house fires or involuntary displacement actions. The family must be otherwise eligible for the HCV Program. If an agency provides assistance to someone under this preference, they must have a voucher available within their current allocation.

Enhanced/Conversion: Only available for use by certain agencies with vouchers provided by HUD to assist families displaced by a property conversion.

Family Unification: Only available for use by certain agencies that previously received a voucher allocation under this program.

Inaccessibility of a Unit: Used in cases where a family member has a mobility or other impairment and is unable to use critical elements of the unit and the owner is not obligated to make the unit accessible.

Incoming Portable: Available for use by all agencies to serve families porting from another housing authority.

Mainstream: Only available for use by certain agencies that previously received a voucher allocation under this program.

Money Follows the Person: Only available for use by the Central Virginia Resource Corporation.

Natural Disaster: For use on an as needed basis for federal or state declared natural disasters. Recipients of this type of voucher do not need to meet a residency requirement.

PMI (Bluegrass): Only available for use by Pembroke Management Inc.

Targeted Population: Only available for use by certain agencies who maintain a special set aside of vouchers to serve a specific population.

Veterans Affairs Supportive Housing (VASH): Only available for use by agencies that work with an eligible VA Medical Center or other entity designated by the Department of Veterans Affairs.

Witness Relocation: Used in cases where a family has witnessed criminal acts and must be relocated for their safety.

Applicants for certain programs (Example: Mainstream and Family Unification) must meet additional eligibility criteria for program participation. Depending on the program, the local housing agency may accept referrals from another provider agency that serves the targeted population.
For example, a DSS agency may maintain a listing of those eligible for the Family Unification program.

In the event a local housing agency is contacted to assist with witness relocation, the agent must contact their VHDA Program Compliance Officer for information on how to process this type of request.
Policy 413 Creating a Waiting List

VHDA will maintain a separate waiting list for each local housing agency and in some cases a separate waiting list for each jurisdiction served by a particular agency. VHDA is responsible for creating the set-ups for a waiting list in Elite.

No local housing agency waiting list will be merged with the waiting list for any other housing program.

Organization of the Waiting List

Applicants will be organized on the waiting list by date and time of application and then by any preferences adopted by the local housing agency.

Local Preferences

Local admissions preferences provide an opportunity for local housing agencies to meet the housing needs and priorities of those in their community. Preferences only affect the order of applicants on the waiting list.

For example, a local housing agency may establish a preference to serve the disabled. Each time applicants are drawn from the waiting list; disabled applicants would be served before non-disabled applicants.

Preferences must be identified in the Administrative Plan Addendum. The local housing agency must inform applicants about available local preferences and local preference definitions must be posted in areas where applications are taken. Applicants must certify they are eligible for a preference; verification will occur later in the process.

A listing and description of the local preferences currently used by the local housing agencies follows:

- Any household member disabled: Any member of the household can be a person with a disability.
- Elderly and/or disabled: A family whose head, spouse, or sole member is a person with a disability and/or is at least 62 years of age.
- Homeless: Any person or family that: (1) lacks a fixed, regular and adequate nighttime residence; or (2) is living in a shelter or utilizing shelter resources that provide temporary living arrangements; or (3) is exiting an institution where the person resided 90 days or less and was homeless prior to being institutionalized; or (4) is fleeing any type of domestic violence, dating violence, sexual assault, stalking or other dangerous or life-threatening situation.
- Homeless with children under age 18: Any family that has children under age 18 and: (1) lacks a fixed, regular and adequate nighttime residence; or (2) is living in a shelter or utilizing shelter resources that provide temporary living arrangements; or (4) is
fleeing any type of domestic violence, dating violence, sexual assault, stalking or other dangerous or life-threatening situation.

- Living in a substandard unit: A family is considered to be living in a substandard unit if the unit meets one or more of the following criteria:
  - Is dilapidated (does not provide safe, adequate shelter; has one or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well-being of a family);
  - Does not have operable indoor plumbing;
  - Does not have a usable flush toilet in the unit for the exclusive use of the family;
  - Does not have a usable bathtub or shower in the unit for the exclusive family use;
  - Does not have an adequate, safe electrical service;
  - Does not have an adequate, safe source of heat;
  - Should, but does not, have a kitchen;
  - Has been declared unfit for habitation by a government agency.

- Preference for singles: Single persons who are age 62 or older, displaced, homeless, or have a disability are given preference over other single persons.

- Rent burdened: A family is paying more than 50 percent of monthly family income for rent and utilities.

- Working family: Is a family where the head, spouse or sole member is employed; or where both the head and spouse or sole member is age 62 or older or disabled.

**Local Residency Preference**

A local housing agency may choose to adopt a local residency preference. To qualify for the preference, a member of the applicant family must live, work or be hired to work in the jurisdiction designated by the local housing agency. The local housing agency cannot require the family to have lived or worked in the jurisdiction for a specified time period before assigning the residency preference.

In the case of someone employed with a temporary agency, the location of the agency office will serve as the qualifier for the preference.

If a local housing agency does not choose to establish a local residency preference, they must use the VHDA default preference of living or working in the Commonwealth of Virginia.

**Changing Your Local Preferences**

Each year, the local housing agency is asked to review their local preferences and determine whether any changes are necessary based on local needs. Local housing agencies must revise the *Administrative Plan Addendum* and submit the document to the VHDA Policy Specialist for approval. Once approval of the change is granted, the local housing agency must conduct a public hearing with a 45-day comment period as directed by VHDA.
Policy 420 Managing the Waiting List

Adding Applicants to the Waiting List
Applicants will be automatically added to a waiting list when an online application is submitted. Agents no longer add applicants manually to the waiting list unless they are a special admission. Agents should review the Elite Waiting List User Guide for the proper procedure on adding applicants to the local housing agency waiting list as a special admission.

The confirmation number received once the online application is submitted will serve as the only notification that an applicant has been placed on the waiting list. The applicant can write the number down or print the confirmation page. The local housing agency is no longer required to notify applicants that they have been placed on the waiting list.

Processing Changes to Applicant Information
Information reported on the Online Waiting List Application by a family could change at any time while waiting for a voucher. It is the responsibility of the family to notify the local housing agency in writing of any changes to their circumstances.

The agent is responsible for updating this information in Elite. Changes to a family's information, especially regarding preferences, could change their position on the waiting list.

If someone other than the person identified on the original application as the head of household comes forward claiming to be the head of household, the agent must have that individual sign an affidavit indicating they are the new head of household.

Purging the Waiting List
Although typically an annual process, purging the waiting list each year may not be necessary due to funding constraints of the HCV Program and the rate of attrition within an agency’s program. Local housing agencies should contact their assigned PCO for guidance before purging the waiting list. The PCOs have discretion in suggesting that the update be sent to a small or large pool of applicants depending upon each agency's particular circumstances.

The agent must send the Waiting List Update form to an email address provided by the family or via first class mail to the applicant family for completion. Responses should be postmarked or received by the local housing agency no later than fifteen business days from the date of the notice. Agents should print any email communication and place in the family’s file.

If the applicant does not respond to the request for updated information within fifteen business days, the applicant will be removed from the waiting list without further notice.
If the notice is sent via email and is returned as undeliverable, the agent must send the Waiting List Update form via first class mail giving the family fifteen business days to respond. If the applicant fails to respond to the written notice by the timeframe specified, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The applicant will have fifteen business days to respond to the notice. The local housing agent should update the forwarding address in Elite.

If an applicant is removed from the waiting list for failure to respond, the applicant may be reinstated by VHDA if it is determined the lack of response was due to an error by the local housing agency or to circumstances beyond the family’s control. All requests will be reviewed on a case-by-case basis.

Selecting Applicants from the Waiting List

Agents should review the Elite Waiting List User Guide for the proper procedure on selecting applicants from the local housing agency waiting list.

Once an applicant has been selected from the waiting list, the local housing agency must verify any local preferences used to select the family from the waiting list. If the family does not qualify for the preference, the family will be placed back on the list with the new preference information.

Next, the local housing agent must meet with the applicant family to complete the formal application process. This process is further explained in Chapter 500.

Agents schedule an appointment with the applicant family by sending a notice to an email address provided by the family or via first class mail. If the notice is sent via email and is returned as undeliverable, the agent must send the notice via first class mail.

If the applicant family fails to attend the appointment to complete the application process or the notification letter is returned to the local housing agency with no forwarding address, the family will be removed from the waiting list with no further notification.

As a means of providing a reasonable accommodation, the agent should consider extenuating circumstances of the applicant family before removing them from the waiting list if they were unable to attend the scheduled appointment (refer to Policy 504 for information on Reasonable Accommodation requests).
Policy 430  Opening the Waiting List

Resuming Intake of Applications
The local housing agency may resume taking online applications for the waiting list at any time it is determined more applicants are needed. The agent must give proper public notice that families may apply for housing assistance.

Policy 310 provides further detail on advertising. All agents must contact their PCO prior to advertising the opening of their waiting list and obtain approval for their advertisement.

VHDA will manage the opening and closing of the web application.

Criteria on Who May Apply
The local housing agency may limit what families may apply for assistance under the public notice. However, all applications are accepted and placed on the waiting list regardless of the criteria outlined in the notice.
Chapter 500 – Processing
Policy 500 Initial Eligibility Criteria

Some eligibility and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit.

By knowing how to properly categorize family and household members, the local housing agent can determine what information they must collect to determine a family’s level of assistance and assist the family in providing accurate data to the agency.

First and foremost, to be eligible for HCV Program assistance, an applicant must meet the HUD and PHA definition of family.

Family Definition

VHDA defines family to be either a single person or group of persons who characterize themselves as a family.

Family as defined by HUD, includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status:

- A single person who may be an elderly person, near-elderly person, displaced person, disabled person, or any other single person; or
- A group of persons residing together, and such group includes but is not limited to a family with or without children (a child temporarily in foster care is considered a family member), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family.

The local housing agency must post the VHDA and HUD definition of family in a location within their office where it will be visible to those applying to the HCV Program.

Categorizing Individual Family Members

The local housing agent should use the following definitions to categorize individual family members.

Head of Household

The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse. The most important duty of the head of household is to ensure that the family’s rent is paid.

Any qualified family member can be designated as the head of household. The family is responsible for deciding who the head of household will be.
The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law can be designated as the head of household.

**Spouse**
A family may have a spouse or co-head, but not both. Spouse means the marriage partner of the head of household. The term spouse does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A marriage partner includes the partner in a common law marriage as defined by state law. Virginia does not permit common law marriages under state law however Virginia will recognize a valid common law marriage formed in another state. Agents do not need to verify a common law marriage.

**Co-head**
A co-head is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head.

Minors who are emancipated under state law may be designated as a co-head.

**Other Adult**
Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

**Dependent**
A dependent is a family member who is under 18 years of age or a person of any age who has a disability or a full-time student. The following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides.

Dependents that are subject to a joint custody arrangement or visitation agreement are considered a member of the family if they live with the applicant or participant family 50 percent or more of the time (an amount totaling at least 182 calendar days a year).

Identifying each dependent family member is important because each dependent qualifies for a deduction that can reduce the family’s total annual income, as explained later in the chapter.

**Full-Time Student**
A full-time student is a person who is attending school or vocational training on a full-time basis and is 18 years of age or older. The time commitment or subject load that is needed to be full-time is defined by the educational institution.
Identifying each full-time student is important because each family member who is a full-time student other than the head, spouse, or co-head qualifies the family for a dependent deduction and the income of a full-time student is treated differently from the income of other family members.

See Policy 503 for information on the eligibility of a student to apply for the HCV Program.

**Elderly, Near-Elderly Persons, and Elderly Family**

An elderly person is a person who is at least 62 years of age.

A near-elderly person is a person who is 50-61 years of age.

An elderly family is one in which the head, spouse, co-head, or sole member is an elderly person.

**Disabled Person**

The HUD definition of a disabled person is used for the purpose of determining eligibility for allowances and deductions that can reduce a family’s total annual income.

HUD defines a disabled person in three different ways:

- A disabled person is one with an inability to engage in any substantial gainful activity because of any physical or mental impairment that is expected to result in death or has lasted or can be expected to last continuously for at least 12 months; or for a blind person at least 55 years old, inability because of blindness to engage in any substantial gainful activities comparable to those in which the person was previously engaged with some regularity and over a substantial period.

- A developmentally disabled person is one with a severe chronic disability that:
  - Is attributable to a mental and/or physical impairment
  - Is manifested before age 22
  - Is likely to continue indefinitely
  - Results in substantial functional limitations in three or more of the following areas: self-care, receptive and responsive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency
  - Requires special interdisciplinary or generic care, treatment, or other services which are of extended or lifelong duration and are individually planned and coordinated.

- A disabled person is also one who has a physical, emotional or mental impairment that:
  - Is expected to be of long-continuing or indefinite duration
  - Substantially impedes the person’s ability to live independently
  - Is such that the person’s ability to live independently could be improved by more suitable housing conditions.
Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the local housing agency from denying or terminating assistance for reasons related to alcohol and drug abuse.

The Fair Housing Act definition of a disabled person is used for the purpose of determining if someone qualifies for a reasonable accommodation (see Policy 504).

**Disabled Family**
A disabled family is a family where the head, spouse, co-head or sole member is a person with disabilities. It may include two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

**Guests**
A guest is a person temporarily staying in the unit with consent of a member of the household.

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 60 cumulative calendar days during any 12 month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons. An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

**Categorizing Household Members**

**Definition of Household**
Household is a broader term that includes additional people who, with approval of the local housing agency, live in an assisted unit, such as live-in aides, foster children, and foster adults. These additional household members are not included in the determination of a family's eligibility for assistance.

**Foster Children and Foster Adults**
The term foster child is not specifically defined by the regulations however VHDA has adopted the following definition.

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.
Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in annual family income, and foster children/adults do not qualify for a dependent deduction.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in a following section.

Live-in Aide
A live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services.

A live-in aide must be approved, if needed, as a reasonable accommodation in order to make the program accessible to the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would never be considered a remaining member of a tenant family.

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is not obligated for the support of the person(s) needing the care, and would not be living in the unit except to provide the necessary supportive services.

The local housing agency will not approve a particular person as a live-in aide, and will withdraw such approval if:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
• The person commits drug-related criminal activity or violent criminal activity.
• The person currently owes rent or other amounts to VHDA or to another PHA in connection with the Section 8 or public housing programs.

Agents should review Policy 504 for information on processing reasonable accommodation requests.

Family Members Who Leave the Unit
The original composition of a family will inevitably change during their participation in the program. This section discusses how family members who leave or may be absent from the unit for various reasons are treated.

Family Breakup
When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. The former family members may complete a new application and be assigned a new application date when the waiting list is open.

If a family currently receiving assistance splits into two otherwise eligible families, only one of the new families will continue to be assisted. The other family may reapply to the waiting list when it is open.

The local housing agency will give the family an opportunity to decide which members will either remain on the waiting list or continue to receive assistance. The family members must submit a signed and notarized agreement to the local housing agency by a deadline specified by the agency.

In the absence of a judicial decision, or an agreement among the original family members, the local housing agency will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into account the following factors:
• The interest of any minor children, including custody arrangements
• The interest of any ill, elderly, or disabled family members
• Any possible risks to family members as a result of domestic violence or criminal activity
• The recommendations of social services professionals

If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking the agent must ensure that the victim retains assistance (refer to Policy 1019).

Remaining Member of a Tenant Family
The remaining member of a tenant family is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household
members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only remaining members of a tenant family and there is no family member able to assume the responsibilities of the head of household a caretaker is established.

See Policy 803 for further clarification on what to do when someone qualifies as a remaining member of a tenant family.

Absent Family Members
Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

If a person is temporarily absent from the household, their income is counted, they are considered in the determination of the appropriate bedroom size and they are listed on the lease and the Family Report (HUD-50058). Temporarily absent is defined as a period of 90 consecutive days or less.

If a person is permanently absent from the household, their income is not counted, they are not considered in the determination of the appropriate bedroom size and they are not listed on the lease or the Family Report. Permanently absent is defined as a period of more than 90 consecutive days.

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 the local housing agency indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absence 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, the local housing agency will verify with the appropriate agency whether and when the child is expected to return to the home. If the child protection agency is not able to provide a date, the local housing agency should review the case again in six months to see if a date has been established. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absence Due to Hospitalization
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. A person confined for medical reasons will be considered permanently absent if their absence will last 180 days or more.

The local housing agency will request verification from a responsible medical professional and will use this information in determining whether or not a family member is removed from the household. If the responsible 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.

**Absence Due to Incarceration**
In order to determine if a family member who is incarcerated will be considered temporarily or permanently absent, the local housing agent may need to wait until sentencing has occurred.

If a family member is incarcerated for 90 consecutive days or more, the agent will consider the family member permanently absent.

If a family member is incarcerated for less than 90 consecutive days, they will be considered temporarily absent.

**Absence Due to Other Reasons**
An absence for another documented reason such as employment, military service, vacation, or to care for another individual is permitted for 90 consecutive days.

**Return of Permanently Absent Family Members**
The family must request approval from the local housing agency for the return of any family members that have been determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this chapter.

**Additional Screening Criteria**
An applicant family must meet the following general criteria to be eligible for voucher issuance in the HCV Program.

**Income Screening**
In addition to meeting the definition of family, an applicant must be income eligible. The family’s total annual income (gross income) must be compared to two different income limit tables in order to determine eligibility for voucher issuance and lease-up. The income limits are revised annually by HUD and published in the Federal Register. Agents can find the Income Limits report in Elite.

Agents must first compare the family’s total annual income to the income limit table for Manassas. This income limit table is used to determine eligibility for voucher issuance because VHDA’s area of operation covers multiple jurisdictions. Per regulation, VHDA must use the highest income limit for the jurisdiction it covers which is the Washington D.C. MSA. Manassas is part of the Washington D.C. MSA.
The family’s total annual income must be at or below the very-low income limit (50% of area median income) unless they meet one of the following criteria:

- A low-income family (80% of area median income) that is continuously assisted under the 1937 Housing Act. A family is considered to be continuously assisted if the family is receiving assistance under any 1937 Housing Act program or within the last 30 days prior to being admitted to the HCV Program.
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 or HOPE 2 project, or other HUD-assisted multifamily homeownership program covered by 24 CFR 248.173
- A low-income or moderate-income family displaced as a result of the prepayment of the mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

Second, the agent must compare the family’s total annual income to the income limit for the local jurisdiction where the family wishes to lease a unit. Again the family’s total annual income must qualify them as at least very-low income in order to lease-up.

If the family fails to meet either income limit, they must be denied assistance because they are ineligible (see Policy 1040).

**Age Requirement**

Vouchers will not be issued to individuals under 18 years of age except:

- If the applicant is an emancipated minor
- If HUD has directed assistance to a targeted population

Note: The decision to lease a unit to someone under 18 years of age is at the landlord’s discretion.

**EIV Screening**

Agents must review information in the EIV system in order to determine if each family member is eligible for voucher issuance. Agents must use the **Existing Tenant Search** tab to determine that no family members are currently receiving housing assistance. If the agent finds that a family member is receiving assistance under another program, the agent must verify that the family member is willing to terminate assistance with that program before allowing them to participate in VHDA’s HCV Program or deny the family member.

Additionally, agents must use the **Former Tenant Search** tab to determine if a family member has been terminated from a housing program. Agents should only deny assistance in cases where a family currently owes money to a PHA. Agents must contact the PHA indicated in the EIV report to verify the debt.
Policy 501 Documenting a Household Member’s Identity

An applicant family must provide the housing agent verification of each household member’s legal identity.

Social Security Numbers

All members of applicant and participant households, regardless of age, must disclose and provide documentation verifying their SSNs, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

For applicant families, the SSN for each family member must be provided when program eligibility is being determined. A voucher cannot be issued to the family until this requirement is met.

For participant families, any family member who has not previously provided an SSN must do so at their next interim or annual reexamination. This includes children 6 years of age and younger.

If a household member fails to disclose a valid SSN or fails to disclose the SSN within the timeframe specified, the entire family must be denied assistance or terminated from the program.

Adding New Household Members

For participant families adding a new household member, the timeframe for disclosure depends on the age of the new member. If the new member is at least 6 years old or is under 6 and has an SSN, disclosure is required at the time the request is made to add the member to the household. The local housing agency cannot add the member until this requirement is met.

If the new household member is under age 6 and does not have an SSN, the family must provide documentation of the SSN within 90 days. The local housing agency adds the new member to the household during this period by requesting an alternative identification number. A 90-day extension can be granted if the participant family is unable to comply due to circumstances outside their control.

Requesting an ALT ID

Alternative identification numbers (ALT IDs) are used in place of SSNs for certain individuals so that the person can be added to the household. These individuals include a newborn child born in the U.S., certain noncitizens lawfully in the U.S. and noncitizens that are unlawfully present in the U.S. (a noncontending family member).
Agents request an ALT ID by emailing AskHCV. Once an individual who qualifies for an SSN discloses the new number to the agent, the agent has 30 days to replace the ALT ID in Elite by completing an interim certification.

**Required Documentation**

The local housing agency must accept the following documentation as evidence of a valid SSN:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document which contains the name and SSN of the individual
- An original document issued by a federal, state or local government agency which contains the name and SSN of the individual along with other identifying information of the individual
- Such other evidence of the SSN as HUD may prescribe in administrative instructions

The local housing agency may only reject documentation of an SSN if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged. The applicant or participant will have 30 calendar days to submit acceptable documentation to the local housing agency if documentation is rejected.

The agent should photocopy the documentation provided for the SSN and place it in the family’s file. Once the individual’s SSN is verified by the HUD EIV system, the local housing agency must remove and destroy any copies of documentation of the SSN provided by the family at least by the next reexamination.

The local housing agency is required to retain the EIV Summary Report or Income Report in the permanent documents section of the family file as confirmation of compliance with the SSN disclosure requirement.

**Birth Records**

A birth certificate or other official record displaying the birth date is required to verify the age of all family members.

**Citizens and Eligible Noncitizens**

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals or noncitizens that have eligible immigration status. All applicant families are required to submit evidence of their citizenship status when they apply.

**Declaration**

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.
The declaration must be signed by all adult family members. For minor children, the declaration must be signed by a parent or guardian. The family must identify in writing any family member who elects not to contend their immigration status. No declaration is required for live-in aides, foster children or foster adults.

Any new household member must also have their status determined prior to being added to the household. Evidence of eligible immigration status is required only once for each household member during their participation in the HCV Program.

U.S. Citizens and Nationals
Citizens and nationals are only required to submit a signed declaration that claims their status. The local housing agency may request additional documentation if they have reason to believe an individual's declaration is not accurate.

Eligible Noncitizens
In addition to a signed declaration, eligible noncitizens must also sign a verification consent form to allow the local housing agency to verify their immigration status.

For family members age 62 or older who claim to be eligible noncitizens, proof of age per this policy is the only verification required. No further verification of eligible immigration status is required.

For family members under age 62, the local housing agency must verify immigration status with the United States Citizenship and Immigration Services (USCIS). The following documents are acceptable forms of eligible immigration status:

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record, with one of the following annotations:
  - Admitted as 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 annotations plus one of the following:
  - Final court decision granting asylum (but only if no appeal is taken)
  - Letter from a USCIS asylum officer or district director granting asylum
  - Court decision granting withholding of deportation
  - Letter from an asylum officer granting withholding of deportation
- Form I-688 Temporary Resident Card, annotated: Section 245A or Section 210
- 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
Lawful residents of the Marshall Islands, the Federated States of Micronesia and Palau are eligible for housing assistance per federal regulation.

**Ineligible Noncitizens**
Noncitizens who do not wish to contend their immigration status are listed on a statement signed by the head of household for noncontending family members. The local housing agency is not required to report an individual’s unlawful presence in the U.S.

Providing housing assistance to noncitizen students is prohibited. This prohibition includes a noncitizen spouse and minor children of the noncitizen student and spouse. A citizen spouse and children of a citizen spouse may be eligible for assistance.

**Verification Timeframe**
Applicants and family members added to a participant household must submit verification of citizenship when the local housing agency is determining eligibility.

The local housing agency will allow a 30 day extension to provide documentation that an individual is an eligible noncitizen only when the documentation is temporarily unavailable and that a good faith effort is being made to secure the information.

**Mixed Families**
A family is eligible for assistance as long as at least one family member is a citizen, national or eligible noncitizen. Families that include eligible and ineligible individuals are considered mixed families.

Mixed families are subject to prorated assistance based on the number of eligible members in the family. They are given the opportunity for an informal review if they contest this determination.

Only eligible family members will qualify for any allowances or deductions when calculating assistance.

**Ineligible Families**
The local housing agency will not provide assistance to a family until verification of all family members is complete.

If the local housing agency determines that an applicant family does not include any citizens, nationals or eligible noncitizens, the agent must notify the family that their assistance is denied.

The notice will explain the reason for the denial and that the family may be eligible for prorated assistance, advise the family of its right to request an appeal with the USCIS, and advise the family of the right to an informal review after the USCIS appeal or in lieu of the USCIS appeal.
The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process but that it will be delayed pending the informal review process.

**Verification Process**
If a family member indicates they are a U.S. citizen, a U.S. national or a noncontending family member, no further verification of citizenship is required. If a family member indicates they are an eligible noncitizen, their status must be verified with the USCIS.

Agents must contact the VHDA Policy Specialist to complete the verification with USCIS.
Policy 502  Screening for Criminal Activity

The local housing agency is required to check an applicant’s history of criminal activity for a history of crimes that would prohibit them from participating in the HCV Program. Refer to Policy 1010 and Policy 1012 for specific details related to denying or terminating assistance for the following activities.

HUD Mandated Denials Related to Applicants

Eviction for Drug-related Criminal Activity in Federally Assisted Housing
The agent must prohibit admission to the program of an applicant for 3 years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity.

Use of Illegal Drugs and Alcohol Abuse
The local housing agency must deny admission to the program if any household member is currently engaged in illegal drug use.

Currently engaged in is defined as any use of illegal drugs during the previous one year period from the date the agent is reviewing the family’s eligibility for assistance.

The local housing agency must deny admission if there is reasonable cause to believe that any household member's current use or pattern of use of illegal drugs or the abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Methamphetamine Manufacture or Production
The local housing agency must deny admission if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

Sex Offender Registration
The agent must prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

VHDA Mandated Denial Related to Applicants

VHDA and the local housing agency will deny assistance for any applicant convicted of one of the following offenses within the last five years from the date the applicant’s application for assistance is being reviewed.

Drug-related Criminal Activity
If any household member has engaged in drug-related criminal activity defined as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.
Violent Criminal Activity
If any household member has committed violent criminal activity defined as 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.

Other Criminal Activity
If any household member has committed 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.

If any household member has committed criminal activity that may threaten the health or safety of property owners or management staff, VHDA or local housing agency staff or contractors working on behalf of either entity.

HUD Mandated Termination Related to Participants
Methamphetamine Manufacture or Production
The local housing agency must deny or terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

VHDA Mandated Terminations Related to Participants
VHDA and the local housing agency will terminate assistance for any participant convicted of one of the following offenses.

Use of Illegal Drugs
If any household member is currently engaged in illegal use of a drug or has a pattern of drug use that interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous one year period.

Alcohol Abuse
If any household member’s abuse or pattern of abuse of alcohol threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

Drug-related and Violent Criminal Activity
If any household member has violated the family’s obligations not to engage in any drug-related or violent criminal activity during participation in the HCV Program.

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.
Violent criminal activity is defined as 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 reasonable likely to cause, serious bodily injury or property damage.

**Verification of Criminal Activity**

The local housing agency must complete the *Authorization to Obtain Criminal History* form (VHDA CH-1) for all applicants at program admission.

The local housing agency must screen the family on an ongoing basis during their participation in the HCV Program to determine if a family member has committed any criminal activity while on the program.

Agents will conduct this verification annually from the date of the family’s initial lease-up for new admissions or last annual reexamination for current participants.

**Conducting the Screening**

The local housing agency must review the *Virginia Courts Case Information* website for each county or city the family member has lived in prior to admission to the program. Additionally, the local housing agent must review the court case information for surrounding counties of the family member’s current residence, especially in urban areas.

The local housing agency must review any available court case information sites for any state the family member may have resided in other than Virginia.

Annual verifications only require the agent to conduct the screening for the city or county where the participant is currently living.

For the purpose of sex offender registry screening, the local housing agency can review either the national sex offender registry or the Virginia sex offender registry.

In Virginia, anyone who is considered a violent sexual offender is subject to a lifetime registration requirement.

At their discretion and expense, the local housing agency may conduct additional criminal screening through any law enforcement agency or background check service.
Policy 503  Eligibility of College Students for the HCV Program

Only certain students who are enrolled part-time or full-time in an institution of higher education are eligible for the HCV Program. In order to determine eligibility the agent will consider certain characteristics of the student and whether or not the student and the student’s parents are income eligible.

Students who reside with parents who are applying to receive assistance or parents receiving assistance are not affected by this rule.

Definitions
The following definitions apply only to the eligibility restrictions of a student.

Dependent Child
In the context of the student eligibility restrictions, a dependent child is a child of a student enrolled in an institution of higher education. A dependent is a family member who is under 18 years of age or a person of any age who has a disability or a full-time student. The following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides.

Independent Student
A student will be considered independent from their parents and the parents’ income will not be considered when determining eligibility if all of the following criteria are met:

- The student is of legal contract age under state law.
- The student has established a household separate from their parents for at least one year prior to application for occupancy or the student meets one or more of the U.S. Department of Education’s following criteria defining an independent student:
  o Be at least 24 years old by December 31 of the award year for which aid is sought
  o Be an orphan or a ward of the court through the age of 18
  o Be a veteran of the U.S. Armed Forces
  o Have one or more legal dependents other than a spouse
  o Be a graduate or professional student
  o Be married
- The student was not claimed as a dependent by their parents for tax purposes.
- The student provides a certification of the amount of financial assistance that will be provided by their parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

Institution of Higher Education
The local housing agency will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an institution of higher education. Contact the VHDA Policy Specialist for guidance if needed.
Parents
For purposes of student eligibility restrictions, the definition of parents includes biological or adoptive parents, stepparents (who are currently married to the biological or adoptive parent) and guardians.

Person with Disabilities
The HUD definition used to define a person with disabilities in the HCV Program applies.

Veteran
A veteran is a person who served in the active military, naval or air service and who was discharged or released from such service under conditions other than dishonorable.

Determining Student Eligibility
If a student is applying for the HCV Program on their own, the local housing agency must determine whether the student is subject to certain eligibility restrictions.

For any student subject to the eligibility restrictions, the local housing agency will:
- Determine whether the student is individually eligible and those applying with the student as a family are eligible.
- Determine whether the student is independent from their parents based on the definition of independent student.
- Determine, if necessary, whether the student’s parents are income eligible for the HCV Program.

If the local housing agency determines that the student, the student’s parents or the student’s family is not eligible, the student must be denied and provided the right for an informal review.

Eligibility must be reviewed annually including parental income eligibility if applicable.

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, does not have a dependent child and is not a person with a disability receiving HCV assistance as of November 30, 2005, the student’s eligibility must be examined along with the income eligibility of the student’s parents. In these cases, the student and the student’s parents must be income eligible for the student to receive HCV assistance.

However, if a student in these circumstances is determined to be independent of their parents, the income of the parents will not be considered in determining the student’s eligibility.
Determining Parental Income Eligibility

For any student who does not satisfy the definition of independent student, the local housing agency will determine the income eligibility of the student’s parents as follows:

- If the student’s parents are married and living together, the local housing agency will obtain a joint income declaration and certification from both parents.
- If the student’s parent is widowed or single, the local housing agency will obtain an income declaration and certification from the single parent.
- If the student’s parents are divorced or separated, the local housing agency will obtain an income declaration and certification from each parent.
- If the student has been living with one parent and has not had contact with or does not know how to contact the other parent, the local housing agency will require the student to submit certification describing the circumstances and stating that the student does not receive financial assistance from the other parent. The local housing agency will obtain an income declaration and certification from the parent with whom the student lives.

In determining the income eligibility of the student’s parents, the local housing agency will use the income limits for the jurisdiction in which the parents live.
Policy 504       Reasonable Accommodation Requests

HUD requires VHDA and the local housing agencies to make reasonable accommodations to rules, policies, practices and procedures when such an accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy the HCV Program or a dwelling unit leased under the program.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an undue financial and administrative burden for the housing agency, or result in a fundamental alteration in the nature of the program or service offered.

Definition of Disabled
For purposes of reasonable accommodation requests, the definition of disabled is much broader than the HUD definition.

The Fair Housing Act defines a person with a disability to include individuals with a physical or mental impairment that substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment. This term does not include current, illegal use of or addiction to a controlled substance.

The physical or mental impairment can include practically any condition, disease, illness, disfigurement or disorder, as long as the impairment substantially limits one or more major life activities. Examples include but are not limited to alcoholism, cerebral palsy, cancer, mental illness, emotional disorder, former drug addiction, or HIV infection.

Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

Has a record of such an 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 means:

• Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation
• 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 such impairment
• Has none of the impairments defined by the Fair Housing Act but is treated by another person as having such an impairment.
Types of Reasonable Accommodations
Examples of a reasonable accommodation include the following:

- Conducting home visits to complete paperwork
- Using higher payment standards if necessary to enable a person with a disability to obtain a suitable housing unit
- Providing time extensions to locate a unit because of the lack of accessible units or special challenges of the family in finding a unit
- Allowing a family to lease a unit owned by a relative
- Approving a live-in aide

Submitting a Reasonable Accommodation Request
The family must submit the Reasonable Accommodation Request form, statement from a medical professional and any supporting documentation to the local housing agency in order for a request to be considered. Documentation cannot be older than 120 days from the time the request is submitted to VHDA for approval.

The local housing agency can only approve requests related to home visits to complete paperwork. All other requests must be approved by VHDA.

The local housing agency will forward the request to the HCV Program Manager, Patrice Freeman, for review. The program manager will advise the local housing agency in writing if the request is approved or denied. The local housing agency will notify the family in writing of the outcome of the request.

During the family’s annual reexamination, the need for the reasonable accommodation will be verified unless otherwise stipulated by the HCV Program Manager.

Confidentiality
Under federal privacy laws, the local housing agency is required to keep confidential any personal information about an individual obtained in a confidential manner or from a confidential source.

Information that provides a person’s diagnosis or details of treatment for a disability or medical condition cannot be kept in the family’s file and must be destroyed following the decision of the HCV Program Manager.
Policy 511  Family Consent to Release Information

All adult applicants and participants must sign the Authorization for the Release of Information/Privacy Act Notice (HUD-9886). The purpose of the form 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.

The local housing agency can use this form to obtain information on wages and salaries from current and former employers, information on wages and unemployment compensation from a State Wage Information Collection Agency (SWICA), and information on unearned income such as interest and dividends from financial institutions.

Adult family members must sign other consent forms as needed to collect information relevant to other aspects of the family’s eligibility and level of assistance.

Completing the Form

Although the HUD-9886 form is valid for 15 months, applicants and participants must sign and submit a HUD-9886 form at their initial examination and at each annual reexamination. It is not necessary to sign the form during an interim reexamination unless a new family member is being added to the household.

The consent form must be signed by the head of household and spouse regardless of age and by each adult household member age 18 and older.

Signatures must also be obtained from any new adult joining the household or from household members when they reach 18 years of age. For those turning age 18, the agent will obtain the appropriate signatures at the next scheduled annual or interim reexamination following the family member’s 18th birthday.
Policy 515   Verifying Information

Accurate determination of tenant rent can only occur with verification of all factors related to income and household circumstances reported by the family. The family’s file must contain verifications related to family income, value of assets, expenses related to deductions, and any other factors that affect the determination of adjusted income.

Acceptable Documentation

Any document used for verification must be an original. The agent may make photocopies for the family’s file and should notate on the copy that the original was reviewed. Documents must not be damaged, altered or illegible. Print-outs from web pages are considered original documents.

All documents must be dated within 60 days of the date they are provided to the local housing agency.

Verification Forms

Agents must use the verification forms provided by VHDA when necessary. If a specific form is not available, the agent should contact the VHDA Policy Specialist for guidance in creating an acceptable form.

If a family member turns 18 during the family’s certification year, the agent will obtain the appropriate signatures on any forms or verifications at the next scheduled annual or interim reexamination following the family member’s 18th birthday.

File Documentation

The local housing agency must document how the figures used in income and rent calculations were determined. All verification attempts, information obtained and decisions reached during the verification process must be sufficiently documented to indicate that the proper policies and procedures were followed.

If the agent is unable to obtain third party verification, they must document the reason third party verification was not available.

Agents should remember to stamp all verifications with the date they are received.
Policy 516 Verification Hierarchy

HUD has specified six methods to verify family information and the circumstances in which each method will be used. The local housing agency must use the highest priority method for verifying income and other related information, and must document the methods used in each family’s file particularly when a lesser form of verification is used.

The six methods in order of priority include:

- Up-front Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third-Party Verification provided by an applicant or participant
- Written Third-Party Verification Form
- Oral Third-Party Verification
- Self-certification

Up-front Income Verification

Upfront income verification (UIV) systems are computerized systems that are considered to be the highest and most accurate sources for earnings and benefits information.

HUD’s EIV System

HUD’s EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. Applicant information will not be found in the system and is only added once information on the applicant family is transmitted to HUD.

HUD requires VHDA and the local housing agencies to use the EIV system during annual and interim reexaminations. EIV is also used to verify that a family claiming zero income is not receiving income from any source.

Agents must print an income report from the EIV system and compare the report to information provided by the family. For new admissions or the addition of a new family member to an existing household, agents must print and review the EIV report within 120 days of the family leasing a unit or joining the household.

If the family does not dispute the EIV report and provided the appropriate tenant documents, the local housing agency has obtained sufficient verification of income. Income reports are placed in the family’s file with the applicable annual or interim reexamination documents.
Other UIV Systems
Local housing agencies may use other UIV systems when HUD’s EIV system does not contain any family data. Other examples of UIV systems include: the Internal Revenue Service (IRS), The Work Number, credit reporting agencies, and state systems.

To receive a tax transcript from the IRS, the local housing agency will need to have the family complete IRS Form 4506-T. The family can also order a transcript online at irs.gov or by phone.

VHDA has established an account with The Work Number in order for local housing agencies to use this service. In order to obtain a login name and password under the VHDA account, the agent must contact the VHDA Policy Specialist.

VHDA no longer has access to the Virginia Employment Commission database.

If a local housing agency uses a UIV service that charges a fee, the local housing agency is responsible for paying the fee and the cost will not be reimbursed by VHDA and cannot be passed on to the family.

Written Third-Party Verification
Written third-party verification is an original document generated by a third-party source which is provided directly to the local housing agency by the source or by the family. Documents that appear to be forged or are altered, mutilated or illegible must be rejected.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit letters, bank statements, child support payment stubs, welfare benefit letters and printouts, and unemployment benefit notices.

The local housing agency is required to obtain at least two current and consecutive pay stubs for determining annual income dated within 60 days of the request date by the local housing agency.

Written Third-Party Verification Form
When upfront verification is not available and the family is unable to provide written third-party documents or the family disputes the EIV data, the local housing agency must request third-party verification with the forms provided by VHDA. For new income sources, the local housing agency must project income based on information provided on the verification form.

Use of a verification form is mandatory when there is an unreported source of income or a substantial difference in reported income ($2400 annually or more) and there is no UIV or tenant-provided documentation to support the discrepancy.
The local housing agency can mail, fax or email the verification form directly to the third-party source.

**Oral Third-Party Verification**

Oral third-party verification is mandatory if neither form of written third-party verification is available or if requests for written third-party verification forms have not been returned within 10 business days.

Oral third-party verification can be conducted by telephone or in person. Agents should document the date and time of the call or visit, the name and title of the person contacted, the telephone number called and the information provided by the third-party source.

**Self-certification**

Self-certification or a tenant declaration is used as a last resort when the local housing agency is unable to obtain any type of third-party verification. The agent must explain why third-party verification was not available in their file documentation.

**When Verification Is Not Required**

HUD has acknowledged that it may not be cost effective or reasonable to obtain third-party verification of income, assets or expenses when these items will have a minimal impact on the family’s total tenant payment.

Third-party verification of an excluded source of income is not always necessary. Families may provide documentation or a self-certification that the income and amount received is from an excluded source but it is not necessary for the agent to verify the exact amount of the excluded income.
Policy 517 Verification for Certain Types of Income

Outlined below are additional policies to supplement the general verification procedures specified in Policy 516 for certain types of income.

Verifying Unique Types of Income

Tips
Unless tip income is included in a family member’s W-2 from an 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.

Business and Self-employment Income
Business owners and self-employed persons will be required to provide all schedules completed for filing federal taxes in the preceding year.

If federal income tax information is unavailable, the family is required to provide a statement of income and expenses for the coming year and certify to its accuracy.

At any reexamination the local housing agency may request documents that support submitted financial statements including appointment books, cash/receipt books or bank statements.

Social Security and SSI Benefits
To verify the SS/SSI benefits of applicants, the local housing agency will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits.

If the family is unable to provide the document, the agent will help the applicant request a benefit verification letter from SSA’s website or ask the family to request one by calling the SSA.

Alimony or Child Support
Obtaining verification for alimony and child support differs depending on whether the family declares that it receives regular payments. Child support cases are normally handled through the Division of Child Support Enforcement (DCSE); whereas alimony may be paid through the local court.

If the family declares that they receive regular payments, verification will be sought in the following order.

- Computer printout from DCSE or the court showing at least the last 60 days of payments prior to the local housing agency’s request
- Verification form from DCSE or the court
- Verification form from the person paying the support
• 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.

If the family declares that they receive irregular or no payments, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due.

**Verifying Assets and Income from Assets**

**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 in the preceding two years. The local housing agency needs to verify only those assets that warrant documentation.

**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. Additionally, the family needs to provide an estimate of the expenses for the coming year and the most recent IRS Form 1040 with Schedule E.

If a Schedule E was not prepared, the family will need to provide a self-certification of income and expenses for the previous year for the rental property.
Policy 518  Annual Income Inclusions and Exclusions

HUD Definition of Annual Income
Annual income includes all amounts, monetary and non-monetary, that go to, or are on behalf of, the family head or spouse, or to any other family member or are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination which are not specifically excluded by regulation.

Additionally, annual income includes amounts derived from assets to which any member of the family has access.

Types of Earned Income Included as Annual Income

Employment Income
Employment income is defined as the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.

Do not count bonuses or commissions unless the family member consistently receives this type of income from year to year.

Military Pay
All regular pay, special pay, and allowances of a member of the Armed Forces are included as annual income. The service member may be temporarily absent from the household due to their military assignment, however the income is still count.

Business Income or Self-employment Income
Business income is defined as the net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income.

An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS 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.

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

The housing agent should contact their assigned PCO for further guidance on determining business income.
Types of Payments Included as Annual Income

Periodic Payments
The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment.

For individuals that have received an overpayment in benefits from the Social Security Administration resulting in a deduction from their benefit amount, the agent must calculate income based on the reduced amount.

Benefit and other non-earned income for a child, such as welfare assistance or SSI payments, is always included in annual income.

Payments in Lieu of Earnings
Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay are included in annual income calculations.

Welfare Assistance
Welfare assistance is included as 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.

If a family is sanctioned because of noncompliance with welfare self-sufficiency or work requirements, the local housing agent will not reduce the family’s household income because of the reduction in benefits. The agent will continue to count the amount lost in total income. See Policy 519 for information on computing imputed welfare income.

This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Agents will reduce the rent if the welfare assistance reduction is a result of the expiration of a lifetime limit on receiving benefits, a situation where the family has complied with welfare program requirements but cannot obtain employment or the sanction is due to the family’s noncompliance with other welfare agency requirements.

In Virginia, a family may opt out of the welfare program if they have been sanctioned. In this case, the agent would remove the welfare income from the family’s total household income.

Types of Periodic and Determinable Allowances Included as Annual Income

Alimony and Child Support
Count the amount specified in a divorce settlement or separation agreement unless the family certifies the income is not being received and has made a reasonable effort to
collect the amounts due, including filing with courts or agencies responsible for enforcing payments.

**Regular Contributions or Gifts**
The agent must count as income regular monetary and non-monetary contributions or gifts from persons not residing in the unit. Regular is defined as at least 3 consecutive payments made within the last 90 days of the request date of the local housing agency.

For example, if an aunt who does not live in the household pays the assisted household’s cable bill directly to the provider, it is considered income to the household.

**Student Financial Assistance Included as Annual Income (Student Rule)**
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
- They are seeking or receiving housing assistance on their own
- They are under 24 years of age or they have no dependent children.

For students who satisfy these criteria, any financial assistance in excess of tuition and any other required fees and charges received under the Higher Education Act of 1965, from a private source or from an institution of higher education must be included in annual income.


**Asset Income Included as Annual Income**
Income from assets including interest on savings accounts, stock dividends, net income from real or personal property is counted when determining annual income.

Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in the business income section above.

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 $5000, 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.
Asset income of a child is included as income.

See Policy 521 for additional information on assets and asset income.

**Types of Earned Income Excluded as Annual Income**

**Sporadic Income**
Temporary, nonrecurring, or sporadic income (including gifts) is excluded. Sporadic income is not received periodically and cannot be reliably predicted.

**Child’s Employment Income**
Income earned by a child from employment (including foster children) under the age of 18 years is excluded from annual income. However, if the head of household or spouse is a person under 18 years of age, the income is included.

Benefit and other non-earned income for a child, such as welfare assistance or SSI payments, is always included in annual income.

**Earned Income of Full-time Students**
Earnings in excess of $480 for each full-time student 18 years and older (excluding the head of household, spouse or co-head) are excluded from annual income.

**Hostile Fire Pay**
Special pay to a family member serving in the Armed Forces who is exposed to hostile fire is excluded.

**Income of a Live-in Aide**
Income of a live-in aide (as defined by regulation) is excluded. Do not include this information on the HUD-50058.

**Income Earned under Certain Federal Programs**
- Payments to volunteers under the Domestic Volunteer Services Act of 1973
- Payments received from programs funded under Title V of the Older Americans Act of 1965
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990
- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998

**Resident Services Stipend**
This is a modest amount (not to exceed $200 per individual per month) received by a resident for performing a service for the 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, and resident initiatives coordination and serving as a member of the PHA’s governing board. No resident may receive more than one such stipend during the same period of time.
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 employment training program.

A training program is defined 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 of time. It is designed to lead to a higher level of proficiency and enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency.

Incremental earnings and benefits is defined as the difference between the total amount of welfare assistance and earnings of an individual prior to enrollment in the training program and the total amount of welfare assistance and earnings of the individual after enrollment in the training program.

HUD Funded Training Programs
Amounts received under a training program funded by HUD are excluded. Eligible sources of funding for the program may come from: operating subsidies, Section 8 administrative fees, Community Development Block Grant (CDBG) funds, HOME funds, or other HUD funds.

The training program must meet the same definition provided for state and local employment training programs.

Earned Income Tax Credit (EITC)
Earned Income Tax Credit 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 in an individual's paycheck. Agents must be sure to exclude this amount.

Earned Income Disallowance (EID)
The earned income disallowance is discussed in Policies 875-878.

Types of Periodic Payments Excluded as Annual Income
Foster Care Payments
Payments, including any type of kinship care payment, received for the care of foster children or foster adults are excluded. Do not include this information on the HUD-50058.
State Funds for the Disabled
Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home are excluded.

Other Types of Periodic Payments
- Payments or allowances made under the Department of Health and Human Services’ Low-Income Home Energy Assistance Program
- 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
- Lump-sum payments received as a result of processing delays for Social Security and Supplemental Security Income benefits
- Any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs

Student Financial Assistance Excluded as Annual Income
Any student financial assistance not subject to inclusion by federal statute is fully excluded from annual income whether it is paid directly to the student or the educational institution the student is attending. This includes any financial assistance received by:

- Students living with their parents who are seeking or receiving HCV assistance
- Students who are enrolled in an educational institution that does not meet the Higher Education Act of 1965 definition of an institution of higher education
- Students who are over age 23 and have at least one dependent child
- Students who are receiving financial assistance through a government program not authorized under the Higher Education Act of 1965

Additional Exclusions from Annual Income
Medical Expense Reimbursements
Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member. This exclusion is not limited to only elderly or disabled families.

Plan to Attain Self-Sufficiency (PASS)
Amounts received by a person with disabilities 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 PASS.

Public Assisted Program Reimbursements
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.

**Holocaust Reparations**
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 Payments**
Adoption assistance payments in excess of $480 per adopted child are excluded.

**Property Taxes**
Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on a dwelling unit.

**Other Exclusions**
Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act.

- Value of the allotment provided to an eligible household under the Food Stamp Act of 1977
- Payments received under the Alaska Native Claims Settlement Act
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians
- The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the US 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
- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the *In re Agent-Orange Product Liability Litigation*
- Payments received under the Maine Indian Claims Settlement Act of 1980
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation
- Payments received under the provisions of 38 USC 1833(c) to children of Vietnam veterans born with spina bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spina bifida
- Any amount of crime victim compensation 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
• Any amount received under the Richard B. Russell School Lunch Act and the Child Nutrition Act of 1966, including reduced price lunches and food under the Special Supplemental Food Program for Women, Infants and Children (WIC)
• Payments, funds or distributions authorized, established or directed by the Seneca Nation Settlement Act of 1990
• A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al. for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
• Any amounts in an individual development account as provided by the Assets for Independence Act, as amended in 2002
• Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30
• Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, and comparable disaster assistance provided by States, local governments and disaster assistance organizations
Policy 519  Calculating Annual Income

The local housing agent should use the family’s current circumstances to anticipate income unless verification forms indicate an imminent change.

Income must be converted to annual figures. The formula to determine this number is: amount × the frequency = annual income.

To complete the calculation, multiply by the following rates of recurrence:

- Hourly wages by 2080
- Weekly wages by 52
- Bi-weekly amounts by 26
- Semi-monthly amounts by 24
- Monthly amounts by 12

Annualizing Seasonal Employment Income

In some occupations it is normal for people to work less than 12 months per year. For example, school employees, agricultural workers and landscape or construction workers may work for fewer months. In these cases, the local housing agency will review and analyze historical data and use the results of this analysis to establish annual income.

The agent calculates anticipated income from all known sources for the entire year. There is no need to complete an interim reexamination because the income change has already been anticipated. In order to use this method, the agent must have a history of the individual’s income from past years.

Example

Sara is employed as a 3rd grade teacher. She earns $1500 per month but is only paid this amount for 9 months. For 3 months, Sara works as a waitress earning $500 per month. The agent would anticipate income from both sources for the entire year.

\[
\begin{align*}
$1500 \text{ per month} \times 9 \text{ months} & = $13,500 \\
$500 \text{ per month} \times 3 \text{ months} & = $1500 \\
\text{Total annual income} & = $15,000
\end{align*}
\]

An interim is not processed when Sara stops working at the school and begins working as a waitress.
Temporarily or Permanently Absent Family Members

The agent will need to determine what circumstances cause the family members to be absent and whether the income is available to the household. Generally the following principles apply:

- If a person is temporarily absent from the household, their income is counted, they are considered in the determination of the appropriate bedroom size, and they are listed on the lease and the Family Report (HUD-50058). Temporarily absent is defined as 90 days or less.
- If a person is permanently absent from the household, they are not considered in the determination of the appropriate bedroom size, their income is not counted, and they are not listed on the lease or the Family Report (HUD-50058). Permanently absent is defined as more than 90 days.

Each situation may require a case-by-case analysis by the agent to determine whether to count the family member.

Imputed Welfare Income

When a welfare agency imposes a sanction that reduces a family’s welfare assistance because of fraud or the family’s noncompliance with an economic self-sufficiency program, imputed welfare income is included in annual income. The imputed income is the amount the family would have received if the family had not been sanctioned.

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.
Policy 521  Asset Income Inclusions and Exclusions

Annual income includes amounts derived from assets to which family members have access.

Types of Assets Included in Annual Income

Checking and Savings Accounts
Amounts in checking and savings accounts are included as asset income.

Agents should use the current balance in either account as the amount to include in asset income.

If the family is unable to provide any statement, the agent will only conduct third-party verification if the balance in each account is $1000 or more.

If an agent verifies this information through the financial institution, the agent should make sure the family is not charged a fee. Otherwise, the agent may accept statements provided by the family as long as the documents are no more than 60 days old.

The family can also obtain account information in the presence of the agent through an automated banking system and document the findings for the file.

Debit cards issued by the Social Security Administration or another agency should be counted as an asset.

Investment Accounts
Stocks, bonds, savings certificates, money market funds, and other investment accounts are included in annual income. Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested.

In determining the market value of an investment account, the agent 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. If the anticipated rate of return is unknown (e.g. stocks), asset income will be calculated based on the earnings from the most recent reporting period.

Equity in Real Property
Equity in real property or other capital investments are included as assets. Equity is the estimated current market value of an asset less the unpaid balance of all loans secured by the asset and reasonable costs that would be incurred in selling the asset.
First, the agent must calculate the equity by taking the market value of the property minus any outstanding loan amount.

Second, the agent calculates the cash value of the real property by taking the equity minus any expenses to convert the property to cash. Expenses to convert to cash may include such costs as broker fees, sales commissions, settlement costs, and transfer taxes.

If real property is owned jointly with others not living in the family’s unit, a prorated share of the property’s cash value will be counted as an asset unless the agent determines the family receives no income from the property and is unable to sell or convert the asset to cash.

**Trusts**

A trust is a legal arrangement in which one party (the grantor) transfers property to a second party (the trustee) who holds the property for the benefit of a third party (the beneficiaries).

A revocable trust is a trust where any member of the family has the right to withdraw the funds in the trust. The value of the trust in this case, 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.

In cases where a trust is not revocable by, or under the control of, any member of the family, the value of the trust funds is not considered an asset. However, any income distributed to the family from the trust must be counted as annual income (see Policy 518).

**Company Retirement or Pension Accounts**

In order to correctly include or exclude as an asset amounts held in a company retirement or pension account, the agent 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 retirement or termination of employment, include any benefits received through periodic payments from a retirement or pension fund as annual income (see Policy 518). The balance in the account is counted as an asset only if it remains accessible to the family member.

**IRA, Keogh and Other Retirement Accounts**

IRA, Keogh and similar retirement savings accounts are assets even though early withdrawal would result in a penalty.
Lump-sum Payments
One time lump-sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlements for personal or property losses are reported as assets when these one time payments are retained and verified.

Personal Property
Items held as an investment such as gems, jewelry, coin collections, antique cars, etc. are considered assets. To determine the value of the personal property, the agent can use the family’s estimate of value or any online or print resources.

Life Insurance
The cash value of a life insurance policy, such as a whole or universal life policy, is an asset. The cash value is the surrender value.

Assets Disposed of for Less Than Fair Market Value
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 or reexamination.

The agent 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.

Assets are not considered disposed of for less than fair market value if they are part of a separation, divorce, bankruptcy or foreclosure.

Types of Assets Excluded in Annual Income
The following items are not considered assets:

- Equity accounts in HUD homeownership programs
- Value of a home being purchased through the HCV Homeownership Program
- 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 and the property is considered a business asset
- Interest in Indian Trust lands
- Real property and capital assets that are part of an active business or farming operation
- Necessary items of personal property such as clothing, furniture and automobiles
Policy 522 Calculating Asset Income

Determining the amount of asset income to include in annual income requires the local housing agency to calculate two values for each asset: the cash value and the actual anticipated income.

Valuing Assets

The calculation of asset income requires the local housing agency to make a distinction between an asset’s market value and its cash value.

The market value of an asset is its worth. For example 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.

Imputed Income from Assets

When net family assets are $5,000 or less, the actual income anticipated to be derived from the assets is included in annual income.

If net family assets exceed $5,000, annual income must include the greater of the actual income from assets or an imputed income from assets.

Impute income by multiplying total net family assets by the passbook rate provided by HUD.

Note: The passbook rate is updated in Elite as needed.
Policy 523  HCV Program Allowances

Dependent Allowance
The allowance for each dependent is $480. A dependent is any family member who is:
- A person under age 18
- A person with a disability of any age
- A full-time student of any age. The student must carry a subject load considered full-time by the educational institution attended.

A dependent allowance is not given to the head, spouse, foster child, foster adult, or a live-in aide.

Elderly/Disabled Allowance
A $400 allowance is given per family in which the head, spouse or co-head is 62 years of age or a person with disabilities.
Policy 524  Childcare Expenses

Childcare Allowance
An allowance for childcare expenses applies only to amounts paid for care of children (including foster children) age 12 and under during the period for which annual income is computed if the following conditions are met:

- Such care will enable a family member to actively seek employment, be gainfully employed, or further his or her education
- The amount deducted is reasonable for the hours and type of care provided
- The amount is not paid or reimbursed by an agency or individual outside the household
- The amount deducted to permit employment may not exceed the amount of employment income included in annual income for the family member enabled to work.

Prorating for Care of Multiple Children
If the care provider also cares for other family members age 13 and over, the agent must prorate the total cost and allocate a specific amount for the care of children age 12 and under. The proration must be reasonable in terms of the hours and type of care.

Allowable Amounts
Any expense allowed to enable a family member to work cannot exceed the amount of employment income of the family member enabled to work. If both childcare and handicap assistance are needed to enable a family member(s) to work, refer to Policy 525.

The following amounts must not be deducted as child care expenses:

- Child support payments for children who do not live in the unit
- Expenses for the care of handicapped or disabled family members age 13 and older (see Policy 525)
Policy 525  Disability Assistance Expenses

A family may deduct reasonable anticipated expenses during the period for which annual income is computed for attendant care and auxiliary apparatus of disabled family members if the expense:

- Is necessary to enable a family member (including disabled member) to be employed provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source
- Exceeds three percent (3%) of annual income
- Does not exceed the earned income of all family members enabled to work

Examples of Auxiliary Apparatuses

An auxiliary apparatus can include but is not limited to: wheelchairs, ramps, reading or typing devices for the visually impaired, and adaptations to vehicles, etc. if directly related to permitting the disabled persons or other family member to work.

Childcare and Disability Expenses

When a care provider takes care of children age 12 and under, plus a person with disabilities who is 13 years of age or older, expenses must be prorated appropriately since rules differ in treatment of childcare and disability assistance expenses.
Policy 527  Elderly/Disabled Family’s Medical Expenses

The medical expense deduction is permitted only for households in which the head, spouse or co-head is at least 62 years old or disabled.

If the household is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Medical expenses are expenses anticipated to be incurred during the 12 months following certification or recertification, which are not covered by an outside source such as insurance. Generally, if the IRS (Publication 502) allows the expense as a medical expense, then the program counts it as a medical expense. Examples include:

- Services of doctors and healthcare professionals
- Services of healthcare facilities
- Medical insurance premiums
- Prescription and nonprescription medications which are prescribed by a physician
- Transportation to treatment
- Dental expenses, eyeglasses, hearing aids, batteries
- Live-in or periodic medical assistance
- Monthly payment on accumulated medical bills but only the amount expected to be paid for the upcoming 12 months

If an elderly or disabled family has medical and disability assistance expenses, a special calculation is required to insure that the family’s three percent share is only applied once.

Because the disability assistance expense is limited by the amount earned by the person enabled to work, the disability allowance must be calculated before the medical allowance.

When the family has disability assistance expenses greater than or equal to three percent of annual income, the allowance for medical expenses will be equal to the family’s total medical expenses.

When a family has disability assistance expenses that are less than three percent of annual income, the family will receive no allowance for disability assistance expense. However, the medical expense allowance will be equal to the amount by which the sum of both disability and medical expenses exceeds three percent of annual income.

If the disability assistance expense exceeds the amount earned by the person enabled to work, the disability assistance allowance will be capped at the amount earned by that individual. However, when the household is also eligible for a medical expense
allowance, the three percent may have been exhausted in the first calculation. Then it will not also be applied to medical expenses.
Policy 528  Subsidy Standards

VHDA has established subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. The agent uses this information to determine the voucher size a family receives.

The voucher size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room. Families may sleep as they wish provided HQS are satisfied with at least one bedroom for each two persons.

Determining Voucher Size

The following requirements apply when the agent determines the voucher size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the Housing Quality Standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from home because of placement in foster care is considered a member of the family in determining the voucher size.
- Families who are in the process of securing legal custody of children and can document the custody process can be counted in determining the voucher size.
- Children who are subject to a joint custody agreement but live in the unit at least 182 calendar days a year can be counted in determining the voucher size.
- Children who are subject to a joint custody agreement and both participants are subsidized households can only be counted in one household.
- A child who is away at school but returns to live with the family during breaks and school closings is counted in determining the voucher size, if so elected by the family.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide must be counted in determining the voucher size. Family members of the live-in aide are not included in determining voucher size. The aide must be identified before the subsidy size is changed.
- Unless a live-in aide resides with the family, the voucher size for any family consisting of a single person must be either a zero-bedroom or one-bedroom unit.
- Unless there is a live-in aide, the voucher size for an assisted occupant of a group home must be zero- or 1- bedroom. If there is a live-in aide, the aide must be counted in determining the household’s voucher size.
• When a voucher is issued to a manufactured homeowner for space rental, the family is issued a voucher based on the subsidy standards and not the number of bedrooms in the manufactured home.

Determining Voucher Size

The local housing agency may use the following chart established by VHDA to determine the appropriate voucher size for a family.

<table>
<thead>
<tr>
<th>Persons in Household (minimum - maximum)</th>
<th>Voucher Size (number of bedrooms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SRO</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1 - 2</td>
<td>1</td>
</tr>
<tr>
<td>3 - 4</td>
<td>2</td>
</tr>
<tr>
<td>5 - 6</td>
<td>3</td>
</tr>
<tr>
<td>7 - 8</td>
<td>4</td>
</tr>
<tr>
<td>9 - 10</td>
<td>5</td>
</tr>
<tr>
<td>11 - 12</td>
<td>6</td>
</tr>
</tbody>
</table>

Exceptions to the Subsidy Standards

In determining unit size for a particular family, an exception to the subsidy standards can only be granted as a reasonable accommodation. Reasonable accommodation requests must be approved by VHDA.

A family may lease an otherwise acceptable dwelling unit with fewer bedrooms than the voucher size as long as the housing quality standards are met. HQS allows a family to count a living/sleeping room as a bedroom.

A family may also lease an otherwise acceptable dwelling unit with more bedrooms than the voucher size.
Policy 530 Calculating Family Share

Total Tenant Payment (TTP) Formula
HUD regulations specify the formula for calculating the TTP for an assisted family. TTP is the highest of the following amounts:

- 30% of family's monthly adjusted income
- 10% of family's monthly gross income
- Welfare rent (does not apply to Virginia)
- VHDA minimum rent

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.

Minimum Rent
VHDA's minimum rent amount is $50.

Exceptions to Requiring the Minimum Rent
The minimum rent amount may be waived in cases of financial hardship outlined below:

- Family income has decreased or family has no income because of a change in family circumstances, including the loss of employment.
- The death of a family member has occurred creating a hardship due to funeral costs or loss of the family member's income.
- The family has lost eligibility or is awaiting an eligibility determination for a federal, state or local assistance program.
- The family would be evicted because it is unable to pay the minimum rent. Under this provision, the cause of the eviction must be the family's failure to pay rent to the owner or tenant paid utilities.

Processing a Hardship Exemption
To qualify for a hardship exemption, the family must submit a request in writing to the local housing agency explaining the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The local housing agency reviews the request and determines if the request should be granted and forwards the request to AskHCV for final approval. Agents must indicate if the exemption is temporary (90 days) or long term.

Families are not required to repay any suspended amounts due to a hardship.
Policy 540 Housing Choice Vouchers Issued

In order to monitor the number of vouchers issued, the local housing agent has access to several Elite reports that provide this data.

It is the agent’s responsibility to maintain a constant check on the number of vouchers that are under lease and those that are looking for housing.

The Elite reports are:

- Agency Issued Vouchers
- VA901 Vouchers by Agency
Policy 541    Notifying the Family of Subsidy Issuance

Once a family is determined eligible for participation in the HCV Program, the local housing agency issues the family a Voucher (HUD-52646). The voucher is the family’s authorization to look for housing. The voucher specifies the unit size for which the family qualifies and includes both the date the voucher was issued and the date it expires.

The local housing agency notifies the family in writing of their eligibility, that a voucher is available and schedules the family to come in for the family briefing. Agents send the notice via email to an address provided by the family or first class mail. If the notice is sent via email and is returned as undeliverable, the agent must send the notice via first class mail.

If no response is received from the family, the agent must inform them in writing via first class mail that their application will be rejected.

Applicants must be eligible at the time the voucher is issued until the family is placed under lease. Please remember that family eligibility must be determined no more than 60 calendar days before the voucher issuance date.

Applicants found to be ineligible must be notified in writing stating the reason for the decision and giving the family the right to request an informal review.
Policy 542  Family Obligations

The family obligations must be reviewed at the time of admittance to the program and at least annually so that families are aware of their responsibilities as program participants. The family is required to sign the appropriate form acknowledging receipt of the information and a copy given to the family.

Family Obligations

- The family must supply any information that HUD, VHDA or the local housing agency determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by HUD, VHDA or the local housing agency for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining this information.
- Any information supplied by the family must be true and complete.
- The family is responsible for correcting any HQS violations caused by the family such as failing to pay tenant-provided utilities, failing to provide and maintain any tenant-provided appliances, or having a household member or guest cause damage to the dwelling unit or premises beyond normal wear and tear.
- The family must allow the local housing agency or VHDA to inspect the unit at reasonable times after reasonable notice.
- The family must not commit any serious or repeated violation of the lease. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, or stalking will not be construed as serious and repeated lease violations by the victim.
- The family must notify the local housing agency and the owner before moving out of the unit or terminating the lease.
- The family must promptly provide the local housing agency a copy of any owner eviction notice.
- The family must use the assisted unit as their sole residence.
- The composition of the family residing in the unit must be approved by the local housing agency.
- The family must promptly inform the local housing agency in writing of the birth, adoption or court-awarded custody of a child.
- The family must request approval in writing from the local housing agency to add another family member as an occupant of the unit.
- The family must promptly notify the local housing agency in writing if any family member no longer resides in the unit.
• If the local housing agency has given approval, a foster child, foster adult or a live-in aide may reside in the unit.

• 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 unit for residence by the family.

• The family must not sublease the unit.

• The family must not assign the lease or transfer the unit.

• The family must supply any information requested by the local housing agency to verify that the family is living in the unit or relating to family absence from the unit.

• The family must promptly notify the local housing agency in writing of absence from the unit.

• The family must not own or have any interest in the unit.

• Family members must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.

• Household members must not engage in drug-related criminal activity, violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

• Household members must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

• Household members cannot be subject to a lifetime sex offender registration requirement.

• Family members must not receive HCV Program assistance while receiving another housing subsidy for the same unit or a different unit under any other federal, state or local housing assistance program.

• A family must not receive HCV Program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless VHDA has approved a reasonable accommodation request to allow such action.

Family Obligations for the Mod Rehab and Homeownership Programs

The obligations for the moderate rehabilitation and homeownership programs are listed on the Statement of Family Responsibility created for each program.
Policy 543    Illegal Discrimination

A family may claim discrimination because of race, color, religion, sex, national origin, age, familial status or disability which prevents the family from finding or leasing a suitable unit with assistance under the program.

The agent must provide the family with information on how to complete and file a housing discrimination complaint (see Policy 1290).
Policy 545  Family Briefing

HUD regulations require the local housing agency to conduct mandatory briefings for all families who are selected to receive a voucher. The purpose of the briefing is to explain the program in general, to provide the family with forms and information to find and lease a unit, and to apprise the family of their responsibilities and those of the owner under the program regulations.

The local housing agency is responsible for giving an oral briefing and providing the family with written program materials in a briefing packet. Families can be briefed in groups or individually, however the briefing should be structured to allow the family adequate opportunity to raise questions.

Oral Briefing Topics

The following topics must be discussed at the briefing:

- How the program works by covering the content of the Family Guidebook: VHDA Housing Choice Voucher Program
- Family and owner responsibilities
- Where a family may lease a unit, including renting a unit under portability
- An explanation of portability
- If the family is currently living in a high poverty census tract, the briefing must also explain the advantages of moving to an areas outside of high poverty concentrations
- What information the agent may provide to the owner on the family

Owner/HAP Payee Responsibilities

The agent should review the owner’s responsibilities outlined below with the family:

- Perform all of the owner’s obligations under the HAP contract and the lease
- Perform all management and rental functions for the assisted unit including selection of the family for tenancy
- Maintain the unit in accordance with Housing Quality Standards including performance of ordinary and extraordinary maintenance
- Comply with equal opportunity requirements
- Prepare and furnish to VHDA and the local housing agency information required under the HAP contract
- Collect from the family any security deposit, the monthly family contribution, and any charges for damages to the unit caused by the family
- Enforce the family obligations under the lease
- Pay for utilities and services not covered by the family under the lease
- Make provisions or modifications to a dwelling unit occupied by a disabled person
- Inform the local housing agency and family of known lead-based paint in the unit
• Not to engage in drug trafficking
Policy 546  Contents of the Family Briefing Packet

The following is a list of required material for the Housing Choice Voucher briefing packet:

- **Family Guidebook: VHDA Housing Choice Voucher Program**
- **Are You a Victim of Housing Discrimination? brochure**
- **Voucher** (HUD-52646) listing the term of the voucher
- Extension policy with information on how to request an extension
- **Tenancy Addendum** (HUD-52641)
- **Request for Tenancy Approval** (HUD-52517)
- **A Good Place to Live!** brochure
- **Protect Your Family from Lead in Your Home** brochure
- Listing of available units or printout from virginiahousingsearch.com
- Maps from poverty/minority application
- **Your Right to Relocate** brochure
- Subsidy standard policy
- **Interim Reporting Requirements Notice**
- VAWA brochure
- **Reasonable Accommodation Request** form
- **What You Should Know About EIV** brochure
- **Debts Owed to Public Housing Agencies and Terminations** (HUD-52675)
- **Supplemental and Optional Contact Information for HUD-Assisted Housing Applicants** (HUD-92006)
Policy 549    Extentions and Suspensions of the Voucher

**Voucher Term**

The initial term of the housing choice voucher is 60 calendar days. VASH vouchers are issued for an initial term of 120 days.

**Extensions of the Voucher Term**

VHDA has established an agency wide extension policy that applies to all local housing agencies. The local housing agency must grant a family up to two 30 calendar day extensions of the initial voucher term. VASH vouchers are also subject to the extension policy. In certain circumstances it may be necessary for VHDA to rescind the extension policy for a period of time.

Information on the extension policy must be provided in the family briefing packet and posted in an area visible to HCV families.

Families must request an extension of the voucher term in writing and submit the request to the local housing agency before the expiration of the voucher. The agent must notify the family an extension was granted in writing.

If a member of the family is a disabled person, and the family needs an extension beyond the two 30 calendar day extensions provided for, the family must submit a *Reasonable Accommodation Request* form (see Policy 504).

**Suspension of the Voucher Term**

Agents must grant a suspension to an applicant upon submission of a Request for Tenancy Approval (RFTA). Suspensions will be for the period of time between the date the RFTA is submitted to the agent and the date of the letter in which the agent has approved or denied the Request for Tenancy Approval. The agent will allow suspensions during both the initial or extended term after submission of the RFTA.

Agents will need to stop and start the clock in Elite when a RFTA is submitted. A family can be placed on and off the clock as many times as needed as long as the RFTA is not closed.

**Expiration of the Voucher Term**

Once a family's housing choice voucher term expires, the family is no longer eligible to search for housing. The family must reapply to the HCV Program when the waiting list is open.
Policy 550 Providing Information to the HAP Payee on the Family

The selection of a family for program participation is not a representation by the agent about the family's behavior or suitability for tenancy. Determining tenant suitability is the payee's responsibility (see Policy 639).

Information that Can Be Provided
To assist the HAP payee in obtaining information on a prospective tenant, the local housing agency must give the owner:

- The family's current address as shown in the local housing agency records
- The name and address, if known, of the family's current and previous landlords

Information that Cannot Be Provided
The local housing agency must not offer the HAP payee other information in their possession about the family including information about tenancy history of family members or the criminal history of family members.

The local housing agency cannot disclose to the HAP payee any confidential information provided to the agency by the family regarding any incident of domestic violence, dating violence, sexual assault, or stalking unless the family has provided written consent that the information can be disclosed.

A Word of Caution
The local housing agency should be mindful of the privacy rights of applicants and participants of the HCV Program.

In certain types of instances, such as those involving victims of domestic violence or participation in the victim witness protection program, the agent must exercise extreme caution and discretion in the release of any information concerning the family.
Chapter 600 – Leasing
Policy 610 Preparing the Request for Tenancy Approval

The local housing agent should assist the owner and family in preparing the Request for Tenancy Approval when necessary.

The actual bedroom size of the unit selected must be listed on the RFTA. The RFTA should only reflect the exact number of bedrooms in the unit and not take into account any other rooms that could be used as a sleeping area. Families in shared housing units must reflect the actual bedroom size of the entire structure.

In order to determine the gross rent of the unit, the rent amount requested by the owner must be added to the applicable allowance for utilities and services that will be supplied by the family as indicated on the RFTA. The local housing agent must base their determination on the actual number of bedrooms in the unit and not the bedroom size listed on the voucher. VHDA publishes the utility allowance schedule that the agent must use and this information can be found Elite.

The HAP payee and family should be aware that the effective date of the lease listed on the RFTA is not necessarily the date the lease will begin. The lease effective date will depend on when all HCV Program requirements are satisfied. The HAP payee must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

The agent should refer to the Elite User Guide for information on setting up a unit in Elite.

Maximum Subsidy under the HCV Program

The maximum subsidy the family will receive is the lower of the gross rent or the payment standard for the unit. If the gross rent exceeds the payment standard, agents must complete the Rent Affordability Worksheet form to ensure a family is not paying more than 40% of their adjusted income towards the gross rent for the unit. Agents must not allow a family to move into a unit before affordability has been determined.

Size of Unit Occupied by the Family

The family can lease an otherwise acceptable dwelling unit with fewer bedrooms than the family unit size listed on the voucher provided the unit meets the HQS space requirement.

The family can lease an otherwise acceptable dwelling unit with more bedrooms than the family unit size listed on the voucher provided the gross rent for the unit is lower than the applicable payment standard.

Mod Rehab Units

The Request for Tenancy Approval is not applicable to the Mod Rehab Program.
Policy 611 Submission of a Request for Tenancy Approval

After a family is determined eligible for participation in the HCV Program and the local housing agent issues the family a voucher, the family begins their search for a unit. The family may search for a unit for the initial 60 calendar day voucher term and any extension time granted by the agent.

Once the family finds an acceptable unit with an owner willing to participate in the HCV Program, the family requests the local housing agent’s approval to lease the unit by submitting a Request for Tenancy Approval (HUD-52517). The HAP payee must fully complete the RFTA and provide the family a copy of the proposed lease. Both documents must be submitted to the local housing agent before the family’s voucher expires. The family will only be allowed to submit one request at a time.

The agent must date stamp the RFTA once it is received. It is the responsibility of the local housing agent to review the RFTA submitted by the family to determine the unit’s compliance with program requirements. The local housing agency must complete the initial inspection within 15 calendar days of receiving the RFTA or the unit ready date provided by the HAP payee.

The agent must prepare the HAP contract for execution with the HAP payee within 15 calendar days of the pass date of the inspection.
Policy 614 Lease Agreement

General Lease Requirements
A HAP payee is required to use the same lease for HCV tenants as they use for non-HCV tenants. If the HAP payee has no standard lease form, the local housing agent may provide a copy of the HCV Lease Agreement developed by VHDA. The family must have the legal capacity to enter into a lease agreement with the HAP payee under state or local law.

The HAP payee must execute the lease and provide a signed copy to the family and the local housing agent in addition to maintaining a copy for their file. It is preferred that the lease be typed. Any modifications or typing errors must be initialed by all parties.

Any new lease or lease revision proposed by the HAP payee must be reviewed by the local housing agency prior to execution to ensure compliance with HCV Program requirements.

The lease agreement must clearly document which appliances and utilities are the responsibility of the HAP payee and family. If a HAP payee charges extra fees in addition to the rent for extra amenities (e.g., cable television, washer/dryer), the extra amount can be allowed as long as the amenity is optional and the charge is the same as for unassisted tenants.

The local housing agent should review the lease to make sure that at a minimum the following elements are defined:

- the name of the owner/HAP payee and tenant
- the address of the unit
- the term of the lease and any renewal clause
- the rent amount
- who is responsible for connection and payment of the utilities

Live-in aides and other persons who are "essential to the care" of a family member are not considered a party to the lease.

The local housing agent may review the lease to determine if the lease complies with state or local law.

Tenancy Addendum
The Tenancy Addendum (HUD-52641-A) must be attached to the lease used by the HAP payee. If there is any conflict between the Tenancy Addendum and any other provisions in the lease, the Tenancy Addendum shall take precedence. Agents should ensure they are not attaching Part C of the HAP Contract to the lease.
Different Types of Tenancy Addenda

Typically, the local housing agent will use the Tenancy Addendum for the Section 8 Tenant-Based Assistance, Housing Choice Voucher Program or HUD-52641-A.

For families using a voucher to lease a manufactured home space, the agent will use the Tenancy Addendum - Manufactured Home Space Rental for the Section 8 Tenant-Based Assistance, Housing Choice Voucher Program or HUD-52642-A.

For families in the using a voucher to lease a mod rehab unit, the agent will use the Section 8 Moderate Rehabilitation Program Addendum to Lease or HUD-52517-D for HAP contracts dated November 1983 and later.

New Lease or Revision

The HAP payee may offer the family a new lease, for a term beginning at any time after the initial term. The HAP payee must give the tenant written notice of the offer, with a copy to the local housing agency, at least 60 calendar days before the proposed beginning date of the new lease term. The offer must specify a reasonable time limit for acceptance by the family.

The HAP payee sets the security deposit. The local housing agent will not approve a
Request for Tenancy Approval for security deposit amounts, which exceed state or local
law. Under Virginia law, the maximum security deposit amount allowed is two months
contract rent.

When the family moves out of the dwelling unit, the HAP payee, subject to state or local
law, may use the security deposit, including any interest on the deposit, in accordance
with the lease as reimbursement for: (1) any unpaid rent payable by the family, (2)
damages to the unit or (3) for other amounts the family owes under the lease.

If the security deposit is not sufficient to cover amounts the family owes under the lease,
the HAP payee may seek to collect the balance from the family.
Policy 623  Contract Rent and Other Charges

The contract rent proposed by the HAP payee can only include the rent for the unit and any utilities provided by the HAP payee as part of the lease. The contract rent cannot include charges for furniture rental, pet fees, cable television, parking fees, swimming pool membership fees, or other similar types of charges.

The rent for HCV units subsidized under other programs is determined as follows:

- **Section 236 insured and non-insured project.** The subsidized rent is the lesser of the market rent as approved by HUD for the unit, or the PS, but not less than basic rent.
- **Section 221(d)(3) below market interest rate (BMIR) project.** The subsidized rent is the BMIR rent for the unit.
- **Section 202 (not including Section 8/202).** The subsidized rent is the rent for the unit as approved by HUD in accordance with the regulatory agreement.
- **Section 515 project of the Rural Development Administration.** The subsidized rent is the lesser of the market rent as approved by HUD for the unit, or the PS, but not less than basic rent.
- **State or locally subsidized.** For cases involving an HCV family in a state or locally subsidized unit, VHDA must be contacted and will request instruction from HUD on the types of subsidy programs covered by these instructions, and on the procedure for computing the subsidized rent.
- **HOME-Assisted Projects.** Refer to PIH Notice 96-63.

Contract rent increases are allowed during the initial term of the lease for the subsidized properties listed in the first four bullets above.

**Separate Non-Lease Agreements**

The HAP payee may not demand or accept any rent payments from the family in excess of the rent to the HAP payee minus the housing assistance payment. The HAP payee may not charge the tenant extra amounts for items customarily include in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

The HAP payee and family are permitted to execute separate non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances or other services that are customarily provided to unassisted families as part of the lease agreement or are permanently installed in the dwelling unit must be included in the lease agreement for the assisted family. These items, appliances or services, cannot be placed under a separate non-lease agreement between the HAP payee and family. Side payments for additional rent or for items, appliances or services customarily provided to unassisted families are prohibited.
The family is not liable and cannot be held responsible under the terms of the lease agreement for any charges pursuant to a separate non-lease agreement between the HAP payee and the family. Nonpayment of any charges pursuant to a separate non-lease agreement cannot be cause for eviction or termination of tenancy under the terms of the lease agreement.

The local housing agent must approve extra payments in advance and the family file must be documented accordingly.

Mod Rehab Units
The contract rent for a mod rehab unit is determined by VHDA and should be pulled from the most recent Unit Data Sheet.
Policy 624  Utility Allowance Schedules

Utility allowance schedules are used to determine a family’s share of the rent payment by providing an allowance for any tenant-paid utilities. VHDA develops the utility allowance schedules that the local housing agencies must use and updates this information as needed annually.

Determining the Utility Allowance for the Family
The local housing agency must use the utility allowance for the size of dwelling actually leased by the family. The voucher size issued to the family is not taken into account. The number of bedrooms should include any room that would be considered a bedroom under the inspection criteria even if the room is not being used as a bedroom.

In determining the number of exposed walls, count the number of walls exposed to the outside environment.

The agent should review the RFTA to determine which utilities the family is responsible for paying. The Elite User Guide provides additional information on assigning utilities to a family in order to calculate HAP and the tenant’s share of the rent.

If the agent finds the utility section of the RFTA has been completed incorrectly, the agent should correct the RFTA.

Important Points to Remember in Determining Allowances
A cooling allowance is only given if the owner supplies the family with central air conditioning or window air conditioning units.

In cases where a wood or coal stove is the only source of heat, agents should use the lowest heat allowance on the schedule.

A family is permitted to have two utility sources for a particular service. For example, if a unit has both oil and electric heat, the agent should give an allowance for both utilities.

The allowance for a range/microwave is only given when the family supplies the range. The family may opt to substitute a microwave in place of the range.

The allowance for a refrigerator is only given if the family supplies the refrigerator.

The family must be given the electric tax allowance if the family is responsible for paying for any electric service at the unit.

The family must be given the gas tax allowance if the family is responsible for paying for any natural gas service. The allowance does not apply to oil or bottled gas.
Owners may only split utility bills between families in accordance with local government ordinance.

**Special Housing Types**

**Single Room Occupancy Unit**
The utility allowance for an assisted person residing in SRO housing is 75% of the zero bedroom utility allowance.

**Group Home**
The utility allowance for an assisted person in a group home is the prorata share of the utility allowance for the group home.

**Shared Housing**
The utility allowance for an assisted family living in shared housing is the prorata share of the utility allowance for the shared housing unit.

**Manufactured Homes**
For manufactured homes, the utilities are determined by using the utility allowance schedule for 4 exposed walls and the appropriate number of bedrooms in the manufactured home that is to be leased by the family.

**Manufactured Home Space**
For manufactured homeowners receiving assistance with the space rental, the utilities are determined by using the utility allowance schedule for 4 exposed walls and the appropriate number of bedrooms in the manufactured home that is to be leased by the family.

**Mod Rehab Units**
For mod rehab units, VHDA determines the utility allowances and they are listed on the *Unit Data Sheet* for the property.
Policy 626  Types of Eligible Housing

Almost any type of dwelling unit may be leased by a family provided it meets program guidelines. The regulations do, however, prohibit or limit the use of some housing types.

Ineligible Units

The family may not lease the following types of units:

- A public housing or Indian housing unit
- A unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f)
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services
- College or other school dormitories
- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions
- A unit occupied by its owner or by a person with any interest in the unit

Special Housing Types

HUD regulations permit VHDA to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. The special housing types include:

- Single room occupancy (SRO) housing
- Group homes
- Shared housing
- Manufactured home space
- Homeownership option (VHDA is phasing out the Homeownership Option)

The local housing agent should contact their PCO for guidance on allowing a family to lease in one of the special housing types.

Single Room Occupancy Housing

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HUD regulations do not limit the number of units in an SRO facility.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person and the standard form of the HAP contract is used.
**Group Home**

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides. A live-in aide may live in the group home with a person with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract are executed for each assisted family and the standard form of the HAP contract is used.

**Shared Housing**

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. As a reasonable accommodation, VHDA can seek HUD approval to allow a participant to rent from a relative.

The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV Program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

A live-in aide may reside with the family to care for a person with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family and the standard form of the HAP contract is used.

**Manufactured Homes**

A manufactured home is a manufactured structure, transportable in one or more parts, which is built on a permanent chassis and designed for use as a principal place of residence.

A family may rent a manufactured home already installed on a space or a family that owns a manufactured home may rent a space for the home and receive HCV assistance for the space rental.
Duplicative Assistance
A family may not receive the benefit of HCV assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance
- Other Section 8 assistance (including other tenant-based assistance)
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974)
- Section 101 rent supplements
- Section 236 rental assistance payments
- Tenant-based assistance under the HOME Program
- Rental assistance payments under Section 521 of the Housing Act of 1949 (Rural Development program)
- Any local or state rent subsidy
- Section 202 supportive housing for the elderly
- Section 811 supportive housing for persons with disabilities
- Section 202 projects for non-elderly persons with disabilities (Section 162 assistance)
- Any other duplicative federal, state or local housing subsidy as determined by HUD.

For this purpose, housing subsidy does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.
Policy 627  Renting to Relatives

The local housing agent must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister or brother of any member of the family unless the local housing agent determines that approving the unit would provide a reasonable accommodation for a family member who is a person with disabilities. If a reasonable accommodation request is approved, the family may continue to lease the unit even if the disability no longer exists.

This prohibition applies to new admissions and moves with continued assistance. Per HUD regulations, lease agreements between such relatives with an effective date of May 1998 or earlier remain valid.
Policy 631  Conflicts of Interest under the HAP Contract

The local housing agency must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of VHDA except a participant commissioner
- Any employee of VHDA, or any contractor, subcontractor, or agent of VHDA, who formulates policy or who influences decisions with respect to the program
- Any public official, member of a governing body, or state or local legislator, who exercises functions or responsibilities with respect to the program
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The local housing agent should notify VHDA if such a waiver is needed.

Any waiver request submitted must include the following information:

- Complete statement of the facts of the case
- Analysis of the specific conflict of interest provisions of the HAP contract and justification as to why the provisions should be waived
- Analysis of and statement of consistency with state and local laws. The local HUD office, VHDA, or both parties may conduct this analysis. Where appropriate, an opinion by the state’s attorney general should be obtained.
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted
- Statement regarding alternative existing housing available for lease under the HCV Program or other assisted housing if the waiver is denied
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV Program
- If the case involves employment of a family member by VHDA or assistance under the HCV Program for an eligible VHDA employee, explanation of the responsibilities and duties of the position, including any related to the HCV Program
- If the case involves an investment on the part of a member, officer, or employee of VHDA, description of the nature of the investment, including disclosure/divestiture plans
Policy 632  Determining HQS Compliance

All units must have an inspection in accordance with Chapter 700 of the Operations Manual and HUD Housing Inspection Manual.

Mod rehab units have an additional requirement beyond the Section 8 HQS which serves to assure VHDA that improvements made as a result of rehabilitation are still in place and/or serviceable. The local housing agent must utilize the Inspection Checklist (HUD-52580) to complete the inspection. A unit's age, the initially required rehabilitation, as well as normal wear and tear, must be taken into consideration when inspecting the mod rehab unit.

For example, if storm windows and doors were installed as part of the initial rehabilitation effort, then in order for the unit to pass, the storm windows and doors must still be present and serviceable.
Policy 633  Determining Rent Reasonableness

The local housing agent must certify that the contract rent for a unit leased under the HCV Program is reasonable:

- At initial lease-up
- Each time the owner requests a rent increase
- There is a five percent decrease in the FMR 60 days before the contract anniversary date

HUD regulations define reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises.

The following factors are considered when determining rent comparability:

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, or high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services and utilities included in the rent

Units that Must Not Be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs:

- Section 8 project-based assistance
- Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects
- HOME or Community Development Block Grant (CDBG) program assisted units in which the rents are subsidized
- Units subsidized through federal, state or local tax credits
- Units subsidized by the Department of Agriculture rural housing programs
- Units that are rent controlled by local ordinance

Note: Notice PIH 2011-46 provides additional guidance on the issue of what constitutes an assisted unit.
How Reasonable Rents Are Determined

Three comparable units must be compared to the unit selected by the family. The units must be as similar as possible. For units in apartment complexes, the comparison should be based on the rents charged on unassisted units on the same premises. They must be the same bedroom size as the unit selected unless no other units are in the market.

The local housing agent will complete for each unit it approves, the Certification of Rent Reasonableness form and maintain a copy in the family's file. Instructions for completion of the form are contained within the contents of the form.

Under no circumstances will a unit be approved for subsidy if the local housing agent determines that the contract rent is unreasonable. As a general rule, a subject property should not be renting more or less than $100 of the highest comparable unit unless justified by documenting on the rent reasonableness form. Agents should attach supporting documentation indicating the discrepancy to the form.

Data for determining rent reasonableness must be collected by the local housing agent. The agent can contact local realtors for rental information. The information should be maintained by unit type and bedroom size.

Special Housing Types

Group Home
The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorata portion of the reasonable rent for the group home. In determining reasonable rent, the local housing agent should consider whether sanitary facilities and facilities for food preparation and services are common facilities or private facilities.

Shared Housing
The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the prorata portion of the reasonable rent for the shared unit. In determining reasonable rent, the local housing agent should consider whether sanitary and food preparation areas are private or shared.

Manufactured Home Space
Initial, and annually thereafter the local housing agent must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The agent must consider the location and size of the space and any services and maintenance to be provided by the owner.

Certain Subsidized Properties
Certain subsidized properties may increase the rent during the initial term provided a 60 day notice of the increase is provided (see Policy 623).
Moderate Rehabilitation

Before approving an increase in rent for a mod rehab unit, the local housing agent is required to certify that the proposed rent is reasonable in relation to rents for comparable unassisted units.
Policy 635  Zero HAP for Selected Unit

If it is determined that the family’s TTP is high enough that a HAP will not be generated on the unit chosen, the Request for Tenancy Approval is denied. The family may still look for other housing through the expiration of their voucher.

A family cannot move into a mod rehab unit that will not generate a housing assistance payment.
Policy 636     VHDA or Local Housing Agency Owned Units

A unit that is owned by a local housing agency or owned in full or part by an employee of the local housing agency may only be assisted under the HCV Program if all the following conditions are satisfied:

- The family has been informed by the local housing agency, both orally and in writing, that the family has the right to select an eligible dwelling unit and that the family is free to select a unit owned by the local housing agency or by an employee of the local housing agency without any pressure or steering by the local housing agency.
- The unit is eligible housing.
- The family will not benefit from any form of housing subsidy prohibited by Policy 626.
- The local housing agency will obtain the services of an independent entity approved by VHDA and/or HUD to perform the following functions: (1) rent reasonableness determination, (2) assist the family in negotiating the rent to owner, and (3) inspect the unit for compliance with HQS.
- The local housing agent or owner employees of the local housing agency are subject to the same program requirements that apply to other owners in the tenant-based program.
Policy 638  Disapproval of an Owner/HAP Payee

The local housing agent and/or VHDA must not approve a unit if either has been informed that the owner is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the housing agency not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

In its administrative discretion, VHDA and the local housing agency may deny approval to lease a unit from an owner for any of the following reasons:

- The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with the Housing Quality Standards for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (1) threatens the right to peaceful enjoyment of the premises by other residents; (2) threatens the health or safety of other residents, employees of the PHA, employees of the owner, or other persons engaged in management of the housing; (3) threatens the health, safety or right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (4) commits drug-related or violent criminal activity;
- The owner has a history or practice of renting units that fail to meet state or local housing codes; or
- The owner has not paid state or local real estate taxes, fines or assessments.

Nothing in this rule is intended to give any owner any right to participate in the HCV Program.

For purposes of this policy, owner includes a principal, other interested party or HAP payee.
Policy 639  HAP Payee Responsibility for Screening Families

HAP payees are permitted and encouraged to screen families on the basis of their tenancy histories. A HAP payee may consider a family’s background with respect to such factors as:

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting the rights of others to the peaceful enjoyment of their housing
- Drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others
- Compliance with other essential conditions of tenancy
Policy 642 Notifying HAP Payee and Family of Tenancy Approval

Tenancy Approval
The local housing agent may not give approval for the family to lease a dwelling unit or execute a HAP contract, until the local housing agent has determined that all of the following program requirements are met:

- The unit is eligible;
- The unit has been inspected and meets HQS;
- The lease is acceptable and includes the Tenancy Addendum;
- The rent to the HAP payee is reasonable;
- The HAP payee/owner is an eligible owner with no conflicts of interest;
- The family and HAP payee have executed the lease, including the Tenancy Addendum and the lead-based paint disclosure information;
- For initial leases, the gross rent does not exceed 40% of the family's monthly adjusted income; and
- Agents should verify that all documents indicate the same utility sources and responsibilities are correctly identified.

HAP Contract Execution
The HAP contract is a written agreement between VHDA and the HAP payee of the dwelling unit occupied by an HCV assisted family. Under the HAP contract, VHDA agrees to make housing assistance payments to the HAP payee on behalf of the family occupying the unit and obliges the HAP payee to comply with all program requirements.

If the local housing agency has given approval for the family to lease the unit, the HAP payee and the local housing agency on behalf of VHDA execute the HAP contract.

The local housing agency must make every effort to execute the HAP contract before the beginning of the lease term. Any HAP contract not executed within 60 calendar days from the beginning of the lease term is void. No HAP will be paid to the HAP payee until the HAP contract is executed.

Execution means both parties have signed and dated the HAP Contract. To ensure the contract was executed timely, the 60 days will count from the date of the last signature. Agents should not mark the certification complete in Elite unless the signed HAP Contract has been returned to the housing agency. If 60 days passes and the contract has not been returned, the tenancy approval process begins anew and the agent must redo the lease, HAP Contract, complete the rent reasonableness form and conduct a new inspection.

Failure to follow this process will result in the local housing agency being sanctioned for noncompliance with VHDA policy.
Policy 643  Preparing the HAP Contract

The local housing agent is responsible for preparing the HAP contract depending on the type of unit selected by the family to lease. The initial lease term recorded on the HAP contract must be the same as the start date and term in the lease agreement.

Different Types of HAP Contracts

Typically, the local housing agent will use the Housing Assistance Payments Contract for the Section 8 Tenant-Based Assistance, Housing Choice Voucher Program or HUD-52641. Agents must ensure they are using the most recent form published by HUD.

For families using a voucher to lease a manufactured home space the agent will use the Housing Assistance Payments Contract - Manufactured Home Space Rental for the Section 8 Tenant-Based Assistance, Housing Choice Voucher Program or HUD-52642.

VHDA monitors the Housing Assistance Payment Contract for Moderate Rehabilitation units (HUD-52539-A and HUD-52539-B).

Owner Authorizations on HAP Contract

The HAP contract, along with the lease and the addenda, if applicable, must list the actual owner as the owner, noting the person/agency designated to act on the owner's behalf as the management agent. If there is joint ownership, all parties must sign the HAP contract unless the authority has been given to one individual or entity. VHDA assumes the entity signing has authority to represent the owner.

HAP Calculation for Special Housing Types

Single Room Occupancy
The payment standard (PS) for SRO housing is 75 percent of the zero bedroom amount on the PS schedule.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

Group Home
Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be zero or one bedroom. If there is a live-in aide, the aide must be counted in determining the household’s unit size.

The PS used to calculate the HAP is the lower of the PS for the family unit size or the prorata share of the payment standard for the group home size. The prorata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.
The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

**Shared Housing**
The PS for a family in shared housing is the lower of the PS for the family unit size or the prorata share of the PS for the shared housing unit size.

The prorata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the PS minus the TTP or the gross rent minus the TTP.

**Manufactured Home Space**
The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, and the utility allowance for tenant-paid utilities.

The HAP for a manufactured home space is the lower of the PS minus the TTP or the gross manufactured home space rent minus the TTP.
Policy 663 Utility Reimbursement Payment to the Family

In the HCV Program, a family will receive a utility reimbursement payment (URP) if the HAP exceeds the rent to owner. The URP will assist the family in paying their monthly utilities but is not intended to cover the entire cost of the family’s utility bills.

Utility reimbursement payment is synonymous with utility allowance payment (UAP) or utility reimbursement (UR).
Policy 683 HAP Payee Responsibilities

The HAP payee is responsible for performing all of the obligations under the HAP contract and the lease including the following:

- Perform all management and rental functions for the assisted unit, including selecting a family to lease the unit
- Screening the family for suitability as tenants
- Maintain the unit in accordance with HQS, including performance of ordinary and extraordinary performance
- Complying with equal opportunity requirements
- Furnishing the local housing agent with any information required under the HAP contract
- Collecting from the family any security deposit, tenant rent and any charges for damages by the family
- Enforcing tenant obligations under the lease
- Paying for utilities and services (unless paid by the family under the lease)
- Providing provisions for modifications to a dwelling unit for occupancy by a disabled person
- Comply with the Violence Against Women Reauthorization Act of 2013 when screening prospective tenants or terminating tenancy of an assisted family
Policy 691  Submission Deadlines

In order that housing assistance and utility reimbursement payments are made timely, the local housing agent is responsible for completing the appropriate certification type for the family in the Elite Software system.

Please refer to the cut-off dates for Elite Software data entry deadlines for the check schedule to avoid delaying housing assistance and utility reimbursement payments.
Policy 695 Double Payments to HAP Payees

If the family moves out of the unit, VHDA will not pay any HAP to the payee for any month after the month in which the family moves out. The HAP payee may keep the HAP for the month that the family actually moves out of the unit.

Local housing agents must research moves promptly and enter the accurate move out date for the family in Elite. Be mindful when entering move outs at the end or first of the month because an error will cause an extra HAP to be paid.

If a family moves from an assisted unit with continued tenant-based assistance, the term of the lease for the new unit can begin during the month the family moves out of the previously unit. Overlap of HAP for the month when the family moves out of the old unit and the first HAP for the new unit is allowed.
Chapter 700 – Inspections
Policy 700  General Requirements Regarding HQS

This chapter outlines the Housing Quality Standards (HQS) that a unit must meet in order to be assisted under the HCV Program. Dwelling units must pass an initial inspection when they are first leased and annually as occupancy by a voucher holder continues.

A housing agency may ask HUD approval to use acceptability standards that are based on local codes or national standards that satisfy the purpose of the HQS; as long as these standards do not adversely affect the supply of rental units. VHDA and any local housing agency approved variations are found in Policy 740.

Although HUD requires the PHA to enforce minimum housing standards, the family also makes certain judgments about the characteristics of the unit they lease and whether or not they are acceptable. Typically, these items are related to the cosmetic appearance and layout of a unit.

These key components are covered during an HQS inspection:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and security
- Thermal environment
- Illumination and electricity
- Structure and materials
- Interior air quality
- Water supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke detectors
Policy 712  Sanitary Facilities

Performance Requirement
The dwelling unit must have sanitary facilities within the unit. The sanitary facilities must be in proper working order and adequate for personal cleanliness and disposal of human waste. One must be able to use the sanitary facilities in private.

Acceptability Criteria
- The bathroom must be located in a separate private room and have a working flush toilet.
- The dwelling unit must have a fixed basin in proper working order with a sink trap and hot and cold running water.
- The dwelling unit must have a shower or tub in proper working order with hot and cold running water.
- The dwelling unit must be connected to an acceptable public or private disposal system (e.g. public sewer or septic system).
Policy 714    Food Preparation and Refuse Disposal

Performance Requirement
The dwelling unit must have suitable space and equipment to store, prepare and serve food in a sanitary manner.

There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

Acceptability Criteria

- The dwelling unit must have an oven and cooktop or range and an appropriate sized refrigerator for the family. All of the equipment must be working and can be supplied by either the HAP payee or the family.
- If the family must supply the oven and cooktop or range, a microwave can be substituted.
- A microwave oven may be substituted for an HAP payee-supplied oven and cooktop or range, if the family agrees and other units the HAP payee rents are equipped with only a microwave.
- The dwelling unit must have a proper kitchen sink in working order with a sink trap and hot and cold running water. The sink must drain into an acceptable public or private disposal system.
Policy 716  Space and Security

Performance Requirement
The dwelling unit must provide adequate space and security for the family.

Acceptability Criteria
At a minimum, the dwelling unit must have at least one bedroom or living/sleeping room for every two persons.

Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed as ventilation or as an alternate exit in case of fire.

The exterior doors providing a means of ingress and egress to the dwelling unit by family members must lock.
Policy 718    Thermal Environment

Performance Requirement
The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

Acceptability Criteria
There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper working order. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.

The dwelling unit must not contain unvented room heaters that burn gas, oil or kerosene. Electric heaters are acceptable.
Policy 720    Illumination and Electricity

Performance Requirement
Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

Acceptability Criteria
There must be at least one window in the living room and in the sleeping room to provide adequate natural light.

The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper working order. The kitchen area must also have at least one working electrical outlet.

The living room and each bedroom must have at least two working electrical outlets. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.
Policy 722  Structure and Materials

Performance Requirement
The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

Acceptability Criteria
Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.

The roof must be structurally sound and weather tight.

The exterior wall structure and surface must not have any serious defects such as leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.

The condition and equipment of the interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.

Elevators must be working and safe.
Policy 724 Interior Air Quality

Performance Requirement
The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

Acceptability Criteria
The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.

There must be adequate air circulation in the dwelling unit.

Bathroom areas must have one opening window or other adequate exhaust ventilation.

Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work properly.
Policy 726    Water Supply

Performance Requirement
The water supply must be free from contamination.

Acceptability Criteria
The dwelling unit must be served by a public or private water supply that is sanitary and free from contamination.
Policy 728   Lead-based Paint Requirements

This policy is written in accordance with the lead-based paint regulations found in the Code of Federal Regulations at 24 CFR Part 35. The regulations stress identification and control of lead-based paint hazards to reduce lead poisoning among young children. Requirements differ slightly between the HCV Program (24 CFR 35 Subparts A, B, M, and R) and the Mod Rehab and Project-based Certificate Programs (24 CFR 35 Subparts A, B, H, and R).

Exempt Units
The lead-based paint requirements only apply to dwellings built before January 1, 1978, and which are occupied or will be occupied by assisted families with one or more children under the age of 6.

Certain units are exempt from the lead-based paint requirements including:
- Units built after December 31, 1977
- Zero (0) bedroom and SRO units
- Housing built for the elderly or persons with disabilities, unless a child under the age of 6 resides or is expected to reside in the unit
- Units for which a paint inspection was completed in accordance with the regulations and found to have no lead-based paint
- Units in which all lead-based paint was identified, removed and received clearance in accordance with the regulations
- Units occupied by families with children age 6 and above

Areas of the Unit Affected by the Regulations
Interior and exterior painted surfaces of the unit are affected by the regulations. In addition, the common areas servicing the unit, including those areas through which residents pass to gain access to the unit, and other areas frequented by resident children less than 6 years of age such as play areas and child care facilities. Common areas also include garages and fences on the assisted property.

Disclosure of Lead-based Paint Hazards Prior to Occupancy
The HAP payee is required to disclose any knowledge of lead-based paint or lead-based paint hazards in housing units built prior to 1978 to prospective residents prior to the execution of the lease.

The HAP payee and tenant must sign a disclosure notice and provide a copy to the local housing agent.
The HAP payee must also provide the prospective tenant with a copy of the EPA brochure *Protect Your Family from Lead in Your Home* (EPA-747-K-94-001) or another EPA-approved document.

The local housing agent is required to provide the family with a copy of the *Protect Your Family from Lead in Your Home* brochure in the family’s briefing packet.

The local housing agent is also required to provide a copy of this policy to all new HAP payees participating in the HCV Program.

**Inspecting for Lead-based Paint**

The local housing agency will conduct a visual inspection for deteriorated paint surfaces in the housing unit during both the initial and annual inspection.

Deteriorated paint surfaces are defined as interior or exterior paint or other coating that is peeling, chipping, chalking or cracking, or has separated from the substrate of the surface or fixture.

All inspectors must be trained in visual assessment in accordance with procedures established by HUD. Inspectors can take the LBP Visual Assessment Course online at the following website: [http://www.hud.gov/lea/training/visualassessment/h00100.htm](http://www.hud.gov/lea/training/visualassessment/h00100.htm).

**Stabilization of Deteriorated Paint Surfaces**

If the inspector identifies deteriorated paint surfaces in the housing unit, the local housing agency must notify the HAP payee of the finding and require the HAP payee to perform stabilization of the surface before commencement of assisted occupancy. If a deteriorated surface is found in a unit currently assisted under the program, the HAP payee will have 30 calendar days to correct the problem.

The local housing agency can only grant an extension of time to complete the paint stabilization process for reasonable cause and for no longer than 90 calendar days following notification to the HAP payee of the inspection findings.

If the HAP payee does not correct the problem, the unit will be in violation of the HQS and subject to HAP abatement until the process is complete or the unit is no longer under HAP contract.

There are specific requirements that an HAP payee must follow in order to comply with the lead-based paint requirements. The local housing agency should contact their assigned PCO for guidance on referring an HAP payee to the proper agency for assistance.

**Clearance Testing**

The HAP payee must notify the occupants with the results of the clearance examination within 15 calendar days of the stabilization activity. The HAP payee must provide the
local housing agency with a copy of the clearance certification before the unit will pass HQS.

The HAP payee is also expected to complete lead-based paint maintenance activities on a regular basis.

**Children with Environmental Intervention Blood Lead Levels**

Children who are identified with elevated levels of lead in their bloodstream require special monitoring. If the local housing agency receives any type of communication regarding a child having or suspected of having elevated lead levels must contact their assigned PCO immediately.

VHDA will coordinate any type of monitoring or testing with the appropriate parties.

**Evaluating and Conducting Hazard Reduction for an LBP Unit**

**Risk Assessments**

VHDA will arrange for a qualified inspector to conduct a risk assessment for the unit in question.

Risk assessments involve on-site investigation to determine the existence, nature, severity and location of lead-based paint hazards. The investigation may include paint inspections (tests for lead in paint), dust and soil sampling and visual evaluation. A report is issued by the assessor explaining the results of the investigation and options and requirements for making any needed corrections.

Upon completion of the risk assessment, VHDA will provide a copy of the report to the HAP payee and the HAP payee must complete reduction of identified lead-based paint hazards within 30 calendar days.

The HAP payee must notify the building residents of the results of the risk assessment within 15 calendar days of receipt of the report from VHDA.

**Hazard Reduction**

Hazard reduction activities may include paint stabilization, abatement, interim controls, or dust and soil control. The appropriate method of correction is identified in the risk assessment report.

Hazard reduction is considered complete when a clearance examination has been completed, and the report indicates that all hazards identified by the risk assessment have been treated or the public health department certifies that the hazard reduction is complete.

The HAP payee must notify building residents of any hazard reduction activities within 15 calendar days of completion of the activities.
Like paint stabilization compliance, receipt of the HAP payee’s certification signals compliance with lead hazard reduction activities.

Failure to complete hazard reduction activities (including clearance) within 30 calendar days of notification constitutes a violation of HQS and results in abatement of payment and ultimately cancellation of the HAP contract for occupied units, or refusal to execute a HAP contract if the unit is vacant. In either case, the unit may not be reoccupied by another assisted family, regardless of the ages of children in the family, until compliance with the risk assessment is gained.

**Ongoing Maintenance**

In addition to the visual assessment completed by the HQS inspector, the HAP payee is required to conduct a visual assessment for deteriorated paint and failure of any hazard reduction measures at unit turnover and every 12 months of continued occupancy.

The HAP payee must provide written notice to each assisted family asking occupants to report deteriorated paint. The notice must include the name, address and phone number of the person responsible to accept the occupant’s complaint.

The HAP payee certifies that this requirement is being met by presenting the HAP payee’s certification to the local housing agent before the execution of the lease and at annual inspection.

**PHA Data Collection and Record Keeping**

VHDA will contact the Virginia Department of Health with regard to computer matching of children under the age of 6 with an identified environmental intervention blood lead level on a regular basis. The local housing agency will be notified if their help is needed to assist in contacting a family with an identified child.

**Special Requirements for Units under Mod Rehab and Project-based Programs**

Generally, the requirements to identify and eliminate lead-based paint are the same for the Mod Rehab and Project-based Assistance Programs as that of the HCV Program. The main difference is that risk assessments are required for units that receive an average of more than $5000 per assisted unit annually in project-based assistance as prescribed by HUD.

HAP payees are responsible for reporting the names of any children identified as having an environmental intervention blood lead level to the health department.

If the local housing agency has any questions related to the requirements for the Mod Rehab and Project-based Assistance Programs, they should contact their assigned PCO for guidance.
Policy 729  HAP Payee Responsibilities under the Act

Section 1018 of the Residential Lead-based Paint Hazard Reduction Act of 1992 directs EPA and HUD to jointly issue regulations requiring disclosure of known lead-based and/or lead-based paint hazards. All persons selling or leasing any housing unit constructed before the phase out of residential lead-based paint, which began in 1978, are affected by this legislation.

As proponents of safe rental housing, the local housing agent should advise HAP payees of their responsibilities under the Act. The local housing agent can assist in educating the HAP payee by providing the following information:

- Sellers and lessors of most residential housing built before 1978 must disclose the presence of any known lead-based paint and/or lead-based paint hazards in the unit
- Sellers and lessors must provide purchaser or lessees with any available records or reports pertaining to the presence of lead-based paint and/or lead-based paint hazards
- Sellers and lessors must provide purchasers and lessees with a federally approved lead hazard information pamphlet
- Sales and lease agreements must include certain disclosure and acknowledgment language
Policy 730   Access

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through a window).
Policy 732  Site and Neighborhood

Performance Requirement
The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

Acceptability Criteria
The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as:

- Dangerous walks or steps
- Instability
- Flooding or poor drainage
- Septic tank back-ups or sewage hazards
- Mudslides
- Abnormal air pollution, smoke or dust
- Excessive noise, vibration or vehicular traffic
- Excessive accumulation of trash
- Vermin or rodent infestation
- Fire hazards
Policy 734  Sanitary Condition

Performance Requirement
The dwelling unit and its equipment must be in sanitary condition.

Acceptability Criteria
The dwelling unit and its equipment must be free of vermin and rodent infestation.

An infestation is defined as a condition that is serious and persistent.
Policy 736  Smoke Detectors

Each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper working order, on each level of the dwelling unit including basements. Smoke detectors are not required in crawl spaces or unfinished attics.

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards).

If any hearing-impaired person occupies the dwelling unit, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified by NFPA standards.

For units assisted prior to April 24, 1993, HAP payees who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD’s smoke detector requirements including the regulations as published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e. the HAP payee would not be required to install a smoke detector in a basement not used for living purposes, nor would the HAP payee be required to change the location of the smoke detector that have already been installed on the other floors of the unit).
Policy 740  Higher HQS Standards

The following are standards which have been approved by HUD to exceed the minimum HQS requirements.

Standards Applying to all VHDA Local Housing Agencies

VHDA will require cracking, chipping, scaling, peeling or loose paint to be repainted regardless of lead content. All assisted units will comply with the applicable lead-based paint regulatory requirements as well as this higher standard. This requirement is in an effort to improve or maintain the appearance of assisted housing units.

VHDA will require HAP payees participating in the HCV Program to treat surfaces containing lead-based paint regardless of the size of the area.

All manufactured homes will have skirting or underpinning around the base of the unit.

If a wood or coal stove is the primary source of heat, a statement must be signed by the HAP payee stating that the stove was installed properly, inspected and approved by the local building official, if required, and that the chimney will be cleaned at least annually. This statement can be handwritten on the last page of the inspection booklet.

All improvements made to a unit as a result of a mod rehab project must be maintained and serviceable following completion of the project at each subsequent inspection.

Cities of Manassas & Manassas Park

All units are required to have a smoke detector installed near any bedroom area.

A smoke detector must be installed on each level or floor of a townhouse unit.

A clearance of at least 3 feet is required around water heaters and furnaces.

Gutters are required to be on all units that are designed to have them.

All units will have screens in all windows at least from the months of April to October.

All units required by law to have a City of Manassas or City of Manassas Park rental unit compliance inspection will do so and present a copy of the compliance certificate to the housing office before the unit will pass the HQS inspection.

The housing office reserves the right to photograph inside or outside the dwelling unit as deemed necessary for program compliance purposes.
Pulaski County

All units with windows that are meant to be opened are required to have screens to protect occupants from the infestation of flies, bees and other insects.

All units that have storm windows, partial storm windows or screens are required to replace/repair all parts of the storm windows or screens which are missing or not working properly to protect occupants from the infestation of flies, bees and other insects.

All units that have existing storm doors or screen doors are required to keep them in working condition.
Policy 745  HQS Requirements for Special Housing Types

Shared Housing
The local housing agent cannot grant approval for a family to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the HQS.

HQS requirements described in Chapter 700 apply to shared housing except for the following requirements:

- Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A zero bedroom or one bedroom unit may not be used for shared housing.

Manufactured Home
A manufactured home is defined as a structure, transportable in one or more parts, which is built on a permanent chassis, and designed for use as a principle place of residence.

HQS requirements described in Chapter 700 apply to manufactured homes except for the following requirements:

- A manufactured home must be placed on a site in a stable manner, and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

Single Room Occupancy (SRO)
HQS requirements described in Chapter 700 apply to SRO housing except for the following requirements:

- Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by state or local law.
- All SRO facilities must have a sprinkler system that protects major spaces. Major spaces are defined as hallways, common areas and any other areas specified in local fire, building or safety codes. SROs must also have hard-wired smoke detectors and any other fire and safety equipment required by state or local law.
Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In absence of local code standards the following requirements apply:

- At least one flush toilet that can be used in privacy, a lavatory basin and a bathtub or shower in proper operation condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.

- An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.
Policy 750   Inspection Forms

Local housing agents are required to complete the Inspection Checklist (HUD-52580) for all unit inspections and place the handwritten document in the family file. It is also acceptable for the agent to complete the longer Inspection Form (HUD-52580-A) which provides more detail about the inspection process.

HQS inspection results must also be entered into the Elite software system. Please see the Elite User Guide for information on how to input the inspection results.

If the unit passes inspection, agents must print the first page of the Inspection Checklist from the Elite system and attach this sheet to the handwritten checklist completed in the field.

If the unit fails inspection, agents should attach the first page of the Inspection Checklist for the failed inspection along with the first page of the checklist for any subsequent pass inspections to the handwritten checklist completed in the field.
Policy 755  Initial Inspections

The local housing agent must conduct an initial HQS inspection and the unit must pass the inspection before a family can lease the unit. An initial inspection is scheduled once the Request for Tenancy Approval is submitted by the family. The local housing agency must complete the inspection within fifteen calendar days of receiving the RFTA or the unit ready date provided by the HAP payee.

The HAP payee or a designated representative is required to be present during the initial inspection. The family’s presence is not required. Agents typically arrange the initial inspection by calling the HAP payee.

The local housing agent notifies the HAP payee in writing if the unit fails the HQS inspection and also sends a copy of the notice to the family. Agents may send the notice via email to the HAP payee and family. The notice must list all deficiencies that must be corrected and provide the HAP payee a timeframe in which to correct them. Because the unit is not currently under a HAP contract, a HAP payee is not required to repair any deficiencies found but the family will not be allowed to lease the unit and must continue to look for a suitable dwelling.

Marginal units, defined as those that are likely to fall below the HQS within the year, must not be approved. If the HAP payee decides to make any repairs, the repairs must be completed prior to executing the HAP contract.

The local housing agent will also note on the Inspection Checklist (in the comment section), deficiencies, if any, not covered by the Inspection Checklist in order to protect VHDA and the family.

If a family is unable to lease a unit that has passed the initial HQS inspection, the inspection is valid for a period of 60 calendar days before it would need to be reinspected for another family. Agents must remember to retain the Inspection Checklist.
Policy 760  Annual Inspections

Annual HQS inspections should be conducted no more than 12 months from the last HQS inspection regardless of whether the unit passed or failed. It is crucial that local housing agents monitor and complete inspections in a timely fashion. Agents should not wait until the last day of the 12 month period to conduct an inspection. The following examples are provided to indicate the appropriate timing.

Example 1
If the initial HQS inspection was conducted 7/1/10, the annual HQS inspection must be conducted no later than 6/30/11.

Example 2
If the annual HQS inspection was conducted on 4/30/10, the next annual HQS inspection must be conducted no later than 4/29/11 regardless of whether the unit passed or failed.

An adult family member must be present for the inspection. The HAP payee or a designated representative is permitted but is not required to be present.

Agents must give the family and HAP payee written notice of an upcoming annual inspection. Agents may send the notice via email to either party if an address has been provided otherwise the notice is sent via first-class mail. If the notice is sent via email and is returned as undeliverable, the agent must send the notice via first class mail.

If the family is unable to attend the scheduled appointment, they are required to notify the agency prior to the meeting date and time to reschedule. If the family misses the first scheduled inspection without notifying the housing agency, the agent will schedule a second inspection. If the family misses the second scheduled inspection without notifying the housing agency, the family will be notified they are in violation of their family obligations and their assistance will be terminated.

Agents must notify the HAP payee and family in writing of the inspection results. Again, agents may send the notice via email to either party. For units that pass the HQS inspection, agents may send a copy of the first page of the inspection booklet indicating the pass status. For units that fail, the agent should provide a detailed list of all problems that must be corrected. A unit cannot be assisted if repairs are not corrected within the specified timeframe.
Policy 765  

Special Inspections

It is the responsibility of the local housing agent to reinspect dwelling units as requested by the HAP payee or family or as the need indicates within a reasonable time.

If it is found that the unit is not being maintained by the HAP payee as required by the program, immediate action must be taken by the agent to have the HAP payee correct the problem.

If the problem is the fault of the family, they must correct the deficiency. If the family does not correct the deficiency within the time period specified, the HAP contract and the family’s participation in the program may be terminated. Alternatively, the HAP payee may complete the repairs and charge the cost back to the family if the lease permits him to do so.

Whenever possible, the agent must send a written notice to the HAP payee and family advising that a special inspection has been scheduled. If the reason for the inspection dictates an emergency situation, the agent must call the HAP payee and family and advise them of the inspection time.

During a special inspection, the agent only inspects the deficiencies that were reported. However, the agent will record any additional HQS deficiencies that are observed and require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 calendar days of the date of the special inspection the agent may elect to conduct a full inspection.

Agents complete the Inspection Checklist (HUD-52580) for any special inspections and must input this information into Elite. Agents must notify the HAP payee and family in writing of the inspection results. Again, agents may send the notice via email to either party. For units that pass the HQS inspection, agents may send a copy of the first page of the inspection booklet indicating the pass status. For units that fail, the agent should provide a detailed list of all problems that must be corrected. A unit cannot be assisted if repairs are not corrected within the specified timeframe.
Policy 766       Quality Control Inspections

Quality control inspections are performed by a local housing agent's supervisor or another qualified staff person who did not conduct the HQS inspection on the number of randomly selected files required by SEMAP. The purpose of the quality control inspections is to determine whether or not each inspector is conducting accurate and complete HQS inspections, and to ensure that there is consistency with application of HQS.

Agents must notify the HAP payee and family in writing of the inspection results. Agents may send the notice via email to either party. For units that pass the HQS inspection, agents may send a copy of the first page of the inspection booklet indicating the pass status. For units that fail, the agent should provide a detailed list of all problems that must be corrected. A unit cannot be assisted if repairs are not corrected within the specified timeframe.
Policy 770 Notifying the HAP Payee of HQS Violations

VHDA no longer considers any particular HQS item to be a life-threatening violation that must be corrected within 24 hours. However, this policy provides instructions for dealing with life-threatening and non life-threatening violations.

If an inspection reveals that a unit is not being maintained to HQS standards the HAP payee is notified in writing of the violations and requested to make repairs to the unit within a specified timeframe. All letters can be sent via email if an address is provided.

Life Threatening Violations

If the violation(s) poses an immediate danger to the health and safety of the family, the local housing agent must try to make immediate contact by telephone or other means with the HAP payee but follow-up with a letter requiring the problem to be corrected within 24 hours or HAP will be abated until the violations are corrected.

If the repairs are not made within the 24-hour period, a second letter is sent to the HAP payee stating that the unit was reinspected and because the required repairs were not made, abatement of HAP will commence. If it is evident that the HAP payee is not willing to make the repairs, the local housing agent will send a letter to the HAP payee (with a copy to the family) stating that the HAP contract will terminate as soon as the family is relocated.

Non-life Threatening Violations

If the HQS violation(s) are non-life threatening, the local housing agent sends a letter to the HAP payee requiring the problem to be corrected within 25 days or HAP will be abated until the violations are corrected. If it is evident that the HAP payee is not willing to make the repairs, the local housing agent will send a letter to the family giving notice that the HAP contract will be terminated as soon as the family can be relocated.

The local housing agent must reinspect the unit to determine if the necessary work has been performed.

Family Caused Violations

If an annual or special inspection reveals that a unit is no longer in a decent, safe, and sanitary condition according to the applicable HQS criteria because of the family's lack of maintenance, the HAP payee is still responsible for taking appropriate action to correct deficiencies if the family does not correct the problem, including possible eviction of the family.

In addition to notifying the HAP payee in writing of the deficiencies and required corrective action (giving both the HAP payee and family sufficient notice to allow ample time to correct the problem, or have the family move), as applicable, the local housing agent should also advise the family of its responsibilities with respect to any lease
requirements and also point out the possible consequences of non-compliance with family obligations of the program (refer to Policy 792).

If the HAP payee is not successful in getting compliance from the family and does take appropriate steps to evict the family, the local housing agent shall not abate payment or terminate the HAP contract. VHDA will continue to pay HAP when a payee is in the process of evicting a family for a lease violation due to HQS.

**Continual Maintenance Issues**

Any HAP payee whose units are continuously not maintained as required by the program will be barred from future program participation. Any such decision must be approved by VHDA.
Policy 775     Abatement of HAP Due to HQS Violations

Abatement is defined as the non-payment of HAP funds during the period of time a unit does not comply with HQS and which the HAP payee is responsible for correcting. Once all HQS violations are corrected and the unit passes inspection, payment of HAP is resumed. A HAP payee will never receive the money for the period of time the unit is not in compliance.

Abatements are effective on the 1st of the month following the end of the period given to correct the deficiencies.

Abatement Process

All local housing agencies are required to abate HAP payments for units that are not in compliance with HQS. Agents must follow the process outlined below:

- Agent emails abatement request to AskHCV including the following information:
  - Tenant’s name and entity ID
  - Effective date of the potential abatement
  - Copy of the letter sent to the HAP payee listing items to be corrected
- AskHCV will forward request to the appropriate PCO
- PCO will notify the agent if the abatement request was approved or denied and set-up in Elite
- Agent notifies AskHCV when the unit passes inspection so the abatement can be removed. If the agent fails to notify AskHCV, the HAP payee will not be paid.
Policy 780 Follow-ups on HAP Payee Repairs

It is imperative that the time period established for correction of HQS violations be monitored. An inspection must be conducted by the local housing agent (and documented accordingly on the *Inspection Form*) to verify whether or not cited deficiencies have been corrected as requested. If the repairs are not made, the local housing agent can extend the time period allowed with adequate justification.

If repairs are still not made as required, the HAP must be abated or the HAP contract terminated. Such courses of action must be performed by the local housing agent.
Policy 786  Conducting Move-out Inspections for the HCV Program

Local housing agents should only conduct move-out inspections when requested by a HAP payee if the request is made within 10 calendar days after the family vacated to document how the family left the unit. If possible, the agent should take photos during the move-out inspection.

If the local housing agent determines the family has damaged the unit beyond normal wear and tear that also caused the unit to fail the housing quality standards, the agent may take action to terminate the family’s assistance. This would be considered a violation of the family obligations concerning a breach of the HQS.

Agents should have proper documentation that indicates the damages were beyond normal wear and tear including historical inspection reports and any photos.
Policy 792  HQS Family Obligations

The family is responsible for a breach of the Housing Quality Standards that is caused by any of the following:

- The family fails to pay for any utilities that the HAP payee is not required to pay for but which are to be paid for by the tenant.
- The family fails to provide and maintain any appliances that the HAP payee is not required to provide but which are to be provided by the tenant.
- Any member of the household or guest damages the dwelling unit or premises beyond ordinary wear and tear.

If an HQS breach caused by the family is life threatening, the family must correct the defect within 24 hours. For other family caused defects, the family must correct the defect within no more than 25 calendar days or any approved extension.

If the family has caused a breach of the HQS, the local housing agent must take prompt and vigorous action to enforce the family obligations. The local housing agent may terminate assistance for the family in accordance with Policy 1012.

HAP payments cannot be abated for family caused violations.
Policy 795      Inspection Charges

The local housing agent may not charge the family or HAP payee for any inspection conducted as part of the HCV Program.
Chapter 800 – Annual Reexamination
Policy 801  Annual Reexamination Process

All HCV Program participants must have household income and composition reviewed on an annual basis and their level of assistance adjusted accordingly. This includes gathering and verifying current information about the number of household members, income amounts and expenses. Agents should follow the verification process outlined in Chapter 500.

The agent can and is strongly encouraged to begin the review process up to 120 days before the effective reexamination date to allow enough time to meet with the family, complete all verifications and allow at least a 30 calendar day notice for changes to the assistance amount.

Reexamination Date
During a family's first year in the program, the next reexamination date is based on the effective date of the HAP contract or when the family was first admitted to the program.

For HAP contracts that begin on the first day of the month, the reexamination date would be exactly one year later. A contract beginning on 1/1/11 would have a reexamination date of 1/1/12.

For HAP contracts that begin on a day other than the first day of the month, the reexamination date would be the first day of the following month exactly one year later. A contract beginning on 1/20/11 would have a reexamination date of 2/1/12.

In successive years of a family's participation in the program, the reexamination date is based on the date of the previous annual reexamination.

Agents can print a report listing the participants with upcoming reexaminations by accessing the Next Re-Exam Date Report in the Elite software system.

Scheduling the Reexamination Appointment
The local housing agency has some discretion in where it conducts the reexamination of a participant but is required to meet with the family in person. Some agencies complete the reexamination paperwork at the same time they conduct the annual HQS inspection, while others mail the paperwork to the participant and ask that they complete the forms prior to their scheduled appointment at the housing office.

Notification is sent to an email address provide by the family or via first-class mail with details on the reexamination process and indicate the appointment date and time that the participant needs to attend and a list of information the participant should bring with them to the appointment. If the notice is sent via email and is returned as undeliverable, the agent must send the notice via first class mail.
If the participant is unable to attend the scheduled appointment, they are required to notify the agency prior to the meeting date and time to reschedule. If the participant fails to attend the scheduled appointment, the agent will send a second and final appointment notice. If the participant fails to attend both appointments, they will be sent a notice indicating they are in violation of their family obligations and their assistance will be terminated.

Chapter 1000 provides details on the proper procedure for terminating a participant from the HCV Program. The agent must provide proper 30 calendar day written notice of the termination. A participant who is terminated must reapply to the waiting list to be assisted again; their assistance cannot be reinstated.

**Increase in the Tenant Portion of Rent**

If the tenant portion of rent will increase based on the reexamination paperwork, the participant must be given a 30 calendar day notice before the date of the annual reexamination or the change will not be effective. The agent notifies the family by sending the *Notice of Rent Amount* form.

If less than 30 calendar days are remaining before the date of the annual reexamination, the increased rent amount will be effective on the 1st of the month following the 30 calendar day notice.

If the participant falsifies information, fails to disclose information or causes a delay in the reexamination process, the increase in the tenant portion of rent will be retroactive to the effective date of the annual reexamination.

**Decrease in the Tenant Portion of Rent**

If the tenant portion of rent decreases, the change is effective on the annual reexamination date. The agent notifies the family by sending the *Notice of Rent Amount* form.

If the participant causes a delay in the reexamination process, the decrease in the tenant portion of rent will be effective on the 1st day of the month following completion of the reexamination paperwork.

**Agent Errors**

If the local housing agent makes a calculation error in the reexamination paperwork, an interim reexamination must be done to correct the error. If an error causes the family’s rent to increase, the correct amount will not be retroactive to the reexamination date. If an error causes the family’s rent to decrease, the correct amount will be retroactive to the reexamination date.

**Important Points Regarding Annual Reexaminations**

- Participants must sign the HUD-9886 each time the agent evaluates the family's eligibility for housing assistance.
- Verifications related to family income, value of assets, expenses related to deductions, and any other factors that affect the determination of adjusted income are valid for a period of 120 days from the date they are provided to the local housing agency.

- If a family member turns 18 during the family’s certification year, the agent will obtain the appropriate signatures on any forms or verifications at the next scheduled annual or interim reexamination following the family member’s 18th birthday.

- Agents must mark the annual reexamination complete in Elite at least 30 calendar days before the annual effective date.
Policy 802  Interim Changes Impacting Annual Reexaminations

Agents should review Policy 910 for examples related to the information provided below.

Effective Date for a Decrease in the Amount of Rent a Family Pays

If a family reports a change that will reduce the amount of rent they pay, the change is effective the first of the month following when the written notification was received by the agent.

If the family is close to their annual certification date and the agent has already completed the paperwork and notified the family of their annual rent amount, the agent must redo the annual certification in Elite and send the family a revised notice of their annual rent amount.

In cases where the effective date of an interim and annual are the same, the agent only has to redo the annual certification.

Effective Date for an Increase in the Amount of Rent a Family Pays

It is important for agents to understand that they should only process increases in income that result from a household composition change unless the family is participating in the EID program. If a family reports a change that will increase the amount of rent they pay, the change is effective the first of the month following a 30 calendar day notice to the family.

If the family is close to their annual certification date and the agent has already completed the paperwork and notified the family of their annual rent amount, the agent must redo the annual certification in Elite and send the family a revised notice of their annual rent amount if the agent is able to provide the family a 30 calendar day notice.

If the agent has already completed the annual paperwork and notified the family of their annual rent amount and the agent cannot give 30 calendar day notice of the rent increase, the agent will need to process an interim effective for the first of the following month.
Policy 803 Family Composition Changes

The original household composition is subject to change during participation in the HCV Program.

Remaining Member of a Tenant Family
The remaining member of a tenant family is a family member who stays in a unit after other family members have left the unit. Any family member who leaves the assisted unit must reapply to the HCV Program and be determined eligible on their own merit before they may receive a voucher.

Live-in aides who were part of an assisted household do not qualify as a remaining member of an assisted family.

Family Break-up
If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

If the family is unable to decide who will retain the voucher, the local housing agency has discretion to determine which family continues to receive assistance. However, if a court determines the disposition of property between members of the assisted family through a divorce or separation decree, the local housing agency is bound by the court’s determination of which family members continue to receive assistance.

Factors to be considered in making this decision include, but are not limited to:
- If the voucher should remain with those staying in the current unit
- The interest of minor children
- The interest of ill, elderly or disabled family members
- Possible risks to family members as a result of domestic violence or criminal activity
- Recommendations of social service professionals

The family is required to provide the local housing agent with a written statement indicating which family members will remain in the assisted family.

If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking the agent must ensure that the victim retains assistance (refer to Policy 1019).
Caretaker for Children

In cases where minor children are the remaining members of a tenant family, a caretaker may be brought into the unit to care for the children. If the caretaker is later awarded custody or legal guardianship and the caretaker is otherwise eligible for the HCV Program, the voucher will be transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, the local housing agent will review the case every 60 calendar days to ensure the case is still active before the court until a determination on guardianship is made. The caretaker will be treated as a guest during this time.
Policy 806  Occupancy Guidelines for Mod Rehab Units

At annual reexamination, the local housing agent must determine whether a family is in an overcrowded or under occupied unit.

If the local housing agent determines that a unit is not decent, safe and sanitary by reason of increase in family size, or that a unit is larger than appropriate for the size of the family in occupancy, HAP payments with respect to the unit will not be abated; however, the HAP payee must offer the family a suitable alternative unit should one be available and the family will be required to move into the new unit at a mutually agreed upon date.

If the HAP payee does not have a suitable available unit, the local housing agent must assist the family in locating other standard housing in the locality within the family's ability to pay and require the family to move to such a unit as soon as possible. In no case will a family be forced to move nor will HAP payments under the contract be terminated unless the family refuses (without good reason) the offer of a unit that the local housing agent judges to be acceptable.

In the mod rehab program there is some degree of control when a family is too large/small for the unit. If a HAP payee has more mod rehab units of appropriate size in a locality, then a family may have to relocate. If there are other owners in that locality with appropriately sized mod rehab units, the family may have to relocate. If a suitable mod rehab unit does not exist, the local housing agent will provide the family with a regular voucher (placed at the top of the waiting list and over issue if VHDA has sufficient funds) in which to look for suitable housing. The family will be required to look for alternative housing that is within the family's ability to pay. In cases of a family being too large/small for the mod rehab unit, the issue must be resolved with VHDA on a case-by-case basis.
Policy 807  Determining Payment Standards

If VHDA changes the payment standards during the HAP contract term for a family's unit, the new payment standards must be applied at a specific time depending on whether the change was an increase or decrease.

Increases
If the payment standard has increased, the increased payment standard will be applied at the first annual reexamination following the effective date of the increase in the payment standard. An increase in the payment standard is generally beneficial to the family.

Decreases
If the payment standard amount has decreased, the decreased payment standard will be applied at the second annual reexamination following the effective date of the decrease in the payment standard.

Moves to a New Unit or New HAP Contract
If the family moves to a new unit or a new HAP contract is executed due to changes in the lease (even if the family remains in place), the current payment standard applicable to the family will be used to calculate the subsidy amount.

Change in Family Unit Size (Subsidy Standard Change)
If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition or a change in the VHDA's subsidy standards, the new family unit size must be used to determine the payment standard amount for the family at the family's first annual reexamination following the change in the unit size.
Policy 808       Determining Affordability Adjustments

VHDA will set a voucher payment standard (VPS) amount between 90% and 110% of the HUD published Fair Market Rents (FMRs) as required by the regulations.

Increasing VPS Amounts
VHDA, in its discretion, may adopt annual increases of VPS amounts so that families can continue to afford to lease units in accordance with the regulations.

Decreasing VPS Amounts
If a revised FMR is published and the new FMR is lower than the current corresponding VPS, VHDA must adopt a new VPS between 90% and 110% of the revised FMR.
Policy 809  Zero HAP for HCV Families

The family's eligibility for HAP continues until the total tenant payment (TTP) equals the gross rent. The termination of eligibility at such point will not affect the family's other rights under its lease, nor will such termination preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances during the term of the contract. However, eligibility also may be terminated in accordance with requirements for such reasons as failure to submit requested verification information.

A family can remain in occupancy without assistance either with a new lease from the HAP payee or continue the current lease with revised zero HAP portions.

If the family's TTP equals the gross rent at their scheduled annual reexamination they are not terminated but 180 consecutive days must pass before a termination occurs. During the 180 days, the family may receive a new voucher to lease a new unit requiring a housing assistance payment.

If there is no HAP for 180 days on behalf of a participating family, the HAP contract must be terminated. The agent must notify the family and owner in writing that the HAP contract terminated.

HAP must be restarted for families whose units are still under a HAP contract but for whom no subsidy is being paid if:

- The reason no subsidy is being paid is that the family's TTP is sufficient to pay the full gross rent; and
- The family's income is reduced (or the gross rent is increased) to the point that the family's TTP does not cover the gross rent; and
- The family reports the change and requests that assistance resume.
Policy 816  Moves with Continued Tenant-based Assistance

A participating family may move one or more times with continued assistance under the program as established by VHDA policy. Refer to Policy 1015 for additional information on when a family may move with continued tenant-based assistance.

Restrictions on Elective Moves

VHDA does not permit a family to make an elective move during the family’s initial lease term. Following the initial lease term, VHDA only permits one elective move by the family during any 12 month period. This applies to moves within VHDA’s jurisdiction and moves by a participant family under portability.

These restrictions do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member.

Family’s Notice to Move

If the family wants to move to a new unit, the family must notify the local housing agent and the HAP payee in writing before moving from the old unit. If the family wants to move to a unit that is located outside the local housing agent’s jurisdiction, the notice must specify the area where the family wants to move.

Processing a Move

If the agent processes a move with the certification type Other Change of Unit, the agent does not need to verify any income information for the family and should not change the reexamination date in Elite.

However, if the agent processes the move as an annual, all income information must be updated.
Policy 817  Mod Rehab Moves within the Same Structure

Families, who want to relocate to another unit in the same structure, may make a request to the HAP payee or managing agent. A new lease term will be required, and this may affect the annual reexamination date for the family. The creation of the new lease term may require updated verifications, if the verifications are over 120 days old from the date they were provided to the local housing agency.
Policy 820  Contract Rent Increases

In the HCV Program, there is no maximum rent imposed on HAP payees. The amount of the contract rent under the HAP contract and lease may not be increased during the first year of the term of either document accept for certain subsidized properties (see Policy 623). The HAP payee must give at least 60 calendar days written notice to the family and the local housing agency before implementing an increase in the rent amount.

If required, an interim certification will be processed if the 60 day notice is met. The family will have fifteen calendar days to accept the new rent amount or request that a voucher be issued so that they may move to a new unit.

Rent Reasonableness

It is the local housing agent's responsibility to review proposed contract rent increases for rent reasonableness determinations. The HCV Program requires disapproval of the unit if the increase results in a contract rent that is not considered reasonable.

The Certification of Rent Reasonableness form must be completed by the local housing agent whenever a HAP payee requests a rent increase.

Mod Rehab Units

At the present time, VHDA determines the contract rent for mod rehab units, therefore the local housing agent does not need to determine rent reasonableness for these units.
Policy 850  Processing the Annual Reexamination

In cases where all of the requirements under Chapter 800 have been met, revised payments will begin on the effective date stated by the notice. All policies contained in Chapter 500, 600, 700 must be met; however, some of the policies may be omitted if they are not applicable, since no changes have occurred. A few examples are listed below:

- The Certification of Rent Reasonableness form does not need to be redone if the rent did not increase.
- The Housing Choice Voucher may be the original voucher if the family's certified bedroom size remained the same, and provided the voucher has not been revised since the family originally signed the form.
- The Request for Tenancy Approval would not need updating if the original conditions are the same. The form would need to be completed and submitted again if the document has been revised since the original was executed.

Changes in Lease or Rent

The tenant and the HAP payee may not make any change in the Tenancy Addendum. However, if the tenant and the HAP payee agree to any other changes in the lease, such changes must be in writing and the HAP payee must immediately give the local housing agency a copy of the changes. The lease, including any changes, must be in accordance with the requirements of the Tenancy Addendum.

In the following cases, tenant based assistance shall not continue unless the local housing agent has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the HAP payee:

- If there are any changes to the lease regarding tenant and HAP payee responsibility for utility or appliances.
- If there are any changes in lease provisions governing the term of the lease.
- If the family moves to a new unit even if the unit is in the same building or complex.

Local housing agency approval of the tenancy and execution of a new HAP contract are not required except in the instances outlined above.

The HAP payee must notify the local housing agency of any change in the amount of rent for the unit at least sixty calendar days before any such changes go into effect. The amount of the rent following any such notification may not exceed the reasonable rent for the unit as most recently determined by the local housing agent in accordance with HUD requirements.
Policy 855  Virginia Residential Landlord and Tenant Act

It is not required that the local housing agent provide a copy of the Virginia Residential Landlord and Tenant Act (VRLTA) handbook to a family at the time of annual reexamination.

The agent can advise the family that the handbook can be found online.
Policy 875  Earned Income Disallowance (EID) for Persons with Disabilities

HUD established the earned income disallowance as an incentive to encourage self-sufficiency among persons with disabilities. The premise of the program is to exclude certain portions of a qualified individual’s increased earnings for a certain time period outlined below.

Initial 12-Month Exclusion Period

During the cumulative 12-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 local housing agent must exclude from annual income 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.

Second 12-Month Exclusion and Phase-In

During the second cumulative 12-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 local housing agent must exclude from annual income of a qualified family 50% 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.

Maximum 4-Year Disallowance

The disallowance of increase income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period. It only applies for a maximum of 12 months for the full exclusion, and a maximum of 12 months for the phase-in (50%) exclusion, during the 48-month period starting from the effective date of the initial exclusion.

Inapplicability to Admission

The disallowance of increases in income as a result of employment of person with disabilities under this regulation does not apply for purposes of admission to the program, including:

- Determination of income eligibility
- Income targeting

Definitions

Disallowance
Disallowance is defined as an exclusion from annual income.
**Previously Unemployed**
Includes a person with disabilities who has earned, in the 12 months previous to employment, no more than would have been received for 10 hours of work per week for 50 weeks, at the established minimum wage.

Note: The prevailing minimum wage is the higher of the federal minimum wage or the state minimum wage.

**Qualified Family**
A family residing in housing assisted under the Housing Choice Voucher Program:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities, and who was unemployed for 1 or more years previous to employment (includes family members with disabilities who fit the definition of previously unemployed); or
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within 6 months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the local housing agent in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WtW) programs.
  - The TANF program is not limited to monthly income maintenance, but also includes such benefits as services as one-time payments, wage subsidies and transportation assistance, provided that the total amount over a 6-month period is at least $500.
Policy 876    Determining Who Is Qualified for the Exclusion

Agents must complete the *Earned Income Disallowance Analysis* worksheet anytime the family reports an increase in earnings or new employment for an adult family member who is disabled.

The following three requirements must be met in order to determine whether or not the family is qualified for the EID.

First, the head, spouse, sole member, or any adult member of the family must be a person with disabilities.

Second, an adult family member who is a person with disabilities must have reported an increase in earned income.

Third, the agent must determine whether or not the family member who is a person with disabilities that reported an increase in earned income meets at least one of the following:

- This family member who is a person with disabilities has been unemployed for at least the past year (or has earned no more than would have been earned by working 10 hours per week, 50 weeks per year at the area’s prevailing minimum wage); or
- The family member who is a person with disabilities is a current participant in, or working and still receiving mentoring from an economic self-sufficiency or other job-training program; or
- The family member who is a person with disabilities has received TANF within the past 6 months of at least a total of $500.
Policy 877 Calculating and Tracking EID

There are two forms the local housing agency must complete for each family member who qualifies for EID. Agents must complete the Earned Income Disallowance Tracking Form for each individual who qualifies for EID in order to document when an individual qualified for the exclusion.

Second, agents must complete the Earned Income Disallowance Calculation worksheet to determine what income is excluded.

Maximum 4-Year (48 Months) Disallowance Period

The maximum 4-year disallowance period begins on the effective date of the initial exclusion, and ends 48 consecutive months after the effective date of the initial exclusion.

For example, if the qualified family receives the initial exclusion on January 1, 2011, the maximum 4-year disallowance period will end on January 1, 2015.

Initial 12-Month Exclusion Period

Two figures are used to determine the amount of the incremental increase, or difference in income prior to qualifying employment and increased earned income:

- The amount of monthly income received by the family member before the qualifying increase; and
- The amount of monthly income received by the family member after the increase.

For the initial 12-month exclusion period, the monthly amount to be excluded from the annual income is determined by the following formula:

- Family member’s current monthly income – family member’s monthly income prior to the increase = amount to be excluded from monthly income.

After determining whether or not the family is qualified for the disallowance (exclusion), and determining the amount to be excluded, it will be necessary to track the number of months the family actually receives the exclusion.

The full exclusion period begins on the effective date of the initial exclusion, and ends on the earlier of:

- The date the family member has received the full exclusion for 12 cumulative (consecutive or non-consecutive) months; or
- 48 consecutive months from the effective date of the initial exclusion.

If the family member reports an interruption in earned income, the exclusion stops until the family member reports new earned income. But, the clock is still ticking on the
maximum 4-year disallowance period. It will be necessary to record the number of
months the family member has received the exclusion and the number of months left in
the maximum 4-year period.

When the family member reports new earned income, the new exclusion amount must
be calculated, using the following formula:

- Family member’s current monthly income – family member’s monthly income prior to
  the initial increase in income = amount to be excluded from monthly income.

The exclusion amount is always determined using the amount of monthly income before
the beginning of the qualifying employment. Qualifying employment is the employment
used to initially determine that the family meets HUD’s definition of a qualified family.

The full exclusion period resumes on the effective date that the new amount is excluded
from the income. Use the formula below to determine the number of months remaining
in the full exclusion period:

- Twelve months – number of cumulative months the family has received the exclusion
  = the number of months remaining in full exclusion period.

There is no limit on the number of times the exclusion can begin and end during the 4-
year (48-month) maximum period. It is possible, but not likely, that a family member’s
income could start one month and stop the next month repeatedly during the entire 4-
year maximum disallowance period. It is possible for the family member to reach the
end of the 4-year maximum period without receiving 12 cumulative months of the full
exclusion.

Consider the chart below:

<table>
<thead>
<tr>
<th>Dates of Employment</th>
<th>Full Exclusion</th>
<th>4-Year Maximum Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Begins</td>
<td>Months Used</td>
<td>Months Remaining</td>
</tr>
<tr>
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<td>1</td>
<td>11</td>
</tr>
<tr>
<td>2/1/12</td>
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<td>3</td>
</tr>
<tr>
<td>9/1/15</td>
<td>10</td>
<td>2</td>
</tr>
</tbody>
</table>

In this case, the family member only used 10 cumulative months of the full exclusion
before the 48-month maximum disallowance period ended. This family member would
not be entitled to any further exclusion (full or partial).

**Second 12-Month Exclusion and Phase-In**

For the phase-in (partial) exclusion period, the monthly amount to be excluded from the
annual income is determined by the following formula:
• Family member’s current monthly income – family member’s monthly income prior to increase in income = full exclusion amount x 50% of the amount to be excluded from monthly income.

After determining that the family has time remaining in the 4-year maximum disallowance period, and determining the amount to be excluded for the phase-in period, it will be necessary to track the number of months the family actually receives the phase-in exclusion.

The phase-in exclusion period beings when the family has received the full exclusion amount for 12 cumulative months, and ends on the earlier of:

• The date the family member has received the phase-in exclusion for 12 cumulative (consecutive or non-consecutive) months; or
• 48 months from the effective date of the initial exclusion.

If the family member reports an interruption in earned income, the phase-in exclusion stops until the family reports new earned income. But, the clock is still ticking on the maximum 4-year disallowance period. It will be necessary to record the number of months the family member has received the phase-in exclusion.

When the family member reports new earned income, the new phase-in exclusion amount must be calculated, using the following formula:

• Family member’s current monthly income – family member’s monthly income prior to increase in income = full exclusion amount x 50% to be excluded from monthly income.

The phase-in exclusion amount is always determined using the amount of monthly income before the beginning of qualifying employment. Qualifying employment is the employment used to initially determine that the family meets HUD's definition of a qualified family.

The phase-in partial exclusion period resumes on the effective date that the new amount is excluded from the income. Use the formula below to determine the number of months remaining in the phase-in exclusion period:

• Twelve months – number of cumulative months the family has received the partial (phase-in) exclusion = number of months remaining in partial (phase-in) exclusion period.

There is no limit on the number of times the partial (phase-in) exclusion can begin and end during the 4-year maximum period. It is possible for the family member to reach the end of the 4-year maximum period without receiving 12 cumulative months of the phase-in exclusion. Consider the following chart:
In this case, the family member only used 12 cumulative months of the full exclusion, and 6 cumulative months of the partial (phase-in) exclusion before the 48-month maximum disallowance period ended. This family member would not be entitled to any further exclusion (full or partial).
Policy 878  Interim Reporting and EID

The local housing agent must perform an interim reexamination when the full exclusion period ends and the partial exclusion period starts and when the partial exclusion period ends, due to the change in the family’s exclusion status.
Chapter 900 – Interim Changes
Policy 910  Interim Reporting Requirements

HUD mandates that VHDA establish policies detailing ‘when and under what conditions’ a participant must report a change in family circumstances between annual reexaminations.

VHDA has established the following interim reporting requirements for HCV Program participants. All local housing agencies must adhere to VHDA’s interim reporting policy.

Household Composition Change
Participants must report any change in household composition that results in someone moving into or out of the unit. Household composition changes can occur in part to:

- Birth, legal adoption, or custody and visitation arrangements of a child
- Marriage, separation or divorce of a household member
- Incarceration of a household member
- Death of a household member

The addition of a live-in aide, foster children or adults to the household must also be reported to the housing agency. However, these types of changes will not affect the household’s income and do not require the agent to complete any type of income verification.

When a new household member is added, the agent will only need to verify information for the new household member. It is not necessary to review the information for every household member currently residing in the household. If the new household member has income, this information is processed as an interim and added to the total household income.

When someone is removed from the household the agent only removes any income and expenses for that individual.

Increase in Household Income for Zero Income Household
If a household did not report any source of income ($0 is listed on line 7i of the HUD-50058) during the last certification, they must report any change in writing within 30 calendar days of receiving the income.

In the case of a zero income household, the agent needs to complete verification for the entire household.
Increase in Income for a Family Member

Family members are not required to report an increase in income between annual certifications unless the household previously reported having zero income. If a family member reports an increase, the agent should advise them of the interim reporting requirements and do not process the request.

An exception to this rule applies to families taking advantage of the Earned Income Disallowance (EID). Families in this program may report an increase in income in order to take advantage of the benefits related to the program. The local housing agent must process these requests.

Decrease in Income or Increase in Expenses or Allowances for a Family Member

If a family member experiences an increase in an allowable expense or qualifies for an allowance, they may request an interim reexamination of their income. Examples of these requests include increases to child care or medical expenses or qualification for the elderly/disabled allowance.

In processing this type of request, the agent only needs to verify information for the individual reporting the change.

The local housing agent must process these requests.

When an Agent Can Refuse to Process a Decrease in Income

Agents can refuse to process a decrease in income or increase in expenses if the respective decrease or increase is expected to last less than 30 calendar days.

Agents can also refuse to process a decrease when there is a deliberate action on the part of the family to avoid paying an increase in rent. The agent must document a pattern of such behavior on the part of the family. A pattern is at least two consecutive occurrences.

Processing Simultaneous Increases and Decreases in Income

When dealing with this type of situation, the agent should consider each event separately when deciding whether to process an interim. Agents should not consider whether or not there has been a decrease or increase to the total household income when reviewing these situations.

It is possible that a family member may report that they have a reduction in a certain type of income as a result of an increase in another type of income.
Example 1

Susan receives $300 per month in TANF. She starts a new job making $700 per month in wages. Her TANF is reduced to $100 per month. Susan reports in writing that her TANF benefit has been reduced but that she also has a new job.

The agent must process the decrease in the TANF assistance as an interim but does not process the increase in income as an interim.

In Example 1, the agent first considers the decrease in income and processes this request. Next the agent considers the increase in income as a separate event and does not process this request because of the interim reporting policy.

Example 2

John loses his job making $500 per month. Mary, who is currently working and making $200 per month, gets a second job making $200 per month. John and Mary report in writing that John has lost his job but Mary has a new job.

The agent must process the decrease in income reported by John because of his job loss but the agent does not process the increase in income for Mary because she has taken a second job.

In Example 2, the agent considers the circumstances of each individual family member when deciding to process an interim instead of whether there was a net gain or loss to the total income for the household.
Example 3

Susan receives $300 per month in TANF. She starts a new job making $700 per month in wages. Her TANF is reduced to $0 per month. Susan reports in writing that her TANF benefit has been reduced but that she also has a new job.

The agent must process the decrease in the TANF assistance as an interim and Susan is now considered a zero income household. The agent will recertify her zero income status in 90 calendar days. Assuming Susan is still employed, an interim will be completed and the income from Susan’s job added to the household.

In Example 3, the agent first considers the decrease in income and processes this request. The family is now considered a zero income family and is advised that they are required to recertify their zero income status every 90 calendar days. However, the family must report an increase in income in writing within 30 calendar days of receiving the income.

Because the family has already told the agent about the increase in income, the agent can go ahead and process the request remembering to give the family 30 days notice if their rent will increase.

By considering each event in the above example separately, we maintain consistency in the application of our interim policy instead of creating exceptions to these unique circumstances.

Requirements for Reporting a Change

Changes, as defined by the interim reporting policy, must be reported to the local housing agency in writing within 30 calendar days of the change. Agents will be cited in reviews and audits for not having written documentation from the family for any change.

Agencies should not be requiring families to report information that is not required.

Certifying Zero Income Status

Families must recertify their zero income status every 90 days. Agents are responsible for notifying the family when it is time for them to recertify their status.

It is not necessary for an agent to meet in person with a family who is recertifying their zero income status. The agent may mail or email the family the appropriate forms for completion and ask that the forms be returned to the housing agency by a specified deadline.
Effective Date for a Decrease in the Amount of Rent a Family Pays

If a family reports a change that will reduce the amount of rent they pay, the change is effective the first of the month following when the written notification was received by the agent.

**Example 1**

Jane's employment is terminated on 9/20. She reports that she is no longer employed on 10/15; the change is effective on 11/1.

If the family is close to their annual certification date and the agent has already completed the paperwork and notified the family of their annual rent amount, the agent must redo the annual certification in Elite and send the family a revised notice of their annual rent amount.

**Example 2**

Jane's annual certification date occurs on 12/1 and the agent has already notified the family of their annual rent amount. Jane's employment is terminated on 9/20. She reports that she is no longer employed on 10/15.

The agent must process the change as an interim effective on 11/1 and the agent must redo the annual certification in Elite and send the family a new notice of their annual rent amount.

In cases where the effective date of an interim and annual are the same, the agent only has to redo the annual certification.

**Example 3**

Jane’s employment is terminated on 9/20. She reports that she is no longer employed on 10/15. Jane’s annual certification date occurs on 11/1 and the agent has already notified the family of their annual rent amount.

The agent must redo the annual certification in Elite and send the family a new notice of their annual rent amount. The agent does not need to complete an interim certification in this case.
Effective Date for an Increase in the Amount of Rent a Family Pays

It is important for agents to understand that they should only process increases in income that result from a household composition change unless the family is participating in the EID program. If a family reports a change that will increase the amount of rent they pay, the change is effective the first of the month following 30 calendar days notice to the family.

**Example 1**

Jane’s boyfriend, who is working, moves into her unit on 9/20 and she reports this to the housing office on 10/10. Since there is an increase in household income due to the new member, the agent must give 30 days notice before the rent increase is effective; at the earliest, the change is effective 12/1.

If the family is close to their annual certification date and the agent has already completed the paperwork and notified the family of their annual rent amount, the agent must redo the annual certification in Elite and send the family a revised notice of their annual rent amount if the agent is able to provide the family 30 calendar days notice.

**Example 2**

Jane’s boyfriend, who is working, moves into her unit on 9/20 and she reports this to the housing office on 10/10. Jane’s annual certification date occurs on 1/1.

The agent receives all required verifications on 10/29 and determines that there will be a rent increase. Since there is an increase in household income due to the new member, the agent must give 30 days notice before the rent increase is effective.

Since the agent is able to provide the required 30 days notice the agent processes an interim effective 12/1 and redoes the annual certification effective 1/1.
If the agent has already completed the annual paperwork and notified the family of their annual rent amount and the agent cannot give 30 calendar days notice of the rent increase, the agent will need to process an interim effective for the first of the following month.

**Example 3**

Jane’s boyfriend, who is working, moves into her unit on 9/20 and she reports this to the housing office on 10/10. Jane’s annual certification date occurs on 11/1.

The agent receives all required verifications on 10/29 and determines that there will be a rent increase. Since there is an increase in household income due to the new member, the agent must give 30 days notice before the rent increase is effective.

Since the agent is **not** able to provide the required 30 days notice to update the annual certification the agent processes an interim effective 12/1.

**Signing the Interim Reporting Requirements Notice**

All household members age 18 and older must sign and date the *Interim Reporting Requirements Notice* upon admission to the HCV Program, each time the household moves to a new unit and at each annual certification. A copy of the signed form must be kept in the family’s file.

Zero income families do not need to sign the *Interim Reporting Requirements Notice* each time they certify their zero income status.

**EIV Report and Verifications**

Anytime an agent processes an interim, they must run an EIV Report and place the required documentation in the family’s file. This is a HUD requirement.

Any verification documentation used for an interim is valid for a period of 120 days from the date they are provided to the local housing agency.

**Voucher Payment Standards**

A change in the voucher payment standard for a family does not occur with an interim unless the family has an approved reasonable accommodation request.
Policy 920  HAP Contract Rent Adjustments

The HCV Program allows a HAP payee to increase the rent for a unit after the initial 12-month term unless the unit is a subsidized property (see Policies 623 and 820). Agents should contact VHDA for approval of any contract rent changes for mod rehab units.

Agents process an interim certification in Elite for any rent changes that are approved and sends the family and the HAP payee the Notice of Rent Amount form.
Policy 921  Utility Allowance Adjustments

If for any reason a change to the utility information is necessary, the HAP payee and the tenant must execute a new lease, and the local housing agency and the HAP payee must execute a new HAP contract.

VHDA will make utility adjustments to any requests involving mod rehab units.

Agents process an annual or interim certification in Elite for any rent or utility changes that are approved and sends the family and the HAP payee the Notice of Rent Amount form.
Policy 930 Assignment of the HAP Contract

HAP payees must notify the local housing agency of any changes to the named payee or transfer of ownership in advance of such change. The HAP payee must complete the Housing Assistance Payments Contract Amendment form developed by VHDA.

In addition, the new HAP payee must complete an IRS W-9 and Direct Deposit Authorization form and submit this information with the signed form.

The documentation must be processed by the local housing agent no later than the Elite cut-off date in order for a HAP check(s) be made payable to the new HAP payee for the first of the month.

For the moderate rehabilitation program, payee changes are processed through VHDA.

If the new HAP payee insists on signing a new HAP contract and executing a new lease with the tenant, the new payee must also complete the Request for Tenancy Approval and the local housing agency must do a unit inspection and rent reasonableness determination.
Chapter 1000 – Denial or Termination of Assistance & Tenancy
Policy 1000  Term of Assisted Tenancy

Term of HAP Contract
The term of the HAP contract begins on the first day of the term of the lease and ends on the last day of the term of the lease.

The HAP contract terminates if the lease terminates.

Term of the Lease Agreement
The initial term of the lease must be for at least 12 months unless prevailing local market conditions dictate a shorter term or as an approved reasonable accommodation.

The lease must provide for automatic renewal after the initial term of the lease ends. The lease may provide either for automatic renewal for successive definite terms (e.g., month-to-month or year-to-year) or for an indefinite extension of the term.

The lease agreement terminates if any of the following occurs:

- The HAP payee terminates the lease
- The tenant terminates the lease
- The HAP payee and the tenant agree to terminate the lease
- VHDA or the local housing agent terminates the family’s assistance
Policy 1002     Lease Termination by the HAP Payee

During the lease term, the HAP payee may terminate the lease agreement on the following grounds:

- Serious or repeated violation of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking and the victim is protected from eviction by the Violence Against Women Reauthorization Act of 2013
- Violation of federal, state, or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises
- Other good cause

The HAP payee may not terminate a lease agreement for nonpayment of HAP by VHDA. VHDA’s failure to pay the housing assistance payment to the HAP payee is not a violation of the lease agreement between the tenant and the HAP payee.

Criminal Activity

Any of the following types of criminal activity by the tenant, any member of the household, a guest or another person under the tenant’s control shall be cause for termination of tenancy:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents
- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises
- Any drug-related criminal activity on or near the premises

In the case of criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking, if the tenant or an affiliated individual of the victim, the criminal activity may not be construed as cause for terminating the victim’s tenancy.

Definition of Other Good Cause

Other good cause for termination of tenancy by the HAP payee may include, but is not limited to, any of the following examples:

- Failure by the family to accept the offer of a new or revised lease
- A family history of disturbance of neighbors, destruction of property, or of living and/or housekeeping habits resulting in damage to the unit or premises
- The HAP payee’s desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to lease the unit at a higher rental rate)
During the first year of the lease term, the HAP payee may not terminate the tenancy for other good cause, unless the HAP payee is terminating the tenancy because of something the family did or failed to do.

For example, during this period, the HAP payee may not terminate the tenancy for other good cause based on any of the following grounds:

- Failure by the family to accept the offer of a new or revised lease
- The HAP payee’s desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy

**HAP Payee Notice of Termination of Tenancy**

The HAP payee must give the tenant a written notice that specifies the grounds for termination of tenancy. The notice of grounds must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any HAP payee eviction notice to the tenant.

**Eviction Notice**

HAP payee eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action.

The HAP payee must give the local housing agent a copy of any eviction notice provided to the tenant.

**Eviction by Court Action**

The HAP payee may only evict the tenant from the unit by instituting a court action.

The local housing agent does not process the HAP termination in Elite until the court awards possession of the unit to the HAP payee.
Policy 1006  Lease Termination by the Family

The family may terminate the lease at any time after the first year in accordance with their lease terms.

If the family terminates the lease on notice to the HAP payee, the family must give the local housing agent a copy of the notice of termination at the same time given to the HAP payee. Failure to do this is a breach of family obligations under the program.

Termination by the family during the first year of the lease is allowed only by mutual consent between the HAP payee and family. Although the HAP payee and family may mutually agree to terminate the lease, this move will count as the one move the family may make in any given one year period.
Policy 1008  Termination of Housing Assistance Payments

Housing assistance payments (HAP) are paid to the HAP payee in accordance with the terms of the HAP contract. HAP may only be paid to the HAP payee during the lease term, and while the family is residing in the unit.

**HAP Payee Terminates the Lease Agreement**

HAP terminates when the lease is terminated by the HAP payee in accordance with the lease. However, if the HAP payee has commenced the process to evict the family, and if the family continues to reside in the unit, VHDA must continue to make housing assistance payments to the HAP payee in accordance with the HAP contract until the HAP payee has obtained a court judgment or other process allowing the HAP payee to evict the family. VHDA may continue such payments until the family moves or is evicted from the unit.

**Other Reasons for Termination of HAP**

HAP terminates if:

- The lease terminates
- The HAP contract terminates
- The local housing agent terminates assistance for the family

**Family Leaves the Unit**

If the family moves out of the unit, VHDA will not pay any HAP to the HAP payee for any month after the month the family moves out. The HAP payee may keep the full HAP amount for the month that the family actually moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment for the month when the family moves out of the old unit and the first assistance payment for the new unit is not considered a duplicate housing subsidy.

**Death of a Sole Family Member**

If a single member household dies, HAP and the HAP contract terminates in the month of the death of the individual. The HAP payee will not be entitled to any HAP following the month in which the death occurred.

**Termination Notice to HAP Payee**

The agent must notify the HAP payee in writing when housing assistance payments terminate. In cases where the local housing agency is terminating assistance to the family, the agent must not disclose the reason the family was terminated in the notice to the HAP payee.
Policy 1009   Absence from the Unit

The family may be absent from the unit for brief periods. For longer absences, VHDA establishes the policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive days for any reason.

Housing assistance payments terminate if the family is absent for longer than the maximum period permitted. The term of the HAP contract and assisted lease also terminate. Agents should be mindful of when the time period for any documented absence ends to ensure the family is given proper 30 days notice before the termination date.

Absence is defined as no member of the family is residing in the unit.

The family must supply any information or certification requested by the local housing agent to verify that the family is residing in the unit or relating to family absence from the unit. The family must promptly notify the local housing agent in writing of the absence from the unit, including any information requested on the purposes of family absences.

The local housing agent may verify family occupancy or absence by sending letters to the family at the unit, calling the family, making visits, or questioning the landlord or neighbors.

Acceptable Absences
The following are VHDA policies on absences due to hospitalization, incarceration and other documented absences:

Absence Due to Hospitalization
If the absence is due to hospitalization, written documentation from a medical source will be required as to the length of the stay. If the medical source states the family will be hospitalized 180 consecutive days or more, the participant will be considered absent and assistance will terminate. If the absence is less than 180 consecutive days, assistance may continue for this absence.

Hospitalization is the only situation whereby policy will permit reinstating assistance or resuming assistance without reapplying to the program but only if the family requests restatement within 180 days of the termination date.

Absence Due to Incarceration
If absence is due to incarceration, termination of assistance would not occur until verification of the length of incarceration is known. If the length of incarceration is longer than 90 consecutive days, assistance will be terminated.
A family must reapply to the program after termination; assistance will not be reinstated or resumed after termination.

**Absence Due to Other Documented Reasons**
Absence due to a documented reason other than hospitalization or incarceration (e.g., employment, active duty/reserves, vacation, or to care for another individual, etc.) is permitted for 90 consecutive days; termination will occur if the absence exceeds 90 consecutive days.

A family must reapply to the program after termination; assistance will not be reinstated or resumed after termination.

A family is only responsible for notifying the local housing agent if the absence will exceed the time period specified.
Policy 1010  Denial of Assistance

HUD requires VHDA or the local housing agency to deny assistance for a family when they do not meet certain eligibility criteria or because of current or past behaviors on the part of a family member. Some denials related to eligibility are also discussed in Chapter 500 (e.g. income eligibility and family definition).

Prohibited Reasons for Denial of Assistance

HUD regulations prohibit denial of assistance to the HCV Program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program (restrictions under portability)
- Whether members of the family are unwed parents, recipients of public assistance or child born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant has been a victim of domestic violence, dating violence, sexual assault or stalking

Forms of Denial

Denial of assistance includes any of the following:

- Not placing the family on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

HUD Mandated Denials Related to Applicants

Failure to Provide Consent

The local housing agency must deny assistance if any family member fails to sign and submit any consent form required by the program.

Failure to Document Citizenship

A family must be denied if: (1) a family member fails to submit required documentation within the required timeframe concerning citizenship or immigration status; or (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but the United States Citizenship and Immigration Services primary and secondary verification does not verify eligible immigration status of the family.
Refer to Policy 501 for documentation requirements and additional information on eligible and ineligible noncitizens.

**Failure to Disclose and Document Social Security Numbers**
The local housing agency must deny assistance if a family fails to disclose complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

Refer to Policy 501 for additional information.

**Failure of Students to Meet Eligibility Requirements**
If a student enrolled in an institution of higher education is under age 24, is not a veteran, is not married, does not have dependent children, is not residing with their parent in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the local housing agency must deny the student assistance if, at the time of eligibility determination, either the student’s income or the income of the student’s parents exceeds the applicable income limit.

Refer to Chapter 500 for additional guidance on eligibility determination.

**Eviction for Drug-related Criminal Activity in Federally Assisted Housing**
The agent must prohibit admission to the program of an applicant for three years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity.

However, the agent may admit the household if it determines that the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the agent or VHDA or that the circumstances leading to eviction no longer exist. For example, the household member has died or is incarcerated.

**Use of Illegal Drugs and Alcohol Abuse**
The local housing agency must deny admission to the program if any household member is currently engaged in illegal drug use.

Currently engaged in is defined as any use of illegal drugs during the previous one year period from the date the agent is reviewing the family’s eligibility for assistance.

The local housing agency must deny admission if there is reasonable cause to believe that any household member’s current use or pattern of use of illegal drugs or the abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

In determining reasonable cause, the local housing agency will consider any record of convictions of household members related to the use of illegal drugs or the abuse of alcohol.
The local housing agency will also consider evidence of rehabilitation from treatment providers or other community-based organizations providing services to the household member. The family member who has engaged in the drug or alcohol abuse must submit evidence of successful completion of a treatment program as a condition of being allowed to reside in the unit.

Methamphetamine Manufacture or Production
The local housing agency must deny admission if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

Sex Offender Registration
The agent must prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

VHDA Mandated Denials Related to Applicants
VHDA and the local housing agency will deny assistance for any applicant convicted of one of the following offenses within the last five years from the date the applicant’s application for assistance is being reviewed.

Drug-related Criminal Activity
If any household member has engaged in drug-related criminal activity defined as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent Criminal Activity
If any household member has committed violent criminal activity defined as 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.

Other Criminal Activity
If any household member has committed 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.

If any household member has committed criminal activity that may threaten the health or safety of property owners or management staff, VHDA or local housing agency staff or contractors working on behalf of either entity.

Other Reasons
The local housing agency will deny admission for any of the following reasons:

• If the family fails to supply any information that HUD, VHDA or the local housing agency determines is necessary in the administration of the program.
• If the family does not provide true and complete information.
• If any member of the family has been evicted from federally-assisted housing in the last five years.
• If any member of the family has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
• If the family currently owes rent or other amounts to VHDA or to another housing authority in connection with Section 8 or any public housing assistance program under the 1937 Act.
• If the family breaches an agreement with the housing authority to pay amounts owed to a housing authority, or amounts paid to an owner by a housing authority.
• If the family has engaged in or threatened abusive or violent behavior toward the local housing agency or VHDA personnel.

Criteria for Deciding to Deny Assistance

Evidence
If the local housing agency is denying an applicant for criminal activity, the applicant must have been convicted of the offense. The offense can be a misdemeanor or felony.

For non-criminal denials, the local housing agency will use the concept of preponderance of evidence as the standard for making all admission decisions.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is evidence which as a whole shows that the fact sought to be proved is more probable than not.

Consideration of Circumstances
If an agent feels there are certain circumstances such as those outlined below that should be considered before denying assistance to a family, the agent should contact their assigned PCO for guidance.

In deciding whether to deny assistance, the local housing agency or VHDA has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members and the effects of the denial of assistance on other family members who were not involved in the specific activity.

The local housing agency or VHDA may impose, as a condition of continued assistance for other family members, a requirement that family members who were culpable in the terminable act not reside in the unit.

Denial Process
Once the agent has determined a family should be denied assistance, the agent must review Policy 1040 for the proper procedure on notifying the family about the denial.
Policy 1012  Termination of Assistance

HUD requires VHDA or the local housing agency to terminate assistance for certain offenses.

Prohibited Reasons for Termination of Assistance

HUD regulations prohibit termination of assistance from the HCV Program because a participant is a victim of an actual or threatened incident of domestic violence, dating violence, sexual assault or stalking.

Forms of Termination

HUD permits the termination of assistance by:

- Terminating housing assistance payments under a current HAP contract
- Refusing to approve a request for tenancy or to enter into a new HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

HUD Mandated Terminations Related to Participants

Failure to Provide Consent
The local housing agency must terminate assistance if any family member fails to sign and submit any consent form required by the program.

Failure to Document Citizenship
A family must be terminated if: (1) a family member fails to submit required documentation within the required timeframe concerning citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but the United States Citizenship and Immigration Services primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member has knowingly permitted another individual who is not eligible for assistance to reside in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible Noncitizens already in the household with prorated assistance.

Refer to Policy 501 for documentation requirements and additional information on eligible and ineligible noncitizens.

Failure to Disclose and Document Social Security Numbers
The local housing agency must terminate assistance if a family fails to disclose complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

Refer to Policy 501 for additional information.
Failure of Students to Meet Eligibility Requirements
If a student enrolled in an institution of higher education is under age 24, is not a veteran, is not married, does not have dependent children, is not residing with their parent in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the local housing agency must terminate the student’s assistance if, at the time of reexamination, either the student’s income or the income of the student’s parents exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students are not terminated but issued a voucher to locate a new unit or can stay in the current unit if the ineligible student members leave the assisted unit.

Refer to Chapter 500 for additional guidance on eligibility determination.

Eviction for Serious or Repeated Lease Violation
If a family is evicted from a unit assisted under the HCV Program for a serious or repeated violation of the lease, they must be terminated from the program. Incidents of actual or threatened violence, dating violence, sexual assault or stalking may not be construed as serious or repeated violations of the lease in regard to the victim or threatened victim of such violence or stalking.

Serious and repeated lease violations will include, but are not limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity.

Methamphetamine Manufacture or Production
The local housing agency must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

Death of a Sole Family Member
The local housing agency must immediately terminate program assistance for deceased single member households (see Policy 1008).

VHDA Mandated Terminations Related to Participants
VHDA and the local housing agency will terminate assistance for any participant convicted of one of the following offenses.

Use of Illegal Drugs
If any household member is currently engaged in illegal use of a drug or has a pattern of drug use that interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous one year period.
Alcohol Abuse
If any household member's abuse or pattern of abuse of alcohol threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

Drug-related and Violent Criminal Activity
If any household member has violated the family's obligations not to engage in any drug-related or violent criminal activity during participation in the HCV Program.

The family obligation states that household members must not engage in drug-related criminal activity, violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

Drug is defined as a controlled substance listed in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity is defined as 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 reasonable likely to cause, serious bodily injury or property damage.

Immediate vicinity is defined as the area within a 1000 ft. radius of the unit.

Other Reasons
The local housing agency may terminate assistance for any of the following reasons:

- If the family violates any family obligations under the program (see Policy 542).
- If any member of the family has been evicted from federally-assisted housing in the last five years.
- If any member of the family has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- If the family currently owes rent or other amounts to VHDA or to another housing authority in connection with Section 8 or any public housing assistance program under the 1937 Act.
- If the family breaches the terms of a repayment agreement with VHDA.
- If the family has engaged in or threatened abusive or violent behavior toward the local housing agency or VHDA personnel.
Criteria for Deciding to Terminate Assistance

Evidence
If the local housing agency is terminating a participant for criminal activity, the participant must have been convicted of the offense. The offense can be a misdemeanor or felony.

For non-criminal terminations, the local housing agency will use the concept of preponderance of evidence as the standard for making all termination decisions.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is evidence which as a whole shows that the fact sought to be proved is more probably than not.

Consideration of Circumstances
Agents should review the documentation related to the termination and decide if there is enough evidence to support the termination decision. If the agent feels there is not enough evidence to support the termination, the agent can issue the family a warning notice.

If an agent feels there are certain circumstances such as those outlined below that should be considered before denying assistance to a family or if they have questions related to issuing a warning, agents should contact their assigned PCO for guidance.

In deciding whether to terminate assistance, the local housing agency has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members and the effects of the termination of assistance on other family members who were not involved in the specific activity.

The local housing agency or VHDA may impose, as a condition of continued assistance for other family members, a requirement that family members who were culpable in the terminable act not reside in the unit.

The local housing agency will also consider evidence of rehabilitation from treatment providers or other community-based organizations providing services to the household member who has engaged in drug or alcohol abuse. The family member must submit evidence of successful completion of a treatment program as a condition of being allowed to reside in the unit.

Termination Process
Once the agent has determined a family should be terminated, the agent must review Policy 1041 for the proper procedure on notifying the family about the termination.
Policy 1013 Termination of Assistance for Other Reasons

Termination Due to Zero HAP
A family’s assistance will automatically terminate if the HAP drops to zero and remains at zero for 180 consecutive calendar days. Agents must notify the family and HAP payee in writing that the family’s assistance will terminate 30 days prior to the termination date.

Refer to Policy 809 for situations in which HAP may be resumed before this time period ends.

Family Voluntarily Terminates Assistance
The family may request that the local housing agency terminate their assistance at any time. The request to terminate assistance must be submitted in writing, must specify the effective date the family wishes for their assistance to end and be signed by the head of household, spouse, co-head or authorized representative of the family.

Once the agent receives the written request from the family, the agent must send the family and HAP payee a letter acknowledging that the family wishes to voluntarily leave the program and the effective date that the family’s assistance will end and the HAP contract will terminate.
Policy 1014  Termination When a Unit is Too Small

If the local housing agent determines that a unit does not meet the Housing Quality Standards space requirements because of a change in family composition the local housing agent must issue the family a new voucher. The family must try to find an acceptable unit as soon as possible.

If an acceptable unit is available for rental by the family, the local housing agent must terminate the HAP contract in accordance with its terms.

When the local housing agent terminates the HAP contract in accordance with this policy the local housing agent must notify the family and the HAP payee that the contract will terminate at the end of the month following notice to the HAP payee and family.

The family may move to a new unit in accordance with Policy 1015.
Policy 1015 Moving with Continued Tenant-based Assistance

This policy states when a participating family may move to a new unit with continued tenant-based assistance.

When a Family May Move
A family may move to a new unit if:

- The assisted lease for the unit has terminated including a termination because the local housing agent has terminated the HAP contract for a HAP payee’s breach.
- The lease has terminated by mutual agreement between the HAP payee and the family.
- The HAP payee has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the HAP payee to evict the family. Moving with continued assistance is only allowed in certain situations.
- The family has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the HAP payee, for HAP payee breach or otherwise).
- The family or a member of the family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family members. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the housing agency, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit.

Number of Moves Allowed
A participating family may move one or more times with continued assistance under the program.

VHDA does not permit a family to make an elective move during the family’s initial lease term. Following the initial lease term, VHDA only permits one elective move by the family during any 12 month period. This applies to moves within VHDA’s jurisdiction and moves by a participant family under portability.

These restrictions do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member.

Family’s Notice to Move
If the family wants to move to a new unit, the family must notify the local housing agent and the HAP payee in writing before moving from the old unit. If the family wants to
move to a unit that is located outside the local housing agent’s jurisdiction, the notice must specify the area where the family wants to move.

**Denying a Request to Move**

The local housing agent will deny permission to move if there is insufficient funding for continued assistance.
Policy 1016  Insufficient Funding

VHDA will terminate the HAP contract if VHDA determines, in accordance with HUD requirements, that funding is insufficient to support continued assistance for families in the program.

In determining which families will be terminated, VHDA will abide by the policy that the last family to receive a voucher will be the first family to be terminated if there is insufficient funding for the program. If funding is restored, families will be reinstated to the HCV Program based on the order in which they were terminated.

An exception to this policy will be made for a family where the head, spouse or co-head is elderly or a person with a disability or for a family in which any family member is disabled.

Families that have been issued vouchers but have not leased a unit will be placed back on the waiting list.
Policy 1018  Termination for HQS Violations

HAP Payee Obligation
The HAP payee must maintain the unit in accordance with HUD’s Housing Quality Standard (HQS).

If the HAP payee fails to maintain the dwelling unit in accordance with HQS, the local housing agent must take prompt and vigorous action to enforce the HAP payee obligations. Local housing agent remedies for such breach of the HQS include abatement and eventual termination of the HAP contract if repairs are not completed.

VHDA must not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the HAP payee corrects the defect within the period specified by the local housing agent and the local housing agent verifies the correction.

If a defect is life threatening, the HAP payee must correct the defect within no more than 24 hours. For other defects, the HAP payee must correct the defect within no more than 30 calendar days (or any local housing agent approved extension).

The HAP payee is not responsible for a breach of the HQS that is not caused by the HAP payee, and for which the family is responsible.

Family Obligation
The family is responsible for a breach of the HQS that is caused by any of the following:

- The family fails to pay for any utilities that the HAP payee is not required to pay, but are to be paid for by the tenant.
- The family fails to provide and maintain any appliances (range and refrigerator) that the HAP payee is not required to provide, but which are to be provided by the tenant.
- Any member of the household (or guest) damages the dwelling unit or premises beyond ordinary wear and tear.

If a HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any local housing agent approved extension).

If the family has caused a breach of the HQS, the local housing agent must take prompt and vigorous action to enforce the family obligations. The local housing agent may terminate assistance for the family in accordance with Policy 1012.
Policy 1019   Denial or Termination under the Violence Against Women Act (VAWA)

The Violence Against Women Reauthorization Act of 2013 prohibits denial of admission to an otherwise eligible applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

VAWA also provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault, or stalking.

First, VAWA provides that the housing agency will not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the agency, if the move was to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed they were in imminent threat of further harm if they remained in the unit.

Second, any incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim.

Third, criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking is not cause for terminating the assistance of a tenant if a member of a tenant’s household, a guest or other person under the tenant’s control is the one engaging in the criminal activity and the tenant or an affiliated individual or other individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, or stalking.

Fourth, VAWA gives authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts or physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence.

Limitations on VAWA Protections

VAWA does not limit the authority of a housing agency to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, or stalking as long as the housing agency does not subject the victim to a more demanding standard than it applies to other program participants.

Likewise, VAWA does not limit the authority of a housing agency to terminate the assistance of a victim of domestic violence, dating violence, sexual assault, or stalking if the housing agency can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the assisted property if the victim’s assistance is not terminated. Additionally, the housing agency must determine that no other actions can be taken to reduce or eliminate the threat before terminating the victim’s assistance.
Definitions

Bifurcate
Bifurcate means to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights remain intact.

Domestic Violence
Domestic violence includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

Dating Violence
Dating violence means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim and where the existence of such a relationship shall be determined based on a consideration of the following factors: the length of the relationship, type of relationship or the frequency of interaction between the persons involved in the relationship.

Stalking
The term stalking means:

- To follow, pursue or repeatedly commit acts with the intent to kill, injure, harass or intimidate; or
- To place under surveillance with the intent to kill, injure, harass or intimidate another person; and
- In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

Sexual Assault
Sexual assault is defined as any nonconsensual sexual act proscribed by federal, tribal or state law, including when a victim lacks the capacity to consent.

Actual and Imminent Threat
Actual and imminent threat is defined as words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate timeframe, and (c) could result in death or serious bodily harm.
Affiliated Individual
An affiliated individual, with respect to a person: is a spouse, parent, sibling or child, or an individual to whom that individual stands in the position or place of a parent, or any other individual, tenant or lawful occupant living in the household of that individual.

Denial of Applicants
If an applicant is denied assistance for any reason, the local housing agency must provide a copy of the Informal Review Procedures for Applicants notice and a blank copy of the HUD-50066 form in the denial notice sent to the family.

If an applicant claims protection from denial of assistance under VAWA, they must notify the local housing agency in writing they are seeking protection under VAWA when they submit their request for an informal review.

Once the local housing agency receives the request, the agency must send the family a request in writing asking the family to provide one of the forms of documentation for victims listed below. The family must provide the information to the housing agency within 14 business days of receiving the request.

Victim Documentation
Victim documentation must name the perpetrator of the abuse and may consist of any of the following:

- A completed and signed Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking form (HUD-50066) which must include the name of the perpetrator but only if it is safe to provide the perpetrator’s name and the perpetrator is known to the victim.
- A police or court record documenting the domestic violence, dating violence, sexual assault, or stalking.
- Documentation signed by a person who has assisted the victim in addressing the abuse or the effects of the abuse such as a victim services provider, attorney, or a medical or other knowledgeable professional including a mental health professional. Acceptable documentation can also be provided by an administrative agency. The person signing must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign.

Perpetrator Documentation
If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- A signed statement requesting that the perpetrator be removed from the application and certifying that the perpetrator will not be permitted to visit or stay as a guest in the assisted unit.
- Documentation that the perpetrator has successfully completed or is successfully undergoing rehabilitation and treatment. The documentation must be signed by a domestic violence service provider, medical or other health professional from which
the perpetrator has sought or is receiving assistance in addressing the abuse. The person signing must attest under penalty of perjury that they believe the rehabilitation was successful or is progressing successfully. The victim and perpetrator must also sign.

**Termination of Participants**

If a participant is terminated for any reason, the local housing agency must provide a copy of the *Informal Hearing Procedures for Participants* notice and a blank copy of the HUD-50066 form in the termination notice sent to the family.

If a participant claims protection from termination of assistance under VAWA, they must notify the local housing agency in writing they are seeking protection under VAWA when they submit their request for an informal hearing.

Once the local housing agency receives the request, the agency must send the family a request in writing asking the family to provide one of the forms of documentation for victims listed below. The family must provide the information to the housing agency within 14 business days of receiving the request.

**Victim Documentation**

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- A police or court record documenting the domestic violence, dating violence, sexual assault, or stalking.
- Documentation signed by a person who has assisted the victim in addressing the abuse or the effects of the abuse such as a victim services provider, attorney, or a medical or other knowledgeable professional including a mental health professional. Acceptable documentation can also be provided by an administrative agency. The person signing must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign.

**Terminating the Assistance of a Domestic Violence Perpetrator**

The local housing agency will terminate assistance for a perpetrator of domestic violence, dating violence, sexual assault, or stalking in accordance with Policies 1012 and 1041. This action will not affect the assistance of the remaining family members.

**Conflicting Documentation**

This section applies to the documentation provided by an applicant or participant. In cases where the housing agency receives conflicting certification documentation from two or more members of a family, each claiming to be a victim and naming one or more
of the other petitioning members as the perpetrator, the housing agency will require both parties to provide additional third party documentation as outlined in the documentation section. The housing agency must honor any court orders issued to protect the victim or to address the distribution of property.

**Failure to Provide Documentation**

If an applicant or participant fails to provide the required documentation in the timeframe allowed, the housing agency will deny relief for protection under VAWA.

**Confidentiality of Records**

All information provided to VHDA or the local housing agency regarding domestic violence, dating violence, sexual assault, or stalking must be retained in confidence. This means the housing agency may not enter the information into any shared database, may not allow employees to access the information unless they are authorized to do so, and may not provide the information to any related entity except to the extent that the disclosure is requested or consented to by the individual in writing, is required for use in an eviction proceeding, or is otherwise required by law.

If disclosure is required for use in an eviction proceeding or is otherwise required by law, the local housing agency will inform the victim before disclosure occurs so that safety risks can be identified and addressed.
Policy 1020       Breach of the HAP Contract

Any of the following actions by the HAP payee (including a principal or other interested party) is a breach of the HAP contract by the HAP payee:

- If the HAP payee has violated any obligation under the HAP contract for the dwelling unit, including the HAP payee’s obligation to maintain the unit in accordance with the HQS.
- If the HAP payee has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 USC 1437f).
- If the HAP payee has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- For projects with mortgages insured by HUD, or loans made by HUD, if the HAP payee has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or if the HAP payee has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.
- If the HAP payee has engaged in drug trafficking.

VHDA rights and remedies against the HAP payee under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments and termination of the HAP contract.

VHDA recognizes that an owner may contract with another entity for management services of the rental unit, therefore the HAP payee and owner are considered the same entity and subject to the same rules and standards as outlined in HUD regulations and VHDA policy.
Policy 1024  Termination Due to a Mod Rehab Contract Expiration

VHDA will alert the local housing agency and the HAP payee if a HAP contract is set to expire for a mod rehab property.
Policy 1040  Denial Notification and Informal Review Process

When an Informal Review is Required
The local housing agency must give an applicant for the HCV Program prompt notice of a decision denying assistance if the family is determined to be ineligible for the program for any reason. (See Policy 1010 for more information on denials of assistance.)

When an Informal Review Is Not Required
The local housing agent is not required to provide the applicant an opportunity for an informal review for any of the following:

- Discretionary administrative determinations (e.g., business hours, assigned caseworker or informal review officer)
- General policy issues or class grievances
- A determination of the family unit size under the subsidy standards
- A determination not to approve an extension or suspension of the voucher term
- A determination not to grant approval to lease a unit under the program or to approve a proposed lease
- A determination that a unit selected by the applicant is not in compliance with HQS
- A determination that the unit is not in accordance with HQS because of the family size or composition
- A determination that a family member does not qualify for a preference
- Expiration of the voucher

Denial Notice to the Family
The notice must contain the following:

- A brief statement of the reasons for the local housing agency's decision;
- State that if the family does not agree with the decision, the family may request an informal review of the decision; and
- State the family has 10 calendar days from the date of the notice to request an informal review and the request must be in writing;
- The notice must include the *Informal Review for Applicants* notice and a copy of the HUD-50066 which references specific protections under VAWA and reasonable accommodations; and
- If denial is due to a criminal record, a copy of the record must be attached to the notice.
Informal Review Process
The local housing agency review procedures must comply with the following:

• The local housing agency will conduct the informal review. There will be no further review by VHDA.
• Applicants, who fail to respond within the prescribed time limits to request an informal review, waive all rights to a review.
• The informal review may be conducted by any person designated by the local housing agency, other than a person who made or approved the decision under review or a subordinate of this person.
• The applicant must be given an opportunity to present written or oral objections to the local housing agent decision.
• The final written decision must be mailed to the applicant within 14 calendar days of the informal review date.

Restrictions on Assistance to Noncitizens
The informal review provisions for the denial of assistance on the basis of ineligible immigration status are contained in Policy 501.

Adding a Family Member to an Existing Participant Household
If a participant seeks to add a family member to the household, the new family member will be treated as an applicant and if denied for any reason will be subject to the informal review process. The denial notice is still sent to the participant’s attention.
Policy 1041  Termination Notification and Informal Hearing Process

When an Informal Hearing is Required

The local housing agent must give a participating family an opportunity for an informal hearing to consider whether the following decisions relating to the individual circumstances of a particular family are in accordance with the law, HUD regulations and VHDA policies:

- A determination of the family’s annual or adjusted income, and the use of such income to compute the HAP
- A determination of the appropriate utility allowance (if any) for family-paid utilities from the VHDA Utility Allowance Schedule
- A determination of the family unit size under the subsidy standards
- A determination to terminate assistance for a participant family because of the family's action or failure to act under Policy 1012
- A determination to terminate assistance because the participating family has been absent from the assisted unit for longer than the maximum period permitted under VHDA policy and HUD regulations

When an Informal Hearing Is Not Required

The local housing agent is not required to provide a participating family an opportunity for an informal hearing for any of the following:

- Discretionary administrative determinations (e.g., business hours, assigned caseworker or informal hearing officer)
- General policy issues or class grievances
- Establishment of the VHDA Utility Allowance Schedule
- A determination not to approve an extension or suspension of the voucher term
- A determination not to approve a unit or lease
- A determination that an assisted unit is not in compliance with HQS (however, the local housing agent must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family)
- A determination that the unit is not in accordance with HQS because of the family size
- A determination to exercise or not to exercise any right or remedy against the HAP payee under a HAP contract
Termination Notice to the Family

The local housing agent must give the family prompt written notice that the family may request a hearing. The notice must contain the following:

- A brief statement of the reason(s) for the decision;
- Cite the applicable law, regulation, or policy that was violated;
- State the date assistance will end providing 30 calendar days notice before the effective date of the termination;
- State that if the family does not agree with the decision, the family may request an informal hearing on the decision;
- State the family has 10 calendar days from the date of the notice to request an informal hearing and the request must be in writing (see model language below);
- The notice must include the Informal Hearing for Participants notice and a copy of the HUD-50066 which references specific protections under VAWA and reasonable accommodations; and
- If termination is due to a criminal record, a copy of the record must be attached to the notice.

The local housing agent is expected to make the decision to terminate a family based on the family’s violation of an HCV Program rule. The termination letter sent to the family must indicate which part of the Code of Federal Regulations the family violated for the HCV Program. The code citation is 24 CFR 982.551-553.

The local housing agent should contact their PCO for assistance in citing the appropriate regulation, developing a termination letter or determining whether or not an informal hearing is required.

Additionally, the termination notice should explain the circumstances that brought about the decision in enough specificity for the family to prepare a defense.

The following statements must also be included in the termination letter:

“You have 10 calendar days from the date of this letter or by (insert specific date) to request an informal hearing in writing. If you do not request the informal hearing in writing or within the required timeframe you waive your right to an informal hearing.”

Terminations must be processed at the time of the violation with proper 30 days notice of the effective date. Agents must not delay a termination effective date to coincide with the end of the certification year.
Scheduling the Informal Hearing
All informal hearings are conducted by VHDA. Once a family submits their request for an informal hearing, the agent must submit all documentation regarding the termination to the VHDA hearing officer. Once the hearing officer has advised the agent of a date and time for the hearing, the agent must notify the family of the appointment time in writing.

The appointment notice must include the following information:

- The date, time and location of the informal hearing;
- The following statement must also be included in the notice: “Enclosed is a copy of the Informal Hearing Procedures for Participants notice. Failure to arrive within 30 minutes following the scheduled hearing time or failure to arrive for the hearing waives all right to reschedule the informal hearing. You have the right at your expense to be represented by a lawyer or other individual. You have the right to review all documentation related to the termination decision.”

Termination Documentation
A copy of the documentation related to the termination must be sent with the appointment letter scheduling the hearing or provided to the family prior to the hearing. The entire family file is not needed for the hearing only those documents which will become part of the hearing record.

The term documentation refers to any records and regulations.

Representation of the Family
At their own expense, the family may have a lawyer or other individual to represent them at the hearing.

Hearing Officer
VHDA staff will conduct all informal hearings. The hearing will be conducted by a person designated by VHDA who is not the person who made or approved the decision under review or a subordinate of that person.

If the VHDA hearing officer was consulted regarding the case prior to the notice to terminate being issued, VHDA will designate another hearing officer who has no knowledge of the case. The HCV Program Manager will not conduct the informal hearing on any case involving a reasonable accommodation request since the program manager reviews these requests.

Evidence
The local housing agent and the family must be given the opportunity to present evidence related to the case and call witnesses. The hearing officer will question each witness as to the facts pertinent to the case, allow the participant and agent to ask any
questions and then dismiss the witness from the room. Any information or evidence can be admitted during the hearing.

Informal hearings are not intended to be judicial proceedings.

**Issuance of Decision**

The hearing officer must provide a written decision to the family stating the outcome of the hearing and basis for the decision. A copy of the hearing decision must be mailed to the family within 30 calendar days of the hearing. The hearing officer's decision is final with no further recourse through VHDA.

**Effect of Decision**

VHDA is not bound by a hearing decision for matters in which the local housing agent or VHDA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations or requirements, or are otherwise contrary to federal, state or local laws.

If VHDA determines that it is not bound by a hearing decision, the hearing officer must promptly notify the family of the determination, and the reason for the determination.

**General Procedures**

Families must request the hearing in writing. The request for the hearing is made directly to the local housing agent.

Participants, who allow the 10 calendar day period to pass, and have not requested a hearing, waive all rights to a hearing.

The hearing officer reserves the right to cancel the hearing before the scheduled time if circumstances warrant such a cancellation. The hearing officer can decide to reschedule for a later date depending on the reason for the cancellation.

Participants that schedule a hearing and fail to be present waive all rights to schedule another hearing.

If the family does not arrive within 30 minutes following the scheduled hearing time, the hearing shall be canceled and the record noted accordingly.

Each person in attendance will have his or her name recorded on the *Informal Hearing Attendance Record*.

Witnesses will not be present except when called to the hearing at the appropriate time to present their information.

The hearing will be conducted by a telephone conference call if circumstances dictate such a need. The hearing may be taped at the discretion of the hearing officer.
Chapter 1200 – Special Program Issues
Policy 1210  Payment Processing Timetable

The HCV accounting staff processes all payments related to the HCV Program including HAP checks to HAP payees, UAP checks to eligible families and any administrative payments to the local housing agencies. A schedule listing the cutoff date and time for payment processing and actual payment dates for the calendar year can be found in the Elite Upcoming Cutoff Display Table. Below is a general timetable for processing HAP, UAP and agency payments that is subject to change:

First of the Month HAP and UAP Payments
- Generally, cutoff is 2 business days before month end date
- Check date is 1st of the month

Interim HAP and UAP Payments
- Cutoff is a set date per the Elite Upcoming Cutoff Display Table
- Check date is the next day after the cutoff date

Administrative Fee Payments
- Are processed around the first interim check run
- Check date is either day of check processing or following day

Detailed reports of administrative fee payments can be found in Elite under 901-Agent Reports/Financial Reports.

Special Agency Payments
The local housing agencies receive a separate payment for reimbursement of expenses outside the regular administrative fee payment for such items as out-of-area fees and newspaper advertisements.
- Usually are processed on the same day as the administrative fee payment
- Invoices, if applicable, must be received before the 1st of the month for payment in that same month

Reissued HAP Payments
HAP payees are required to sign up for direct deposit to reduce program costs and provide prompt delivery. If a payee fails to receive a payment, then the payee can request the payment be reissued. The following schedule will apply:
- A reissued payment request dated for the current month is processed with the normal end of month check run
A reissued payment request dated for prior months is processed during the next scheduled check run

Reissued UAP Payments
If the family fails to receive their UAP check, then the family can request the check be reissued. The schedule is the same as for HAP payees.
Policy 1211     Lost or Stolen HAP or UAP Paper Checks

Payees may contact VHDA or the local housing agency to report that a paper check has been lost or possibly stolen. If a payee contacts the local housing agency, the agent must email AskHCV with the following information:

- Check number
- Date of check
- Payee name
- Payee phone number
- Whether the check is believed to be lost or stolen
- Date the check cleared, if applicable

The HCVP accounting staff will file a fraud claim with the bank and send a bank affidavit to the payee for completion. The payee must return the completed form to the address noted on the affidavit form. The bank may take up to 60 days to investigate the claim. Once VHDA is notified to the outcome of the investigation, the check will be reissued if required.

An affidavit is not required for checks that have not cleared with the bank.
Policy 1214    HAP Payee Information

Setting Up a New HAP Payee

After a unit is set-up in the Elite Software System, the local housing agent emails AskHCV to request that a new payee also be set-up in Elite. The agent must provide the name of the resident, the payee’s name and tax identification number, and unit address in the email message. The agent must also attach and send a copy of the completed W-9 form.

If the payee has multiple properties and would like the properties paid as different entities, the payee must provide a separate W-9 form for each entity and each unit address.

Changing HAP Payee Information

If there is a change in a payee’s name or tax identification number, the agent or payee must fax an updated W-9 form to AskHCV for the change to be processed.

If there is a change in a payee’s address, the agent must email AskHCV with the updated address for the change to be processed. It is not necessary to complete the W-9 form in this case.

Direct Deposit

Effective July 1, 2014, HAP payees are required to sign up for direct deposit in order to receive their HAP check on the first of each month. The direct deposit form and instructions are available on vhda.com.

The payee may either mail or fax the completed direct deposit form directly to AskHCV or ask the agent to submit the completed form to VHDA.

If any direct deposit information changes or the payee wishes to cancel the direct deposit, they must submit a new direct deposit form to VHDA as indicated above.

A payee may set-up multiple deposit accounts if needed, by submitting a direct deposit form for each account.

A $5.00 processing fee is charged each time a manual check is issued.
Policy 1215  Payment Delays

The local housing agency should email AskHCV with information regarding payment delays so the incident can be investigated.

If VHDA caused a payment to be late, the HAP payee is entitled to recover any late fees as prescribed in the tenant’s lease agreement. The HAP payee will be asked to submit a written statement indicating that the payment was received late and indicate any late fees that are due.

If mail delivery is believed to be the cause of a late payment, the payee will be advised of the date the check was mailed and no late fees will be paid.
Policy 1220  Program Integrity

The primary responsibility of VHDA is to ensure that Housing Choice Voucher funds are spent in accordance with HUD regulations thus assuring a family receives the appropriate amount of assistance for which they are eligible. Much of our program success is measured by this criterion. However, because the regulations governing the HCV Program are so complex, especially when it comes to determining a family’s assistance, inaccuracies are likely to occur.

The means for providing a family the wrong amount of assistance can happen in a variety of ways including simple mistakes in adding, subtracting or inputting information. However, of more concern are instances where a miscalculation of rent is due to inconsistent or false information provided by the family or HAP payee.

Once an agent learns that there is a discrepancy in the amount of rent a family must pay, it is important for the agent to find out how the inaccuracy occurred. Knowing this information will determine how the situation will be addressed.

The following information outlines the differences between an error and program abuse and the steps involved in investigating an allegation.

Definitions

For the purpose of this policy, the term error refers to an unintentional error or omission that affects a family’s share of rent. Simply put- an error is a mistake. For example, an agent’s failure to include a source of income reported by the family in the calculation of rent is classified as an error as well as an agent choosing the wrong payment standard in Elite.

The term program abuse refers to a single act or pattern of actions that constitutes a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead that affects a family’s share of rent. For example, a family reporting zero income that obtained a new job but failed to report as required by VHDA interim reporting policy would be classified as program abuse.

For VHDA purposes, the term fraud refers to a more serious category of program abuse cases. Fraud cases will typically be referred to HUD OIG or the locality for prosecution. VHDA is solely responsible for deciding whether to forward a case on to another agency for prosecution. If a local housing agency is contacted by HUD or HUD OIG for any reason, they must immediately contact their PCO.

Detecting Errors and Program Abuse

Errors are typically discovered during agency reviews and audits conducted by VHDA or HUD. In some instances, a family may bring a calculation error to an agent’s attention following a recertification.
Detecting instances of program abuse can be complicated. Program abuse cases are typically found by comparing inconsistent information reported by the family with various HUD reports generated by the EIV system or through anonymous tips or complaints received from a third party.

Difficulties arise when an agent must decide if an instance of program abuse is a deliberate action on the part of the family or HAP payee for which they are held accountable or an oversight which warrants no real consequences.

**Investigating Errors and Program Abuse**

Errors are easily investigated. A review of a family's file is usually all that is required to determine if there is a discrepancy that needs correcting.

In a matter of program abuse, the agent will need to review all referrals, specific allegations, complaints, and tips from any source to determine if an investigation is warranted. To be considered a valid claim, the allegation must contain at least one independently-verifiable item of information such as the name of an employer or the name of an unauthorized household member.

**Analysis and Findings**

The local housing agency will base its evaluation and determination on a preponderance of the evidence collected during its investigation.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not.

For each investigation the agency will determine whether an error or program abuse occurred and whether any amount of money is owed to VHDA. Cases in which money is owed to VHDA will be forwarded to the VHDA Senior PCO for review (see Policy 1221).

Additionally, each agency will determine whether or not the family will face other penalties such as termination and the local housing agency will pursue such action in accordance with Chapter 1000.
Policy 1221 Corrective Measures and Penalties

A subsidy under or overpayment includes: (1) an incorrect housing assistance payment to the HAP payee; (2) an incorrect tenant share of rent calculated for the family; or (3) an incorrect utility reimbursement to the family.

Whether the incorrect subsidy determination is an overpayment or underpayment, the local housing agency must promptly correct the HAP, tenant share and any utility reimbursement.

Whether the family or HAP payee is required to reimburse VHDA or VHDA is required to make retroactive subsidy payments to the family or HAP payee depends on which party is responsible for the incorrect subsidy payment and whether the action was an error or program abuse.

Family Caused Errors and Program Abuse
An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the local housing agency to use incorrect information provided by a third party.

Reimbursement to VHDA for Overpayment
In the case of family caused errors or program abuse that result in the family receiving an overpayment, the family will be required to repay any excess subsidy received. If the local housing agent determines that a participating family has received housing assistance for which they are not eligible, VHDA must be alerted to the discrepancy.

Additionally, the agent must process an interim certification to correct the information in the Elite software system effective the 1st of the month following the date of action (e.g., change of income).

Processing an Overpayment Request
The agent must submit the following information to their assigned PCO:

- A letter providing the following information:
  - Name and address of the family
  - Summary on how the agent learned of the discrepancy
  - Summary of the family’s response to the charge; if any
  - Period of time the discrepancy occurred
  - Estimated amount of the overpayment
- Copies of the affected Family Report (HUD-50058) forms with corrections written on the forms
- Copies of all applicable verification forms or utility allowance charts
Copy of the Debts Owed to Public Housing Agencies and Terminations form (HUD-52675)

The PCO will review the information submitted by the agent and determine if any remaining information is needed. If additional information is required, the PCO will advise the agent to submit the information within 10 business days.

If the PCO determines the family owes VHDA money, the PCO will notify the family in writing of the finding and ask that the family repay the money to VHDA.

The family will be advised that they may submit payment in full for the money owed or enter into a repayment agreement but must do so by the deadline given in the letter.

Repayment Agreement Criteria
If a family wishes to enter into a repayment agreement, they are required to submit a down payment in the amount of $100 and pay a minimum monthly amount of $50 until the debt is paid in full.

In extenuating circumstances, families may request a reduction in the monthly payment amount in writing and must supply supporting documentation to substantiate the request. Requests are submitted to the PCO.

Family Dispute of Overpayment Amount
In the event the family disputes the overpayment amount, the PCO will request the family’s file from the local housing agency for review. The PCO will send a written notification to the family within 30 calendar days from receipt of the file advising of the final decision regarding the overpayment amount.

Monitoring of Repayment Agreement
VHDA will monitor all repayment agreements and pursue termination, if required, for any family in default of their respective agreement.

Additional Penalties
Applicants who commit program abuse will be denied assistance. If a family was ineligible for assistance at the time they applied and they have subsequently leased up, they will be terminated in accordance with Chapter 1000. Future participation will not be allowed until all amounts are repaid.

The local housing agency may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit.

The local housing agency may deny or terminate the family’s assistance in accordance with Chapter 1000.

VHDA may refer the family for state or federal prosecution.
VHDA Reimbursement to Family for Underpayment
VHDA will not reimburse the family for any underpayment of assistance when the underpayment was clearly caused by the family.

HAP Payee Caused Errors and Program Abuse
An incorrect subsidy determination caused by a HAP payee generally would be the result of an incorrect statement about the characteristics of the assisted unit. It also includes accepting housing assistance payments after a family no longer resides in the unit.

Reimbursement to VHDA for Overpayment
In all cases of overpayment of subsidy caused by a HAP payee, the HAP payee must repay VHDA any excess subsidy received. VHDA may recover overpaid amounts by withholding housing assistance payments due for subsequent months.

VHDA will also make any necessary payments to the family if they paid more tenant rent than required as a result of the HAP payee’s error or program abuse.

See Policy 1222 for details on dealing with HAP payees who are no longer renting to an HCV family.

Reimbursement to a Family for Side Payments
If a HAP payee has required a family to make side payments or accepted side payments, the local housing agency must notify the HAP payee to immediately cease collecting these payments. The HAP payee must repay the family the full amount of the side payments. VHDA may collect the monies on behalf of the family by deducting the amount from future HAP payments.

If the HAP payee does not repay the family as directed, the HAP contract must be terminated and a voucher issued to the family allowing them to move as soon as possible.

Additional Penalties
The local housing agency may bar the HAP payee from future participation in the HCV Program.

VHDA may refer the case to state or federal officials for criminal prosecution.

Local Housing Agency Caused Errors or Program Abuse
An incorrect subsidy determination by the local housing agency can include the following: (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses; (2) assigning the incorrect voucher size to a family; or (3) errors in calculations.
Reimbursement to VHDA for Overpayment
Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by the local housing agency or VHDA staff.

VHDA may require the local housing agency to reimburse the HCV Program through a deduction in the agency’s administrative fee income.

Reimbursement to a Family for Underpayment
VHDA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was a result of staff error or program abuse.

VHDA may require the local housing agency to reimburse the HCV Program through a deduction in the agency’s administrative fee income.
Policy 1222  Overpayment Collection for Inactive HAP Payees

The local housing agency is required per the Administrative Services Agreement to contact inactive HAP payees that have been overpaid and recoup the overpayment. Agents are in the best position to make contact with payees that are no longer renting to an HCV family. If the HAP payee is still participating in the HCV program, then the HCVP accounting department will pursue the overpayment.

Agents can view overpayments for their agency by running the report located in the Elite software system under 901-Agent Reports/Financial Reports/Open Payment Adjustments and AR to Collect.

Agents should contact each HAP payee in writing. Agents are expected to send two letters to attempt to collect the overpayments, thirty days apart. Place copies of all correspondence regarding your efforts to collect the overpayment in the family's file.

When contacting the HAP payee, include the name of the tenant, amount of the overpayment and the months in which the overpayment occurred. Also indicate when the payment is due and where to make the payment.

HCVP accounting will evaluate accounts over 60 days old and request the two letters and any other efforts made to attempt to collect the overpayment from the agent. Once VHDA receives the repayment, the entity alert/adjustment will be deleted and the HAP payee will no longer show up on the Elite report.
Policy 1223  Repayment Agreements and Receiving Assistance

A family will not be allowed to enter into a repayment agreement with VHDA in the following circumstances:

- If a participant requests to move to a new unit no repayment agreement will be executed. A family must pay the debt in full as assistance will not be permitted in another unit. In addition, the family may be subject to termination.
Policy 1280  Handling Information Requests on Behalf of Families

Requests concerning the benefits a family receives under the program are answered by the local housing agency. It is the local housing agent's responsibility to ascertain the need for the requested information. If it is felt that the requested information is justified, the local housing agent must send the requested information to the appropriate party in writing within five business days.

All such correspondence must include the following statement: “This information is being furnished to you, in accordance with the requirements of the Government Data Collection and Dissemination Practices Act, Virginia Code Section 2.2-3800 et seq, upon the express understanding that your further use, safekeeping, and dissemination of it shall comply in all respects with the requirements of the Act.”

A copy of the letter sent must be placed in the family's file.
Policy 1281    Information Provided to Other PHAs Regarding Debts and Adverse Information

VHDA will provide the following information to other PHAs or administrators of any other program governed by the 1937 Housing Act:

- Information regarding the family currently owing rent or other amounts to VHDA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- Information regarding the family not reimbursing any PHA or VHDA for amounts paid to an owner under a HAP contract for rent, tenant damages to the unit, or other amounts owed by the family under the lease.
- Information regarding the family breaching an agreement with a PHA or VHDA to pay amounts owed to a PHA or VHDA, or amounts paid to an owner by another PHA or VHDA. VHDA, at its discretion, may offer a family the opportunity to enter into a repayment agreement for amounts owed to VHDA.
- Information on any debt or damages VHDA has knowledge of regarding the family in any program governed by the 1937 Housing Act.
Policy 1290    Processing Housing Discrimination Complaints

Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability.

Participation in the HCV Program requires compliance with the following rules and regulations:

• Title VI of the Civil Rights Act of 1964
• Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
• Executive Order 11063
• Section 504 of the Rehabilitation Act of 1973
• Age Discrimination Act of 1975
• Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the fair Housing Amendments govern)
• Violence Against Women Reauthorization Act of 2005
• When more than one civil rights law applies to a situation, the laws will be read and applied together.
• Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants or staff that may be subsequently enacted.

If a family believes they have been discriminated against by an owner, the family should contact the local housing agency who will provide the following assistance:

• Help the family complete the Housing Discrimination Complaint form (HUD-903)
• Forward the completed form to the agency’s PCO, who will forward it to HUD
• Place a copy in the family’s folder
• Advise the family HUD will contact them and that they may seek legal remedies directly on their own
Chapter 1400 – Portability
Policy 1400  Overview of Portability Requests and Transfers

Portability is the right of an eligible family that has been issued a housing choice voucher, to lease a unit anywhere in the United States where there is a housing agency operating a Housing Choice Voucher Program.

In processing a family’s request to move, VHDA distinguishes between other housing agencies and agencies that subcontract with VHDA.

A transfer occurs between local housing agencies that subcontract with VHDA. Transfers differ from portability requests because there is no need to bill another agency. VHDA acts as the initial and receiving housing agency.

Once a family indicates to the local housing agency they wish to move, the agent determines if the area they are moving to is serviced by another local housing agency subcontracting with VHDA.

If a local housing agency subcontracting with VHDA exists, then the family’s request to move will be processed as a transfer. If no agency subcontracting with VHDA exists, the request will be processed as a portability request.

Telling a Family about Portability

Local housing agencies are required to explain portability during the family briefing and provide the family written information on portability. VHDA has developed a brochure titled Your Right to Relocate for distribution to the family by the agents.

HUD encourages housing agencies to promote portability as a means for families to relocate to areas with lower poverty and minority concentrations.
Policy 1401  Definitions

Absorption
The point at which the receiving housing agency stops billing the initial housing agency for assistance on behalf of a family exercising portability. The receiving housing agency uses funds available under its HUD funding notice.

Local Housing Agent
Personnel designated by the local housing agency to administer the Housing Choice Voucher Program.

Applicant Family
A family that has not yet leased a unit under the Housing Choice Voucher Program but has been issued a voucher to search for housing.

Family
A person or group of persons, as determined by the local housing agency, approved to receive assistance under the Housing Choice Voucher Program.

Housing Agency
Any state, county, municipality, or other governmental entity or public body (or an agency or instrumentality thereof) that is authorized to administer the Housing Choice Voucher Program.

Initial Housing Agency
The housing agency that issues a voucher to a family that wishes to move to another jurisdiction.

Also, a housing agency that absorbs a family becomes the initial housing agency.

Jurisdiction
The geographic area within the boundaries where a housing agency is authorized to function.

Local Housing Agency
VHDA subcontracts with several local housing agencies throughout Virginia to administer the Housing Choice Voucher Program. These agencies report directly to VHDA.

Participant Family
A family currently leasing a unit and receiving assistance through the Housing Choice Voucher Program.
Receiving Housing Agency

The housing agency administering the Housing Choice Voucher Program in the jurisdiction to which the family wishes to relocate.

Transfer

A transfer is the request of a family to move from the jurisdiction of one local housing agency subcontracting with VHDA to another local housing agency subcontracting with VHDA.
Policy 1410    Responsibilities of the Initial Housing Agency

Requirements of an Initial Housing Agency
There are certain tasks an initial housing agency should complete to assist a family in exercising portability. VHDA local housing agencies must complete the items summarized below when serving as the initial housing agency. Otherwise, the following list may be used as a guide when working with another agency that is the initial housing agency.

- Determine the family’s eligibility for the Housing Choice Voucher Program based on the initial housing agency’s admissions policies.
- Contact the family to advise them of their approval or disapproval for portability.
- Select the housing agency the family should contact if there is more than one possible receiving housing agency.
- Determine if the family is income eligible in the area where they wish to move (see Policy 1420 for an explanation of eligibility) if they are an applicant family.
- Advise the family on how to contact and request assistance from the receiving housing agency.
- Remind the family that they must promptly contact the receiving housing agency and comply with the receiving housing agency’s procedures for portable families.
- Promptly notify the receiving housing agency to expect the family.
- Send the receiving housing agency the following information:
  - Current Family Report form (HUD-50058)
  - Copies of the income verifications
  - Copy of the family’s voucher
  - Family Portability Information form (HUD-52665) with Part 1 completed
  - Copies of citizen/eligible immigrant verification
  - EIV Report
- Notify VHDA of the portability request so that billing or absorption arrangements can be made.
- Advise a participant family on the proper procedures for terminating their current lease.
- Follow Elite procedures to complete request in the computer system if a VHDA local housing agency is the initial housing agency.
- Monitor portability requests so that you are aware if the timeframe for the family to search has expired.
Policy 1411  Responsibilities of the Receiving Housing Authority

Requirements of a Receiving Housing Agency
The receiving housing agency has certain tasks to complete related to portability. VHDA local housing agencies must complete the items summarized below when serving as the receiving housing agency. Otherwise, the following list may be used as a guide when working with another agency that is the receiving housing agency.

- Schedule and conduct a briefing with the family providing information on the receiving housing agency’s policies.
- Issue a voucher to the family.
- Determine the family unit size based on the subsidy standards of the receiving housing agency.
- Conduct a reexamination of the family’s income, if necessary.
- Notify the initial housing agency if the family fails to check in within 10 calendar days.
- Promptly notify the initial housing agency if the family fails to submit a Request for Tenancy Approval within the term of the voucher or if extensions have been granted by the receiving housing agency.
- Promptly notify the initial housing agency when the family leases a unit.
- Notify the initial housing agency whether the receiving agency will absorb or administer the portability request.
- Send the following documents to the initial housing agency:
  - Family Portability Information form (HUD-52665) with Part II-B completed
  - Current Family Report (HUD-50058) if item 3 or 4 is completed on Part II-B of the Family Portability Information form.
- Follow Elite procedures to complete the request in the computer system if a VHDA local housing agency is the receiving housing agency.
- Notify the initial housing agency if the family ceases to be a participant in the receiving housing agency’s program and is billing the initial housing agency.
- Advise the family to contact the initial housing agency if they wish to move and have not been absorbed in the receiving housing agency’s program.
- Notify the initial housing agency of any money owed by the family that would affect the family’s eligibility.
- Send the initial housing agency a copy of the Family Report (HUD-50058) after each reexamination for the duration of time the receiving housing agency is billing the initial housing agency.
Policy 1412   Responsibilities of the Family

The family also has certain responsibilities in order to exercise portability in the Housing Choice Voucher Program.

- Notify the initial housing agency of their desire to exercise portability.
- Contact the receiving housing agency within 10 calendar days to schedule an appointment with the receiving housing agency.
- Attend the receiving housing agency’s briefing.
- Submit a Request for Tenancy Approval (HUD-52517) to the receiving housing agency during the term of the receiving housing agency’s voucher.
- Notify the initial housing agency once they have leased a unit.
Policy 1420  Income Eligibility

Applicant Families
An applicant family must be income eligible in the jurisdiction in which the family initially leases a unit. Thus, the family must be income eligible in the jurisdiction of the receiving housing agency.

Participant families
Income eligibility does not apply to participant families.
Policy 1421 Applying a Local Residency Preference

VHDA allows local housing agencies to establish a local residency preference for their specific jurisdictions. If a local housing agency has a local residency preference, then an applicant family must meet the local residency preference at the time they are selected from the local agency’s waiting list before exercising portability.

The local residency preference for those local housing agencies that choose not to enact a local preference for their jurisdiction is the Commonwealth of Virginia.

Applying a Local Residency Preference

If an applicant family does not meet the local residency preference at the time they are selected from the waiting list, then they must be under assistance for 12 months in the jurisdiction to which the local residency preference applies before exercising portability.

For local housing agencies that have not specified a local jurisdiction, the local residency preference is the Commonwealth of Virginia thus a family must be under assistance in Virginia for 12 months before exercising portability.

A local residency preference applies to both portability and transfer requests. The initial housing agency must determine if a family meets the local residency preference before they can move.
Policy 1430  
VHDA Absorption of a Portability Request

VHDA will determine whether or not a portability case will be absorbed or billed based on funding availability.

Local housing agents must contact VHDA for guidance on this issue.
Policy 1431  Portability Billing Procedures

VHDA coordinates all portability billing on behalf of the local housing agencies.

VHDA may bill the initial housing agency for housing assistance payments and administrative fees.

The initial housing agency must promptly reimburse the receiving housing agency for the full amount of the housing assistance payments made by the receiving housing agency on behalf of the portable family. The initial housing agent must also reimburse the receiving housing agency for 80% of the initial housing agency’s administrative fee for each unit month that the family receives assistance under the Housing Choice Voucher Program.

HUD may reduce the administrative fee to an initial housing agency if the agency does not promptly reimburse the receiving housing agency.
Policy 1440    Processing a Transfer

A transfer occurs when a family wants to move, with assistance, from one VHDA agency to another VHDA agency.

The family’s existing agency is referred to as the ‘initial’ or ‘sending’ agency. The agency that would handle the family upon transfer is referred to as the ‘receiving’ agency.

It is critical that the family notify their existing/sending agency prior to searching in another agency’s area of operation.

Once the family has been transferred, the ‘receiving’ agency becomes the ‘initial’ agency for any future transfer or portability requests made by the family.

Initial/Sending VHDA Agency Responsibilities

- Determine a family’s eligibility to request a transfer using the same procedures described for portability.
- Verify the agency that the family wishes to transfer to is administered by a VHDA agency. This may be verified by viewing the VHDA agency listing posted on www.vhda.org under Agent Activities or www.vhda.com under Housing Choice Voucher Program – Voucher Agencies.
- Review the Elite User Guide: Processing a Transfer.
- Provide copies of the following information to the receiving VHDA agency:
  - Any Income verifications used for the current (HUD-50058)

Receiving VHDA Agency Responsibilities

- Work family into current workload without delay; this should not exceed ten (10) business days from the receipt date of completed RFTA.
- Conduct a briefing session with the family to explain the receiving agency’s policies and procedures.
- Extend the voucher term based on the receiving agency’s policy.
- Follow the instructions found in the Elite User Guide: Processing a Transfer.
- Process the completed RFTA.
- Perform all normal lease-up activities.