

Part VII Chapter 15

**THE BROWN COUNTY HOUSING
AUTHORITY
HOUSING CHOICE VOUCHER
HOMEOWNERSHIP OPTION**

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**THE BROWN COUNTY HOUSING AUTHORITY
HOUSING CHOICE VOUCHER HOMEOWNERSHIP OPTION
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**THE BROWN COUNTY HOUSING AUTHORITY
HOUSING CHOICE VOUCHER HOMEOWNERSHIP OPTION**

A. PURPOSE

The BROWN COUNTY HOUSING AUTHORITY'S (BCHA) Housing Choice Voucher (HCV) Homeownership Option is made available to promote and support homeownership for first-time homebuyers. BCHA's Housing Choice Voucher Homeownership program allows HCV payments to be used to supplement an eligible family's income in order to move the family from rental housing into homeownership.

B. FAMILY PARTICIPATION REQUIREMENTS

1. The family must be a current Housing Choice Voucher program participant or must be selected from the waiting list and determined eligible for a voucher.
2. Effective September 1, 2008, a new participant of the HCV Homeownership Program who is not a disabled or elderly family, as defined in Chapter 3, will be required either to join the Family Self Sufficiency Program or to submit an approved Homeownership Self Sufficiency Action Plan prior to closing on a home purchase (see part C.5. below for details).
3. BCHA will not initially limit the number of vouchers to be utilized for homeownership, but reserves the right to establish a limit at a later date.
4. The family must be eligible to participate as described in Part C of this plan.
5. The unit to be purchased must qualify as described in Part D of this plan.
6. The family must successfully complete the required pre-purchase homebuyer counseling.

C. FAMILY ELIGIBILITY REQUIREMENTS

To be eligible, a family must:

1. Be a current participant of BCHA's Housing Choice Voucher program or be a new applicant who has been determined eligible for a voucher.
2. Be one of the following at the commencement of homeownership assistance:
 - a. A first-time homebuyer;
 - b. A family whose head or family member is a person with disabilities and the use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such person.

3. At commencement of homeownership assistance, the family must demonstrate that the total gross annual income of all the adult family members who will own the home at commencement of homeownership assistance is not less than:
 - a. In the case of a disabled family, the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone (or paying his or her share of food and housing costs) multiplied by twelve; or
 - b. In the case of other families, the Federal minimum hourly wage multiplied by 2,000 hours.

Except in the case of an elderly family or a disabled family, BCHA will not count any welfare assistance received by the family in determining annual income under this section.

The disregard of welfare assistance income under the preceding paragraph only affects the determination of minimum annual income used to determine if a family initially qualifies for homeownership assistance in accordance with this section, but does not affect:

a. The determination of income-eligibility for admission to the HCV program;

a.b. Calculation of the amount of the family's total tenant payment (gross family contribution); or

b.c. Calculation of the amount of homeownership assistance payments on behalf of the family.

In the case of an elderly or disabled family, welfare assistance shall be counted in determining annual income only for those adult elderly or disabled family members who will own the home.

4. The family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance:
 - a. Is currently employed on a full-time basis (the term "full-time employment" means not less than an average of 30 hours per week); and
 - b. Has been continuously so employed during the year before commencement of homeownership assistance for the family.

This requirement shall be considered fulfilled if:

1. The family member is self-employed and earning a net income (income after business expenses have been deducted) that equals the federal minimum

hourly wage multiplied by 2000 hours; or

2. Any employment interruptions which occurred were for less than 30 days; or
3. The family member has had stable employment with the same employer for at least one year prior to a temporary leave from this employment, and has returned to the same or a better position with the same employer after the return to work. Examples include: seasonal employment with expected periods without work, but where the individual is still considered employed by the company, such as with teachers or certain construction workers; medical leave; and temporary lay offs due to company production, etc. Exceptions may be considered by the HCV Homeownership Advisory Committee.

The employment requirement does not apply to an elderly family or a disabled family. Furthermore, if a family other than an elderly family or a disabled family, includes a person with disabilities, an exemption from the employment requirement shall be granted if BCHA determines that an exemption is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

5. Effective September 1, 2008, a new participant of the HCV Homeownership Program who is not a disabled or elderly family, as defined in Chapter 3, will be required either to join the Family Self Sufficiency Program or to submit an approved Homeownership Self Sufficiency Action Plan prior to closing on a home purchase.
 - a. If the family chooses to join the Family Self Sufficiency Program, they must participate in FSS for a minimum of 6 months prior to the closing on the home purchase. Exceptions may be made at the Homeownership Coordinator's discretion. Families who are granted an exception must sign a contract committing to joining the FSS Program within 3 months of the closing.
 - b. If the family chooses not to join FSS, they must submit a Homeownership Self Sufficiency Action Plan detailing steps they will take toward self sufficiency before the maximum term of homeownership assistance expires. The Action Plan must be approved by the PHA prior to the closing on the home purchase. If the plan submitted by the family is not approved, the PHA will encourage the family to join the FSS Program. If the family chooses not to join FSS, the PHA will assist the family in revising their plan so that it may be approved. If the revised plan is not approved, the family will be considered ineligible for the Housing Choice Voucher Homeownership Program.
6. BCHA will not provide homeownership assistance for a family if any family member has previously received assistance under the homeownership option, and

has defaulted on a mortgage securing debt incurred to purchase the home.

D. ELIGIBLE UNITS

1. Any unit that is eligible under the HCV rental assistance program is eligible for this program except the restrictions against purchasing a unit owned by the housing authority or precluding a unit occupied by its owner or by a person with any interest in the dwelling unit are not applicable. The types of units eligible are:

a. Single family dwellings;

b. Condominiums;

c. Manufactured Housing and other mobile homes and their foundations that are in compliance with local zoning ordinances. Generally, mobile homes will not be eligible for the program unless the mobile home is permanently affixed to foundation, in compliance with local zoning ordinances, and is situated on property which is also to be purchased by the homeowner.

~~4-2.~~ The unit must be either existing or under construction at the time the family enters into a contract of sale (offer to purchase).

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~~2-3.~~ The unit must be either a one-unit property or a single dwelling unit in a zero lot-line development or condominium.

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~~3-4.~~ The unit must meet the Home Inspection requirements as outlined in Part G.

5. The seller cannot be someone who the BCHA has disapproved, as outlined in Part I.

E. SEARCHING FOR A NEW HOME

Families will have up to one hundred and twenty (120) days from the date BCHA determines them eligible for the HCV Homeownership Program to locate an appropriate property and notify BCHA that they have found a property they wish to purchase.

Once a suitable property has been identified and an agreement to purchase contract entered into, BCHA will determine a maximum time in which the closing must occur and the family must take occupancy of the property. This time frame will vary depending on market conditions.

If the family is unable to locate a suitable home to purchase within 120 days, it can request issuance of a Housing Choice Voucher to be used toward rental assistance.

Additional time will be granted to a disabled family as a reasonable accommodation if justified by the family.

F. HOMEOWNERSHIP COUNSELING

Before homeownership assistance can be provided, the family must attend and satisfactorily complete a pre-purchase homeownership and homebuyer counseling program provided by NeighborWorks@ Green Bay or Catholic Charities of the Green Bay Diocese. Counseling provided by another organization must be approved by NeighborWorks@ Green Bay or Catholic Charities.

The topics covered by the homebuyer counseling include:

1. Home maintenance and responsibilities (including HQS standards, care of the grounds and the requirements to comply with all local ordinances);
2. Budgeting and money management;
3. Credit counseling;
4. How to negotiate the purchase price of a home;
5. How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing, and predatory lending;
6. How to find a home, including information about homeownership opportunities, schools, and transportation in Brown County;
7. Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
8. Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
9. Information about the Real Estate Settlement Procedures Act (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

BCHA also requires HCV buyers to attend post-purchase home ownership counseling after they have had some homeownership experience. This post purchase counseling must be completed after they have owned their home for at least six months, but within one year after the sale closed. This counseling, provided by NeighborWorks@ Green Bay or Catholic Charities, will require less than 8 hours to complete, and will be a condition of continued HCV funding.

G. HOME INSPECTIONS

BCHA will not provide homeownership assistance for a family until it has inspected the

unit and has determined that the unit passes HQS. BCHA reserves the right to inspect the unit as deemed necessary. BCHA will conduct a brief external inspection annually which will indicate if a full inspection will be necessary. If the family is not maintaining the exterior of the home, it is likely that the interior is not being maintained either. In this case, a full HQS inspection will be required and the unit must pass the inspection before continued homeownership assistance would be authorized.

The unit must also be inspected by an independent professional inspector selected by and paid for by the family. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components. The independent inspector will not be a housing authority employee or contractor, or other person under control of the housing authority. The independent inspector must be licensed by the State of Wisconsin as a home inspector. It shall be the responsibility of the family to verify that the inspector meets this qualification.

For newly constructed homes, certification of inspection by a local municipal building inspector and issuance of an occupancy permit will be acceptable.

The independent inspector must provide a copy of the inspection report both to the family and to BCHA. The housing authority will not provide homeownership assistance for the family until it has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with the HQS (and may qualify for assistance under BCHA's tenant-based rental voucher program), the housing authority reserves the right to disapprove the unit for assistance under the homeownership option because of information in the inspection report.

H. CONTRACT OF SALE (OFFER TO PURCHASE)

Before homeownership assistance is provided, the head of household of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give BCHA a copy of the contract of sale.

The contract of sale must:

1. Specify the price and other terms of sale by the seller to the purchaser;
2. Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser, and a BCHA HQS Evaluator;
3. Provide that the purchaser is not obligated to purchase the unit unless the inspection and HQS evaluation are satisfactory to the purchaser;

4. Provide that the purchaser is not obligated to pay for any necessary repairs.

I. DISAPPROVAL OF SELLER

At its administrative discretion, BCHA may disapprove a seller for any reasons provided for disapproval of an owner under the voucher rental program regulations (Sec. 982.306 (c)). These reasons include, but are not limited to:

1. Violation of the housing assistance payment (HAP) contract;
2. Committing fraud, bribery or any other corrupt or criminal acts in connection with any Federal housing program;
3. Engaging in drug-related or violent criminal activity;
4. Non-compliance with HUD's housing quality standards (HQS);
5. Failing to meet State or local housing codes;
6. Failure to pay State or local real estate taxes, fines, or assessments.

J. FINANCING THE PURCHASE OF THE HOME

1. The family must pre-qualify for a mortgage loan with a lender of buyer's choice. The loan must meet Neighborhood Housing Service's mortgage guidelines, indicated below. BCHA will then meet with the head of the household and estimate the amount of subsidy for which the family may be eligible. The lender can then determine the loan amount the family will qualify for, taking into account the estimated HCV subsidy.
2. Neighborhood Housing Service's mortgage guidelines include the following:
 - a. Conventional mortgages only, with interest rate no more than 1.5% over the Wisconsin Housing and Economic Development Authority (WHEDA) rate
 - b. Debt ratio limits of no more than 40% for credit scores of 680 or more, or 38% for credit scores less than 680 or for no score
 - c. Housing ratio not to exceed 33%
 - d. Closing costs not to exceed 2% of loan, except for FHA loans, which may not exceed 4% of loan amount
 - e. Unless disabled, buyer must contribute 2% of purchase price to downpayment

3. If the home is purchased using FHA mortgage insurance, it is subject to FHA mortgage insurance requirements.

4. Lender qualifications

a. If the loan is financed either by the seller or a non-traditional mortgage lending institution or individual, the loan shall be subject to review by BCHA. The housing authority may verify that there are no unusual or onerous requirements in the loan documents and that the mortgage is affordable to the purchasing family.

b. The lender must require that an appraisal of the property is conducted and the appraiser must determine that the property is worth at least as much as the purchaser is paying.

c. BCHA has adopted Fannie Mae's Loan Guidelines to be used by all lenders who will finance HCV Homebuyers. These guidelines are as follows, modified to fit BCHA's HCV Homeownership Option:

- Steering – It is expected that lenders will have determined the borrower's ability and willingness to repay the mortgage debt regardless of the underwriting method the lender uses. In addition, lenders should have practices and procedures to offer mortgage applicants the full range of products for which they qualify, and should specifically avoid the steering of borrowers to high-cost products that are designed for less creditworthy borrowers if the applicants can qualify for lower-cost products. Similarly, consumers who seek financing through a lender's higher-priced sub prime lending channel should be offered (or directed toward) the lender's standard mortgage product line if they are able to qualify for one of the standard products.

A lender also may choose to employ Fannie Mae's automated underwriting software, Desktop Underwriter® (DU), in which the borrower's ability to repay the debt is one of the key components for evaluating the eligibility of individual mortgages for delivery to Fannie Mae. DU provides a lender with a credit assessment recommendation, which can help the lender determine the best terms for which the borrower qualifies. This helps protect the borrower against steering. Using DU in conjunction with the additional policies stated below addresses some of the lending practices through which Fannie Mae and the industry can combat predatory lending practices.

- Excessive Fees -- Lenders should have their own guidelines and policies that address the fees that originators and brokers can charge a borrower when a mortgage is originated and should apply those policies consistently. The points and fees charged to a borrower should not exceed 5 percent, except where this would result in an unprofitable origination (for example, because of the small size of the loan)

- Prepayment Penalties – Allowing of prepayment penalties will only be considered under the terms of a negotiated contract, and where the lender adheres to the following criteria: a mortgage that has a prepayment penalty should provide some benefit to the borrower (such as a rate or fee reduction for accepting the prepayment premium); the borrower also should be offered the choice of another mortgage product that does not require payment of such a premium; the terms of the mortgage provision that requires a prepayment penalty should be adequately disclosed to the borrower; and, the prepayment penalty should not be charged when the mortgage debt is accelerated as the result of the borrower’s default in making his or her mortgage payments.
 - Full-file Credit Reporting -- Fannie Mae believes that it is important for a borrower’s entire payment history to be reported to the credit repositories since that gives a borrower who has a good payment record more opportunities to obtain new financing (and better mortgage terms) when the need arises. Therefore, the company restated its policy that lenders must report on the status of any Fannie Mae loan that they are servicing each month to the credit repositories.
 - Servicing Practices -- Fannie Mae generally requires servicers to maintain escrow deposit accounts for the monthly deposit of funds to pay taxes, ground rents, mortgage insurance premiums, etc. In some cases, the company will allow its servicers to waive the requirement on a case-by-case basis. However, the company suggests that waivers should not be granted in the case of borrowers with blemished credit records to protect them from additional risk of default.
5. Unless the purchaser can convince BCHA of unusual circumstances, and the buyer and seller receive approval in writing from BCHA, no balloon payment mortgages or variable rate mortgages shall be allowed in the program.

K. REQUIREMENTS FOR CONTINUING ASSISTANCE

Homeownership assistance will only be paid while the family is residing in the home. If the family moves out of the home, BCHA will not continue homeownership assistance after the month the family moves out. The family or lender is not required to refund to BCHA the homeownership assistance for the month when the family moves out.

The family must comply with the following obligations:

1. The family must attend post-purchase home ownership counseling after they have had some homeownership experience. This post purchase counseling must be completed after they have owned their home for at least six months, but within one year after the sale closed.
2. Effective September 1, 2008, a family who is not a disabled or elderly family, as defined in Chapter 3, and is not a current participant or graduate of the Family Self Sufficiency Program must annually provide self-certification demonstrating that they are actively working on their Homeownership Self Sufficiency Action Plan. If the family cannot demonstrate progress toward self sufficiency, they will

be encouraged to join the FSS Program. If the family chooses not to join FSS, the PHA will follow up with them every three months to ensure they are actively working toward self sufficiency. If by the time of their next annual recertification they have not demonstrated progress and again choose not to join FSS, their Housing Choice Voucher assistance will be terminated.

- a. A family who chooses to join FSS and is later terminated from FSS (either voluntarily or involuntarily) will then be required to submit an approved Homeownership Self Sufficiency Action Plan and is subject to annual demonstration of progress as explained above. Likewise, a family who decides to submit an Action Plan may later be permitted to join FSS.

3. The family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).

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4. The family must maintain the home to comply with Housing Quality Standards. BCHA reserves the right to perform an HQS inspection as it deems necessary. BCHA will conduct a brief external inspection annually which will indicate if a full inspection will be necessary. If the family is not maintaining the exterior of the home, it is likely that the interior is not being maintained either. In this case, a full HQS inspection will be required, and the unit must pass the inspection before continued homeownership assistance would be authorized.

- a. Exceptions to the HQS space standards due to an increase in family size (unit too small), will be subject to approval by the HCV Advisory Committee.

5. As long as the family is receiving homeownership assistance, use and occupancy of the home is subject to the following requirements:

a) The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

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b) The composition of the assisted family residing in the unit must be approved by BCHA. The family must promptly inform the housing authority of the birth, adoption or court-awarded custody of a child. The family must request housing authority approval to add any other family member as an occupant of the unit. No other person (i.e., nobody but members of the assisted family) may reside in the unit (except for a foster child or live-in aide with advance written approval from the BCHA).

c) The family must promptly notify BCHA if any family member no longer resides in the unit.

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d) If BCHA has given approval, a foster child or a live-in-aide may reside in the unit.

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- e) Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family.
 - f) The family must not sublease or let the unit.
 - g) The family must not assign the lease or transfer the unit.
 - h) The family must supply any information or certification requested by the housing authority to verify that the family is living in the unit, or relating to family absence from the unit, including any housing authority requested information or certification on the purposes of family absences. The family must cooperate with the housing authority for these purposes. The family must promptly notify the housing authority of their absence from the unit.
6. The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.
- ~~6.7.~~ Upon death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with Paragraph C above. In the case of a divorce or family separation, the assistance shall follow what a court decrees.
8. The family shall supply BCHA with any required information requested by the housing authority. In particular this shall include information relating to the following:
- a. Citizenship or related immigration matters;
 - b. Family income and composition;
 - c. Social security numbers;
 - d. Any mortgage or other debt placed on the property;
 - e. Any sale or other transfer of any interest in the home; and
 - f. The family's homeownership expenses.
- ~~7.9.~~ The family must notify the housing authority before the family moves out of the home.

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8-10. The family must notify BCHA if the family defaults on a mortgage securing any debt incurred to purchase the home.

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9-11. During the time the family receives homeownership assistance under this program, no family member may have any ownership interest in any other residential property.

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10-12. Before homeownership assistance is provided, the family must execute a statement of family obligations in the form prescribed by HUD. In the statement, the family agrees to comply with all family obligations under the homeownership option.

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13. The family must secure the written permission from BCHA before it refinances any debt secured by the home or places any additional secured debt on the property.

14. The family must assure BCHA that all real estate taxes were paid on a timely basis. If they are not paid, assistance will be terminated.

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L. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

1. Except in the case of a family that qualifies as an elderly or disabled family, family members shall not receive homeownership assistance for more than fifteen years if the initial mortgage incurred to finance purchase of the home has a term of twenty years or longer; or ten years, in all other cases.

2. The maximum term described in the preceding paragraph applies to any member of the family who has an ownership interest in the unit during the time the homeownership payments are made or is the spouse of any member of the household who has an ownership interest during the time the homeownership payments are made.

3. As noted in Paragraph 1 of this Section, the maximum homeownership assistance term does not apply to elderly and disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family. If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance in accordance with this program).

~~4.4.~~ If the family has received such assistance for different homes, or from different housing authorities, the total of such assistance terms is subject to the maximum term described in Paragraph 1 of this section.

M. AMOUNT AND DISTRIBUTION OF HOMEOWNERSHIP ASSISTANCE

1. While the family is residing in the home, BCHA shall pay a monthly homeownership assistance payment on behalf of the family that is equal to the lower of:

- a. The payment standard minus the total tenant payment; or
- b. The family's monthly homeownership expenses minus the total tenant payment.

2. The payment standard for a family is the lower of:

- a) The payment standard for the family unit size; or
- b) The payment standard for the size of the home.

If the home is located in an exception payment standard area, BCHA will use the appropriate payment standard for the exception payment standard area.

The payment standard for a family is the greater of:

- 1. The payment standard (as determined in accordance with Section 2 above) at the commencement of homeownership assistance for occupancy of the home; or
- 2. The payment standard (as determined in accordance with Section 2 above) at the most recent regular re-examination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

BCHA will use the same payment standard schedule, payment standard amounts, and subsidy standards for the homeownership option as for the rental voucher program.

3. A family's homeownership expenses shall include the following items:

- a. Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;

- b. Real estate taxes and public assessments on the home;
 - c. Home insurance;
 - d. Maintenance expenses equal to 1% of the purchase price of the home
 - e. An allowance of \$50 per month for costs of major repairs and replacements;
 - f. BCHA's utility allowance for the home; and
 - g. Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the housing authority determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
 - h. Land lease payments (where the family does not own fee title to the real property on which the home is located)
4. Homeownership expenses for a cooperative member may only include amounts to cover:
- a. The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
 - b. Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
 - c. Home insurance;
 - d. BCHA allowance for maintenance expenses;
 - e. BCHA allowance for costs of major repairs and replacements;
 - f. BCHA utility allowance for the home; and
 - g. Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the housing authority determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.

- ~~2-5.~~ If the home is a condominium unit, homeownership expenses may also include condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.
- ~~3-6.~~ BCHA will pay homeownership assistance payments directly to the lender on behalf of the family unless the lender does not want the payment to be made directly to them. If there is any excess assistance, it will be paid to the family.
- ~~4-7.~~ Homeownership assistance for a family terminates automatically 180 calendar days after the last housing assistance payment on behalf of the family. However, BCHA retains the discretion to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.
- ~~5-8.~~ BCHA has chosen NOT to administer the HCV Down payment Assistance Grant, which would provide a one-time grant for down payment on a home in lieu of the monthly homeownership assistance payment provided to a family.

N. HOMEOWNERSHIP PORTABILITY

1. A family may qualify to move outside of BCHA's jurisdiction with continued homeownership assistance under the voucher program. Families determined eligible for homeownership assistance by BCHA may purchase a unit outside BCHA's jurisdiction, if:
 - a. They meet the normal requirements for portability under the rental program;
 - b. The receiving housing authority is administering a voucher homeownership program and the family meets the receiving housing authority's eligibility requirements; and
 - c. The receiving housing authority is accepting new homeownership families.
2. Conversely, if BCHA has vouchers available in its homeownership program we will accept homeowners exercising portability from another program and absorb such families if possible.
3. In general, the portability procedures described previously in this Plan in relation to the HCV Rental Assistance Program apply to the homeownership option. The administrative responsibilities of the initial and receiving housing authorities are not altered except that some administrative functions (e.g., issuance of a voucher or execution of a tenancy addendum) do not apply to the homeownership option.

4. The family must attend the briefing and counseling sessions required by the receiving housing authority. The receiving housing authority will determine whether the financing for and the physical condition of the unit are acceptable. The receiving housing authority must promptly notify the initial housing authority if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the housing authority.
5. Continued assistance under portability procedures is described in the next Section of this Plan.

O. MOVING WITH CONTIUNUED TENANT-BASED ASSISTANCE

1. A family receiving homeownership assistance may move to a new unit with continued housing assistance. The family may move either with voucher rental assistance (in accordance with rental assistance program requirements) or with voucher homeownership assistance (in accordance with homeownership option program requirements). BCHA will not provide continued housing assistance for occupancy of the new unit while any family member owns any title or other interest in the prior home. No more than one move per year may occur in the program.
2. BCHA must be able to determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move to a new unit with continued homeownership assistance. However, the following requirements do not apply:
 - a. The requirement for pre-assistance counseling.
 - b. The requirement that a family must be a first-time homeowner.
3. BCHA may deny permission to move with continued assistance in the following circumstances:
 - a. If the housing authority determines that it does not have sufficient funding to provide continued assistance.
 - b. In accordance with the next Section.

P. DENIAL OR TERMINATION OF ASSISTANCE FOR FAMILIES

1. At any time, BCHA may deny or terminate homeownership assistance in accordance with the same rules utilized for the rental program.

2. The same restrictions on admission or continued assistance in regards to criminal activities shall apply to the homeownership program as the rental program.
3. BCHA may deny or terminate assistance for violation of participant obligations as described for the rental program and as previously described for the homeownership program.
4. BCHA will terminate voucher homeownership assistance for any member of a family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt incurred to purchase the home (whether FHA-insured or non-FHA), or any refinancing of such debt. BCHA, in its discretion, may permit the family to move to a new unit with continued voucher rental assistance if the family can show that the default was for reasons beyond its control. However, the housing authority will deny such permission, if:
 - a. The family defaulted on an FHA-insured mortgage; and
 - b. The family fails to demonstrate that:
 1. The family has conveyed title to the home, as required by HUD, to HUD or HUD's designee; and
 2. The family has moved from the home within the period established or approved by HUD.

Q. RECAPTURE OF HOMEOWNERSHIP ASSISTANCE

BCHA will not impose or enforce any requirement for the recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the homeownership option.

GLOSSARY

1937 Housing Act: The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]

Absorption: In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable family. [24 CFR 982.4]

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based.

Administrative fee: Fee paid by HUD to the housing authority for the administration of the program.

Administrative Plan: The plan that describes housing authority policies for the administration of the tenant-based programs.

Admission: The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head. An adult must have the legal capacity to enter a lease under State and local law.

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowances can be given at the discretion of the housing authority.

Amortization Payment: In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home. If furniture was included in the purchase price, the debt service must be reduced by 15% to exclude the cost of the furniture. The amortization cost is the initial financing, not refinancing. Set-up charges may be included in the monthly amortization payment.

Annual Contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

Annual Income: All amounts, monetary or not, that:

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

- b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- c. Are not specifically excluded from Annual Income.
- d. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program.

Assets: see net family assets.

Asset Income: Income received from assets held by household members. If assets total more than \$5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income.

Assisted lease (lease): A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the housing authority.

Certificate: A document issued by a housing authority to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing authority approval of a unit selected by the family. The certificate also states the obligations of the family under the program.

Certification: The examination of a household's income, expenses, and family composition to determine the household's eligibility for program participation and to calculate the household's rent for the following 12 months.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

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

Citizen: A citizen or national of the United States.

Common space: In shared housing: Space available for use by the assisted family and other occupants of the unit.

Congregate housing: Housing for elderly or persons with disabilities that meets the HQS for congregate housing.

Consent form: Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits.

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

Continuously assisted: An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Voucher Program.

Cooperative: ~~Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.~~ Housing owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.

Cooperative member: A family of which one or more members owns membership shares in a cooperative.

Covered Families: Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

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

Decent, safe, and sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban Development.

Dependent: A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

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

Disabled family: A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person: See "person with disabilities."

Displaced family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Displaced person: A person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Drug-related criminal activity: Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

Drug trafficking: The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

Economic self-sufficiency program: Any program designed to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.

Elderly family: A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person: A person who is at least 62 years of age.

Evidence of citizenship or eligible status: The documents that must be submitted to evidence citizenship or eligible immigration status.

Exception rent: An amount that exceeds the published fair market rent.

Extremely low-income families: Those families whose incomes do not exceed 30% of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30% of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair market rent (FMR): The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately-owned existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

Family includes but is not limited to:

- a. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- b. An elderly family;
- c. A near-elderly family;
- d. A disabled family;
- e. A displaced family;
- f. The remaining member of a tenant family; and
- g. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family members: include all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058 form.

Family Rent to Owner: In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program (FSS program): The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share: The portion of rent and utilities paid by the family or the gross rent minus the amount of the housing assistance payment.

Family unit size: The appropriate number of bedrooms for a family as determined by the housing authority under the housing authority's subsidy standards.

First-time homeowner: In the homeownership option, a family of which no member owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family. The term "first-time homeowner" includes a single parent or displaced homemaker (as those terms are defined in 12 U.S.C. 12713) who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

50058 Form: The HUD form that housing authorities are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

FMR/exception rent limit: The HCV existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the Voucher Program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

Full-time employment: Employment that averages at least 30 hours per week. This can include self-employment as long as the employees earn at least the average of the federal minimum wage over a 30-hour period.

Full-time student: A person who is attending school or vocational training on a full-time basis.

Gross rent: The sum of the rent to the owner plus any utilities.

Group Home: A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

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

Home: In the homeownership option: A dwelling unit for which the housing authority pays homeownership assistance.

Homeowner: In the homeownership option, a family of which one or more members owns title to the home.

Homeownership assistance: In the homeownership option, monthly homeownership assistance payments by the housing authority. Assistance payment may be paid to the family, or to a mortgage lender on behalf of the family.

Homeownership expenses: In the homeownership option, a family's allowable monthly expenses for the home, as determined by the housing authority in accordance with HUD requirements.

Homeownership option: Assistance for a homeowner or cooperative member under Sec. 982.625 to Sec. 982.641. A special housing type.

Household members: include all individuals who reside or will reside in the unit and who are listed on the Statement of Homeowner Obligations, including live-in aides, foster children and foster adults.

Housing Assistance Payment (HAP): The monthly assistance by a housing authority paid on behalf of the family to assist with the housing expenses.

Housing quality standards (HQS): The HUD minimum quality standards for housing assisted under the HCV program.

Housing voucher: A document issued by a housing authority to a family selected for admission to the Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

Housing voucher holder: A family that has an unexpired housing voucher.

Imputed income: For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

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

Income category: Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

Incremental income: The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Initial Housing Authority: In portability, both: (1) a housing authority that originally selected a family that later decides to move out of the jurisdiction of the selecting housing authority; and (2) a housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.

Initial payment standard: The payment standard at the beginning of the HAP contract term.

Initial rent to owner: The rent to owner at the beginning of the initial lease term.

Interest in the home: In the homeownership option:

- a. In the case of assistance for a homeowner, “interest in the home” includes title to the home, any lease or other right to occupy the home, or any other present interest in the home.
- b. In the case of assistance for a cooperative member, “interest in the home” includes ownership of membership shares in the cooperative, any lease or other right to occupy the home, or any other present interest in the home.

Interim (examination): A reexamination of a household’s income, expenses, and household status conducted between the annual recertifications when a change in a household’s circumstances warrants such a reexamination.

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

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

Legal capacity: The participant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Live-in aide: A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- a. Is determined to be essential to the care and well being of the persons;
- b. Is not obligated for the support of the persons; and
- c. Would not be living in the unit except to provide the necessary supportive services.

Low-income families: Those families whose incomes do not exceed 80% of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80% of the median for the area on the basis of HUD’s findings that such variations are necessary because of unusually high or low family incomes.

Manufactured home: A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

Manufacture home space: In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

Medical expenses: Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

Membership shares: In the homeownership option, shares in a cooperative. By owning such cooperative shares, the share-owner has the right to reside in a particular unit in the cooperative, and the right to participate in management of the housing.

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

Moderate rehabilitation: Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- a. upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance); or
- b. repair or replace major building systems or components in danger of failure.

Monthly adjusted income: One twelfth of adjusted income.

Monthly income: One twelfth of annual income.

Mutual housing is included in the definition of "cooperative".

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

Near-elderly family: A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62 living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets:

- a. Net cash value after deducting reasonable costs that would be incurred in disposal of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- b. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
- c. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program

or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

d. For purposes of determining annual income under HCV Homeownership, the term “net family assets” does not include the value of a home currently being purchased with assistance under the HCV Homeownership Program. This exclusion is limited to the first 10 years after the purchase date of the home.

Noncitizen: A person who is neither a citizen nor national of the United States.

Notice Of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Occupancy standards: The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Owner: Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

Participant (participant family): A family that has been admitted to the housing authority's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the housing authority for the family (first day of initial lease).

Payment standard: In a voucher tenancy, the maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). For a voucher tenancy, the housing authority sets a payment standard in the range from 90% to 110% of the current FMR.

Person with disabilities: A person who:

- A. Has a disability as defined in 42 U.S.C. 423
- B. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 1. Is expected to be of long-continued and indefinite duration;
 2. Substantially impedes his or her ability to live independently; and
 3. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

- C. Has a developmental disability as defined in 42 U.S.C. 6001

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

For purposes of qualifying for low-income housing, it does not include a person whose disability is based solely on any drug or alcohol dependence.

Portability: Transferring of housing assistance from one housing authority's jurisdiction to the jurisdiction of another housing authority.

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

Present ownership interest: In the homeownership option, "Present ownership option" in a residence includes title, in whole or in part, to a residence, or ownership, in whole or in part, of membership shares in a cooperative. "Present ownership interest" in a residence does not include the right to purchase title to the residence under a lease-purchase agreement.

Preservation: This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based HCV assistance whose HAP contracts are about to expire.

Private space: In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Processing Entity: The person or entity who is responsible for making eligibility and related determinations and an income reexamination. In the HCV and public housing programs the processing entity is the responsibility entity.

Proration of assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Public Housing: Housing assisted under the 1937 Act, other than under HCV. Public housing includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating funds.

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

Reasonable rent: A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

Receiving Housing Authority: In portability, a housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a voucher, and provides program assistance to the family.

Re-certification: A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

Remaining member of a family: A member of the family listed on the Statement of Homeowner Obligations who continues to live in an assisted household after all other family members have left.

Rent to owner: The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Responsible Entity:

- A. For the public housing program, the Section 8 tenant-based assistance program (24 CFR 982), and the Section 8 project-based certificate or voucher program (24 CFR 983), and the Section 8 moderate rehabilitation program (24 CFR 882), responsible entity means the PHA administering the program under an ACC with HUD;
- B. For all other HCV programs, responsible entity means the Section 8 project owner.

Set-up charges: In a manufactured home space rental, charges payable by the family for assembly, skirting and anchoring the manufactured home.

Shared housing: A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.

Shelter allowance: That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

Single person: Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

Single room occupancy housing (SRO): A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

Special admission: Admission of an applicant that is not on the housing authority waiting list, or admission without considering the applicant's waiting list position.

Special housing types: Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

Specified welfare benefit reduction:

- A. A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.
- B. "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:
 - 1. at the expiration of a lifetime or other time limit on the payment of welfare benefits;
 - 2. because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or
 - 3. because a family member has not complied with other welfare agency requirements.

State Wage Information Collection Agency (SWICA): The State agency receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Statement of family responsibility: An agreement in the form prescribed by HUD, between the housing authority and a family to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the family.

Statement of homeowner obligations: In the homeownership option, the family's agreement to comply with program obligations.

Subsidy standards: Standards established by a housing authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension: Stopping the clock on the term of a family's voucher, for such period as determined by the housing authority, from the time when the family submits a request for housing authority approval to lease a unit, until the time when the housing authority approves or denies the request.

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

Third-party (verification): Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

Total tenant payment (TTP):

- (1) Total tenant payment is the amount calculated under Section 3(a) (1) of the 1937 Act which is the higher of:
 - a. 30% of the family's monthly adjusted income;
 - b. 10% of the family's monthly income;
 - c. Minimum rent; or
 - d. if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.
- (2) If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a)(1) shall be the amount resulting from one application of the percentage.

Utility allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility hook-up charge: In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Utility reimbursement: In the voucher program, the portion of the housing assistance payment that exceeds the amount of the rent to owner. It is only paid when the housing assistance payment exceeds the rent to owner. In the certificate program, if the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Verification:

- a. The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).
- b. The three types of verification are:
 - (1) Third-party verification, either written or oral, obtained from employers, public assistance agencies, schools, etc.
 - (2) Documentation such as a copy of a birth certificate or bank statement
 - (3) Family certification or declaration (only used when third-party or documentation verification is not available)

Very low-income families: Families whose incomes do not exceed 50% of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50% of the median for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Violent criminal activity: Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher: A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family and states the obligations of the family under the program.

Voucher holder: A family holding a voucher with unexpired search time.

Waiting list admission: An admission from the housing authority waiting list. [24 CFR 982.4]

Welfare assistance. Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. [24 CFR 5.603(+)]

Welfare rent: In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

Welfare -to-Work (WTW) families: Families assisted with voucher funding awarded under the HUD welfare-to-work voucher program.

ACRONYMS

ACC	Annual Contributions Contract
CACC	Consolidated Annual Contributions Contract
CFR	Code of Federal Regulations
FMR	Fair Market Rent
FSS	Family Self Sufficiency (program)
HA	Housing Authority
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NOFA	Notice of Funding Availability
OMB	(U.S.) Office of Management and Budget
PBC	Project-Based Certificate (program)
QHWRA	Quality Housing and Work Responsibility Act of 1998
PHA	Public Housing Agency
TTP	Total Tenant Payment