

# **Rural Development Voucher Program Guide**

***SEPTEMBER 2010***

**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
MULTIFAMILY HOUSING PROGRAMS**

## TABLE OF CONTENTS

<b>CHAPTER 1</b>	<b>INTRODUCTION TO THE GUIDE</b>	<b>PAGE #</b>
<b>1.1</b>	<b>RD VOUCHER PROGRAM PURPOSE AND AUTHORIZATION</b>	<b>1</b>
<b>1.2</b>	<b>KEY FEATURES OF THE RD VOUCHER PROGRAM</b>	<b>2</b>
<b>1.3</b>	<b>PURPOSE AND ORGANIZATION OF THE GUIDE</b>	<b>7</b>
<b>1.4</b>	<b>PARTICIPATION IN THE RD VOUCHER PROGRAM</b>	<b>7</b>
<b>1.5</b>	<b>KEY PLAYERS IN THE RD VOUCHER PROGRAM</b>	<b>8</b>
<b>1.6</b>	<b>ROLE OF RD</b>	<b>9</b>
<b>1.7</b>	<b>ROLE OF THE CONTRACTOR</b>	<b>9</b>
<b>1.8</b>	<b>ROLE OF OWNER</b>	<b>9</b>
<b>1.9</b>	<b>ROLE OF TENANT</b>	<b>10</b>
<b>1.10</b>	<b>TASKS AND RESPONSIBILITIES OF THE CONTRACTOR</b>	<b>10</b>
<b>1.11</b>	<b>ACRONYMS AND DEFINITIONS</b>	<b>11</b>
<b>CHAPTER 2</b>	<b>RESPONSIBILITIES</b>	
<b>2.1</b>	<b>CHAPTER OVERVIEW</b>	<b>14</b>
<b>2.2</b>	<b>STEPS PRIOR TO VOUCHER ISSUANCE</b>	<b>14</b>
<b>2.3</b>	<b>DOCUMENTS TIMELINE</b>	<b>19</b>
<b>2.4</b>	<b>FORECLOSURE ACTIONS AND OTHER PAYOFF ACTIONS</b>	<b>21</b>
<b>2.5</b>	<b>TENANTS UNDER LEASE</b>	<b>21</b>
<b>2.6</b>	<b>TENANTS WHO WANT TO MOVE</b>	<b>22</b>
<b>2.7</b>	<b>HAP RENEWAL</b>	<b>22</b>
<b>2.8</b>	<b>VOUCHER TRANSFER</b>	<b>23</b>
<b>2.9</b>	<b>DCFO REPORT REVIEW</b>	<b>23</b>
<b>ATTACHMENTS</b>		
<b>2A</b>	<b>RCS LETTER TO OWNERS</b>	<b>25</b>
<b>2B</b>	<b>SAMPLE TENANT NOTIFICATION LETTER #3 A VOUCHER DETERMINATION LETTER</b>	<b>27</b>
<b>2C</b>	<b>SAMPLE TENANT NOTIFICATION LETTER #1A FOR LOAN ACCELERATION</b>	<b>32</b>
<b>2D</b>	<b>MULTIFAMILY HOUSING VOUCHER REQUEST FOR OBLIGATION (VOF)</b>	<b>33</b>
<b>2E</b>	<b>AMAS INSTRUCTIONS FOR VOUCHER OBLIGATION AND DE-OBLIGATION</b>	<b>35</b>
<b>2F</b>	<b>PROOF OF CITIZENSHIP</b>	<b>49</b>
<b>CHAPTER 3</b>	<b>HOW TO OBTAIN AN RD VOUCHER</b>	
<b>3.1</b>	<b>CHAPTER OVERVIEW</b>	<b>50</b>
<b>3.2</b>	<b>TENANT ELIGIBILITY</b>	<b>50</b>
<b>3.3</b>	<b>INFORMING TENANTS</b>	<b>51</b>
<b>3.4</b>	<b>STEPS IN THE VOUCHER PROCESS</b>	<b>56</b>
<b>ATTACHMENTS</b>		
<b>3A</b>	<b>TENANT INFORMATION SUMMARY</b>	<b>60</b>
<b>CHAPTER 4</b>	<b>DETERMINATION OF THE RD VOUCHER AMOUNT</b>	
<b>4.1</b>	<b>CHAPTER OVERVIEW</b>	<b>64</b>
<b>4.2</b>	<b>DETERMINATION OF THE VOUCHER AMOUNT</b>	<b>64</b>
<b>4.3</b>	<b>NO TENANT CERTIFICATION DATA</b>	<b>66</b>
<b>CHAPTER 5</b>	<b>HOUSING SEARCH AND LEASING</b>	
<b>5.1</b>	<b>CHAPTER OVERVIEW</b>	<b>67</b>
<b>5.2</b>	<b>VOUCHER ISSUANCE</b>	<b>67</b>
<b>5.3</b>	<b>TENANT OBLIGATIONS</b>	<b>67</b>
<b>5.4</b>	<b>SEARCH TIME, EXTENSIONS AND VOUCHER EXPIRATION</b>	<b>68</b>
<b>5.5</b>	<b>REQUESTS FOR TENANCY APPROVAL</b>	<b>69</b>
<b>5.6</b>	<b>APPROVAL OF THE TENANCY</b>	<b>70</b>
<b>5.7</b>	<b>TENANT SCREENING</b>	<b>71</b>
<b>5.8</b>	<b>LEASE AND TENANCY</b>	<b>71</b>

<b>ATTACHMENTS</b>		
<b>5A</b>	<b>SAMPLE TENANT LETTER #4 VOUCHER PACKAGE LETTER</b>	<b>73</b>
<b>5B</b>	<b>RD VOUCHER</b>	<b>75</b>
<b>5C</b>	<b>REQUEST FOR TENANCY APPROVAL FORM</b>	<b>78</b>
<b>CHAPTER 6</b>	<b>RURAL DEVELOPMENT INSPECTION STANDARDS</b>	
<b>6.1</b>	<b>CHAPTER OVERVIEW</b>	<b>80</b>
<b>6.2</b>	<b>RD INSPECTION STANDARDS: GENERAL REQUIREMENTS</b>	<b>80</b>
<b>6.3</b>	<b>CONDUCTING RTA INSPECTIONS</b>	<b>80</b>
<b>6.4</b>	<b>INSPECTION OF FORMER RD UNITS</b>	<b>81</b>
<b>6.5</b>	<b>VOUCHER TRANSFERS AND RENEWALS</b>	<b>82</b>
<b>ATTACHMENTS</b>		
<b>6A</b>	<b>REQUEST FOR TENANCY INSPECTION FORM AND INSTRUCTIONS</b>	<b>83</b>
<b>6B</b>	<b>RTA INSPECTION RESULTS LETTER</b>	<b>90</b>
<b>6C</b>	<b>SAMPLE LETTER FROM RD STATE DIRECTOR REGARDING RD UNIT INSPECTIONS</b>	<b>92</b>
<b>CHAPTER 7</b>	<b>HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT</b>	
<b>7.1</b>	<b>CHAPTER OVERVIEW</b>	<b>93</b>
<b>7.2</b>	<b>TERM OF THE HAP CONTRACT</b>	<b>93</b>
<b>7.3</b>	<b>PAYMENT TO THE OWNER</b>	<b>94</b>
<b>7.4</b>	<b>CONTENTS OF THE HAP CONTRACT</b>	<b>95</b>
<b>7.5</b>	<b>HAP CONTRACT EXECUTION AND TIME LIMITS</b>	<b>99</b>
<b>7.6</b>	<b>CHANGES REQUIRING NEW HAP CONTRACT</b>	<b>100</b>
<b>7.7</b>	<b>OWNER RESPONSIBILITIES</b>	<b>100</b>
<b>7.8</b>	<b>OWNER BREACH OF HAP CONTRACT</b>	<b>101</b>
<b>ATTACHMENTS</b>		
<b>7A</b>	<b>RD HAP CONTRACT RD HAP CONTRACT INCLUDING PARTS A-C</b>	<b>103</b>
<b>CHAPTER 8</b>	<b>MOBILITY AND PORTABILITY OF VOUCHERS</b>	
<b>8.1</b>	<b>OVERVIEW</b>	<b>113</b>
<b>8.2</b>	<b>HOLDERS OF RD VOUCHERS</b>	<b>113</b>
<b>8.3</b>	<b>INFORMATION ABOUT PORTABILITY</b>	<b>113</b>
<b>CHAPTER 9</b>	<b>TERMINATION OF ASSISTANCE AND HAP CONTRACTS</b>	
<b>9.1</b>	<b>CHAPTER OVERVIEW</b>	<b>114</b>
<b>9.2</b>	<b>TERMINATION OF TENANCY</b>	<b>114</b>
<b>9.3</b>	<b>HAP CONTRACT TERMINATION</b>	<b>116</b>
<b>9.4</b>	<b>RD TERMINATION OF ASSISTANCE TO THE TENANT</b>	<b>117</b>
<b>9.5</b>	<b>UNAUTHORIZED ASSISTANCE</b>	<b>119</b>
<b>9.6</b>	<b>DOCUMENTATION OF UNAUTHORIZED ASSISTANCE</b>	<b>119</b>
<b>9.7</b>	<b>NOTICE TO THE OWNER OT TENANTS</b>	<b>119</b>
<b>9.8</b>	<b>DEBT COLLECTION IMPROVEMENT ACT OF 1996 (DCIA)</b>	<b>120</b>
<b>ATTACHMENTS</b>		
<b>9A</b>	<b>SAMPLE NOTICE OF CONTRACT TERMINATION</b>	<b>121</b>
<b>9B</b>	<b>SAMPLE NOTICE OF TERMINATION OF ASSISTANCE</b>	<b>122</b>
<b>CHAPTER 10</b>	<b>RD VOUCHER CONTACTS</b>	<b>123</b>
<b>APPENDIX</b>		
	<b>RD APPEAL RIGHTS</b>	<b>125</b>

## CHAPTER 1 INTRODUCTION TO THE GUIDE

### 1.1 RD VOUCHER PROGRAM PURPOSE AND AUTHORIZATION

#### Purpose

The RDVP was created to offer some protection to eligible multifamily housing tenants in properties financed through Rural Development's Section 515 Rural Rental Housing Program who may be subject to economic hardship through prepayment of the RD mortgage. When the owner of such a development pays off the loan, the RD affordable housing requirements may be modified. (Rents may increase thereby making the housing unaffordable to tenants.) The RD Voucher Program applies to any property financed through Section 515 where the mortgage is paid off prior to the maturity date in the promissory note. This includes foreclosed properties. Tenants in these properties are eligible for an RD Voucher under the same conditions as properties that go through the standard prepayment process. The RD Voucher will help tenants by providing a short-term rental subsidy that will supplement the tenant's rent payment. Low-income tenants in the prepaying property are eligible to receive a voucher that they may use at that property or take to any other rental unit in the United States that passes RD inspection and where the owner will accept an RD Voucher, with the exception of rental units in subsidized housing like USDA Section 521 Rental Assistance, HUD Section 8 and public housing where two housing subsidies would result. The RD Voucher may not be used at this time for the purchase of a home.

#### Authorization

This program was initially authorized by Congress as a demonstration program in FY 2006. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (Pub. L. 111-80) (Appropriations Act, 2010) was enacted on October 16, 2009, and appropriated \$16,400,000 to USDA for the Rural Development Voucher Program as authorized under Section 542 of the Housing Act of 1949, as amended, 42 U.S.C. 1471 *et. seq.* (without regard to Section 542(b)).

The Appropriations Act, 2010 provided that the Secretary of the U.S. Department of Agriculture shall carry out the Rural Development Voucher Program as follows:

That of the funds made available under this heading, \$16,400,000 shall be available for rural housing vouchers to any low-income household (including those not receiving Rental Assistance) residing in a property financed with a Section 515 loan which has been prepaid after September 30, 2005: *Provided further*, That the amount of such voucher shall be the difference between comparable market rent for the Section 515 unit and the tenant paid rent for such unit: *Provided further*, That funds made available for such vouchers shall be subject to the availability of annual appropriations: *Provided further*, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable to Section 8

housing vouchers administered by the Secretary of the Department of Housing and Urban Development (HUD).

### **HUD Regulations and Requirements**

RD does not currently have regulations for this demonstration program. All references to HUD regulations and requirements mentioned in the description of the RDVP are available on HUD's website (<http://www.hudclips.org/cgi/index.cgi>). Interested parties may order copies of HUD handbooks and other directives through the HUD website. The regulations and directives listed may be updated from time to time. HUD's codified regulations are issued as Title 24 of the Code of Federal Regulations (CFR). Revisions or additions to HUD regulations are initially published in the Federal Register. HUD may also publish Federal Register notices. In addition to publication in the Federal Register and the CFR, HUD and the USDA RD issue additional program requirements as HUD or RD "directives," including HUD or RD notices, handbooks and forms. References to citizenship are required as stated in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

## **1.2 KEY FEATURES OF THE RD VOUCHER PROGRAM**

<p><b>Key Features of the Program</b></p>
---

Demonstration Program – In FY 2009, the RDVP continues to be a demonstration program. RD anticipates establishing a permanent program based on experience in the demonstration program. Program features are highlighted below.

One Household-One Voucher – The RD Voucher is issued to households that reside at the property on the day of prepayment or foreclosure. The Primary tenant signs for the Voucher. The primary tenant is considered the voucher holder for the household. The RD voucher may only be transferred to the co-tenant in the event of death of the voucher holder.

Eligibility to Receive a Voucher – The tenant must be a citizen, United States non-citizen national or qualified alien in residence and qualify as a low-income tenant on the date of prepayment of or termination of the RD mortgage of a Section 515 property.

Waiting List – There is no waiting list for RD Vouchers.

Voucher Amount – This is determined as the difference between the comparable market rent for the Section 515 unit being rented by the tenant and the amount being paid as rent by the tenant – the net tenant contribution. The Voucher payment cannot exceed the lease rent for the approved unit. Once established, the maximum voucher amount does not change. The voucher payment in the RDVP does not relate to the resident's income. RD is responsible for calculating the maximum voucher amount. However, RD may reduce the voucher amount if the tenant moves and the maximum voucher amount exceeds the rent at the new location (See Chapter 4)

Portability – The RD Voucher may be used at the prepaid property or any other rental situation in the United States and its territories that passes RD physical inspection standards and where the owner will accept an RD Voucher. Units subsidized by USDA Section 521 Rental Assistance, HUD Section 8 and public housing are excluded from the RDVP because these units are already assisted. Tenants with an RD Voucher would have to give up their voucher to accept the assistance at those properties.

Utility Allowance – The RDVP does not include an allowance for utilities.

RD Inspection Standards – Any unit rented by an RD Voucher holder must meet RD inspection standards using the RD unit inspection. Units will be inspected and approved by RD staff.

Tenant Choice – All tenants meeting the eligibility requirements of the program will be offered RD Vouchers even though they may have other housing assistance options. Some residents will be able to choose between an RD Voucher and a transfer of subsidy. Others will be able to choose between ongoing Project-based Section 8 or an existing Housing Choice Voucher and the RD Voucher. Residents in rent-restricted units may choose to continue with the rent restriction instead using a voucher in another property.

Eligibility Period – The demonstration program is limited to prepayments and foreclosures after September 30, 2005. This means that a property must have a triggering event (prepayment or foreclosure) on or after October 1, 2005 (FY 2006). Once prepayment occurs, eligible tenants have 10 months to begin using the voucher.

How to Help Tenants Obtain a Voucher – In the event of a prepayment or foreclosure, tenants will be notified of the availability of RD Vouchers and how to obtain a voucher. If a tenant has questions, they can contact Rural Development or its contractor, Quadel Consulting Corporation. For RD office locations and telephone numbers, go to [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html). To contact RD voucher office, send an email to [RDVoucher@usda.gov](mailto:RDVoucher@usda.gov) or call 1-844-857-5386.

Net Tenant Contribution (NTC) – The Net Tenant Contribution or NTC is the Gross Tenant Contribution less the Utility Allowance. This data is found on the Multifamily Information System (MFIS) Report PRJ2000 or the Project Worksheet. RD uses the NTC as part of the calculation of the voucher amount.

In addition, the following table compares the HUD HCV Program to the RDVP and highlights differences between the two programs.

**Comparison Table:  
Housing Choice Vouchers vs. Rd Vouchers**

<b>HUD FEATURE</b>	<b>HCV PROGRAM</b>	<b>RD VOUCHER PROGRAM</b>
Administered by PHAs	YES	NO
Outreach and Program Plans	YES	NO
Eligibility Determination by PHAs	YES	NO – This is done by RD
Rent Reasonableness Test	YES	NO
Tenant Income Certifications and Annual Reexaminations of Income	YES	YES– Tenants must certify annually to low-income status.
PHA Administrative Plans	YES	NO
Voucher calculated on family income and size	YES	NO – Voucher payment based exclusively on the difference between the tenant’s contribution and the comparable market rent for the unit and is a fixed dollar amount.
Tenant Selection	YES	NO – All eligible tenants are offered vouchers.
Utility Allowance	YES	NO – RD Voucher amount is only subsidy available
Rental unit must meet HUD Housing Quality Standards	YES	NO – RD inspection standards.
Owner must comply with all HCV Program requirements	YES	NO with exception
Tenants must comply with all HCV Program requirements	YES	NO with exception
Briefing for Program Applicants	YES	YES – RD provides information for the property that is leaving the 515 program.
Briefing Packet with materials	YES	YES – RD may provide a Tenant Information Summary
Tenants need to complete an application to obtain a Voucher	YES	NO – Tenant must complete VOF and provide proper proof of US citizenship.
Tenants may lease a unit anywhere	NO – HUD has a list of restricted housing types	YES – so long as the unit meets Rural Developments’ housing inspection standards and the owner will accept an RD Voucher; USDA RA, Section 8 and Public Housing units <u>are</u> excluded.
Tenant must meet HCV Program citizenship eligibility requirements	YES	<i>YES - the tenant must be a citizen, United States non-citizen national or qualified alien as required by section 214 of the Housing and Community Development Act of 1980 [42 U.S.C. § 1436a]</i>
Additional Services are available to voucher holders	YES	NO
Minimum and Maximum Tenant Rent payments	YES	NO
Voucher issuance is authorization to find a unit	YES	YES
Voucher Term expiration	Varies	The voucher term is 60 days.
Subsidy Payment Term	NO	YES – 12 payments
Request for Tenancy Approval on HUD Form	YES	YES, modified HUD form
Automatic Termination of HAP Agreement under certain conditions	YES	YES – plus termination upon tenant relinquishment of RD Voucher, which ends tenant’s participation in the program

<b>HUD FEATURE</b>	<b>HCV PROGRAM</b>	<b>RD VOUCHER PROGRAM</b>
HAP payment to owner	YES	YES
Penalties for late payment	YES	YES
Use HAP Contract with Parts A, B and C	YES	YES – with modifications.
Use HUD Lease Addendum	YES	YES – with modifications.
Use HCV Program tenancy termination guidelines	YES	YES
Use HCV Program assistance termination guidelines	YES	YES
Hearing upon denial of assistance from PHA or OAE	YES	N/A – Rural Development Appeal rights as applicable
HUD reporting requirements	YES	NO
PHA portability	YES	NO
Program Integrity requirements and Improper payment awareness	YES	NO
Family Self Sufficiency requirements	YES	NO
PHA Voucher utilization requirements	YES	NO
RD Appeal Rights to Tenants	NO	YES – For tenant’s eligibility determination



### **1.3 PURPOSE AND ORGANIZATION OF THE GUIDEBOOK**

The purpose of this guide is to provide information to participants in the Rural Development Voucher Demonstration Program (referred to in this guide as the RD Voucher Program [RDVP]). This includes Rural Development (RD) staff, owners and tenants of Section 515 RD Properties with prepaid mortgages, landlords who elect to accept RD Vouchers, or the contractor providing services to RD regarding the administration of the RDVP. The RDVP will be utilized for tenants of RD properties whose owners prepay their RD mortgage. Throughout this guide, references to prepayment, prepaying or prepaid properties include RD properties in which prepayment was voluntarily initiated by the owner, and those properties that have been the subject of foreclosure or other payoff actions. In broad aspects, the RDVP will generally be administered similar to the HUD Housing Choice Voucher (HCV) Program. However, this guide is designed to direct the reader to specific differences between the RDVP and the HCV Program.

In general, this guide describes program participation, including eligibility, voucher amount determination, leasing, inspections, and termination of assistance. This guide includes required forms and sample form letters that RD and the Contractor may find useful.

The Contractor, Quadel Consulting Corporation will carry out many of the administrative tasks and responsibilities related to contract administration under the program. They will perform these functions using the procedures in this Guide, all applicable HUD regulations, and other applicable HUD requirements in effect from time to time. The Contractor should follow this Guide as closely as possible in carrying out these tasks. Where conflicts arise, the Contractor should contact the Rural Development Multifamily Housing Portfolio Management Division at the Rural Development National Office in Washington DC (see Chapter 10 for RD contact information).

### **1.4 PARTICIPATION IN THE RD VOUCHER PROGRAM**

Vouchers shall be available to any low-income household (including those not receiving RD rental assistance) that is a citizen, United States non-citizen national, or qualified alien as described by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, residing in a property financed with a Section 515 loan where the owner prepays the mortgage or the mortgage is terminated after September 30, 2005. The RDVP will not replace other housing assistance options, e.g., transfer of RD rental assistance to another Section 515 property, contracts providing Section 8 project-based subsidy in the property, or contracts providing HUD HCV Program assistance for households living in the property. (See Eligibility in Chapter 3.)

Tenants who receive RD Vouchers do so as a form of protection against rent increases expected as a result of RD mortgage prepayment. Every low-income resident in a prepaying property is potentially eligible to receive this Voucher. Participation in the RDVP is voluntary and no tenant is required to accept a Voucher.

For those tenants who do participate, compliance with the RD Voucher's "Obligations of the Family" section of the Voucher is mandatory in order to retain the subsidy. Once assistance is terminated, no subsequent RD Voucher will be issued and the tenant will no longer participate in the RDVP.

Likewise, if a tenant who is using an RD Voucher relinquishes that Voucher (i.e., elects to no longer use the Voucher or moves to a property where the Voucher is not accepted), no subsequent Voucher will be issued and the tenant will no longer participate in the RDVP.

### **1.5 KEY PLAYERS IN THE RD VOUCHER PROGRAM**

The key players involved in the RDVP are:

- ‡ Owners and tenants of Section 515 Rural Rental Housing properties where the RD mortgage is being prepaid;
- ‡ The Contractor who is administering the RDVP;
- ‡ Property owners who utilize the RD Voucher from tenants of previous RD properties; and,
- ‡ RD staff.

Each key player has a special interest in the RDVP. Areas of this guide that pertain to each key player are highlighted below. For a comprehensive understanding of the RDVP, the entire guide should be reviewed.

#### **Section 515 Owners**

Tenants' prepay notice and meeting on-site. Note especially Chapter 3.

#### **Section 515 Tenants**

Look for special boxes indicating "Tenant Alert!" that point out important information specifically for tenants. Note especially Chapter 3; Chapter 4; Chapter 5; Chapter 8; Chapter 9

#### **The Contractor**

The Contractor will implement RD policy, and act on behalf of RD in delivery of the RD Voucher. Note especially Chapters 1, 2, 3, 4, 5, and 9.

#### **Property Owners who utilize the RD Voucher**

These owners accept the RD Voucher and agree to comply with HCV Program and RDVP requirements. In exchange, the owner is promised and receives payment through a housing assistance payments contract. Note especially Chapters 5, 6, 7 and 9.

#### **RD Staff**

The RD Staff can direct tenants of prepaying properties to appropriate sources of assistance to obtain and manage an RD Voucher. RD staff will also be responsible for disseminating RD Voucher information at on-site meetings with tenants of Section 515 prepaying properties. Note especially Chapters 1, 2, 3, 4, 5, and 9.

## 1.6 Role of RD

RD has major responsibilities:

- ⌘ Developing policy, regulations, handbooks, notices, and guidance to implement housing legislation;
- ⌘ Allocating and obligating housing assistance funds;
- ⌘ Providing technical assistance and training to the Contractor;
- ⌘ Monitoring compliance with program requirements and performance goals;
- ⌘ Informing families about the RDVP;
- ⌘ Calculating the amount of the housing assistance payment (RD Voucher) ; and
- ⌘ Approving units, including assuring compliance with RD housing standards;

## 1.7 Role of the Contractor

The Contractor administers the RDVP under contract with RD and has the following areas of responsibility:

- ⌘ Assist in ensuring that housing assistance payments made to owners are accurate.
- ⌘ Support the overall RDVP process, including administering portions of the RDVP and reviewing voucher payments made by RD.

## 1.8 Role of the Owner

The owner has the following major responsibilities:

- ⌘ Complying with the RDVP requirements, the HAP contract, lease, and tenancy addendum;
- ⌘ Carrying out normal owner functions during the lease term, such as enforcing the lease, performing maintenance, collecting the tenant share of rent from the tenant, and charging tenants for any damage to the unit;
- ⌘ Maintaining unit compliance with RD inspection standards;
- ⌘ Complying with fair housing and equal opportunity requirements; and

- ‡ Paying for utilities, maintenance, and services (unless paid for by the tenant under the lease).

Owner responsibilities for the RDVP are defined in the HAP contract and the HUD lease addendum.

### **1.9 Role of the Tenant**

Responsibilities of the tenant are:

- ‡ Supplying true and complete required information including any information that the Contractor determines necessary in the administration of the program;
- ‡ Making timely payments of the applicable tenant portion of the rent.
- ‡ Fixing any breach of RD Inspection caused by the tenant (but not do repairs);
- ‡ Allowing RD to inspect the unit at reasonable times and after reasonable notice;
- ‡ Not committing any serious or repeated violation of the lease;
- ‡ Not engaging in drug-related criminal activity or violent criminal activity.
- ‡ Notifying the Contractor and the owner before moving or terminating the lease with the owner;
- ‡ Promptly giving the Contractor a copy of an eviction notice from the owner;
- ‡ Using the assisted unit as a residence only and as the only residence of the tenant. Members of the household may engage in legal profit-making activities within the unit, but only if those activities are incidental to the primary use of the unit as a residence. The members of the tenant household may not receive another housing subsidy in the same unit or a different unit;
- ‡ Not subletting the unit, assigning the lease, or having any interest in the unit; and
- ‡ Not committing fraud, bribery, or any other corrupt or criminal act in connection with any assisted housing programs.

These household responsibilities are provided in more detail on the RD Voucher (modified Form HUD-52646).

### **1.10 TASKS AND RESPONSIBILITIES OF THE CONTRACTOR**

The section below describes the relationship of the Contractor to RD and interactions between the Contractor and RD staff in administering the RD Voucher.

## Core Tasks

This section describes the core tasks that the Contractor must perform:

1. Issue vouchers in the correct subsidy amount;
2. Prepare and issue HAP contract;
3. Provide periodic reports to RD.

### Core Task 1: Issue Vouchers

The Contractor will issue a Voucher in the amount specified by RD, unless adjusted. The amount of the RD Voucher should be adjusted downward if the amount of the approved unit rent is lower than the amount of the RD Voucher. The RD Voucher amount is the lesser of the amount specified in RD's instruction to the Contractor or the unit rent of the approved tenancy.

### Core Task 2: Prepare and Issue the HAP Contract

The Contractor is responsible for preparing the HAP contract in accordance with Chapter 7 of this guide.

### Core Task 3: Provide Periodic Reports to RD

The Contractor should provide monthly reports to RD on activity related to administration of the RDVP.

## 1.11 ACRONYMS AND DEFINITIONS

The following acronyms are used throughout this Guide and the definitions provided are within the context of the Rural Development Voucher Program.

**ACH** – Automated Clearing House. This refers to disbursement of funds (payments) to the landlord for the benefit of the voucher holder.

**AMAS** – Automated Multifamily Accounting System. The AMAS Coordinator in each State is responsible for obligating and deobligating funds for the Voucher Program.

**CFR** – Code of Federal Regulations. This is usually included in the citation of any regulation. For the Voucher Program, the regulations which apply are those of the Housing Choice Voucher Program, because no Rural Development regulations have yet been published for this program.

**DCFO** – Deputy Chief Financial Officer. The DCFO's office is responsible for ensuring that payments made to landlords are appropriate and that proper controls are in place prior to release of funds.

**HAP** – Housing Assistance Payments. The HAP Contract is an agreement between the landlord and Rural Development. In exchange for payments made by Rural Development on behalf of tenant voucher holders, landlords agree to comply with requirements outlined in the contract.

**HCVP** – Housing Choice Voucher Program. This is a voucher program administered by the US Department of Housing and Urban Development. The Rural Development Voucher Program is utilizing the regulations for the HCVP until such time that Rural Development issues Voucher Program regulations.

**HUD** – US Department of Housing and Urban Development.

**Letter OF Priority Entitlement (LOPE)** – A letter used by RD providing a tenant with priority entitlement to rental units in other RD-financed housing for 120 days from the date of the LOPE.

**MFIS** – Multi-Family Information System. MFIS is the database used by Rural Development’s Multifamily Housing Programs to monitor and track activities related to loans in the Rural Development housing portfolio, including tenant certification information. MFIS will also be used to track activities related to the Rural Development Voucher Program.

**Pre-TRAC** – Prepayment Tracking and Concurrence system. Pre-TRAC is the primary tool used by Rural Development to track mortgage prepayments and it provides early warning of tenants who will be in need of Rural Development Vouchers.

**Rental Assistance (RA)** – The portion of the approved shelter cost paid by RD to compensate a borrower for the difference between the approved shelter cost and the tenant contribution when the tenant contribution is less than the shelter cost.

**RCS** – Rent Comparability Study. The RCS provides information on the market rent being obtained for units comparable to those in the Rural Development property. This information is necessary to determine the amount of a Rural Development Voucher.

**RD** – Rural Development. RD is a mission area in the US Department of Agriculture. The Multifamily Housing Programs administered by the department are in Rural Development and the Rural Development Voucher Program is a Multifamily Housing program.

**RDVP** - Rural Development Voucher Program. The Voucher Program was authorized in the Housing Act of 1949. In FY 2006, Congress made funding available for a demonstration program.

**RTA** – Request for Tenancy Approval. This HUD form is used by the tenant and the owner to request approval of a unit for occupancy by a voucher holder.

**TIS** – Tenant Information Summary. This is an informational document for tenants of prepaying properties and it educates them about the RDVP in a question-and-answer format.

**USDA** – The United States Department of Agriculture. Rural Development is a mission area of USDA. Multifamily Housing Programs are a part of Rural Development.

**VDS** – Voucher Determination Summary. This document collects tenant and RCS information to determine if tenants are income-eligible for an RD Voucher and the maximum amount of that voucher.

**VOF** - Voucher Obligation Form. This form must be signed by the tenant and returned to the Contractor before an obligation for funds under the RDVP can be processed.

**VOUCHER** - The voucher is the document that authorizes the tenant to look for an eligible unit under the RDVP and that the tenant is eligible to receive rent subsidy.

## CHAPTER 2 RESPONSIBILITIES

### 2.1 CHAPTER OVERVIEW

Rural Development is responsible for many areas in the administration of the RDVP. The following topics will be covered in this Chapter:

- ‡ Staff responsibilities leading up to issuance of a Voucher
- ‡ Continued RD involvement
- ‡ Direction and guidance to the Contractor
- ‡ Appeals

### 2.2 STEPS PRIOR TO VOUCHER ISSUANCE

RD Servicing Officials will be working as part of the team with the Contractor. To facilitate delivery of RD Vouchers to tenants of properties, Servicing Officials should perform or coordinate the following steps. See Chapter 3 for a further discussion of some of these issues. If voucher issuance is the result of the standard prepayment process, follow the steps outlined below. If the voucher issuance is the result of a foreclosure action, see Section 2.3

#### **FORECLOSURE ACTIONS.**

#### **Key Steps for Servicing Officials and the Contractor**

1. Receive Prepayment Request from Borrower. The RDVP does not change or affect prepayment requirements or processing steps.
2. Issue Tenant Letter #1 upon receipt of a prepayment request. See HB-3-3560, Chapter 15 for specific prepayment requirements. Tenant Letter #1 advises tenants that a prepayment request has been received, advises tenants of their rights under the statute, and advises of the availability of the RDVP. At this point, no determination has been made on acceptance of the prepayment; the voucher amount will not have been determined. See 3560 HB-3 Chapter 15 for a sample of the letter.
3. Borrower has declined incentives and prepayment has been approved. When prepayment has been approved, the Servicing Office should send Tenant Letter #2 (See 3560 HB-3 Chapter 15), which advises about the potential effects of prepayment. See HB3-3560, Chapter 15 for specific prepayment requirements.
4. Order Rent Comparability Study (RCS). In order to determine the amount of the RD Voucher, Servicing Officials need to determine comparable market rents for the prepaying property. Servicing Officials should order an RCS, which will be used determine the voucher amount. Please note that an RCS should be completed even for project-based Section 8 properties.



**The RCS is ordered after incentives are declined. If the property is a foreclosure, the timing is dependent upon whether your state is a judicial or non-judicial state.** The procedure for ordering an RCS is as follows:

To request an RCS, go to the RD Voucher website:

<https://mfhdemoteam.sc.egov.usda.gov/voucher/Lists/RCS%20REQUESTS/Home%20view.aspx>.

Select “RCS REQUESTS”. Select “New”. The default stage is set for “Date RCS Requested by ST”. If there is a recent appraisal for the property, you may attach the file by selecting “attach file”; then click “Browse” to find the correct file in your directory; once found click “Ok”. The file will upload to the SharePoint entry.

Proceed with the input of the following data on the SharePoint site:

- A) Property name
- B) Address
- C) Unit types and number of units in each type
- D) Unit sizes (sq. ft.)
- E) Property age
- F) Elderly/family/mixed
- G) Garden/elevator
- H) Copies of any recent rent studies (including a recent appraisal if you have one)
- I) Property contact information for the person who will allow access to the property (i.e., representative of the owner or management agent). Provide names, phone numbers and email addresses, if possible.
- J) Rural Development Servicing Official for the Contractor to contact directly regarding this assignment and who will receive the final product.

Once all the required fields are completed click “Ok”. The National office will be alerted to the new request and will forward it to the Contractor.

When your request is received, it will be forwarded to the Contractor to start processing. The Contractor will be in contact with the Servicing Office within three (3) weeks of the order. At that time, the Contractor may ask the Servicing Official questions about appropriate comparables based on the official’s knowledge of the area where the project is located. This will assist the Contractor in completing the study. At the same time you make the request to the National Office, you should notify the owner or management agent that the Contractor will be contacting them; please stress that access to the property is critical, and that we would appreciate their cooperation and responsiveness. A form letter is available for Rural Development staff to provide to the owner or management agent that explains why the Rent Comparability Study is being done and what to expect when working with the contractor. This form letter is on Attachment 2A. The Contractor will be asking questions about the property and its comparables, and will give each property at least 48 hours' prior notice of site visit. If it is not possible to gain access to the subject property, the contractor can still complete an RCS for this property. However, they will need additional property information from the Servicing Office.

The purpose of the RCS is to establish a market rent to determine the voucher amount; it is not intended to establish any rent to be charged in the subject property or where vouchers are being used. The RCS' ordered by Rural Development are confidential. However, the Rural Development Freedom of Information Office advises that the RCS may be requested through the Freedom of Information Act (FOIA).

The Contractor will contact the property contact to set up the site visit and obtain any additional information. Once completed, the Contractor will provide the Rural Development Servicing Official identified with an electronic copy of the RCS report. The RCS report is valid for one year. After one year, the RCS must be updated. After two years, a new RCS must be ordered.

5. Review the RCS and ensure that appropriate adjustments are made so that the RCS units are comparable to the tenant's unit in the prepaying property in bedroom count, utilities' responsibility and other unit characteristics, and that the market rent determination for the tenant's unit is supported by the information about the RCS units.
6. When prepayment has occurred, RD staff must prepare and submit the Voucher Determination Summary (VDS) using the PRJ2000, "Project Worksheet". Only residents on the date of prepayment are eligible to receive vouchers. The VDS should be completed on or immediately after the date of payoff or foreclosure sale.
7. Determine Voucher Amount. RD is responsible for determining the voucher amount for each income-eligible tenant. Once the comparable market rent is available for each unit size in the prepaying property, this information should be input to the "Voucher Determination Summary" (VDS). The VDS is an electronic spreadsheet that requires information input from the Multifamily Information System (MFIS) and the RCS. The VDS will identify tenants who are income-eligible to receive vouchers. The VDS will calculate the maximum amount of the voucher for each household over a 12-month period. A copy of the VDS is available at <https://mfhdemoteam.sc.egov.usda.gov/voucher/default.aspx>.

The maximum amount of the RD Voucher is the difference between the comparable market rent for the RD unit and the net tenant contribution on the date of the report (See Chapter 4 of this Guide, **DETERMINATION OF RD VOUCHER AMOUNT**). When the voucher amounts have been determined for all income-eligible tenants of the prepaying property, the Servicing Official should prepare and certify the VDS spreadsheet for the prepaying property and email it to the Asset Management Division, Voucher Branch at [rdvoucherbranch@usda.gov](mailto:rdvoucherbranch@usda.gov) (this email address is for Internal RD Use Only).

For tenants of Section 8/515 and other sources of rent assistance, including HUD vouchers and private rental assistance, the maximum voucher amount is calculated differently. See Chapter 4 of this Guide, **DETERMINATION OF RD VOUCHER AMOUNT** for this calculation process.

The voucher amount cannot exceed the RCS rent. If a tenant's NTC exceeds the RCS rent, then the voucher amount is zero.

The VDS must be emailed to the National Office for final approval. Once the VDS is approved the Contractor will send tenant letter #3.

Only one voucher is permitted per household.

8. The Contractor should send Tenant Letter #3 for each tenant in the prepaying property, advising of the:

- a) Tenant's eligibility to receive a voucher and the maximum amount of the Voucher,
- b) Contact name and telephone number for receiving the Voucher (either the RD contact or the Contractor),
- c) Availability of appeal rights if the tenant is determined not to be income-eligible for an RD Voucher; (tenant is advised of their appeal rights when the termination letter is sent to ineligible tenants)

**Appeal Rights:**  
**Must be offered by RD when a tenant is determined income-ineligible for initial Voucher issuance; a separate termination letter will be sent advising the tenant of their appeal rights.**

The tenant is notified of their appeal rights when the termination letter is sent. Even though tenants are no longer RD tenants, they are applying to be a participant in an RD program and thus fall within the National Appeal Division regulations. See 7 CFR 11.1 and 11.3.

Tenant Letter #3 will include a Voucher Obligation Form (VOF) for the tenant to sign and return to the contractor.

9. It is recommended that the Servicing Office hold a tenant meeting at the prepaying property to explain the Voucher program. See also Section **3.3 INFORMING TENANTS** for a discussion about holding tenant meetings at the prepaying property and providing tenants with a Tenant Information Summary ("TIS", which appears in Chapter 3).

10. Upon receipt of VOF and acceptable proof of citizenship from the tenant, the contractor will forward the original VOF to the servicing official. RD staff can obligate funds. The VOF is then signed by the State Director or his designee.

11. RD staff will advise the contractor that funds have been obligated by returning to the contractor a copy of the VOF signed by the State Director. RD Vouchers are then issued by the contractor to the tenant.

12. The tenant housing search begins. The tenant can take the RD Voucher to prospective landlords as proof that they have RD Voucher funds to subsidize a rental unit. When the tenant finds a unit to rent, they should present the Request for Tenancy Approval form to Quadel, signed by both the tenant and prospective landlord. This is required even if the landlord is the owner of the prepaying property.

13. Quadel will advise RD to perform a unit inspection when they receive an RTA. If the tenant intends to remain at the prepaying property, an inspection may not be necessary, if the State Director can certify in writing that the unit is decent, safe and sanitary as of the date of the last annual inspection (but not more than one year old from the date of receipt of HUD Form 52217, the Request for Tenancy Approval). If a unit inspection is required, RD staff should use the RD Inspection form available in Chapter 6. RD has 30 days to complete the inspection from notification from the contractor. RD will notify the status of the unit inspection by mailing, faxing, or emailing an inspection status results letter to the tenant, the owner/management agent listed on the RTA and the contractor. RD should forward the inspection results letter to the RD voucher branch via email at [rdvoucherbranch@usda.gov](mailto:rdvoucherbranch@usda.gov) to ensure timeliness of the lease –up process.

14. All RD Voucher units must meet the RD inspection standards. Under no circumstances may RD make RD Voucher assistance payments for any period of time prior to the date that the RD staff physically inspects the unit and determines it meets the RD standards. The contractor will notify the voucher holder on the status of the unit and lease, and approval of the tenancy request.

15. When the contractor receives the passed unit inspection results, the contractor prepares 2 copies of the HAP Contract for the owner of the unit to complete and return along with an executed lease. As a reminder, the lease term and the HAP Contract term must start on the same date and run on a 12-month term. The contractor will not forward the HAP Contract to RD to start payment on a voucher until all documents are correct and complete.

16. When RD receives a request to start payments, including an executed HAP Contract and lease, RD is responsible for starting payments for that unit at the appropriate time.

17. HAP contracts cannot be executed prior to the date that funds are obligated. Electronic funds transfer (EFT) is a requirement of the RD Voucher program and routing instructions should be completed on the bottom of page 3 of the HAP Contract. Follow normal EFT procedures and enter the banking information into the EFT database at least 2 weeks prior to the disbursement date.

Tenants are required on the RD Voucher they sign and the HUD Tenancy Addendum attached to their lease, and owners are required in the HAP Contract they sign, to advise RD if the tenant moves out, is evicted, or otherwise ends tenancy at the property. The Servicing Official, who is responsible for obligating these funds and monitoring these payments, should be advised immediately if there should be a change in HAP payments.

### **2.3 Documents Timelines**

The Rural Development Voucher process does not begin until the tenant forwards the executed VOF and acceptable citizenship documentation to Quadel and funds have been obligated by the State. No payments are made until all required documents are received from the tenant and the landlord. **Late or incorrect submissions do not entitle the landlord to retroactive payments.**

**The tenant has 10 months from the date of prepayment or foreclosure to request a voucher by submitting a signed VOF. If the 10-month period passes with no activity by the tenant,**

**no further action is necessary. No Rural Development Voucher funds will be obligated after this time for the tenant.**

The tenant has 60 days from the date of voucher issuance to locate a unit and begin using the voucher. Upon request, an additional 60 days may be granted. If the tenant is issued a Voucher and does not use it in the maximum 120-day period, and does not receive an additional extension, the obligation should be cancelled by the 150<sup>th</sup> day after issuance after issuance of the voucher.

RD has 30 days to inspect the tenant's prospective unit.

In the case of properties financed by Rural Development under the Section 515 program, Rural Development may accept the results of physical inspections performed no more than one year prior to the date of receipt by Rural Development of Form HUD 52517, in order to make determinations on acceptable housing standards.

Initial leases and the HAP contract must be for a period of one year.

Leases must be signed within one month of the lease start date.

HAP contracts may be executed up to 60 days after the beginning of the lease term. Exceptions must be requested in writing by the landlord and approved by the National Office or Quadel.

HAP contract payments cannot precede the HAP start date.

Servicing officials may use the following timeline to assist in voucher administration.

**Rural Development Voucher Issuance Process**

<b>Prepayment*</b>	<b>Foreclosure And Other Payoffs</b>
Borrower requests prepayment request.	State forwards acceleration letter to Borrower.
State sends Tenant Letter #1.	State sends Tenant Letter #1A.
Borrower declines incentives. Prepayment approved. State sends Tenant Letter #2.	State proceeds with foreclosure according to state law.
State orders RCS.	State orders appraisal and RCS – Do not order more than 90 days prior to sale or proceedings.
Borrower prepays.	Foreclosure/payoff occurs.
State completes Voucher Determination Summary (VDS).	State completes Voucher Determination Summary (VDS).
State forwards the VDS to National Office Via email.	State forwards the VDS to National Office Via email.
National Office approves VDS; forwards to Quadel.	National Office approves VDS; forwards to Quadel.
Quadel sends Tenant Letter #3 with voucher amount; includes Voucher Obligation Form. (VOF)	Quadel sends Tenant Letter #3 with voucher amount; includes Voucher Obligation Form. (VOF)
Tenant returns signed VOF with proof of citizenship to Quadel.	Tenant returns signed VOF with proof of citizenship to Quadel.
Quadel mails original VOF to State for obligation.	Quadel mails original VOF to State for obligation.
State obligates funds using original VOF and returns a signed copy of the VOF to Quadel.	State obligates funds using original VOF and returns a signed copy of the VOF to Quadel.
Quadel sends tenant letter #4 which includes the voucher, the Request for Tenancy Approval Form, the HUD lease addendum, and lead paint forms.	Quadel sends tenant letter #4 which includes the voucher, the Request for Tenancy Approval Form, the HUD lease addendum, and lead paint forms.
Tenant identifies unit and submits completed request for tenancy to Quadel.	Tenant identifies unit and submits completed request for tenancy to Quadel.
Quadel requests unit inspection by the State.	Quadel requests unit inspection by the State.
State inspects unit within <b>30 days</b> of notification from Quadel. The State Director's letter may replace the inspection.	State inspects unit within <b>30 days</b> of notification from Quadel. The State Director's letter may replace the inspection.
State approves unit and informs Quadel, Tenant and Landlord.	State approves unit and informs Quadel, Tenant and Landlord.
Quadel forwards two unexecuted HAPS to the Landlord for signature.	Quadel forwards two unexecuted HAPS to the Landlord for signature
Landlord or landlord's representative signs both HAP contracts and forwards both original signed HAPs and executed lease with Tenancy Addendum to Quadel.	Landlord or landlord's representative signs both HAP contracts and forwards both original signed HAPs and executed lease with Tenancy Addendum to Quadel.
RD executes HAP contracts and Quadel forwards an original fully executed HAP to the State and the landlord	RD executes HAP contracts and Quadel forwards an original fully executed HAP to the State and the landlord
State sets up EFT via AMAS.	State sets up EFT via AMAS.
State begins payment by initiating MIC manually.	State begins payment by initiating MIC manually.
Voucher payment to landlord begins.	Voucher payment to landlord begins.
State reviews Voucher Disbursement Verification Report by the 20 <sup>th</sup> of each month.	State reviews Voucher Disbursement Verification Report by the 20 <sup>th</sup> of each month.
National Office submits Voucher Disbursement Verification Report to DCFO by the 25 <sup>th</sup> of each month.	National Office submits Voucher Disbursement Verification Report to DCFO by the 25 <sup>th</sup> of each month.

\*Voucher issuance does not include processes that may be required by 7 CFR 3560 subpart N, Housing Preservation

## 2.4 FORECLOSURE AND OTHER PAYOFF ACTIONS

The timing of tenant notification about RD Vouchers for properties that prepay the RD mortgage as a result of a foreclosure action is different than for properties going through the standard prepayment process.

Other types of payoff actions include prepayments resulting from:

- Foreclosure or Marshal Sale;
- Acceleration;
- Debt Settlement;
- Compromise Offer;
- Deed in Lieu of Foreclosure;
- Voluntary Conveyance or;
- Inventory Properties.

Tenants in properties where these actions occur may be eligible for an RD Voucher.

Tax sales and valueless liens are not considered prepayment.

If mortgage prepayment is being caused by a foreclosure, RD staff should send Tenant Letter #1A to tenants of affected properties (see Attachment 2C). This letter should be sent when the appraisal is ordered. The RCS scope of work should be included when this appraisal is ordered.

No Tenant Letter #2 is sent when there is a foreclosure or other payoff action.

## 2.5 TENANTS UNDER LEASE

### Continuation of Existing Leases

Prepayment regulations require that owners who prepay the RD mortgage through the prepayment process must continue to honor the leases of tenants residing in the property on the date of prepayment. In this circumstance, tenants continue to pay the net tenant contribution toward rent without the benefit of rental assistance. The RD Voucher and the companion Housing Assistance Payments Contract with the landlord require a new lease with a 12-month term. Therefore, it is not possible to provide an RD Voucher during the existing lease term after prepayment.

### Early Lease Terminations

However, tenants may avail themselves of the RDVP by early termination of the lease based upon mutual consent of the landlord and tenant. If the tenant is moving to a new property, the Contractor must obtain this agreement in writing. In this instance, receipt of the RD Voucher should be timed to coincide with such early termination and the execution of a new lease between the landlord and tenant. Early termination of the lease does not guarantee start of voucher payments. The tenant must first choose to use the voucher for that unit, and the owner

and tenant must return all required documents. Start of the new lease must also coincide with the start date of the HAP Contract.

## 2.6 TENANTS WHO WANT TO MOVE

### Mobility and Requirements for Payment on the Voucher

The initial issuance of the voucher creates a decision point for the tenant. The voucher can be used in place or can be used to move to acceptable alternate housing where the owner will accept the RD Voucher. The decision to stay or move is the tenant's decision alone, not that of the landlord or RD. The Contractor and RD have a responsibility to help the tenant make an informed decision because there can be advantages and potential disadvantages to either choice. (See the Tenant Information Summary.) Some tenants may know immediately that they wish to move, because of personal issues. Other tenants may wish to look at other housing options before deciding whether to stay or move. This is the "search period" described in more detail in Chapter 5. The search period is not a payment period on the voucher.

Tenants who want to move, or to explore the option of moving, will take the Voucher to new potential landlords to show that they will have assistance from RD in paying the rent to the landlord, and to ascertain whether the landlord will be willing to accept the RD Voucher. If, after a search, the tenant decides that their current living arrangement is the best option for them, and their current unit is not already HUD subsidized, they take the voucher to their current landlord at the former RD property. If they find an alternate housing option they prefer, and the new landlord agrees to accept the RD Voucher, the tenant informs the Contractor and completes a Request for Tenancy Approval. This needs to be reviewed and approved by the Contractor and the new unit must be inspected and approved by RD.

The term of the HAP Contract must run concurrently with the new twelve-month lease. The new lease and the HAP Contract begin the payment period of the voucher. If the tenant breaks the lease, the HAP Contract will be terminated and the property owner is no longer eligible to receive payments under the Voucher. See also Chapter 9, Termination of Assistance and HAP Contracts.

## 2.7 HAP Renewal and Voucher Renewal

The Voucher Demonstration Program HAP payments will be renewed annually based upon appropriations. In order to ensure continued eligibility to use the Rural Development Voucher, at the time tenants apply for renewal of the voucher, they must certify that the current family income does not exceed 80% of family median income. The VOF has been modified to add the following for income certification purposes:

*"19. I hereby certify that my family income is at or below 80% of the family median income provided below and I meet the requirements of the Multi-Family Housing Tenant Voucher Program.  
80% of the Family Median Income is: \_\_\_\_\_"*

The HAP renewal process is as follows:



- Approximately sixty (60) days prior to expiration of the HAP contract, Quadel sends a renewal packet to the tenant. The renewal packet includes a cover letter and a Renewal Voucher Obligation Form (RVOF)
- The tenant returns the signed RVOF to Quadel and it is forwarded to the State
- The State obligates the renewal funding in AMAS
- The State determines appropriate time to initiate MIC
- The MIC must be processed after the automatic payment has been disbursed. For example if the automatic payment is disbursed on April 1, then process MICs on April 3.

If renewal documentation is not returned before the current obligation ends, the assistance may be terminated.

## **2.8 Voucher Transfer**

The voucher is issued to the household in the name of the primary tenant. If the primary tenant dies, the use of the voucher would pass to the co-tenant.

In the case when the voucher holder leaves the household, the voucher will not be transferred. If the voucher holder moves and takes the voucher with her, no new voucher will be issued for the remaining household members.

If the voucher holder is incarcerated for less than 3 months, the RD Voucher payments will continue for the household. If the incarceration lasts more than 3 months, the RD Voucher holder will be terminated from the program.

## **2.9 Change of Ownership (COO)**

This process will be used when a change in property ownership has occurred.

- The Contractor is notified that property ownership has changed.
- The Contractor notifies the State Office to suspend payments for tenants at the property.
- Simultaneously, the Contractor will mail a COO Package to the owner that includes a cover letter explaining that: to resume payments, new HAP contracts (with corresponding leases) must be executed with HAP contract start date the same as date of property sale. The COO Package will include:
  - Change of ownership form
  - VOFs (to be signed by each tenant)
  - HAP Contracts (to be signed by owner)
  - HAP Tenancy Addendum (to be incorporated into lease and signed by each tenant and by owner.)
- The Contractor will also send a letter to the tenants explaining the change of ownership process.
- The Owner must return the following documents:
  - Change of ownership form
  - Documentation of sale
  - Tenant signed VOFs
  - Tenant and owner signed Tenancy Addendum
  - Owner signed HAP Contract

- Copy of lease (with lease start date matching HAP Contract start)

**Payments to the new owner will not begin until ALL required documents are received.**

- Once the Contractor receives all documents from owner:
  - The Contractor will mail the VOFs to the State Office for obligation.
  - The Contractor will mail HAP termination letters to the previous owner.
  - RD executes the HAP Contracts.
  - The Contractor will mail a COO Welcome Letter & Executed HAP Contract to new owner.
  - The Contractor will mail a COO Welcome Letter to all tenants
  - The Contractor will mail an Unauthorized Assistance letter to old owner (if required.)

## 2.10 DCFO Report Review

The Deputy Chief Financial Office (DCFO) requires that RD submit a verification report for the monthly disbursement of payments for the RD Voucher Program.

The National Office will submit the current list of automatic payments to Quadel by the second business day of the month for their review. By the 10<sup>th</sup> of the month, the report will have been reviewed by both Quadel and the National Office and ready for review by the State Offices.

The National Office will post to the Voucher Web site (<https://mfhdemoteam.sc.egov.usda.gov/voucher/default.aspx>) the monthly verification report (on or about the 10<sup>th</sup> of each month) for the State Offices to review and **verify the system generated disbursement** that should be made for the upcoming month. This report will contain comments based on the review completed by both Quadel and the N/O prior to posting for State Office review.

Instructions for completing the review of the monthly verification report:

1. The monthly verification information can be obtained from the home page of the Voucher web site on the left hand side under “Lists” (**DCFO REPORT**).
2. Under “Actions”, select “Edit in Datasheet”.
3. Under “State”, select your state.
4. Verify the tenant should receive the next system generated disbursement. In the “Agree Y/N” column, there is a drop down list to indicate 1) if the payment should be made “**Yes**”, 2) payment should not be made “**No**”, 3) payment listed was an extra payment or the last disbursement of the current obligation then indicate “**N/A**”.
5. If you are aware that the tenant has moved or there is a payment issue that needs to be addressed, please enter the information into the “Comment” column. In some situations, instructions have already been provided in the “Comment” column. Confirm that the instructions have been implemented. If a payment needs to be suspended or obligation needs to be deobligated – the action needs to be completed by your office prior to the 25<sup>th</sup> of the month and reported in the “Comment” column.

6. Enter **ANY** manual disbursements (M1Cs) that you have or will be processing in the current month that will generate an automatic payment in the following month.

**Tip** – To print a copy of your state’s list –

1. Under “Actions”, select “Export to Spreadsheet” and follow the instructions on the dialog box (NOTE – this will export all states information) OR
2. Select your state (Under the “Edit in Datasheet” option), highlight the rows and columns, right click and select “Copy”, then open a spreadsheet in excel and right click “Paste”.

## ATTACHMENT 2A

### RCS LETTER TO OWNERS

Dear Property Owner,

Upon prepayment of your USDA Section 515 loan, current tenants of your property at the time of prepayment may be eligible to receive USDA rental vouchers. To establish the value of these vouchers, we need to determine the market rent for each unit type at the property by conducting a Rent Comparability Study (“RCS”). The results of the RCS are used by USDA solely for the purpose of establishing the value of these vouchers. The RCS results are not used by USDA in the prepayment process, and have no effect on its outcome or your property.

USDA has contracted with a company called The Signal Group (“Signal”) to undertake an RCS to determine the current market rents for all unit types at your property. To prepare the RCS, Signal will need to make a site visit to your property to do a “walk through,” and ask some questions of you or your property manager. Signal will be contacting you directly to set up a date and time to conduct this property visit. Generally, the site visits are completed within one to two hours.

The purpose of the site visit is to document the characteristics of your property that are relevant for determining the market rent for units at your property. At the time of the site visit, Signal will need to walk through, photograph, and measure one unit of each unit type, and walk through and photograph all common areas. In addition to the walk through, Signal also will be asking questions to ascertain specific information about the property to fully understand its characteristics and features. Below is a list of possible items that they may ask about:

1. Unit mix (i.e., number of 1, 2, 3 BR units at the property) and the number of vacant units.
2. Current rents and utility allowances (if applicable) for each unit type.
3. Any charges to tenants in addition to rent, for example for storage, parking etc.
4. Sources of heat, hot water, cooking, and air conditioning (i.e. gas, electricity, etc.)
5. Whether utilities are included or excluded in rent.
6. Age of property.
7. Recent renovations or capital improvements to the property.
8. Project amenities (conference /meeting rooms, cable television, recreational facilities etc).
9. Services provided, if any, to tenants (i.e. transportation, meal services, social and/or educational activities).

Please note that Signal may have some additional questions about your property beyond the items above.

Because of your familiarity with the area in which the property is located, the Signal representative may also ask your opinions (or those of your property management staff person) about the area and community. We recognize that these questions involve your personal opinions (or those of your property management staff person), and you should provide this information only to the extent that you are comfortable doing so. Your knowledge and insights

regarding the area are very helpful in informing Signal's research and analysis, and we encourage you to share them.

Again, the RCS is only used to establish the amount of the rental vouchers offered to eligible tenants and has no impact on the prepayment process.

We hope that this background about the RCS is helpful, and we appreciate your cooperation with Signal during the site visit. If you have questions, please feel comfortable asking the Signal representative conducting the site visit, or contact me at ( ) - .

Sincerely

-----  
[RD State or Area Office Contact Person]

**ATTACHMENT 2B****TENANT LETTER #3**  
**VOUCHER DETERMINATION LETTER**

**Si le gustaría recibir una copia de este documento en español,  
llame a RD Voucher Program a nuestra línea gratis al 1-844-857-5386 o envíe un correo  
electrónico a [rdvoucher@usda.gov](mailto:rdvoucher@usda.gov).**

Date

Tenant Name

Address

City, State, Zip Code

Tenant ID: \_\_\_\_\_

**RE: RURAL DEVELOPMENT (USDA) VOUCHER INFORMATION – ELIGIBILITY AND VOUCHER  
AMOUNT DETERMINATION**

Dear Tenant:

The purpose of this letter is to notify you that you may be eligible for additional housing assistance, as a result of the property owner paying off the USDA, Rural Development (RD) loan(s). The date USDA accepted the final loan payment was [mm/dd/yyyy]. This means the USDA loan(s) on the property no longer exists and the rent for your unit may change at the expiration of your current lease.

There are three types of USDA assistance you may be eligible to receive as a result of this action:

- Letter of Priority Entitlement (LOPE), if eligible, this places you at the top of the waiting list for your income category in another USDA financed property.
- Transfer of Rental Assistance (RA), which allows your rent payment to remain the same if you move to another USDA property.
- Rural Development Voucher, which provides monthly subsidy payments at most rental units anywhere in the United States and its territories, if accepted by the property owner.

If the owner was approved to pay the USDA loan in full with a restrictive use covenant (see previously received Prepayment Acceptance Notice), until you voluntarily move, your rent will continue to be calculated in the same manner as it was prior to the owner paying the USDA loan in full.

Regardless of whether you apply for and receive a Rural Development Voucher, the restrictive use covenant provides you the right to pursue legal enforcement of the recorded restrictive use covenant, until released by USDA.

If the owner was approved to pay the USDA loan in full without a restrictive use covenant, at the expiration of your lease (see previously received Prepayment Acceptance Notice), the rent may

increase. The owner is not required to renew your lease at the end of the lease term.

The Rural Development Voucher Program was created to offer some protection to eligible tenants who are subject to loss of affordable housing assistance as a result of a USDA loan that is paid in full (or the property was removed from the USDA program through a servicing action). The Rural Development Voucher provides monthly payments of rental subsidy that will supplement your rent payment.

Rural Development (USDA) has developed a voucher program that is available to eligible tenants who are residing at the property at the time of the acceptance of the final loan payment. Rural Development Voucher assistance is available regardless of whether the USDA loan(s) was paid in full with or without restrictions. If you are eligible, and choose to apply for a Rural Development Voucher, you will receive the benefits of the Rural Development Voucher Program. You may use the Rural Development Voucher at your current property, if accepted by the owner, or you may move to another rental property within the United States and its territories that will accept the Rural Development Voucher.

**Carefully read the following information regarding the three types of USDA Assistance you may be eligible to receive.**

### **USDA ASSISTANCE NO. 1**

#### **LETTER OF PRIORITY ENTITLEMENT (LOPE) TO ANOTHER USDA FINANCED UNIT**

A Letter of Priority Entitlement (LOPE) will place you at the top of the waiting list for your income category at other USDA-financed properties if you meet the eligibility requirements of the property. You have up to one year from the date of the Prepayment Acceptance Notice letter to request a LOPE letter.

The LOPE letter issued by USDA will provide you with priority entitlement to rental units in other USDA-financed housing properties for 120 days from the date of the LOPE letter. If additional time is needed to secure an apartment, USDA may, at the tenant's request, extend the priority period under the LOPE letter. With no extension, after 120 days, you may continue to be placed on waiting lists for apartments for which you are eligible, but without priority. This letter may also give you preference in a Department of Housing and Urban (HUD) assisted apartment, if allowed by their occupancy policy. The letter will be issued in accordance with all Civil Rights requirements.

To request a LOPE letter or learn more about your eligibility, contact *[insert RD LOPE contact name]* at *[insert phone number (XXX) XXX-XXXX and extension or email]*.

A list of USDA properties where a LOPE letter can be used is available at this link:

[https://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select\\_state.jsp](https://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp) or the list may be requested from *[insert RD RA contact name]* at *[insert phone number (xxx) xxx-xxxx or email]*.

### **USDA ASSISTANCE NO. 2**

#### **TRANSFER OF RENTAL ASSISTANCE TO ANOTHER USDA PROPERTY**

If you were receiving USDA Rental Assistance (RA) to help pay your rent on the date the final USDA loan payment was accepted, the rental assistance is no longer available at the property. However, at your request, the RA that was assigned to your unit can be transferred to another

USDA-financed property to which you may want to move. This may be used in combination with a LOPE letter (see above).

- You have up to four months after the USDA loan(s) was paid in full to request the transfer and use of the RA.
- If the RA on your unit is transferred, your rent will continue to be calculated in the same manner as it was prior to the final USDA loan(s) payment.
- RA cannot be transferred to a USDA financed property that has 100 percent Rental Assistance, as the property already has RA you may be eligible to receive.
- RA cannot be transferred to a USDA-financed property that is 100 percent project-based HUD Section 8 Contract, as the property already has assistance you may be eligible to receive. (The property manager can confirm the availability and type of subsidy at the property.)
- RA cannot be used in combination with a Rural Development Voucher.
- You cannot request the transfer of RA unless you were receiving rental assistance on the date the final loan payment was accepted on the USDA loan(s).

For more information on the transfer of Rental Assistance, contact *[insert RD RA contact name]* at *[insert phone number (xxx) xxx-xxxx or email]*.

A list of USDA properties is available at this link:

[https://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select\\_state.jsp](https://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp) or the list may be requested from *[insert RD RA contact name]* at *[insert phone number (xxx) xxx-xxxx or email]*.

### **USDA ASSISTANCE NO. 3**

#### **AVAILABILITY OF RURAL DEVELOPMENT VOUCHER**

The Rural Development Voucher Program was created to offer some protection to eligible multifamily housing tenants who are subject to loss of affordable housing assistance as a result of a USDA loan that is paid in full (or the property was removed from the USDA program through a servicing action). The Rural Development Voucher provides monthly payments of rental subsidy that will supplement your rent payment. Rural Development Voucher assistance is available regardless of whether the USDA loan(s) was paid in full with or without restrictions.

If you are eligible for a Rural Development Voucher, you have 10 months from the date of the final loan payment (or foreclosure) to return the Voucher Obligation Form (VOF), described below. After the VOF is returned and if you are determined eligible, USDA will set aside 12 months of rental subsidy. The Voucher may be renewed annually.

Eligible tenants may use the Rural Development Voucher to supplement rent at any rental unit in the United States and its territories, including your current unit, if:

1. The owner of the unit will accept a Rural Development Voucher, and
2. The unit is in acceptable physical condition, and
3. The unit is not already subsidized by HUD Section 8 or as a public housing unit.

Other important information:

- The head of household must be a United States (U.S.) citizen, United States non-citizen national or qualified alien to be eligible for the Rural Development Voucher Program.



- A citizenship or eligible immigration status declaration form is enclosed. The Rural Development Voucher cannot be issued until we receive this form completed and signed by the tenant (Rural Development Voucher holder).
- Even if you were not previously receiving USDA Rental Assistance (RA), you may be eligible to receive a Rural Development Voucher.
- A Rural Development Voucher provides 12 months of subsidy. Vouchers may be renewed annually.
- The Rural Development Voucher is portable, meaning if you choose to move the voucher can move with you, if the owner of the new unit will accept the Rural Development Voucher and the new unit is in acceptable physical condition.
- If you receive a HUD Housing Choice Voucher or live at a HUD subsidized property, you cannot use a Rural Development Voucher in combination with the HUD subsidy. In some instances, it may be more beneficial for you to give up your Rural Development Voucher than to keep it.
- **Rural Development Voucher availability depends on funding.** Rural Development Vouchers are only issued if funding is available when your Voucher Obligation Form (VOF) is returned. Lack of funding will cause a delay in Voucher use, which means that Voucher payments cannot begin timely.
- You must use your Rural Development Voucher **within 60 days of issuance**. See additional information below in “Next Steps” for what this timeframe means to you.

The maximum amount of your Rural Development Voucher (noted below in the “FINAL RURAL DEVELOPMENT VOUCHER ELIGIBILITY DETERMINATION” section) is permanently set and cannot be increased. Therefore, if the rent amount is higher than the maximum amount of your Rural Development Voucher, you are responsible for the rent difference. If the rent amount is lower than the maximum amount of your Rural Development Voucher, the Voucher payment will be reduced to the rent amount.

This letter provides your final Rural Development Voucher eligibility and award amount determination based on your circumstances on the day the final loan payment was accepted (**or foreclosure**). If you moved from the property prior to the day of the final loan payment was accepted (or foreclosure), you are not eligible to receive a Rural Development Voucher. If your net tenant contribution changed prior to the day the final loan payment was accepted (or foreclosure), you may be ineligible to receive a Rural Development Voucher, or your Voucher amount may change.

#### **TO SUMMARIZE THE CHOICES OF THE AVAILABLE USDA ASSISTANCE:**

(Some choices may be combined.)

1. Choose to apply for a Rural Development Voucher and stay at the current property that made their final USDA loan payment, if the Voucher is accepted by the owner and the unit passes an inspection.
2. Choose to apply for a Rural Development Voucher, move and use the Voucher at another property where the owner will accept the Voucher, and the unit passes an inspection.
3. Request a LOPE letter to be placed at the top of the waiting list, for your income category, at any USDA financed property located in the United States and its territories, if you meet the eligibility requirements of the property.
4. If you were receiving Rural Development Rental Assistance (RA) at the time the USDA final loan payment was accepted, you may request the RA be transferred to another USDA financed property to which you may want to move.

5. Choose to continue to live at the property where the USDA loan has been paid in full **with a restrictive use covenant**, and continue to have the rent calculated in the same manner as if the property were still in the USDA program.
6. Choose to continue to live at the property where the USDA loan has been paid in full **without a restrictive use covenant**, and be subject to future rent increases.

### **FINAL VOUCHER AMOUNT DETERMINATION**

The value of the Rural Development Voucher for which you are eligible is *\$/insert dollar amount* per month (this is also referred to as the maximum amount of your Rural Development Voucher). See the enclosed Final Rural Development Voucher Eligibility Determination document for an explanation of how this amount was determined.

If this amount is \$0, this is either because you are ineligible (your annual income is above 80 percent of the median family income, as explained in the enclosure), or because your tenant contribution at the prepaying (or foreclosed) property was equal to or greater than the area market rent for your unit. See the enclosed Final Rural Development Voucher Eligibility Determination for an explanation of how this Voucher amount was calculated.

As stated above, the amount of your Rural Development Voucher cannot exceed the rent for your unit. If you want to use this Voucher at a property where the amount of the Voucher exceeds the rent, the Voucher will be reduced to equal the rent. Once established, the **maximum amount of your Rural Development Voucher** will not change.

### **NEXT STEPS (THESE STEPS DO NOT APPLY TO YOU IF YOUR VOUCHER AMOUNT IS \$0)**

If you are interested in receiving a Rural Development Voucher, you must sign **the enclosed “Voucher Obligation Form” (VOF) and return the original document along with the completed Citizenship or Eligible Immigration Status Declaration document to USDA at the following address:**

United States Department of Agriculture  
Attention: USDA RD Voucher Program  
P.O. Box 775220  
St. Louis, MO 63177

You have 10 months from the date the final loan payment was accepted to return the original, signed VOF and Citizenship or Eligible Immigration Status Declaration document to USDA.

Returning the Voucher Obligation Form (VOF) and Citizenship or Eligible Immigration Status Declaration document will begin the determination of your eligibility and multi-step Voucher process. You will receive the Rural Development Voucher form and the Request for Tenancy Approval form. You will have 60 days upon issuance of these forms to determine if you plan to stay at your current location or if you plan to move to a new location that will accept the Voucher. If needed, you can submit a written request for a 60-day extension.

Once you have made the determination of where you plan to reside (current location or new location), you will return the Rural Development Voucher form and the Request for Tenancy Approval form at least 90 days before you expect to use the Rural Development Voucher. The

Voucher payment cannot begin until the Voucher and lease up process has been completed, including an acceptable inspection of the selected unit.

If you disagree with either the income eligibility determination or the Voucher amount determination, or if you have any questions about the Rural Development Voucher Program, call the Rural Development Voucher Program Office toll-free at (844) 857-5386 or contact by email at [RDVoucher@usda.gov](mailto:RDVoucher@usda.gov). If you need a reasonable accommodation to access or respond to this letter, or if you need this letter provided in a language other than English, please contact the Rural Development Voucher Program Office at the phone number or email listed above.

Sincerely,

Enclosures: Final Rural Development Voucher Eligibility Determination,  
RD Voucher Program Initial Lease-Up Voucher Obligation Form (not enclosed if  
your voucher amount is \$0),  
RD Voucher Program Citizenship or Eligible Immigration Status Declaration  
Document (not enclosed if your voucher amount is \$0)

## FINAL RURAL DEVELOPMENT VOUCHER ELIGIBILITY DETERMINATION

Eligibility to receive a Voucher is based on your adjusted income, found on the Tenant Certification in effect on the date the final loan payment was accepted (or foreclosure). Only those tenants who are low-income are eligible to receive a Rural Development Voucher. “Low-income” is defined as an annual adjusted income at or below 80 percent of median family income.

The median family income for your area is \$[insert dollar amount] and 80 percent of that figure is \$[insert dollar amount].

If your adjusted income is at or below 80 percent of the median family income, you are income eligible for the Rural Development Voucher Program.

If your adjusted income exceeds 80 percent of median family income, you are not income eligible for the Rural Development Voucher Program.

## FINAL RURAL DEVELOPMENT VOUCHER AMOUNT DETERMINATION

The amount of your Rural Development Voucher is calculated as follows:

\$[insert dollar amount]	Area market rent for your unit in the area where you rent at the time of prepayment (or foreclosure)
\$[insert dollar amount]	(less) net tenant contribution toward rent on date of prepayment (or foreclosure)
\$[insert dollar amount]	Maximum Amount of your Rural Development Voucher

**Remember: The maximum amount of your Rural Development Voucher is permanently set and cannot be increased. Therefore, if the rent amount in the proposed lease is higher than the maximum amount of your Rural Development Voucher, you are responsible for the rent difference. If the rent amount is lower than the maximum amount of your Rural Development Voucher, the Voucher payment will be reduced to the rent amount.**

If the Prepayment Acceptance Notice letter you previously received indicated the USDA financed property agreed to pay the USDA loan in full with tenant protections (known as a restrictive use covenant), this means if you choose not to apply for the Rural Development Voucher program, the amount of rent you pay will continue to be calculated in the same manner as it was prior to the USDA loan prepayment.

Regardless of whether you apply for and receive a Rural Development Voucher, if the owner agreed to pay the USDA loan in full with a restrictive use covenant, it provides you the right to pursue legal enforcement of the recorded restrictive use covenant, until the covenant is released by USDA.

**ATTACHMENT 2C****TENANT LETTER #1A –****This letter should be generated by the RD Office and sent in Foreclosure and other Payoff Actions**

Tenant Stewart  
205 Saulters Avenue  
Bentleyville PA 15314

Dear Tenant:

Your apartment was developed with a loan from USDA Rural Development, an Agency of the U.S. Government. USDA has accelerated the loan and intends to liquidate the debt owed to the Government. If this results in pay off of the debt to USDA, you may be entitled to participate in the demonstration voucher program for housing.

The Rural Development (RD) Voucher program will be available to any low-income tenant who resides at the property at the time the debt is liquidated. This voucher will pay the difference between the comparable market rent for your unit and the amount of your rent payment at the time the debt is retired.

More details about the RD Voucher demonstration program will be forthcoming to you as we move through this liquidation action. However, we wanted to alert you to the availability of this program.

If you need to contact us, you may write to:

Rural Development Voucher Program  
USDA  
(Area) Rural Development Office  
Multi-Family Housing  
(Address, City, State)

Sincerely,

Area/State Director

## ATTACHMENT 2D

**Rural Development (RD) Voucher Program  
Initial Lease-Up Voucher Obligation Form (VOF)**

Tenant Name:	<i>Name</i>	VOF Type:	<b>Initial Lease-Up</b>
Tenant ID:	<i>xxxxxxx</i>	Issue Date:	00/00/0000
Tenant Address:	<i>Address</i>	Expiration Date:	00/00/0000
		Maximum Monthly Voucher:	\$000.00
		12 Month Total Obligation:	\$00,000.00

**Tenant Instructions:**

To receive a Voucher, please sign and date this Voucher Obligation Form and return it and your RD Voucher Program Citizenship or Eligible Immigration Status Declaration document before the expiration date shown above. Once approved, USDA will issue a Voucher that needs to be used within 60 days.

Your signature certifies that your family income is at or below 80% of the Family Median income in your area as shown below.

After you sign this document, please mail it to the following address:

United States Department of Agriculture  
Attn: USDA RD Voucher Program  
PO Box 775220  
St. Louis, MO 63177

If you have any questions, need assistance completing this form, or need this form in a language other than English, please call the RD Voucher Program office toll-free at 1-844-857-5386.

**Certification Approval**

I hereby certify that my family income is at or below \$00,000.00; I meet the requirements of the Rural Development Voucher Program; and I resided at the above address on *[date of prepayment]*.

\* Required Fields

\_\_\_\_\_  
Tenant Signature\*

\_\_\_\_\_  
Date\*

\_\_\_\_\_  
Tenant Phone #1

\_\_\_\_\_  
Tenant Phone #2

\_\_\_\_\_  
Tenant E-Mail Address

**ATTACHEMENT 2E  
OWNER VOUCHER NOTICE**

**(This letter will be sent to the owner of the prepaid/foreclosed property when the tenants receive Tenant Letter #3.)**

Date

Borrower Name

Address 1

Address 2

Re: Rural Development Voucher Program

Dear Borrower Name:

The prepayment of (property name) occurred on «SaleFC\_Date». Eligible tenants at your property will be offered a Rural Development (RD) Voucher through the RD Voucher Program (RDVP). The RDVP was developed to protect tenants from higher rents that may result after prepayment of the RD mortgage. This program is administered by the US Department of Agriculture, Rural Development with the assistance of a contractor, Quadel Consulting Corporation.

Below are key issues about the RD Voucher Program:

- Tenants choose to use the RD Voucher – either at your property or another property throughout the US that will accept their RD Voucher. There is no requirement for tenants to use the RD Voucher at your property.
- Tenants have 10-months from the property's sale date to decide whether they want to use the RD Voucher.
- RD Voucher payments cannot begin until the entire lease-up process is completed. The timeframe for the lease-up process depends on a number of factors, including how responsive both the tenant and owner are in returning required documentation. Generally, the process takes between 60 – 90 days.
- To be eligible for this program tenants must –
  - Reside at the property on the date of prepayment
  - Meet the income eligibility requirements
  - Provide acceptable proof of US citizenship

Please read the enclosed factsheet for additional details on the program. If you or your tenants have additional questions about the program, please contact Quadel Consulting Corporation at (866) 258-1167 (toll-free) or [RDVoucher@Quadel.com](mailto:RDVoucher@Quadel.com).

Thank you for your attention to this matter.

Sincerely,

Stephanie BM White  
Director, Multifamily Housing  
Portfolio Management Division  
USDA Rural Development

Enclosure – Owner Factsheet



## Attachment 2F

Rural Housing and  
Community ProgramsUSDA Rural Development Housing Vouchers  
*Answers for Property Owners*

The USDA Rural Development (RD) Voucher Demonstration Program is a rental subsidy program. Its purpose is to offer some protection to eligible multifamily housing tenants in properties financed through RD's Section 515 Rural Rental Housing Program who may be subject to hardship through the prepayment or foreclosure of the RD mortgage.

The voucher supplements the tenant's rent payment. Tenants may use the voucher at the former USDA financed property, or take it to any non-subsidized rental unit in the United States that passes RD housing standards and where the owner will accept it.

The voucher may not be used for rental units in subsidized housing, such as Section 8 or public housing where its use would result in a double subsidy.

***RDVP Key Factors***

- Tenants choose to use the RD Voucher – either at the former RD property or another property throughout the US that will accept their RD Voucher. There is no requirement for tenants to use the RD Voucher at the former RD property.
- Tenants have 10-months from the property's pay-off or sale date to decide whether they want to use the RD Voucher.

- RD Voucher payments cannot begin until the entire voucher placement process is completed. The timeframe for the placement process depends on a number of factors, including how responsive both the tenant and owner are in returning required documentation.

- Generally, the process (described in summary below) takes between 60 – 90 days

RD offers Voucher  
Tenant accepts voucher  
Tenant finds unit and advises RD  
RD inspects units  
RD executes contract with owner

- To be eligible for this program tenants must
  - Reside at the property on the date of prepayment
  - Meet the income eligibility requirements
  - Provide acceptable proof of citizenship documentation

***Frequently Asked Questions***

*Q. Is the RD Voucher program the same as HUD's?*

A. It has many similarities; however, the important differences are in how the voucher value is determined and the value will not increase.

*Q. Who is eligible to receive an RD Voucher?*

A. All tenants who are U S citizens, U S non-citizen nationals or qualified aliens; whose income is less than 80% of family median income and who are residing in USDA Section 515 properties when the USDA mortgage is prepaid or foreclosed.

*Q. How is the amount of the RD Voucher determined?*

A. When approval to prepay has been given by RD, a market rent study for the property will be commissioned and the results of that study will establish the comparable market rents for each unit type at the property. The value of the voucher is the difference between the rent that the tenant is currently paying (the Net Tenant Contribution) and the comparable market rent for the tenant's unit.

*Q. I have received approval from RD to prepay my RD loan with restrictions. Are my tenants eligible for vouchers?*

A. Yes, if they are US citizens and qualify as low-income tenants (household income less than 80 percent of family median income).

Low-income tenants of all properties that prepay their loans after Sept. 30, 2005, are potentially eligible to receive RD Vouchers regardless of whether prepayment is being allowed with or without restrictions.

*Q. Is the RD Voucher available only to tenants who are currently receiving Rental Assistance from the USDA?*

A. No. All low-income tenants of the prepaying property, regardless of whether they are currently receiving USDA rental assistance, are potentially eligible to receive an RD Voucher.

*Q. Will my tenants receive RD Vouchers automatically after prepayment or purchase of a former USDA financed property?*

A. No, tenants must sign and return a Voucher Obligation Form along with proof of citizenship documentation to RD. If a tenant decides not to accept a voucher or use the voucher at the former RD property, liability for the payment of rent will continue to be based on the terms of the existing lease agreement and the terms of the prepayment approval that you received from RD.

If a tenant chooses to use an RD Voucher at your property, you must both sign a new lease, with the HUD Tenancy Addendum attached, which provides for the use of the voucher.

*Q. When will my tenants receive RD Vouchers?*

A. Tenants will receive vouchers offers shortly after prepayment or foreclosure sale. Receipt of the voucher is dependent upon the timeliness of the tenant's return if documentation.

*Q. When will I receive payment from RD for my tenant?*

A. RD Voucher payments cannot begin until the entire process is completed. The timeframe for the process depends on a number of factors, including how responsive both the tenant and owner are in returning required documentation. Generally, the voucher placement process takes between 60 – 90 days.

*Q. How will I receive payment on these RD Vouchers?*

A. After signing a Housing Assistance Payment ("HAP") contract with the RD, owners will receive a monthly electronic payment for each tenant using a voucher at the property.

*How long will I receive payments?*

Voucher holders' initial benefit period is one year, subject to renewal, the tenant's continued eligibility and funding availability.

***For More Information***

Further information is available through State offices of USDA Rural Development.

Or you may contact the USDA Multi-Family Housing Portfolio Management Division in Washington DC at:

USDA Rural Development Voucher Program  
1400 Independence Avenue SW  
Mail Stop 0782  
Washington DC 20250

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

**ATTACHMENT 2G**

**Obligation Instructions**

The voucher program consists of tenants who were residing in a project that paid their loan in full or have been foreclosed. These tenants are no longer entitled to the benefit of Rental Assistance since the properties are no longer part of the Multi Family Housing Program.

To establish the tenant in AMAS, enter Transaction M5A, Record Borrower Data.

SBM5A021-M5A	RECORD BORROWER DATA	03/01/07
OPR ID: D3M007	FMHA 1944-50	09:53:22
BORR 000000000 BORR ACTION CODE:		
BORROWER:	*	*
NAME/ADRS:	*	STATE CODE: 00
ZIP CODE:		
BORROWER NAME COUNT:	0	
BORROWER ADDRESS COUNT:	0	
BORROWER TYPE CODE:	0	
ETHNICITY TYPE CODE:		
RACE CODE(S):		
RACE DETERMINATION CODE:		
SEX CODE:	0	
MARITAL STATUS CODE:	0	
VETERAN CODE:	0	
SELECT ACTION (1-MENU	5-PNDG 6-HIST 7-EFCT 8-XREF) ADD	
NEXT TRAN ACCEPT	PR CD AC PD BLK-O PND	
	BLK-C CDE	

## RD Voucher Program Guide

---

The required fields are listed below in bold. The Borrower Type Code **must** be 12 to denote Tenant.

SBM5A021-M5A	RECORD BORROWER DATA	03/01/07
OPR ID: D3M007	FMHA 1944-50	09:53:22
BORR <b>123456789</b> BORR ACTION CODE: <b>a</b>		
BORROWER: <b>Tenant</b>	* <b>Address</b>	* <b>City ST</b>
NAME/ADRS:	*	STATE CODE: <b>01</b>
ZIP CODE:	<b>12345</b>	
BORROWER NAME COUNT:	<b>1</b>	
BORROWER ADDRESS COUNT:	<b>2</b>	
BORROWER TYPE CODE:	<b>12</b>	
ETHNICITY TYPE CODE:		
RACE CODE(S):		
RACE DETERMINATION CODE:		
SEX CODE:	0	
MARITAL STATUS CODE:	0	
VETERAN CODE:	0	
SELECT ACTION (1-MENU	5-PNDG 6-HIST 7-EFCT 8-XREF) ADD	
NEXT TRAN	PR CD AC PD BLK-O PND	
ACCEPT	BLK-C CDE	

## RD Voucher Program Guide

---

Next, to establish the landlord in AMAS, enter Transaction M5B, Record Project Data.

SBM5B023-M5B		RECORD PROJECT DATA		03/01/07	
OPR ID: D3M007		FMHA 1944-50		09:57:54	
ST 00	CTY 000	BORR 000000000	PROJ 00 0	TEMP PROJ 000 0	EFF DTE 030107
				PROJ ACTION CODE:	T/S DTE 000000
PROJECT:		*		*	
NAME/ADRS:		*		ZIP CODE:	
PROJECT NAME COUNT:	0	PROJECT ADRS COUNT:	0	SUPVSR RELEASE CODE:	
CONGRESS DISTRICT:	00	FUND CODE:	00	PROFIT TYPE CODE:	0
PROJECT TYPE CODE:	0	TOTAL PROJ UNITS:		UTILITIES CODE:	0
TOTAL BLDG AREA:		LIVING AREA:		FMHA RENT SUBSIDY CODE:	0
FMHA ELGBL UNITS:	0000	HUD RENT SUBSIDY CODE:	0	HUD ELGBL UNITS:	
INTEREST CREDIT:	0	INT ASSTNC PLAN CODE:	00	PROJECT STATUS CODE:	0
CASE CLSFCTN CODE:	0	SUSPEND CODE:	0	CREDIT ELSEWHERE:	0
ORGZTN CODE:		TAX CREDIT PROJ:			
SELECT ACTION (1-MENU 5-PNDG 6-HIST 7-EFCT 8-XREF) ADD					
		PR CD	AC PD	BLK-O	PND
NEXT TRAN	ACCEPT			BLK-C	CDE

RD Voucher Program Guide

The required fields are listed below in bold. Type in **all** the information prior to pressing enter.

At the time you are entering this information the landlord may be unknown. If so, type the information **exactly** as below with **landlord** for the name, **address** and **city st** for the address.

**Once the HAP Contract is received, this screen should be updated with the information for the landlord.**

SBM5B023-M5B		RECORD PROJECT DATA		03/01/07	
OPR ID: D3M007		FMHA 1944-50		09:56:25	
ST	<b>01</b>	CTY	<b>001</b>	BORR	<b>123456789</b>
		PROJ	00	0	TEMP PROJ 000 0
		EFF DTE	030107		
PROJ ACTION CODE:				<b>a</b>	T/S DTE 000000
PROJECT:	<b>Landlord</b>	*	<b>Address</b>	*	<b>City ST</b>
NAME/ADRS:		*			ZIP CODE: <b>12345</b>
PROJECT NAME COUNT:	<b>1</b>	PROJECT ADRS COUNT:	<b>2</b>	SUPVSR RELEASE CODE:	
CONGRESS DISTRICT:	00	FUND CODE:	00	PROFIT TYPE CODE:	0
PROJECT TYPE CODE:	0	TOTAL PROJ UNITS:		UTILITIES CODE:	0
TOTAL BLDG AREA:		LIVING AREA:		FMHA RENT SUBSIDY CODE:	0
FMHA ELGBL UNITS:	0000	HUD RENT SUBSIDY CODE:	0	HUD ELGBL UNITS:	
INTEREST CREDIT:	0	INT ASSTNC PLAN CODE:	00	PROJECT STATUS CODE:	0
CASE CLSFCTN CODE:	0	SUSPEND CODE:	0	CREDIT ELSEWHERE:	0
ORGZTN CODE:		TAX CREDIT PROJ:			
LANDLORD TAX ID	<b>999999991</b>	TYPE OF TIN	<b>1</b>		
SELECT ACTION	(1-MENU	5-PNDG	6-HIST	7-EFCT	8-XREF) ADD
NEXT TRAN	ACCEPT	PR CD	AC PD	BLK-O	PND
				BLK-C	CDE

# RD Voucher Program Guide

After accepting the transaction, the project number and check digit are established.

SBM5B023-M5B	RECORD PROJECT DATA	03/01/07
OPR ID: D3M007	FMHA 1944-50	09:56:25
ST 01	CTY 001	BORR 123456789
PROJ 01	0	TEMP PROJ 000 0
030107	EFF DTE	
	PROJ ACTION CODE: A	T/S DTE 000000
PROJECT: LANDLORD	* ADDRESS	* CITY ST
NAME/ADRS:	*	ZIP CODE: 12345
PROJECT NAME COUNT: 1	PROJECT ADRS COUNT: 2	SUPVSR RELEASE CODE:
CONGRESS DISTRICT: 00	FUND CODE: 00	PROFIT TYPE CODE: 0
PROJECT TYPE CODE: 0	TOTAL PROJ UNITS:	UTILITIES CODE: 0
TOTAL BLDG AREA:	LIVING AREA:	FMHA RENT SUBSIDY CODE: 0
FMHA ELGBL UNITS: 0000	HUD RENT SUBSIDY CODE: 0	HUD ELGBL UNITS:
INTEREST CREDIT: 0	INT ASSTNC PLAN CODE: 00	PROJECT STATUS CODE: 0
CASE CLSFCTN CODE: 0	SUSPEND CODE: 0	CREDIT ELSEWHERE: 0
ORGZTN CODE:	TAX CREDIT PROJ:	
LANDLORD TAX ID 999999991	TYPE OF TIN 1	
SELECT ACTION (1-MENU	5-PNDG 6-HIST 7-EFCT 8-XREF) ADD	
	PR CD AC PD BLK-O PND	
NEXT TRAN ACCEPT	BLK-C CDE	



# RD Voucher Program Guide

To establish the obligation, enter Transaction M1A, Obligate Loan/Grant Funds.

SBM1A041-M1A		OBLIGATE LOAN/GRANT FUNDS		03/01/07	
OPR ID: D3M007				10:01:50	
ST 00	CTY 000	BORR 0000000000	PROJ 00 0	LOAN 000	EFF DTE 000000
-----					
LOAN/GRANT AMOUNT:		.00			
ASSISTANCE CODE: 000		PURPOSE CODE: 00		FUND CODE: 00	
TEMP LOAN NBR : 000					
-----OBLIGATION RECORD INFORMATION-----					
LOAN/GRANT CODE:		DEBT LIMIT:		.00	
APPRAISED VALUE:		.00		APPRAISAL DATE: 000000	
ENVIRONMENTAL ASSESSMENT DATE: 000000		APPROVAL DATE:		000000	
INITIAL/SUBSEQUENT:		0		INTEREST RATE: 0.00000	
REPAYMENT TERM:		000		ASSOCIATION NOTE CODE: 00	
TYPE OF SALE/ASSUMPTION:		0		O&E CODE: 0000	
PPI CODE:				RA UNITS: 0	
CRSBSY AMOUNT:		.00		CRSBSY RATE: 0.00000	
INITIAL/SUBSEQUENT TYPE:		00			
SELECT ACTION (1-MENU		5-PNDG 6-HIST 7-EFCT 8-XREF) ADD			
		PR CD	AC PD	BLK-O	PND
NEXT TRAN	ACCEPT			BLK-C	CDE

# RD Voucher Program Guide

Enter the Tenant ID, Project Number and Assistance Code 447. Press {Enter}.

SBM1A041-M1A		OBLIGATE LOAN/GRANT FUNDS		03/01/07	
OPR ID: D3M007				10:01:50	
ST 00	CTY 000	BORR <b>123456789</b>	PROJ <b>01 0</b>	LOAN 000	EFF DTE
000000					
-----					
LOAN/GRANT AMOUNT:		.00			
ASSISTANCE CODE: <b>447</b>		PURPOSE CODE: 00		FUND CODE: 00	
TEMP LOAN NBR : 000					
-----OBLIGATION RECORD INFORMATION-----					
LOAN/GRANT CODE:		DEBT LIMIT:		.00	
APPRAISED VALUE:		.00		APPRAISAL DATE:	
ENVIRONMENTAL ASSESSMENT DATE: 000000				000000	
INITIAL/SUBSEQUENT:		0		APPROVAL DATE:	
REPAYMENT TERM:		000		000000	
TYPE OF SALE/ASSUMPTION:		0		INTEREST RATE:	
PPI CODE:				0.00000	
CRSBSY AMOUNT:		.00		ASSOCIATION NOTE CODE:	
INITIAL/SUBSEQUENT TYPE:		00		00	
SELECT ACTION (1-MENU		5-PNDG 6-HIST 7-EFCT 8-XREF) ADD			
		PR CD	AC PD	BLK-O	PND
NEXT TRAN	ACCEPT			BLK-C	CDE

# RD Voucher Program Guide

After pressing {Enter}, the Loan/Grant Amount is available for entry. The Loan/Grant Code is pre-filled with a “G”. The Initial/Subsequent is pre-filled with “1”.

SBM1A041-M1A		OBLIGATE LOAN/GRANT FUNDS		03/01/07	
OPR ID: D3M007				10:01:50	
ST 01	CTY 001	BORR 123456789	PROJ 01 0	LOAN 001	EFF DTE 030107
TENANT		LANDLORD			
-----					
LOAN/GRANT AMOUNT:		.00			
ASSISTANCE CODE: 447		PURPOSE CODE: 00		FUND CODE: 00	
TEMP LOAN NBR : 000					
-----OBLIGATION RECORD INFORMATION-----					
LOAN/GRANT CODE:		G		DEBT LIMIT: .00	
APPRAISED VALUE:		.00		APPRAISAL DATE: 000000	
ENVIRONMENTAL ASSESSMENT DATE: 000000				APPROVAL DATE: 000000	
INITIAL/SUBSEQUENT:		1		INTEREST RATE: 0.00000	
REPAYMENT TERM:		000		ASSOCIATION NOTE CODE: 00	
TYPE OF SALE/ASSUMPTION:		0		O&E CODE: 0000	
PPI CODE:				RA UNITS: 0	
CRSBSY AMOUNT:		.00		CRSBSY RATE: 0.00000	
INITIAL/SUBSEQUENT TYPE:		00			
SELECT ACTION (1-MENU		5-PNDG 6-HIST 7-EFCT 8-XREF) ADD			
		PR CD	AC PD	BLK-O	PND
NEXT TRAN		ACCEPT		BLK-C	CDE
999227 ENTER OBLGN AMT					

RD Voucher Program Guide

Enter the annual amount for the voucher from Voucher Obligation Form. This is the only page of the transaction that must be completed for vouchers.

SBM1A041-M1A		OBLIGATE LOAN/GRANT FUNDS		03/01/07	
OPR ID: D3M007				10:01:50	
ST 01	CTY 001	BORR 123456789	PROJ 01 0	LOAN 001	EFF DTE 030107
TENANT			LANDLORD		
-----					
LOAN/GRANT AMOUNT:		<b>1,260.00</b>			
ASSISTANCE CODE: 447		PURPOSE CODE: 41		FUND CODE: 00	
TEMP LOAN NBR : 000					
-----OBLIGATION RECORD INFORMATION-----					
LOAN/GRANT CODE:	G	DEBT LIMIT:	.00		
APPRAISED VALUE:	.00	APPRAISAL DATE:	000000		
ENVIRONMENTAL ASSESSMENT DATE:	000000	APPROVAL DATE:	000000		
INITIAL/SUBSEQUENT:	1	INTEREST RATE:	0.00000		
REPAYMENT TERM:	000	ASSOCIATION NOTE CODE:	00		
TYPE OF SALE/ASSUMPTION:	0	O&E CODE:	0141		
PPI CODE:		RA UNITS:	0		
CRSBSY AMOUNT:	.00	CRSBSY RATE:	0.00000		
INITIAL/SUBSEQUENT TYPE:	00				
SELECT ACTION (1-MENU		5-PNDG 6-HIST 7-EFCT 8-XREF) ADD			
NEXT TRAN	ACCEPT	PR CD	AC PD	BLK-O	PND
				BLK-C	CDE

**NOTE: If the amount is entered incorrectly, the M1A CANNOT be modified in pending. You must delete the M1A in pending and re-manuscript the transaction.**

# RD Voucher Program Guide

Enter the landlord name, address, city, state and zip code on Transaction M5B.

Enter the landlord TIN and type of TIN. The type of TIN is 1 for a Social Security Number and 2 for an Employer Identification Number.

SBM5B023-M5B	RECORD PROJECT DATA	MM/DD/YY
OPR ID: 000000	FMHA 1944-50	HH:MM:SS
ST 01 CTY 001 BORR 123456789	PROJ 01 0 TEMP PROJ 000 0	EFF DTE 030107
	PROJ ACTION CODE: <b>C</b>	T/S DTE 000000
PROJECT: <b>SOUR LEMONS LLC * P O BOX 123 *</b>		
<b>TIMBUCKTOO, AL</b>		
NAME/ADRS:	*	ZIP CODE: <b>22222</b>
PROJECT NAME COUNT: 1	PROJECT ADRS COUNT: 2	SUPVSR RELEASE CODE: 0
CONGRESS DISTRICT: 00	FUND CODE: 00	PROFIT TYPE CODE: 0
PROJECT TYPE CODE: 0	TOTAL PROJ UNITS:	UTILITIES CODE: 0
TOTAL BLDG AREA:	LIVING AREA:	FMHA RENT SUBSIDY CODE: 0
FMHA ELGBL UNITS: 0000	HUD RENT SUBSIDY CODE: 0	HUD ELGBL UNITS:
INTEREST CREDIT: 0	INT ASSTNC PLAN CODE: 00	PROJECT STATUS CODE: 0
CASE CLSFCTN CODE: 0	SUSPEND CODE: 0	CREDIT ELSEWHERE: 0
ORGZTN CODE:	TAX CREDIT PROJ:	
LANDLORD TAX ID <b>995599559</b>	TYPE OF TIN <b>2</b>	
SELECT ACTION (1-MENU	5-PNDG 6-HIST 7-EFCT 8-XREF) ADD	
	PR CD AC PD BLK-O PND	
NEXT TRAN ACCEPT	BLK-C CDE	

RD Voucher Program Guide

---

To establish the automated disbursement, enter Transaction M1C, Issue Loan/Grant Check for the first month. This M1C may be for a partial, full or multiple months voucher amount depending upon your needs. After the first M1C, the system will automatically generate an M1C transaction each month. The automated M1C is calculated as **1/12<sup>th</sup> of the total obligation amount** so it is important to ensure the obligation is correct. The last advance will disburse any remaining balance.

SCM1C021-M1C	ISSUE LOAN/GRANT CHECK	00/00/00
OPR ID: D3M007		00:00:00
ST 00	CTY 000	BORR 000000000
	PROJ 00 0	LOAN 000
		EFF DTE 000000
-----		
	CHECK AMOUNT:	.00
	UNDISBURSED AMOUNT:	.00
	EMERGENCY CHECK:	
	DOCUMENT ID:	00000
	CHECK DATE:	000000
	CRSBSY DISB:	.00
SELECT ACTION	(1-MENU	5-PNDG 6-HIST 7-EFCT 8-XREF) ADD
	PR CD	AC PD
	BLK-O	PND
NEXT TRAN	ACCEPT	BLK-C
		CDE

All voucher payments will be issued as Electronic Fund Transfer (EFT) instead of paper checks. If the EFT account is not established and validated the M1C will reject (Refer to the **EFT Handbook** for instructions in establishing borrower/payee information through the EFT system prior to processing the M1C transaction). When updating the AMAS Payment Profile remember to input the **Landlord** information in "Payee Account Information." Any questions in reference to EFT may be referred to the DCFO Check Request Line (314) 457-4031.

The amount of the disbursement is the **amount of voucher for that month.**

SCM1C021-M1C	ISSUE LOAN/GRANT CHECK	00/00/00
OPR ID: D3M007		00:00:00
ST 01 CTY 001 BORR <b>123456789</b>	PROJ <b>01 0</b> LOAN <b>001</b>	EFF DTE
030207		
TENANT	LANDLORD	
-----		
CHECK AMOUNT:		<b>105.00</b>
UNDISBURSED AMOUNT:		<b>1,155.00</b>
EMERGENCY CHECK:		
DOCUMENT ID:		00000
CHECK DATE:		000000
CRSBSY DISB:		.00
SELECT ACTION (1-MENU	5-PNDG 6-HIST 7-EFCT 8-XREF) ADD	
NEXT TRAN ACCEPT	PR CD AC PD BLK-O PND	
999392 ENTER Y OR N	BLK-C 061D3M007 09 CDE	

If a disbursement is issued in error or for an incorrect amount, please contact the DCFO Check Request Line (314) 457-4031 for assistance. To prevent the automated M1C from issuing funds, field offices may suspend the project using transaction, M5B, Record Project Data. DCFO/CMB will delete the automated M1C. If it is determined that the funds should have been issued then the processor can enter transaction M1C; if the account should no longer disburse the processor should enter a deobligation.

### **Tenant Moves in AMAS**

If the tenant moves during the 12 month HAP agreement term even to a new unit in the same complex, a new HAP agreement will be issued. If a new HAP agreement is issued, the servicing office must enter a new M1A for the new term and deobligate any remaining funds from the existing obligation. The automated M1C will continue to issue funds as long as an obligation balance remains on the account so it is important to deobligate in a timely manner.

If the new HAP agreement is at a different property location or for a new landlord, the servicing office must enter a new M5B for the new landlord and then enter the M1A for the new obligation DO NOT MODIFY the existing landlord data.

If the tenant becomes ineligible for the voucher, the automated M1C **must** be stopped.

The automated M1C will not process if the remaining obligation amount is deobligated. Process Transaction M1D, Cancel Loan/Grant Obligation, to deobligate the remaining voucher amount.

### **Suspending an Account in AMAS**

If it is unsure if the tenant will continue to receive the voucher, field offices may suspend the account. This will allow the M1C to generate; not disburse; and kick to pending in the DCFO jurisdiction. The field office can determine the resolution of the automated M1C and if needed remove the suspend. Then, the field office should contact DCFO/CMB to process or delete the automated M1C. On the M5B, "Record Project Data" enter "5" in the suspend field.

### **Cancelling Obligations in AMAS/Recapturing Unauthorized Assistance**

To cancel an obligation, the field office must prepare Form RD 1940-10, "Cancellation of US Treasury Check and/or Obligation" and process an M1D "Cancel Loan/Grant Obligation" in AMAS. Refer to the AMAS manual for instructions to process this transaction.

To cancel an ACH disbursement, , the Field Office must call the Cash Management Branch Disbursement Request Line at 314-457-4031 and request assistance to reject an ACH disbursement. If a reject is not allowed, the Field Office must contact the owner to obtain the funds. The field office must include these funds and a completed Form RD



1940-10, Cancellation of U.S. Treasury Check and/or Obligation, with their daily wholesale lockbox deposit. On Form RD 1940-10, please indicate in Box 16, Remarks, the name and tenant ID number and the month the check is being cancelled for.

If a Treasury check was issued, the Field Office must obtain the check or replacement check from the owner, and submit with a completed Form RD 1940-10, Cancellation of U.S. Treasury Check and/or Obligation, with their daily wholesale lockbox deposit.

If you have disbursement questions, you may call Cash Management Branch Disbursement Request Line: 314-457-4031.

When returning unauthorized funds, the following steps should be taken:

- Receive a check from the landlord made out to Rural Development for the amount of the unauthorized payments.
- Complete Form RD 1940-10, “Cancellation of U.S. Treasury Check and/or Obligation. On Form RD 1940-10, please indicate in Box 16, Remarks, the month the check is being cancelled for.
- Submit the check and form with the daily wholesale lockbox deposit to the following address:

Rural Development  
PO Box 790391  
St. Louis, MO 63179-0391

### **When the Landlord Returns Funds**

**If the landlord has returned funds the servicing official must either suspend the account or deobligate the funds as soon as DCFO processes the M1E “Cancellation of Funds” transaction.**

When funds are returned, DCFO processes the M1E transaction, which puts the funds back into the obligation. This creates a situation in which funds will be re-issued and opens the account for automatic payments to be disbursed. If funds are returned, the account must be deobligated as soon as the M1E transaction is processed by DCFO.

To avoid the disbursement of return funds, one of two options may be taken:

1. Suspend the account as soon as you submit the funds to DCFO. DCFO will need to contact you before they can process the M1E transaction to remove the suspend code. After the DCFO processes the M1E – deobligate the remaining funds.
2. Monitor the account and once the M1E is processed immediately deobligate the remaining funds. You will know that the funds are returned by going into AMAS using option 13 – Miscellaneous History. Look for the M1E transaction.

At the end of the month, the National Office receives a report of the processed M1E transactions. The report will be sent to those states with M1E transactions. It is your responsibility to take the appropriate action.

**Management Agent Changes in AMAS**

If only Electronic Funds Transfer (EFT) information is changing, there is no de-obligation and re-obligation needed. The state or Quadel will collect the new EFT information from the owner.

If the taxpayer ID changes the Form SF 3881, “ACH Vendor/Miscellaneous Payment Enrollment Form” should be used for capturing changes in EFT or Taxpayer ID.

**Transfer between States**

If a tenant chooses to move across state lines, it is the tenant’s responsibility to inform RD or the Contractor of his desire to move and where. Upon receipt of notification, the originating state will de-obligate the voucher for the tenant and forward a copy of the de-obligation form to the relocation state. The relocation state will then obligate the voucher on behalf of the tenant. The relocation state at this point is responsible for the processing of the voucher holder, including unit inspection, lease review and HAP execution and payment processing.

**Suspending vs. De-obligating Funds**

There are 2 actions that RD may take to stop automatic HAP payments from being made by either suspending the payment or permanently deobligating the funds.

	<b>Suspending Funds</b>	<b>De-obligating Funds</b>
<b>Definition</b>	<p>This action temporarily stops HAP payments from being electronically deposited into a owner’s account by putting a hold on the account so automatic payments are not issued to the owner.</p> <p><b>How?</b> Process a M5B (Record Project Data, enter 5)</p> <p><b>Additional Information:</b> The suspend code allows the MIC to generate, but not disburse. In these cases, the payment goes into a “pending” status.</p> <p>Whoever initiated the suspend code can remove the suspend code. (For example, if RD Field Staff put the suspend code on an account they can remove the suspend code. But Field Staff cannot remove a suspend code if DCFO placed the suspend code on the account. In these cases, the Field would need to contact DCFO to process the pending MIC.)</p> <p>When the suspend code is removed, the next automatic payment will occur (1/12<sup>th</sup> of the obligation amount.)</p>	<p>This action permanently stops the ability to make HAP payments for a unit from a particular obligation by removing the funds from the account.</p> <p><b>How?</b> Process an M1D (Cancel Loan/Grant Obligation)</p> <p><b>Additional Information:</b> If a de-obligation occurs in error, it is possible to restore funds to the account. The request to restore funds must come from the Field and go to the National Office and then to DCFO.</p>
<b>Key Difference</b>	<p>Payments need to be stopped for a period of time but may not need to be stopped permanently.</p>	<p>Payments will never need to be paid again under this HAP Contract or obligation.</p>
<b>Examples</b>	<p>1. Tenant has vacated a unit AND payments to owner need to be recaptured. (Funds should be de-obligated once payments are recaptured, not before.)</p> <p>2. If an extra HAP payment was made to an owner, the account can be suspended for a month(s) and then re-started. This prevents having to recapture funds from owner.</p>	<p>1. Tenant has vacated a unit (moved or evicted) and no funds need to be recaptured from the owner.</p>

***ATTACHMENT 2H***  
**CITIZENSHIP REQUIREMENTS**

As required by section 214 of the Housing and Community Development Act of 1980 [42 U.S.C. § 1436a] the tenant must be a United States citizen, United States non-citizen national or qualified alien.

For the tenant, who contends that he or she is a U.S. citizen or a non-citizen with eligible immigration status, the tenant must submit to Rural Development a written declaration, signed under penalty of perjury, by which the tenant declares whether he or she is a U.S. citizen or a non-citizen with eligible immigration status.

(1) For citizens, the evidence consists of a signed declaration of U.S. citizenship. Rural Development may request verification of the declaration by requiring presentation of a United States passport, social security card, or other appropriate documentation.

(2) For noncitizens who are 62 years of age or older, the evidence consists of: (i) A signed declaration of eligible immigration status; and (ii) Proof of age document.

(3) For all other noncitizens, the evidence consists of: (i) A signed declaration of eligible immigration status; (ii) alien registration documentation or other proof of immigration registration from the Immigration and Naturalization Service (INS) that contains the individual's alien admission number or alien file number; and (iii) a signed verification consent form, which provides that evidence of eligible immigration status may be released to Rural Development and INS for purposes of verifying the immigration status of the individual.

Rural Development shall provide a reasonable opportunity, not to exceed 30 days, to submit evidence indicating a satisfactory immigration status, or to appeal to the Immigration and Naturalization Service the verification determination of the Immigration and Naturalization Service.

**Rural Development (RD) Voucher Program  
Citizenship or Eligible Immigration Status Declaration**

**Head of Household Instructions: Complete this three-page Citizenship or Eligible Immigration Status Declaration. Then mail the completed, original form(s) to the following address. If you have any questions, need assistance completing this form, or need this form in a language other than English, please call the Rural Development Voucher Program Office at 1-844-857-5386.**

United States Department of Agriculture  
Attn: USDA RD Voucher Program  
PO Box 775220  
St. Louis, MO 63177

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Sex: \_\_\_ Male \_\_\_ Female Date of Birth: \_\_\_\_\_

Alien Registration No. (if applicable): \_\_\_\_\_

Admission Number (if applicable): \_\_\_\_\_  
*(This is an 11-digit number found on DHS Form I-94, Departure Record)*

Nationality: \_\_\_\_\_  
*(Enter the foreign nation or country to which you owe legal allegiance.  
This is normally but not always the country of birth.)*

**DECLARATION**

**INSTRUCTIONS:** Complete the Declaration below by printing or by typing the person's first name, middle initial and last name in the space provided. Then review the blocks shown below and complete either block number 1, 2, or 3:

I, \_\_\_\_\_ hereby declare, under penalty of perjury, that I am:

\_\_\_\_\_ **1. A United States (U.S.) citizen or national of the United States.**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**\_\_\_\_\_ 2. A noncitizen with eligible immigration status as evidenced by one of the documents listed below:**

If you checked this block and you are 62 years of age or older, you need only submit a proof of age document together with this form, and sign below. If you checked this block and you are less than 62 years of age, you should submit one of the following documents:

- (1) *Form I-551, Alien Registration Receipt Card (for permanent resident aliens).*
- (2) *Form I-94, Arrival-Departure Record, with one of the following annotations:*
  - (a) *"Admitted as Refugee Pursuant to section 207";*
  - (b) *"Section 208" or "Asylum";*
  - (c) *"Section 243(h)" or "Deportation stayed by Attorney General"; or*
  - (d) *"Paroled Pursuant to Sec. 212(d)(5) of the INA."*
- (3) *If Form I-94, Arrival-Departure Record, is not annotated, it must be accompanied by one of the following documents:*
  - (a) *A final court decision granting asylum (but only if no appeal is taken);*
  - (b) *A letter from an DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from an DHS district director granting asylum (if application was filed before October 1, 1990);*
  - (c) *A court decision granting withholding or deportation; or*
  - (d) *A letter from an DHS asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990).*
- (4) *Form I-766, Employment Authorization Card, which must be annotated "Provision of Law 274a.12(11)" or "Provision of Law 274a.12."*
- (5) *A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant's entitlement to the document has been verified.*

If this block is checked, sign and date below and submit the documentation required above with this declaration and a verification consent format to the name and address specified on the enclosed VOF document. If this block is checked on behalf of a child, the adult who will reside in the assisted unit and who is responsible for the child should sign and date below.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**\_\_\_\_\_ 3. I am not contending eligible immigration status and I understand that I am not eligible for financial assistance.**

If you checked this block, no further information is required, and the person named above is not eligible for assistance. Sign and date below and forward this format to the name and address specified on the enclosed VOF document.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

*This page intentionally left blank.*

***\*RD VOUCHER PROGRAM VERIFICATION CONSENT FORM***

INSTRUCTIONS: Complete this format for each noncitizen family member who declared eligible immigration status on the Citizenship Declaration format. If this form is being completed on behalf of a child, it must be signed by the adult responsible for the child.

CONSENT

I, \_\_\_\_\_ (print or type first name, middle initial, last name) hereby consent to the following:

- 1, The use of the attached evidence to verify my eligible immigration status to enable me to receive financial assistance for housing; and
- 2, The release of such evidence of eligible immigration status by the project owner without responsibility for the further use or transmission of the evidence by the entity receiving it to the following:
  - a. RD, as required by RD; and
  - b. The DHS for purposes of verification of the immigration status of the individual.

NOTIFICATION TO FAMILY:

Evidence of eligible immigration status shall be released only to the DHS for purposes of establishing eligibility for financial assistance and not for any other purpose. RD is not responsible for the further use or transmission of the evidence or other information by the DHS.

---

Signature

Date

Check here if adult signed for a child: \_\_\_\_\_

**\*-Pending Publication of Correction to FY 2010 RD Voucher Notice of Funding Notification**



## **CHAPTER 3**

### **HOW TO OBTAIN A RURAL DEVELOPMENT VOUCHER**

#### **3.1 CHAPTER OVERVIEW**

An informed tenant is the key to success of the RDVP. This chapter discusses information sharing with tenants, instructs tenants how to obtain a voucher, and outlines the steps involved in achieving successful tenancy.

#### **3.2 TENANT ELIGIBILITY**

In order to be eligible for the USDA Rural Development voucher, a family must be residing in the section 515 project on the date of the prepayment of the section 515 loan or upon foreclosure by Rural Development. Furthermore, the date of the prepayment or foreclosure must be after September 30, 2005. As stated in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the tenant must be a citizen, United States non-citizen national, or qualified alien. RD will determine if the family is a low-income family, and therefore, voucher-eligible and provide such determination to the Contractor. A low-income family is a family whose annual income does not exceed 80 percent of the median family income for the area, as identified in Data Sets - HUD USER - Policy Development and Research's Information Service. If RD makes a determination that the tenant is ineligible based on income, administrative appeal rights are provided.

Initial eligibility is determined at the time of prepayment. In order to ensure continued eligibility to use the Rural Development Voucher, at the time they apply for renewal of the voucher, tenants must certify that the current family income does not exceed 80% of family median income.

Eligible tenants need to sign and submit the original Voucher Obligation Form (VOF) and a copy of proof of citizenship to the Contractor. The VOF must be submitted no later than 10 months from the date of the prepayment or foreclosure.

A family currently assisted under a Section 8 project-based contract on the date of the Section 515 loan prepayment also qualifies for an enhanced voucher under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) on the date that the owner opts-out of or does not renew the Section 8 project-based contract. If the Section 8 project-based contract ends on the same day as the date of the prepayment, the family receiving Section 8 project-based assistance may choose to either receive an enhanced voucher under section 8(t) or an RD Voucher.

A family that is already receiving an enhanced voucher or regular Section 8 voucher assistance on the date of the Section 515 loan prepayment (for example, a family assisted under a Section 8 project-based contract where the contract expired and the owner chose not to renew prior to the loan prepayment) may continue to receive enhanced or regular

voucher assistance. On the other hand, the enhanced or regular voucher family may choose to be converted to RD Voucher assistance.

In either case, once the family has chosen to participate in the RDVP instead of the HUD voucher program, the family may not automatically revert to or obtain assistance: the family may be entitled to apply or re-apply for a HUD voucher but there is a waiting list for such vouchers and some time may elapse before the family is issued such a voucher.

Tenants receiving RD rental assistance payments on the date of prepayment that decline an RD Voucher and choose to move to another RD financed multi-family housing complex may request that RD transfer their rental assistance payments to the new project.

The voucher is issued to the household in the name of the primary tenant. If the primary tenant dies, the use of the voucher may pass to the co-tenant.

**In the case when the voucher holder leaves the household, the voucher will not be transferred. If the voucher holder moves and takes the voucher with her, no new voucher will be issued for the remaining household members.**

### 3.3 INFORMING TENANTS

RD will issue a letter to all tenants of a property proposing to prepay the RD mortgage and advise them of their rights under the prepayment, including an explanation of the RDVP and their potential right to obtain an RD Voucher. This letter is issued early in the prepayment process. Once prepayment or foreclosure occurs, another tenant letter is issued that advises tenants of contact names and telephone numbers to obtain an RD Voucher, as well as their voucher eligibility status and the value of the voucher for those tenants who have been determined eligible to participate in the program. Exhibit 3-2 at the end of this chapter lists the major steps that tenants should take after receiving the tenant letter from RD.

RD may hold meetings with tenants at the prepaying property to include discussions and materials to educate families about and encourage them to take advantage of the RDVP. These discussions should include information on how to obtain an RD Voucher, who should be contacted, and how the RDVP works. It is critical that families receive complete and accurate information on how the program works, the effect of their unit selections, and the variables that affect the amount that the tenant will be required to contribute to total housing costs.

Conducting a tenant meeting is not mandatory nor are tenants required to attend the meetings.

The following is a suggested format and topics that should also be discussed at the tenant meeting:

### **When to Hold a Tenant Meeting to Discuss Prepayment and Vouchers**

RD staff should evaluate the best time to hold a tenant meeting. Consider the number of tenants who would qualify for the program, the estimated timing of prepayment approval, and the number of inquiries generated by Tenant Letter #1 or 1A.

### **Setting up the Meeting**

Determine the best time of day to have the tenant meeting. If most tenants work, then have the meeting in the evening. If no meeting room is available at the property, try to find one in a nearby hotel, or church basement, or community/town hall. You may want to do flyers for tenants to advertise the meeting.

### **Prior to the Meeting**

Before the meeting, determine if the owner intends to accept RD Vouchers. It will mean mutual consent to terminate existing leases in some cases so a new lease can go into effect, attach the HUD lease addendum and abide by the HAP contract. Knowing this information up front will help you answer tenant questions.

If the owner intends to accept vouchers, he should be at the meeting to answer tenant-specific questions. If he does not intend to accept vouchers, all tenants who want a voucher will have to use it elsewhere. Tell the tenants this at the beginning of the meeting. It will mean the tenant and owner will need to agree to terminate the lease early if the tenant wants to take the voucher now.

### **Topics to Cover in the meeting:**

Open the meeting by explaining:  
Why RD has a voucher program  
How the voucher is supposed to work  
How the program will affect you, the tenant.

Avoid getting into specifics on a tenant's situation as it is not appropriate to discuss personal situations in an open forum, and tenant-landlord relationships are no longer an RD responsibility. Remember that this will no longer be an RD property and we are not involved in property operations. Throughout the meeting, refer to the Guide so that answers are consistent; if any tenant wants a copy of the Guide, make it available to them.

### **Why RD has a voucher program:**

The RDVP was created to offer some protection to eligible multifamily housing tenants in properties financed through Rural Development's Section 515 Rural Rental Housing Program who may be subject to economic hardship through prepayment of the RD

mortgage. When the owner of such a development pays off the loan, the RD affordable housing requirements may be modified. (Rents may increase thereby making the housing unaffordable to tenants.) The RD Voucher Program applies to any property financed through Section 515 where the mortgage is paid off prior to the maturity date in the promissory note. This includes foreclosed properties. Tenants in these properties are eligible for an RD Voucher under the same conditions as properties that go through the standard prepayment process. The RD Voucher will help tenants by providing a short-term rental subsidy that will supplement the tenant's rent payment. ***Eligible low-income tenants in the prepaying property may receive a voucher that they may use at that property or take to any other rental unit in the United States, that passes RD housing quality standards and; where the owner will accept an RD Voucher, with the exception of rental units in subsidized housing like Section 8 and public housing where two housing subsidies would result.***

The RD Voucher may not be used at this time for the purchase of a home.

**How the Program is supposed to work:**

- 12 months of payments, renewals based upon funding availability
- RD administers the program through a contractor
- Tenant Letter #3 will give tenants particulars: eligibility determination, amount of voucher, whom to contact to receive a voucher.

**How the program will affect you, the tenant:**

Tenants' major concerns are how prepayment will affect them directly and now, how the voucher program will affect them. Be prepared to answer these questions:

**What is a voucher?**

The "Voucher" is a 2-page document that includes information about you, the value of the rent subsidy, and a list of tenant obligations with which you must comply in order to keep the rent subsidy active. The voucher will provide evidence to the prospective landlord that you have subsidy available to help pay the rent. The voucher's purpose is to assist in finding an affordable housing unit.

**What is a Voucher Obligation Form (VOF)?**

This form must be signed by the tenant and returned to the Contractor in addition to proof of citizenship before funds can be obligated under the RDVP.

**What is a Request for Tenancy Form (RTA)?**

This modified HUD form is used by the tenant and the owner to request a unit inspection when the tenant has found a unit to rent.

**What is a HAP? Housing Assistance Payments Contract.**

The HAP Contract is an agreement between the landlord and Rural Development. In exchange for payments made by Rural Development on behalf of tenant voucher holders, landlords agree to comply with requirements outlined in the contract.

- 1) How long do I have to use the voucher once it's offered?

The voucher is good for a 60-day housing search; it can be renewed for another 60 days with a written request. If not used, the voucher expires and cannot be reissued. If used, the voucher results in a housing assistance payment contract between USDA and the property owner. The subsidy payments will go to the landlord.
- 2) How is the voucher amount figured?

The amount of the voucher is the difference between the net tenant contribution you were paying at the time of prepayment and the comparable market rent for your unit, as determined by a Rent Comparability Study paid for by RD. The RD Voucher Program provides for 12 monthly payments of this amount to the landlord.
- 3) Will it stay the same?

Your voucher amount will not change unless you rent a unit where the amount of voucher is more than the rent. In this situation, the amount of the voucher will be reduced to equal the amount of the rent.
- 4) Can we take the voucher with us if we move to another apartment?

Yes, the Voucher can be used in any rental situation where the owner will accept the RD Voucher and the unit passes RD inspection standards. The only exception to this is Section 8 housing, public housing units and RD Rental Assistance units. The RD Voucher cannot be used for those types of housing units. If you have been using a voucher for a few months at one property and want to move to another property, you may do so. You must advise the Contractor before moving and your Landlord must agree to end your lease early. A new 12 month lease must be executed.
- 5) Will we be penalized if we break our lease?

If you have a valid lease in effect and you break your lease, you will be penalized in accordance with the terms of your lease and you will no longer be eligible for an RD Voucher. If you and the owner mutually agree to end the lease so you can use the RD Voucher, then no penalty will be incurred.
- 6) How much notice are we required to give to our landlord?

Your lease regulates the required notice for lease termination.
- 7) How long will these voucher payments be made?

The voucher is worth 12 monthly payments. Payments are made directly to the Landlord. RD can renew the voucher with 12 monthly payments so long as funding is available.
- 8) If there is a change in our income, will it affect our voucher amount?

No, your initial eligibility for the voucher was based on your income being at or below 80% of the family median income. The amount of the voucher will not

change if your income goes down or if your income goes up. However, if at the time of renewal your family income is more than 80% of the family median income you will be ineligible to receive future assistance.

9) Do we sign a new lease? Will the timeframe be the same as the voucher period?  
To use your voucher, you will need to sign a new lease, with the HUD addendum attached.

10) What rights do co-tenants have in the event of death?  
The voucher is issued to the household in the name of the primary tenant. If the primary tenant dies, the use of the voucher may pass to the co-tenant.

11) If we cannot afford the rent we are presently paying (no RA available), is there any additional assistance that can be provided?  
There are assistance programs available through the US Department of Housing and Urban Development and your local public housing authority. These forms of assistance cannot be combined with the voucher.

12) Since RD has to approve our unit, will this hold up our voucher?  
No, approval of the unit occurs after you have received a voucher and found a place to live. RD will conduct a physical inspection to ensure that your chosen housing unit is decent, safe and sanitary.

13) Is everybody approved for a voucher?  
Each household that lives in a property at the time of prepayment of foreclosure is potentially eligible to receive a voucher. At the time of prepayment or foreclosure, the tenant must be a citizen, US non-citizen national or qualified alien and the household income must be at or below 80% of family median income to be eligible for a USDA voucher.

14) How do I prove my citizenship status?  
You can prove your citizenship status by providing a copy of the following items when returning your signed voucher obligation form:

As required by section 214 of the Housing and Community Development Act of 1980 [42 U.S.C. § 1436a] the tenant must be a United States citizen, United States non-citizen national or qualified alien.

For each family member who contends that he or she is a U.S. citizen or a noncitizen with eligible immigration status, the family must submit to Rural Development a written declaration, signed under penalty of perjury, by which the family member declares whether he or she is a U.S. citizen or a noncitizen with eligible immigration status.

- (i) For each adult, the declaration must be signed by the adult.
- (ii) For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child. Each family member, regardless of age, must submit the following evidence to the responsible entity.

(1) For citizens, the evidence consists of a signed declaration of U.S. citizenship. Rural Development may request verification of the declaration by requiring presentation of a United States passport, social security card, or other appropriate documentation.

(2) For noncitizens who are 62 years of age or older, the evidence consists of: (i) A signed declaration of eligible immigration status; and (ii) Proof of age document.

(3) For all other noncitizens, the evidence consists of: (i) A signed declaration of eligible immigration status; (ii) alien registration documentation or other proof of immigration registration from the Immigration and Naturalization Service (INS) that contains the individual's alien admission number or alien file number; and (iii) a signed verification consent form, which provides that evidence of eligible immigration status may be released to Rural Development and INS for purposes of verifying the immigration status of the individual.

Rural Development shall provide a reasonable opportunity, not to exceed 30 days, to submit evidence indicating a satisfactory immigration status, or to appeal to the Immigration and Naturalization Service the verification determination of the Immigration and Naturalization Service.

15) Do we have to apply for this voucher?

RD does not have an application form. You must express your interest in receiving a voucher by signing and returning the Voucher Obligation Form (VOF) along with a copy of your proof of citizenship.

16) If we decide to move, what is required of the new landlord?

If you want to use your voucher at a property other than the prepaying property, you need to obtain a voucher and find a housing unit. If the owner agrees to accept the RD Voucher, then both you and the owner should sign and return the Request for Tenancy Approval form, along with other documentation, and RD will do a unit inspection. If the unit is acceptable, the owner signs a Housing Assistance Payments Contract with RD so he can receive your voucher payment as a supplement to your rent payment.

17) Who do we contact?

You can call the RD Voucher Program toll-free at 1-844-857-5386 or via email at [rdvoucher@usda.gov](mailto:rdvoucher@usda.gov)

18) What is the deadline for applying for the voucher?

You must indicate an interest, and receive a voucher by signing and returning the VOF, no later than 10 months from the date of prepayment or foreclosure.

RD may also distribute a Tenant Information Summary (TIS) which will include additional program information. This TIS appears as Attachment 3A.

**Tenant Alert!**  
**If you do not receive the TIS or have follow-up questions, be sure to contact your local RD office.**

### 3.4 STEPS IN THE VOUCHER PROCESS

The steps to receive an RD Voucher are outlined below.

- ‡ If interested in receiving an RD Voucher, tenant returns the signed VOF along with a copy of proof of citizenship to the Contractor identified in the information provided to the tenant.
- ‡ Tenant receives a voucher packet to complete and return.
- ‡ If tenant intends to move, tenant must find a suitable unit. Tenant may move to any property where the owner agrees to participate in the RDVP and whose unit passes an inspection, excluding Section 8 or public housing units. The owner will conduct standard screening and application approval requirements for his property (security deposit, application fee, credit and/or criminal background check, etc.).
- ‡ Tenant and owner must complete and return the Request For Tenancy Approval (HUD Form 52517) and, if the unit is built before 1978, a Disclosure of Lead-Based Paint form, which is submitted by the tenant to RD or the Contractor. The tenant must also submit a signed RD Voucher with these materials;
- ‡ RD conducts a unit inspection of the unit. For former RD properties only, RD may submit a State Director's Letter that certifies that the property has been inspected in the last year (performed no more than one year prior to the date of receipt by Rural Development of Form HUD 52517)
- ‡ If the unit passes inspection, RD informs the tenant, the owner, and the contractor that the unit has passed inspection by sending an inspection results letter. The Contractor prepares the HAP contract and HUD lease addendum and sends it to the owner for signature. The owner must return an executed lease along with the HAP Contract and HUD tenancy addendum.
- ‡ If the unit does not pass inspection, RD informs the owner and tenant of these results and if the owner is willing to correct the findings, schedules another inspection at the unit. If the 2<sup>nd</sup> inspection fails, RD contacts the tenant and advises them that the unit did not pass inspection and the tenant must locate another unit that will pass inspection. RD provides the tenant with an RTA and Disclosure of Lead-Based Paint form to complete when the tenant finds a unit to use their voucher.
- ‡ Once the unit is approved, the owner and tenant execute the owner's lease with the executed addendum;
- ‡ The owner submits the executed lease and two original signed HAP Contracts to the Contractor.



- ‡ RD executes both original signed HAP contracts
- ‡ The executed HAP contracts are sent to the owner and the State office to begin EFT process.
- ‡ Payments to the owner begin.

After receiving a letter from Rural Development (RD) advising that the owner has prepaid the RD mortgage, tenants should take the following steps.

Step #1            Review the voucher eligibility letter to find out if they are eligible for an RD Voucher based on the amount of their income.

*Note: If the Quadel letter indicates that the tenant is not eligible because the household's income is higher than the income limit for the area where the property is located, the tenant may contact RD using the information in the letter to appeal the income eligibility determination. Tenants who are not income eligible take no further action unless an appeal concludes that they are income eligible.*

Step #2            Review the letter from Quadel to determine the maximum amount of the voucher. If the maximum is greater than \$0, the tenant derives a benefit from the voucher.

Step #3            Income eligible tenants for whom the voucher is greater than \$0 must decide whether to request a voucher and then notify the Contractor of their decision by signing and returning the Voucher Obligation Form along with proof of citizenship, using the contact information in the letter.

*Note: If the tenant returns the signed VOF without the citizenship documentation, a voucher will not be issued. Tenants who are ineligible due to their citizenship status take no further action unless an appeal concludes that they are eligible. The contractor will send a letter to the tenant informing him/her that their document for proof of citizenship is inadequate or unacceptable.*

Step #4            Tenants should consider and discuss with RD or the Contractor other considerations such as use restrictions protecting tenants who stay, LOPE letters, transfers of rental assistance subsidy, ongoing project-based Section 8, or possession of a Housing Choice Voucher. Tenants should

also consider the RD Voucher's ability to be used in place or in a new acceptable housing development.

- Step #5 If the tenant will remain in the current housing unit, go to Step #6. If the tenant wants to move to another property, the tenant must complete the housing search and provide proper notice to the owner of the current property.
- Step #6 Owner and tenant agree to early termination of existing lease, or if existing lease is close to expiration, await expiration of lease. On termination or expiration of lease, tenant submits Request for Tenancy Approval to the Contractor.
- Step #7 When the following conditions are met, RD may begin the payment process.
- Request for Tenancy Approved by Contractor
  - Housing unit passes the physical inspection
  - Signed lease, HUD addendum and lead paint disclosure are returned to Contractor.
  - Owner and RD have executed a HAP contract

If one or more of the conditions is not met, the tenant should seek guidance from the Contractor about the appropriate actions to take.

## **ATTACHMENT 3-A**

### **Tenant Information Summary Rural Development Voucher Program**

#### **Why are you getting this information?**

When you moved into your apartment, the housing development had a mortgage provided by the United States Department of Agriculture (USDA). That mortgage, and sometimes additional USDA rental subsidy, made your rental unit more affordable. Now that mortgage either has been terminated or is in the process of being terminated. These developments may result in changes to the rent that you and your fellow residents will pay at this property in the future and RD has a rental assistance voucher program to help absorb the cost of these changes.

You are receiving this information because you will have to make decisions about your future living arrangements. In general, there are two major decisions you will have to make: Should you apply for a housing voucher that can provide monetary assistance in paying for a rental unit? Should you move or stay in your current apartment? Information that is provided in this summary is intended to assist you in making the right decision for you and in facilitating your use of the voucher once a decision is made to apply for one.

Additional information is available in the RD Voucher Program Guide and from your local RD office.

#### **What makes you qualified to receive a voucher?**

There are three basic qualifications. 1) You must be a citizen, US non-citizen national or qualified alien; 2) you must live in the property at the time the USDA mortgage ends (usually by prepayment or foreclosure) and 3) the tenant family (which can be a single individual) must have an income at or below 80% of the family median income. RD compares the family's adjusted annual income with the low-income limit for the area. The family's adjusted income cannot exceed this limit. The US Department of Housing and Urban Development determines the family median income levels for each area annually.

#### **How is your subsidy calculated?**

RD staff can discuss your specific calculation. The RD Voucher amount is the difference between what you were paying to the landlord before the end of mortgage, and the comparable rent for your unit (which RD will determine). After the end of the mortgage, many times the owner can charge a tenant higher rent because RD no longer has the same controls over the property. To offer tenants protection, the law looks at the potential increase to an existing tenant when the lease expires and offers a voucher subsidy.

For example, if you were paying \$350 per month to the landlord and the comparable rent for that unit without RD control is \$500 per month, the RD Voucher would commit to paying the landlord up to \$150 (the difference between the two amounts), so that if you

stayed in the unit, you could continue to pay the same amount (\$350) as before. This is only an example. You need to discuss this in detail with RD, especially if you are considering moving. Whether you choose to move or to remain in your current unit, your voucher payment can be no higher than the initial calculation of the Voucher amount.

### **Should you apply for an RD Voucher?**

This is a decision you need to consider carefully because this is a one-time offer of assistance. However, the RD Voucher may not be the best option for every family. RD staff is available to discuss the advantages and disadvantages of accepting an RD Voucher.

#### **Some cases where you may not want to apply for a voucher are:**

- You already have a HUD Section 8 Housing Choice Voucher. This voucher already provides a rental subsidy based on your income and allows you to move upon lease expiration, should you desire to do so.
- You have subsidy through the Section 8 project-based program that is ongoing and you do not desire to move at this time. (Project-based subsidy does not allow you to take your subsidy with you.)
- You have RD Rental Assistance and you wish to move to another RD property that has a vacancy. RD will allow you to take your rental assistance to the new property. (This assistance cannot be used at a property that is not an RD property.) You are not eligible to receive a Voucher later if you choose to do this.

#### **Some cases where you would likely want to apply for and use an RD Voucher are:**

- You are receiving RD Rental Assistance but that will end with the termination of the mortgage and you are not protected from rent increases. (In some cases tenants who stay are protected so you need to ask RD staff or the Contractor.)
- You are paying the full rent on your own, but there is a possibility that the rent will increase when your current lease expires.
- You wish to move to another rental property and either don't have Rental Assistance or don't wish to limit your choice to another RD property.
- The owner at the property is opting out of his Section-8 contract.

### **What is the term of the voucher? What is the term of the HAP contract?**

The voucher expires within 60 days from the issue date. An extension may be requested for another 60 days.

The HAP payments are limited to 12 payments, renewable based upon annual funding.

### **How much time do you have to utilize a RD Voucher?**

You have 60 days (unless extended at RD's discretion) from the issue date on the voucher to search for and arrange to qualify a unit. You should keep in contact with your Voucher issuer. If you are searching diligently and cannot find a unit, you should apply for an extension of time. If you have not returned a signed RD Voucher and Request for

Tenancy Approval within the sixty-day period (or any extension) you will relinquish the opportunity to use a RD Voucher.

### **What makes a unit qualified?**

First, the Landlord must be willing to accept the voucher. Vouchers can only be used at housing that is in acceptable physical condition. Units will be inspected to make sure that they meet certain standards. Landlords will be given an opportunity to correct deficiencies at housing units that fail to meet these standards.

There can only be one subsidy on a unit. For example, if you find and want to move into a unit that has project- based Section 8, or is in a Public Housing development, the RD voucher cannot be used to live in those assisted units.

### **How do you obtain an apartment once you have a voucher?**

It is your responsibility to find a unit that meets your needs. If you find a unit that meets RD inspection standards, your Voucher issuer will execute a contract with the property owner. This is called a Housing Assistance Payments contract. This contract authorizes RD to make subsidy payments on your behalf. If you move out of the unit, the contract with the owner ends. If you wish to remain in the apartment where you now live, the owner must agree to accept the RD Voucher.

### **If you are currently under lease, when is the voucher available?**

Searching for or qualifying a unit may take some time. You may need all the remaining on your lease to find a unit. However, if you have time remaining on your lease you do not need to decide immediately to move.

**REMEMBER:** if you have a valid lease, the decision to stay or to move is yours not the Landlord's.

RD will allow you and the landlord to agree to an early lease termination once the Voucher is available. If you and the landlord agree to terminate the lease early, use of the Voucher can begin at the point all required documents have been submitted, with the voucher being used either at your current place of residence, or at a new residence selected by you and approved by RD.

If you and the landlord do not agree to terminate an existing lease early, you can still search for and select a unit, but the earliest voucher payment would be after your current lease expires.

### **If you apply for a RD Voucher and qualify, should you move or stay?**

RD Vouchers can usually be used where you are now, or can be used to move to a place that suits you better, if the landlord will accept the voucher.

#### **You might choose to move if:**

- Your job is in another city, or to improve your chances of getting better work.

- You are not happy with maintenance or some other aspect of the unit.
- Moving would save you money because the new rent is lower and the unit meets all your requirements.

**You might choose to stay if:**

- You are happy with your current unit.
- This is not a good time for you to move or to look for another unit.
- There is no other housing available in your town or city and you do not want to move to another town or city.

**Does the Voucher term affect whether you should move or stay where you are?**

This is something you should discuss with the Voucher issuer. Not all RD prepaid properties are the same when it comes to the rent they can charge tenants. Some properties have “use restrictions” which offer additional protections to tenants against future rent increases.

**If you move to a more expensive unit, or your rent is increased, is the voucher increased?**

The maximum Voucher amount cannot be increased. You are responsible for the difference between your rent amount and your monthly Voucher amount. Your Voucher amount will be decreased if the rent at the new location is less than your maximum voucher amount. The Voucher amount can return to the original, maximum amount if you move to an apartment where the rent is higher than the original voucher amount.

**Is the Voucher the same as cash? Can you use it for other expenses or homeownership?**

No, the voucher is for rental assistance only and payment goes directly to the landlord. Voucher funds may not be used for other expenses. The voucher cannot be used for security deposits or utility expenses.

**Where can you get more information?**

The primary contact for information is your local RD office or RD’s Contractor, Quadel Consulting. Quadel has been hired to lead you through the process and to offer assistance in making these important decisions. You can contact RD voucher program office at [RDVoucher@usda.gov](mailto:RDVoucher@usda.gov) or 1-844-857-5386.

## **CHAPTER 4 DETERMINATION OF THE RD VOUCHER AMOUNT**

### **4.1 CHAPTER OVERVIEW**

The RD Voucher is calculated on a formula driven by the market rents in the area of the property where the mortgage is being prepaid. Once established, the maximum amount of the voucher does not change.

The monthly housing assistance payment for the RD Voucher family is the difference between the comparable market rent for the family's former Section 515 unit and the net tenant contribution toward rent. RD will determine the voucher amount and provide the amount to the Contractor. Since the RD Voucher amount will be based on the comparable market rent, the voucher amount will never exceed the comparable market rent for the tenant's unit if they choose to stay in-place. In no event may the RD Voucher subsidy payment exceed the actual rent charged by the owner. If the amount of rent at the approved unit is less than the Voucher amount, the voucher amount will be reduced to equal the amount of rent. Conversely, if the rent at the unit exceeds the Voucher amount, the tenant is responsible for any additional payment to the owner.

### **4.2 DETERMINATION OF THE VOUCHER AMOUNT**

When RD receives a request to prepay the RD Multifamily housing mortgage, RD will order a rent comparability study (RCS) for the prepaying property's units. This RCS will provide RD with information on the market rents for each unit type in the prepaying property, by adjusting rents of comparable units to reflect differences in location, condition, appeal, amenities, utilities and other characteristics between the comparable units and the prepaying property's units.

The amount of the RD Voucher is the difference between the comparable market rent for the tenant's current unit and the tenant's net contribution at the prepaying property at the time that the voucher amount is calculated.

#### **EX. 4-1: CALCULATION OF THE RD VOUCHER AMOUNT**

Tenant A lives in a 2-BR unit and pays \$150 per month;  
no utilities are included in rent.

RCS Market Rent for 2-BR unit w/o utils:	\$600
Tenant A rent contribution at prepayment:	- \$150 ( <u>net tenant contribution</u> )
Amount of RD Voucher:	\$450

Exhibit 4-1 shows the calculation of an RD Voucher. In this example, Tenant A would receive a voucher worth \$450 a month towards the cost of rent. Tenant A can use this voucher at the prepaying property or at any property where the rental unit passes an RD inspection and the owner agrees to participate in the RDVP.

**EX. 4-2: CALCULATION OF THE RD VOUCHER AMOUNT**

Tenant A lives in a 2-BR unit and pays \$150 per month, with utilities included in the rent

RCS Market Rent for a 2-BR unit with utilities:	\$750
Tenant A net contribution at prepayment:	<u>- \$150</u>
Amount of RD Voucher:	\$600

**NOTE:**

**If the tenant's rent at the prepaying property includes all or partial utilities, then the Voucher will be calculated on a comparable market rent where all or partial utilities are included in the rent.**

Exhibit 4-2 shows that if utilities were included in the prepaid property's rent, RD would review the RCS and utilize the appropriate size unit and appropriate market rent including utilities to determine the RD Voucher amount. If, for example, the comparable market rent, with utilities, was \$750, and the net tenant contribution was \$150, then the RD Voucher amount would be \$600.

Whether the tenant remains at the property where the mortgage was prepaid or elects to move out of that property, the maximum amount of the RD Voucher does not change.

If the tenant decides to move out of the area or to another state, the maximum amount of the RD Voucher does not change, although the voucher amount could decrease if the tenant uses his/her voucher at a unit where rent is less than the voucher amount.

**EX. 4-3: CALCULATION OF THE RD VOUCHER AMOUNT FOR SECTION 8 OR OTHER TYPES OF ASSISTANCE**

Tenant A lives in a 2-BR unit and has an adjusted income of \$10,000 and receives \$50 utility allowance (UA). The calculation is as follows:

Adjusted income	\$10,000
Divided by 12 months	\$833
Multiplied by 30%	\$250
Less the UA	<u>(\$50)</u>
NTC	\$200
RCS Market Rent for a 2-BR unit:	\$750
Tenant A net contribution at prepayment:	<u>- \$200</u>
Amount of RD Voucher:	\$550



If the property is a Section 8/515 or the tenant has a HUD voucher or other assistance, use 30% of the tenant’s adjusted income divided by 12 months less the utility allowance to achieve the NTC as shown above in Ex 4-3.

<b>EX. 4-4: EXAMPLES OF EFFECT OF RD VOUCHER</b>		
Tenant A: RD Voucher Amount: \$450		
ABC Property	DEF Property	GHI Property
2 BR Rent: \$700	2 BR Rent: \$500	2 BR Rent: \$400
RD Voucher - <u>\$450</u>	RD Voucher: - <u>\$450</u>	RD Voucher: - <u>\$400</u>
Tenant Pays: \$250	Tenant Pays: \$50	Tenant Pays: \$ 0

Exhibit 4-4 shows how an RD Voucher could be used at different properties. The RD Voucher amount is \$450 per month. The tenant’s rent payment at ABC Property would be \$250 per month; the tenant’s rent payment at DEF Property would be \$50. At GHI Property, however, the amount of the rent is less than or equal to the amount of the RD Voucher. In this instance, the RD Voucher amount cannot exceed the total rent. The tenant’s rent payment to the landlord is \$0. Any utility cost, if not included as part of the rent, is paid by the tenant. Note that the amount of the Voucher was reduced at GHI Property so it would not exceed the rent.

Assuming the tenant is receiving the maximum voucher amount, if the tenant wishes to move from an approved unit to another approved unit (in the same or another property), the amount of the voucher will remain the same unless the amount of the voucher exceeds the rent at the newly-approved unit. For example, if a tenant’s voucher amount is \$400 and the rent at the newly-approved unit is \$350, the amount of the voucher will be reduced to \$350. If the tenant subsequently moves to another approved unit (after normal lease expiration), and the rent at that unit is \$400 or more, the amount of the voucher will revert to the original amount (\$400).

A tenant’s choice of a unit with a different mix of utilities included in the rent may increase the tenant’s rent burden.

**4.3 No Tenant Certification Data**

There may be instances when the prepaying property has no tenant certification data or the tenant certifications that are available have expired. In these cases, you may use the information available, either a management agent’s rent roll or a site visit by RD. If this is not possible, the Contractor will forward a letter to the tenant advising that ‘we were unable to determine if (your) income is at or below that 80% of the Family Median Income (FMI) for the area.’

The Voucher Determination Summary form is available at:  
<https://mfhdemoteam.sc.egov.usda.gov/voucher/default.aspx>

---

## CHAPTER 5 HOUSING SEARCH AND LEASING

### 5.1 CHAPTER OVERVIEW

This chapter explains issuance of the RD Voucher, the housing search, tenancy approval, and leasing processes. Housing search and leasing are critical activities in the administration of the RDVP. Until the tenant finds a unit that meets both tenant needs and program requirements, the tenant cannot benefit from the voucher program. Using Attachment 5-A, the Contractor will transmit the RD Voucher Package that consists of RD Vouchers (2 copies); Request for Tenancy Approval; Sample HUD Tenancy Addendum; Sample HAP Contract; Disclosure of Information on Lead-Based Paint Hazards and; *Are You a Victim of Housing Discrimination?; Protect Your Family from Lead in Your Home.*

Upon issuance of an RD Voucher, the housing search process begins. Once the tenant finds a suitable unit, RD and the Contractor begin the process of approving or denying the assisted tenancy. If the tenancy is approved, leasing activities begin.

### 5.2 VOUCHER ISSUANCE

The tenant must sign and return the original VOF and proof of citizenship no later than 10 months from the date of prepayment or foreclosure in order to receive an RD Voucher. The RD Voucher form, based on the Housing Choice Voucher form, is **Attachment 5-B**. This is the tenant's authorization to search for housing. The voucher includes the amount of assistance and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the tenant obligations under the program.

The voucher is evidence that the tenant is eligible for the RDVP and subsidy will be available if the tenant selects a unit that can be approved under program requirements. RD is under no obligation to either the tenant or the owner to approve any specific unit, but the voucher is a contractual agreement between the RD and the tenant, obligating RD to provide assistance if the tenant locates an approvable unit and complies with the tenant obligations.

The tenant must date, sign and return the signed original voucher to the Contractor. The Contractor must retain a copy of the voucher in the tenant's file.

If a tenant who was using an RD Voucher decides to no longer use that Voucher, the tenant is not eligible to receive another RD Voucher.

### 5.3 TENANT OBLIGATIONS

**Tenant Alert!**  
**If a tenant relinquishes the RD Voucher or if the assistance is terminated due to tenant failure to comply with Tenant Obligations, no subsequent RD Voucher will be issued and the tenant will no longer participate in the RDVP.**  
**See Figure 5-1.**

---

As discussed above, the RD or the Contractor must inform families of their obligations under the Program. The RD Voucher on Form HUD-52646, Housing Choice Voucher, lists these obligations. Once the unit is approved and the HAP contract is executed, the tenant must follow the rules listed on the Voucher in order to participate in the RDVP. All information the tenant provides must be accurate and complete. The voucher also clearly specifies activities in which the tenant must NOT engage. Figure 5-1 below describes these tenant obligations as shown on the Voucher.

Failure to comply with the Tenant Obligations may result in termination of RD Voucher assistance. Once this assistance is terminated, no subsequent RD Voucher will be issued.

#### **5.4 SEARCH TIME, EXTENSIONS, AND VOUCHER EXPIRATIONS**

##### **Search Time**

The Contractor issues a voucher for a period of 60 days. The search term must be clearly indicated on the voucher, and the tenant must submit a signed original voucher and the request for tenancy approval (RTA) and other required documents within the 60 day period, unless the Contractor grants an extension.

##### **Extensions of Search Time**

The Contractor has the authority to grant extensions of search time and to determine the length of an extension not to exceed 60 days and the circumstances under which extensions will be granted. Only one (1) 60-day extension of time is permitted.

In cases where an extension is requested and needed as a reasonable accommodation to a tenant with disabilities, the Contractor may approve an additional extension.

##### **Voucher Term Expiration**

The RD Voucher search term expiration pertains to the deadline for submission of a request for tenancy approval and other required documents. The expiration date does not refer to the date the unit must be available for occupancy. For example, if an RD Voucher term expiration date is September 30, the request for tenancy approval could be dated September 30 for an occupancy date of November 1.

The maximum voucher search period for any family participating in the Rural Development Voucher Program is 120 days. If the Rural Development Voucher remains unused after a period of 150 days from issuance, the Rural Development Voucher will become void and funding may be cancelled. The tenant will no longer be eligible to receive a Rural Development Voucher.

**FIGURE 5-1**

**TENANT OBLIGATIONS TO PARTICIPATE IN THE VOUCHER PROGRAM**

**Obligations of the Family**

A. When the family's unit is approved and the HAP contract is executed, the family must follow the rules listed below in order to continue participating in the Rural Development Voucher Program.

B. The family must:

1. Allow the RD to inspect the unit at reasonable times and after reasonable notice.
2. Notify RD or the Contactor and the owner in writing before moving out of the unit or terminating the lease.
3. Use the assisted unit for residence by the family. The unit must be the family's only residence.

C. Any information the family supplies must be true and complete.

D. The family must not:

1. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).
2. Commit any serious or repeated violation of the lease.
3. Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
4. Engage in drug-related criminal activity or 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.
5. Sublease or let the unit or assign the lease or transfer the unit.
6. Receive RD voucher program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other Federal, State or local housing assistance program.
7. Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.
8. Engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.

**5.5 REQUESTS FOR TENANCY APPROVAL**

Once a tenant finds a suitable unit and the owner is willing to lease the unit under the program, the tenant must request tenancy approval from the Contractor. The tenant must submit these documents to the Contractor: an original signed voucher, a completed original Request for Tenancy Approval form; and the Lead Based Paint disclosure form. The tenant must submit all documents no later than the expiration date stated on the voucher.

**The Process**

The Contractor must use form HUD-52517, Request for Tenancy Approval, for this purpose (**see Attachment 5-2**). Form HUD-52517 contains basic information about the rental unit selected by the tenant, including the unit address, number of bedrooms, structure type, year constructed, and the

**Tenant Alert!**  
**Note all time limits associated with the Voucher.**  
**Be sure to submit the appropriate forms and all required documentation.**

---

requested beginning date of the lease. Owners of units constructed prior to 1978, must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

## **5.6 APPROVAL OF THE TENANCY**

Before approving the assisted tenancy and executing the HAP contract, RD and the Contractor must ensure that the following program requirements have been met:

- ‡ Unit is eligible.
- ‡ Unit has been inspected by RD and meets RD inspection standards.
- ‡ Voucher funds have been obligated and all required documents have been provided to the owner and tenant.

*The following actions must be completed before the beginning of the lease term:*

- ‡ RD must inspect the unit and determine that the unit meets RD inspection standards.
- ‡ The owner and the tenant must have executed the lease, including the HUD-prescribed tenancy addendum.

### **Eligible Units**

Families may live in any rental situation where the unit meets RD inspection standards. This includes manufactured housing, and rent to own with an approved lease. Tenants may not receive RD Voucher assistance while receiving another housing subsidy for the same unit or a different unit under any federal, state or local program. As a result, RD Vouchers may not be used at, for example, Public Housing, USDA Rental Assistance units or Section 8 project-based assistance units. The tenant could, however, choose this housing and give up his/her RD Voucher.

### **Unit Meets RD Inspection Standards**

RD must determine that the rental unit selected is in decent, safe, and sanitary condition before approving the tenancy. This determination is made using RD inspection standards. RD must notify the tenant and owner of its determination as to whether the unit meets RD inspection standards. The notice to the tenant and owner should be made within 30 days after the tenant and owner submit the request for tenancy approval and all other required documentation (original signed voucher, and lead based paint certifications.) The 30-day clock is suspended during any period when the unit is not available for inspection.

### **Notification to Owner and Tenant**

After receiving the tenant's request for tenancy approval, the Contractor reviews the RTA (including the lead based paint disclosure, if applicable); RD inspects the physical

---

condition of the unit. Once the unit passes inspection or the State Director letter is sent, the Contractor will furnish two copies of the HAP contract to the owner.

- The owner and the tenant must execute the lease and HUD addendum.
- The owner must sign both copies of the HAP contract and return to the Contractor a copy of the executed lease and both copies of the executed HAP contract.
- The Contractor will execute the HAP contract and return an executed copy to the owner and to RD to start the payments.

If it is determined that the assisted tenancy cannot be approved for any reason, the Contractor will notify the owner and tenant and provide the reasons for disapproval. RD and the Contractor must also provide the owner and tenant with an opportunity to correct the problem(s) prior to a specific date established by RD or the Contractor.

RD is responsible for informing the tenant, owner and contractor of the results of the unit inspection. If there is a finding that requires repair, RD must communicate with the owner and provide a maximum of 20 days to complete required repairs. If the unit does not pass inspection the 2<sup>nd</sup> time, RD must notify the tenant, owner and contractor. RD must inform the tenant to find a new unit and include, in the letter, a blank RTA and Disclosure of Lead-Based Paint form for the tenant to complete and return to the contractor once a new unit is chosen.

## **5.7 TENANT SCREENING**

Tenant screening and selection are the responsibility of the owner. The owner's policy cannot violate federal, state or local laws.

RD should encourage owners to consider a tenant's background with respect to the following factors:

- ⌘ Payment of rent and utilities;
- ⌘ Care of unit and premises;
- ⌘ Respect for the rights of other residents to the peaceful enjoyment of their housing;
- ⌘ Drug-related criminal activity or other criminal activity that threatens the health, safety, or property of others; and
- ⌘ Compliance with other essential conditions of tenancy.

## **5.8 LEASE AND TENANCY**

The tenant must have legal capacity to enter into a lease under state or local law. "Legal capacity" means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner. The tenant and the owner must enter and execute a written lease for the unit. The lease must be in the standard form the owner uses in the locality for rental to unassisted tenants. The HAP contract prescribed by RD contains the owner's certification that, if the owner uses a standard lease form for rental to unassisted

---

tenants, that lease form is used for the assisted unit as well. If the owner does not use a standard form of lease to unassisted tenants, another form of lease may be used.

The lease must include the following information:

- ‡ Names of the owner and tenant;
- ‡ Unit address;
- ‡ Term of the lease, including initial term and provisions for renewal;
- ‡ Amount of monthly rent to owner;

The lease must also include verbatim the RD modified HUD-prescribed tenancy addendum. The tenancy addendum can also be found in Part C of the HAP Contract for the RDVP/HCV Program. The tenancy addendum sets forth the tenancy requirements for the program and the composition of the household. The owner must sign the lease and HUD tenancy addendum with the prospective tenant; the tenant has the right to enforce the tenancy addendum against the owner. The terms of the tenancy addendum prevail over any other provisions of the lease.

---

**ATTACHMENT 5-A  
TENANT LETTER #4  
SAMPLE VOUCHER PACKAGE LETTER**

«First\_Name» «Last\_Name»  
«Address\_1», «Address\_2»  
«City», «State» «Zip\_Code»

**Re: VOUCHER PACKAGE**

Dear «First\_Name» «Last\_Name»:

This letter provides you with the Rural Development (RD) Voucher that you requested. The RD Voucher will assure a potential landlord that you have additional financial resources with which to pay your rent.

---

**Documents to Sign & Return**

After you find a housing unit you like, with a landlord willing to accept the voucher, return the following documents to Quadel.

1. A signed RD Voucher. Note that there are two RD Vouchers in this packet: one copy is to be signed and returned to us, and the other copy is yours to keep.
2. A completed and signed Request for Tenancy Approval form with your signature and the signature of the Owner/Owner Representative of your prospective unit.
3. A completed and signed Disclosure of Information on Lead-based Paint form with your signature and the signature of the Owner/Owner Representative of your prospective unit.

Note that all information provided will be available to USDA but will be otherwise kept confidential.

**This voucher expires 60 days from the date of issuance.** Therefore, you must submit all documents no later than «Expiration\_Date\_on\_Voucher» by mail to –

**Attn:**

**If you do not return these forms by «Expiration\_Date\_on\_Voucher» you may be ineligible to use your RD Voucher.**



---

---

**Next Steps**

---

Rural Development must determine that the rental unit selected is in decent, safe and sanitary condition before approving your tenancy. After receiving the documents referenced above, Rural Development will, if necessary, contact the prospective landlord and schedule a date to perform a unit inspection. If you or the Owner/Owner Representative of your prospective unit would like more information about the inspection process, please call \_\_\_\_\_.

**We will mail the owner a completed Housing Assistance Payment (HAP) Contract for signature after the unit passes inspection.**

Remember that it is an owner's right to accept or decline a voucher. Even with a RD Voucher tenants are required to meet an owner's tenant selection criteria in order to rent a unit. Also, RD Vouchers may not be used in combination with a HUD Housing Choice Voucher, at a Public Housing unit, at a USDA Rental Assistance unit or at a HUD property with existing subsidy.

---

---

**Enclosures for You and Your Landlord**

---

Enclosed for your information are two brochures for your review: "**Are You a Victim of Housing Discrimination?**" and "**Protect Your Family from Lead in Your Home.**"

We have also included a blank copy of a **Tenancy Addendum** and a **HAP Contract** for you to provide to the Owner/Owner Representative of the unit you want to rent. You do not need to complete and return these two forms now; they are simply for the Owner/Owner Representative to see.

Sincerely,

USDA Rural Development

Enclosure(s): RD Vouchers (2 copies); Request for Tenancy Approval; Sample HUD Tenancy Addendum; Sample HAP Contract; Disclosure of Information on Lead-Based Paint Hazards; *Are You a Victim of Housing Discrimination?*; *Protect Your Family from Lead in Your Home.*

**Voucher**  
**US Department of Housing**  
~~**Housing Choice Voucher Program**~~  
**and Urban Development**  
**Rural Development Voucher Program**

OMB No. 2577-0169  
 (exp. 09/30/2012)

Office of Public and Indian Housing

Public Reporting Burden for this collection of information is estimated to average 0.05 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to authorize a family to look for an eligible unit and specifies the size of the unit. The information also sets forth the family's obligations under the ~~Housing Choice Voucher Program~~. **Rural Development Voucher Program.**

**Program.**

Please read <b>entire</b> document before completing form Fill in all blanks below. Type or print clearly.		Voucher Number
1. Insert <del>unit size in number of bedrooms.</del> (This is the number of bedrooms for which the Family qualifies, and is used in determining the amount of assistance to be paid on behalf of the Family to the owner.) <b>Total 12-month Value of Voucher</b>		1. <del>Unit Size</del> Value of Voucher \$
2. <b>Date Voucher Issued (mm/dd/yyyy)</b> Insert actual date the Voucher is issued to the Family.		2. Issue Date (mm/dd/yyyy)
3. <b>Date Voucher Expires (mm/dd/yyyy)</b> Insert date sixty days after date Voucher is issued. (See Section 6 of this form.)		3. Expiration Date (mm/dd/yyyy)
4. <b>Date Extension Expires</b> (if applicable) (mm/dd/yyyy) (See Section 6. of this form)		4. Date Extension Expires (mm/dd/yyyy)
5. Name of Family Representative	6. Signature of Family Representative	Date Signed (mm/dd/yyyy)
7. Name of Public Housing Agency (PHA)/OAE/RD Office		
8. Name and Title of PHA Official/OAE/RD Office	9. Signature of <del>PHA</del> Official	Date Signed (mm/dd/yyyy)

1. ~~Housing Choice~~ Rural Development Voucher Program  
 A. RD ~~The public housing agency (PHA)~~ has determined that the above named family (item 5) is eligible to participate in the ~~housing choice~~ Rural Development (RD) voucher program (RDVP). Under this program, the family chooses a decent, safe, and sanitary unit to live in. If the owner agrees to lease the unit to the family under the ~~housing choice~~ RD voucher program, and if the ~~(public housing agency, other administering entity or Rural Development office, collectively referred to as "PHA")~~ PHA approves the unit, RD the PHA will enter into a housing assistance payments (HAP) contract with the owner to make monthly payments to the owner to help the family pay the rent.  
 B. ~~RD the PHA determines the amount of the monthly housing assistance payment to be paid to the owner. Generally, the monthly housing assistance payment by RD the PHA is the difference between the applicable payment standard and 30 percent of monthly adjusted family income. In determining the maximum initial housing assistance payment for the family, RD the PHA will use the payment standard in effect on the date the tenancy is approved by RD the PHA. The family may choose to rent a unit for more than the payment standard, but this choice~~

~~does not change the amount of RD the PHA's assistance payment. The actual amount of RD the PHA's assistance payment will be determined using the gross rent for the unit selected by the family.~~

2. **Voucher**  
 A. When issuing this voucher RD ~~the PHA~~ expects that if the family finds an approvable unit, RD ~~the PHA~~ will have the money available to enter into a HAP contract with the owner. However, RD ~~the PHA~~ is under no obligation to the family, to any owner, or to any other person to approve a tenancy. RD ~~The PHA~~ does not have any liability to any party by the issuance of this voucher.  
 B. The voucher does not give the family any right to participate in the ~~PHA's housing choice~~ RD voucher program. The family becomes a participant in the ~~PHA's housing choice~~ RD voucher program when the HAP contract between RD ~~the PHA~~ and the owner takes effect.  
 C. During the initial or any extended term of this voucher, RD ~~the PHA~~ may require the family to report progress in

**leasing a unit at such intervals and times as determined by RD the PHA.**

**3. RD PHA approval or Disapproval of Unit or Lease**

A. When the family finds a suitable unit where the owner is willing to participate in the program, the family must give RD the PHA the request for tenancy approval (on the form supplied by RD the PHA), signed by the owner and the family, and a copy of the lease, including the HUD-prescribed tenancy addendum. **Note: both documents must be given to RD the PHA no later than the expiration date stated in item 3 or 4 on top of page one of this voucher.**

B. The family must submit these documents in the manner that is required by RD the PHA. RD PHA policy may prohibit the family from submitting more than one request for tenancy approval at a time.

C. The lease must include, word-for-word, all provisions of the tenancy addendum required by HUD/RD and supplied by RD. This is done by adding the HUD tenancy addendum to the lease used by the owner. If there is a difference between any provisions of the owner's lease, the provisions of the HUD tenancy addendum shall control.

D. After receiving the request for tenancy approval and a copy of the lease, RD the PHA will inspect the unit. RD The PHA may not give approval for the family to lease the unit or execute the HAP contract until RD the PHA has determined that all the following program requirements are met: the unit is eligible; the unit has been inspected by RD the PHA and passes the RD inspection housing quality standards (HQS); ~~the rent is reasonable~~; and the landlord and tenant have executed the lease including the HUD-prescribed tenancy addendum.

E. If RD the PHA approves the unit, RD the PHA will notify the family and the owner, and will furnish two copies of the HAP contract to the owner.

1. The owner and the family must execute the lease.
2. The owner must sign both copies of the HAP contract and must furnish to RD the PHA a copy of the executed lease and both copies of the executed HAP contract.
3. RD The PHA will execute the HAP contract and return an executed copy to the owner.

F. If RD the PHA determines that the unit or lease cannot be approved for any reason, RD the PHA will notify the owner and the family that:

1. The proposed unit or lease is disapproved for specified reasons, and
2. If the conditions requiring disapproval are remedied to the satisfaction of RD the PHA on or before the date specified by RD the PHA, the unit or lease will be approved.

**4. Obligations of the Family**

A. When the family's unit is approved and the HAP contract is executed, the family must follow the rules listed below in order to continue participating in the ~~housing choice~~ RD voucher program.

B. The family must:

1. Supply any information that the PHA, USDA or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- ~~2. Disclose and verify social security numbers and sign and submit consent forms for obtaining information.~~
3. Supply any information requested by the PHA RD to verify that the family is living in the unit or information related to family absence from the unit.
4. Promptly notify RD the PHA in writing when the family is away from the unit for an extended period of time in accordance with PHA policies-

5. Allow RD the PHA to inspect the unit at reasonable times and after reasonable notice.
  6. Notify RD the PHA and the owner in writing before moving out of the unit or terminating the lease.
  7. Use the assisted unit for residence by the family. The unit must be the family's only residence.
  - ~~8. Promptly notify the PHA in writing of the birth, adoption, or court awarded custody of a child.~~
  - ~~9. Request PHA written approval to add any other family member as an occupant of the unit.~~
  10. Promptly notify RD the PHA in writing if any family member no longer lives in the unit.
  11. Give RD the PHA a copy of any owner eviction notice.
  12. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.
- C. Any information the family supplies must be true and complete.
- D. The family (including each family member) must not:
1. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).
  2. Commit any serious or repeated violation of the lease.
  3. Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
  4. Engage in drug-related criminal activity or 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.
  5. Sublease or let the unit or assign the lease or transfer the unit.
  6. Receive ~~housing choice~~ RD voucher program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other Federal, State or local housing assistance program.
  7. Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.
  - ~~8. Receive housing choice RD voucher program housing assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.~~
  9. Engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.
5. **Illegal Discrimination**

If the family has reason to believe that, in its search for suitable housing, it has been discriminated against on the basis of age, race, color, religion, sex, disability, national origin, or familial status; the family may file a housing discrimination complaint with any HUD Field Office in person, by mail, or by telephone. RD The PHA will give the family information on how to fill out and file a complaint.

**6. Expiration and Extension of Voucher**

The voucher will expire on the date stated in item 3 on the top of page one of this voucher unless the family requests an extension in writing and the RD PHA grants a written extension of the voucher in which case the voucher will expire on the date stated in item 4. At its discretion, RD the PHA may grant a family's request for one or more extensions of the initial term.

**Request for Tenancy Approval  
Rural Development/  
~~Housing Choice Voucher Program~~**

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

OMB Approval No. 2577-0169  
(exp. 09/30/2012)

Public reporting burden for this collection of information is estimated to average .08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Eligible families submit this information to RD ~~the Public Housing Authority (PHA)~~ when applying for housing assistance under the RD Voucher Demonstration program ~~Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f)~~. RD ~~The PHA~~ uses the information to determine if the family is eligible, if the unit is eligible, and if the lease complies with program and statutory requirements. Responses are required to obtain a benefit from the Federal Government. The information requested does not lend itself to confidentiality.

~~1. Name of Public Housing Agency (PHA)~~

2. Please list Full Address of Proposed Rental Unit for Inspection  
(Street Address, Apartment Number, City, **County**, State & Zip Code)  
– this information must be complete, accurate and legible

3. Requested Beginning Date of Lease	4. Number of Bedrooms	5. Year Constructed	6. Proposed Rent	7. Security Deposit	8. Date Unit Available for Inspection
--------------------------------------	-----------------------	---------------------	------------------	---------------------	---------------------------------------

9. Type of House/Apartment

Single Family Detached  Semi-Detached / Row House  Manufactured Home  Garden / Walkup  Elevator / High-Rise

10. If this unit is subsidized, indicate type of subsidy:

Section 202  Section 221 (d)(3)(BMIR)  Section 236 (Insured or noninsured)  Section 515 Rural Development  
 Home  Tax Credit  
 Other (Describe Other Subsidy, Including Any State or Local Subsidy) \_\_\_\_\_

**THIS PROVISION DOES NOT APPLY**

**11. Utilities and Appliances**

The owner shall provide or pay for the utilities and appliances indicated below by an “O”. The tenant shall provide or pay for the utilities and appliances indicated below by a “T”. Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Item	Specify fuel type	Provided by	Paid by
Heating	<input type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Coal or Other		
Cooking	<input type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Coal or Other		
Water Heating	<input type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Coal or Other		
Other Electric			
Water			
Sewer			
Trash Collection			
Air Conditioning			
Refrigerator			
Range/Microwave			

# RD Voucher Program Guide

Other (specify)			
-----------------	--	--	--

**12. Owners Certifications.**

a. The program regulation requires the PHA to certify that the rent charged to the housing choice voucher tenant is not more than the rent charged for other unassisted comparable units. **Owners of projects with more than 4 units must complete the following section for most recently leased comparable unassisted units within the premises.**

Address and unit number	Date Rented	Rental Amount
1.		
2.		
3.		

b. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving leasing of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

c. Check one of the following:

\_\_\_ Lead-based paint disclosure requirements do not apply because this property was built on or after January 1, 1978.

\_\_\_ The unit, common areas servicing the unit, and exterior painted surfaces associated with such unit or common areas have been found to be lead-based paint free by a lead-based paint inspector certified under the Federal certification program or under a federally accredited State certification program.

\_\_\_ A completed statement is attached containing disclosure of known information on lead-based paint and/or lead-based paint hazards in the unit, common areas or exterior painted surfaces, including a statement that the owner has provided the lead hazard information pamphlet to the family.

13. RD ~~The PHA~~ **has not screened the family's behavior or suitability for tenancy. Such screening is the owner's own responsibility.**

14. The owner's lease must include word-for-word all provisions of the HUD tenancy addendum.

15. RD ~~The PHA~~ will arrange for inspection of the unit and will notify the owner and family as to whether or not the unit will be approved.

Print or Type Name of Owner/Owner Representative		Print or Type Name of Household Head	
Signature		Signature (Household Head)	
Business Address		Present Address of Family (street address, apartment no., city, State, & zip code)	
Telephone Number	Date (mm/dd/yyyy)	Telephone Number Date	Date (mm/dd/yyyy)

**ELECTRONIC FUNDS TRANSFER (EFT) PAYMENTS**

**I, the Owner/Owner Representative, understand and agree that if a Housing Assistance Payment Contract is signed for this unit, payments will be made for this unit via Electronic Funds Transfer (EFT) and not via hard copy checks. I also understand that the lease that I enter into with this tenant must be at least a twelve-month term and have a start date that coincides with the HAP contract start date (HAP contract will only be provided to you once this unit passes inspection).**

Print or Type Name of Owner/Owner Representative	Signature
--	-----------

**TENANT OBLIGATION**

**I, the Voucher Holder, understand and agree that the USDA is under no obligation to pay a Housing Assistance Payment until a Housing Assistance Payment Contract is signed for this unit. If I move into a unit before a Housing Assistance Payment is signed, I am solely responsible for the entire rent of that unit.**

Print or Type Name of Voucher Holder	Signature
--------------------------------------	-----------

## **CHAPTER 6**

### **RURAL DEVELOPMENT INSPECTION STANDARDS REQUEST FOR TENANCY APPROVAL INSPECTIONS**

#### **6.1 CHAPTER OVERVIEW**

The goal of the RD Voucher is to provide “decent, safe and sanitary” housing at an affordable cost to low-income families. To accomplish this, Rural Development set forth basic inspection standards which all units must meet before assistance can be paid on behalf of a tenant. A Rural Development Inspection standard defines “standard housing” and establishes the minimum criteria necessary for the health and safety of program participants.

#### **6.2 RD INSPECTIONS STANDARDS: GENERAL REQUIREMENTS**

Prior to accepting the tenancy of an RD Voucher holder, it is the responsibility of the RD staff to conduct inspections of units to determine compliance with Rural Development Inspection standards.

Potential safety hazards that are not specifically addressed in the acceptability criteria, such as damaged kitchen cabinet hardware that may present a cutting hazard to small children, is an example of an area that requires judgment. Less than optimal conditions, such as a water heater with a small capacity, is another example. A good practice is to assess potential hazards based on the tenant residing in the unit. Some potential hazards may only apply when small children are in occupancy. Some less than perfect conditions, such as a water heater that appears too small for optimal use by the tenant, should be discussed with the tenant, but should not lead to denial of program assistance if the tenant is willing to accept the existing condition.

#### **6.3 CONDUCTING RTA INSPECTIONS**

Upon receipt of the notice from the Contractor, RD will contact the landlord and the tenant, as appropriate, to arrange for the unit inspection. An inspection of the proposed unit must be conducted within 30 days from the date the RTA is received.

RD staff utilizing the Rural Development inspection standards should interpret the standards as broadly and consistently as possible. Using the RTA Inspection Form, RD should strive to ensure consistency among staff in areas requiring judgment. Tenant preference may also need to be considered in determining whether the unit meets minimum standards. The RTA Inspection form provides specific inspection guidance in the RTA Inspection Instructions. See Attachment 6-A for the RTA Inspection Form and its instructions.

Upon completion of the RTA inspection, the landlord is informed in writing using the Inspection Results letter, Attachment 6-B. The letter should inform the landlord whether

the unit passed or failed the inspection and identify the nature of deficiencies, if applicable.

A “Passed Inspection” means that the Contractor will send to the Owner, in a separate mailing, a Housing Assistance Payments Contract (HAP) contract to sign and return. Tenants should be aware that the RTA inspection does not replace their move-in inspection with the owner.

If the unit has failed the initial inspection, a letter is sent to the owner with a copy to the tenant and the Contractor stating the items that caused the unit to fail and explains that the owner has 20 days to correct the items and notify the RD Field Office that a re-inspection is needed.

Within 10 business days of notification from the owner that the unit is ready for a re-inspection, the RD Field Office should conduct a re-inspection. At RD’s discretion, the owner may provide adequate documentation to satisfy RD that the deficiency has been corrected rather than perform another on-site inspection. If the unit does not pass the re-inspection, no additional inspections will be scheduled for that unit. Instead, the tenant must find another unit in which to use the RD Voucher. (The tenant may still choose to rent the failed unit, but the RD Voucher may not be used for that unit.)

If the owner has not notified RD that a re-inspection is needed within 20 days after the failed inspection, RD will send a letter to the tenant (with a copy to the owner and contractor) that the unit still does not pass inspection and that the tenant must find a new unit if they want to use their RD Voucher. Attachment 6-B may be used.

Any letters notifying the tenant of a failed inspection should include a copy of a blank RTA and a lead-based paint disclosure form, in case the tenant chooses to look for a new unit. Instructions on the letter also tell the tenant to call RD or the Contractor with any questions regarding the search process or next steps.

#### **6.4 INSPECTION OF FORMER RD UNITS**

The tenant may decide to stay in their current unit (formerly RD) or move to another RD property to use the voucher. If the unit is in a former RD building that has had a passing RD physical inspection or supervisory visit within the last year, the RD State Director for the state where the unit is located may certify that the unit meets RD housing inspection standards using Attachment 6-C, RD State Director Unit Inspection Letter.

**One year is defined as, not more than one year from the date of receipt by RD of the RTA.**

**If the last RD physical inspection or supervisory visit was more than one year prior to receipt of the RTA, the unit must be inspected.**

**6.5 VOUCHER TRANSFERS AND RENEWALS**

At renewal, re-inspections are not required if a tenant renews the voucher and lives in the same unit.

If the tenant moves to a different unit either in the current property or at another property, the RTA Form, the Lead Based Paint Disclosure form and the RTA inspection are required.



**ATTACHMENT 6-A**

**Rural Development Voucher Program  
Request for Tenancy Approval (RTA) Inspection**

<b>Section I: General Information</b>					
<b>Servicing Official:</b>			<b>Date:</b>		
<b>Tenant Name:</b>					
<b>Property Name:</b>					
<b>Property Address:</b>					
<b>Specify Housing Type: MFH, Single Family, and Mobile Home, Other.</b>					
<p>Indicate A=Acceptable Acceptable indicates that the condition is satisfactory or up to industry standard. Indicate F=Finding: A finding is a failure to meet a standard that requires correction. Health &amp; Safety are always to be considered a V=Violation: A violation is a finding that because of its severity the unit fails inspection. If a finding or a violation, use the comment section to provide an explanation of the problem including possible corrective action. Indicate the Estimated Completion Date (ECD) in the column provided (as per landlord). The comment section may be used for observations or notes.</p>					
<b>Section II: Exterior Site Inspection</b>	<b>A</b>	<b>F</b>	<b>V</b>	<b>ECD</b>	<b>N/A</b>
Lighting					
Foundation of unit					
Mobile Home: Tie Downs					
Exterior Walls and Siding of unit					
Roofs, Flashing and Gutters of unit					
Windows, Doors and Exterior of unit					
<b>Section III: Unit Inspection</b>			<b>Unit #:</b>		
<b>Is this unit vacant?</b>					
<p>Indicate A=Acceptable Acceptable indicates that the condition is satisfactory or up to industry standard. Indicate F=Finding: A finding is a failure to meet a standard that requires correction. Health &amp; Safety are always to be considered a V=Violation: A violation is a finding that because of its severity the unit fails inspection. If a finding or a violation, use the comment section to provide an explanation of the problem including possible corrective action. Indicate the Estimated Completion Date (ECD) in the column provided (as per landlord). The comment section may be used for observations or notes.</p>					

<b>Unit - General</b>	<b>A</b>	<b>F</b>	<b>V</b>	<b>ECD</b>	<b>N/A</b>
Water Heaters					
Emergency Call System (if installed)					
Smoke Alarms					
Mobile Home: Smoke Detectors					
Electrical, Air Conditioning and Heating					
Insect/Rodent Infestation					
Entrance Door					
<b>Living Room/Dining Room</b>	<b>A</b>	<b>F</b>	<b>V</b>	<b>ECD</b>	<b>N/A</b>
Walls and Ceilings					
Windows					
Flooring					
<b>Kitchen</b>	<b>A</b>	<b>F</b>	<b>V</b>	<b>ECD</b>	<b>N/A</b>
Fire Extinguisher					
Walls and Ceilings					
Refrigerator					
Range and Range Hood					
Sinks					
Cabinets					
Windows					
Flooring					
<b>Bathroom</b>	<b>A</b>	<b>F</b>	<b>V</b>	<b>ECD</b>	<b>N/A</b>
Walls and Ceilings					
Water Closet					
Bathtub and Shower Stall					
Sinks/Vanity					
Flooring					
<b>Bedroom</b>	<b>A</b>	<b>F</b>	<b>V</b>	<b>ECD</b>	<b>N/A</b>
Walls and Ceilings					
Door and Windows					
Flooring					

**Comments/Observations (use additional sheet(s) as needed):**

## **REQUEST FOR TENANCY APPROVAL INSPECTION INSTRUCTIONS**

**This form is to be used for the RD Voucher RTA Inspections**

**PROCEDURE FOR PREPARATION: RD Voucher Guidebook**

**PREPARED BY: RD Servicing Official.**

**NUMBER OF COPIES: Original and one copy.**

**SIGNATURES REQUIRED: None**

**DISTRIBUTION OF COPIES: Original to tenant voucher file. A copy with inspection letter to owner and tenant upon completion of the inspection.**

The Loan Servicer completes Sections I, II and III. The Loan Servicer inspects the physical condition of the unit to ensure that the unit is decent, safe, and sanitary.

**Section I: General Information:** Complete the information as required.

**Sections II and III: Indicate the site condition as follows:** Indicate F for Finding or V for Violation. If a finding or a violation, use the comment section to provide an explanation of the problem including possible corrective action. A Finding (**F**) is defined as a finding is a failure to meet a standard that requires correction through routine servicing with sufficient frequency that it constitutes a pattern. Generally, a pattern may occur if there are 2 or more instances or 25% of the property is affected by the deficiency, whichever is greater. A Violation (**V**) is defined as a finding that escalates because of its severity that will be needed to obtain compliance. Health & safety are issues always to be considered violations.

For findings and violations, indicate the Estimated Completion Date (**ECD**) in the column provided. The ECD maybe provided by Landlord. It may also be provided in the landlord's written response to the inspection report.

Use N/A if the condition is not applicable.

Use the comment section for observations, notes and descriptions. Describe the frequency as either isolated, a pattern or widespread. Also describe the severity of the problem by indicating low, medium or high.

Use the following criteria to complete sections II and III:

### **Section II: Exterior Site Inspection**

#### **Lighting**

Lighting permits safe access and security.

#### **Foundation (if applicable to unit)**

Free of structural failure as evidenced by continuous horizontal cracks, uneven settlement and/or severe bowing of the foundation wall.

Free of unstable soils which could undermine foundations or parking area.

Free of structural members showing excessive rot.

Free of insect or rodent infestation.

#### **Mobile Homes: Tie Downs**

If the unit is a mobile home, it is properly placed and tied down? Manufactured homes

must have proper tie-down devices capable of surviving wind loads common to the area. If not tied down according to local standards, the unit fails.

**Exterior Walls and Siding (if applicable to unit)**

Walls free from deterioration which allows element to infiltrate the structure.

Eaves, gables, & window trim are free of deterioration.

Exterior wall coverings are intact, securely attached and in good condition.

Exterior walls and surfaces are clean and painted, if applicable.

Brick veneers are free of missing mortar or brick.

**Roofs, Flashing and Gutters (if applicable to unit)**

Gutters and downspouts securely attached, clean and finished (painted) properly.

Splash blocks or extenders are used to direct flow away from building

Roof is free of leaks or defective covering which allows elements to enter.

The roof structure is free of sagging or buckling.

Fascia and soffits are intact.

Roof is free of curled or missing shingles.

**Windows, Doors and Exterior**

Screens are free of tears, breaks and rips.

Windows are unbroken.

Window thermo pane seals are unbroken.

Caulking on the exterior of the window and doors is continuous and free of cracks.

Doors provide security and have functional locks.

Doors are weather tight and free of holes.

Porches, balconies and exterior stairs are free of broken, missing or rotting components.

**Section III: Unit Inspection**

**Apartment Unit**

Is the unit vacant? If yes, respond to the questions concerning rent readiness. Use the comment/observation section to describe the condition of the vacant unit.

**Water Heaters**

Water heaters operate properly, do not leak and supply adequate hot water.

Water heaters are supplied with temperature/pressure relief valves.

Water heater area free of damage

**Emergency Call System (if installed)**

Operating properly

Switches located in bathroom and bedroom

Switches furnished with pull cord and the down position is "ON"

**Smoke Alarms**

Properly located according to local code

Operating Properly

**Mobile Homes: Smoke Detectors**

If unit is a mobile home, does it have at least one smoke detector in working condition?

If there is not at least one working smoke detector, the unit fails.

**Electrical, Air Conditioning and Heating**

Units are free of bare wires, uncovered outlets or other evident safety hazards.

Switches working properly without evidence of arcing.

Light fixtures are unbroken and operable.  
Heating and cooling modes function properly including thermostats.  
Return air grills clean, free of rust and maintained.

**Insect/Rodent Infestation**

Units free of visible signs of insects or rodents  
Units free of signs of insect or rodent damage

**Entrance Door**

Unit number visible.  
Are door jambs secure and undamaged?  
Is door in need of weather-stripping?  
All doors are free of holes and metal doors are free of rust.  
Door hardware is secure, unbroken and easily operable.  
Dead bolts are in place and secure.

**Living Room/Dining Room**

**Walls and Ceilings**

Walls and ceilings are free of holes  
Wallboards joints are secure and free of cracks  
Walls and ceilings are free of evidence of current water leaks  
Walls and ceilings are free of material that appears in danger of falling

**Windows**

Window interiors are free of evidence of moisture damage  
Windows are free of bent blinds or torn curtains  
Windows can be opened and closed easily.

**Flooring**

Carpet is clean and without excessive wear  
Carpet seams secure and stretched properly  
Resilient flooring is clean and unstained  
Resilient flooring is free of tears and breaks, and seams are secure

**Kitchen**

Fire extinguisher properly charged

**Walls and Ceilings**

Walls and ceilings are free of holes  
Wallboards joints are secure and free of cracks  
Walls and ceilings are free of evidence of current water leaks  
Walls and ceilings are free of material that appears in danger of falling

**Refrigerator**

Housing is sound and finish is free of chips, damage or signs of rust  
Cooler and freezer operating satisfactorily  
Shelves and door container secure and free of rust  
Door gaskets in good condition and functioning properly

**Range and Range Hood**

Housing is sound and finish is free of chips, damage or signs of rust  
Electrical connections secure and insulated  
All range elements operable  
Doors and drawers secure  
Control knobs and handles in place and secure

Range hood fan and light are operable

**Sinks**

Finish is free of chips, damage or signs of rust

Sink is free of cracks, breaks and leaks

Strainer in good condition and in place

Fittings working properly and free of leaks

Plumbing connection under cabinet free of leaks

Sink secured to wall, counter or vanity top

Are Ground Fault Interrupters in place?

**Cabinets**

Cabinets are secure to walls and floor

Cabinet faces doors and drawer fronts in good condition and free of breaks and peeling

All drawers and doors are in place and working properly

Counter tops secure and free of burn marks or chips

Shelves in place fastened securely and free of warps

Bottoms under sink are free of evidence of warping, breaks or being water soaked

Kitchen counter and back splash are properly caulked

**Windows**

Window interiors are free of evidence of moisture damage

Windows are free of bent blinds or torn curtains

Windows can be opened and closed easily.

**Flooring**

Resilient flooring is clean and unstained

Resilient flooring is free of tears and breaks, and seams are secure

**Bathroom**

**Walls and Ceilings**

Walls and ceilings are free of holes

Wallboards joints are secure and free of cracks

Walls and ceilings are free of evidence of current water leaks

Walls and ceilings are free of material that appears in danger of falling

**Water Closet**

Seat is secure and in good condition

Tank is free of cracks or leaks and the lid fits and is in good condition

Flushing mechanism is in good conditions and operates properly

Water closet base at floor is properly caulked

**Bathtub and Shower Stall**

Finish is free of chips, damage or signs of rust

Tub and shower stall are free of cracks, breaks and leaks

Strainer in good condition and in place

Walls and floors of bathtub are properly caulked

Top and sides of shower stall are properly caulked

Fittings in Bathtub working properly

**Sinks/Vanity**

Are Ground Fault Interrupters in place?

Finish is free of chips, damage or signs of rust

Sink is free of cracks, breaks and leaks  
Strainer in good condition and in place  
Fittings working properly and free of leaks  
Plumbing connection under cabinet free of leaks  
Vanity top and back splash are properly caulked  
Sink secured to wall, counter or vanity top  
Vanities are secure to walls and floor  
Counter tops secure and free of burn marks or chips  
Bottoms under sink are free of evidence of warping, breaks or being water soaked.  
Towel bars are secured to the wall.

**Flooring**

Resilient flooring is free of tears and breaks, and seams are secure  
Resilient flooring is clean and unstained

**Bedroom**

**Walls and Ceilings**

Walls and ceilings are free of holes  
Wallboards joints are secure and free of cracks  
Walls and ceilings are free of evidence of current water leaks  
Walls and ceilings are free of material that appears in danger of falling

**Door and Windows**

All doors are free of holes and metal doors are free of rust  
Door hardware is secure, unbroken, and easily operable  
Window interiors are free of evidence of moisture damage  
Windows are free of bent blinds or torn curtains  
Windows can be opened and closed easily.  
Door stops or wall protectors in place

**Flooring**

Resilient flooring is free of tears and breaks, and seams are secure  
Resilient flooring is clean and unstained  
Carpet seams secure and stretched properly  
Carpet is clean and without excessive wear

**ATTACHMENT 6-B**  
**RTA INSPECTION RESULTS LETTER**  
**(Forward this letter to the Landlord to provide RTA inspection results)**

Date

Owner/Owner Representative Contact  
Address  
Address

Tenant Contact  
Address  
Address

RE: RTA Unit Address

In response to the Request for Tenancy Approval that you, as proposed RD Voucher tenant and Owner/Owner Representative, signed and returned to Quadel Consulting, an inspection of the proposed rental unit, listed above, was completed on [Insert Date of Inspection].

The results of the unit inspection are as follows:

- Passed Inspection
- Failed Inspection - *Reasons for failure:* [State reasons for failure]
  - Due to severity of findings, no re-inspection will be conducted.
  - Re-inspection may be conducted upon request by owner OR owner may provide adequate documentation showing that issues have been corrected.
- Failed Re-Inspection - *Reasons for failure:* [State reasons for failure}

A copy of the inspection results is attached to this letter.

A “Passed Inspection” means that RD will be sending to the Owner, in a separate mailing, a Housing Assistance Payments Contract (HAP) contract to sign and return. Tenants should be aware that the completed inspection does not replace your own move-in inspection with the owner.



A “Failed Inspection” means that the tenant may not use their RD Voucher at this unit in its current condition. If RD noted above that findings are correctable, the Owner has [Insert Timeframe up to 20 days] to make the required repairs. After making the required repairs, the Owner must either notify the RD Field office of the need for a re-inspection or provide adequate documentation (e.g. photographs clearly identifying the unit showing the correction) to confirm that the corrections have been made. The owner may contact the inspector at the number below to discuss acceptable documentation. The Field Office will re-inspect the unit within 10 days after notification from the Owner that a re-inspection is needed.

If the unit fails an initial inspection, the tenant may choose to wait for the results of the re-inspection or may begin searching for a different unit using the enclosed Request for Tenancy Approval and Disclosure of Information on Lead-Based Paint forms. If the voucher holder no longer wishes to reside in the unit, the tenant should inform the Owner and RD, and no re-inspection will be performed.

A “Failed Re-inspection” means that no further inspections will be made and the tenant must search for another unit in which to utilize the RD Voucher. A new Request for Tenancy Approval and a new Disclosure of Information on Lead-Based Paint form are enclosed for this purpose.

Thank you for your cooperation with the inspection. If you, the Owner, need to schedule a re-inspection or have questions about your inspection results, please call [Insert Name of RD Field Office Contact] at [Insert RD Field Office Contact Phone].

Sincerely,

Name RD Field Office Contact

Enclosures: Inspection Report  
Request for Tenancy Approval (To Tenant Only If Failed Inspection)  
Disclosure of Information on Lead-Based Paint Hazards (To Tenant Only If Failed Inspection)

Cc: Quadel Consulting

**ATTACHMENT 6-C**

**RD STATE DIRECTOR LETTER RE: UNIT INSPECTION**

(For Vouchers being used in a former RD property, the State Director must certify to the file that the units meet RD housing standard requirements. **This is in lieu of the individual unit inspection. This letter may be used if the inspection/supervisory visit was conducted no more than one year from the date of receipt of the RTA.)**

**This is ONLY for RD-financed properties.**

---

(Date)

TO: FILE  
James Roberts, Owner  
Roberts Apartments

The Rural Development staff conducted an annual physical inspection of Roberts Apartments, located at 110 Cramer Avenue, Cincinnati OH 45211, on June 23, 2009. **[OR]** A triennial review was done on March 5, 2009. This is to certify that the units were found to be decent, safe and sanitary, and met Rural Development housing requirements in effect at the time.

---

State Director  
USDA Rural Development

Cc: Area office

## **CHAPTER 7 HOUSING ASSISTANCE PAYMENT (HAP) CONTRACTS**

### **7.1 CHAPTER OVERVIEW**

The HAP contract is a written agreement between RD and the owner of a unit occupied by a RDVP participant. Under the HAP contract, RD agrees to make housing assistance payments to the owner on behalf of a specific tenant leasing a specific unit. The RD HAP Contract appears as Attachment 7-1. This is a HUD document that is being used by Rural Development for purposes of the Rural Development Voucher Program.

### **7.2 TERM OF THE HAP CONTRACT**

The term of the HAP contract must run concurrently with the term of the lease, including any extensions of the lease term. Occasionally, families move into units after lease execution (with addendum and lead based paint disclosure) and prior to HAP contract execution.

Initial leases and the HAP contract must be for a period of one year.

HAP contracts may be executed up to 60 days after the beginning of the lease term. Exceptions must be requested in writing by the landlord and approved by the National Office or Quadel.

The Agency may not execute a HAP contract that is effective prior to the section 515 loan prepayment or mortgage foreclosure.

HAP contract payments cannot precede the HAP start date.

The HAP contract and the housing assistance payments made under the HAP contract terminate automatically in each of the following situations:

- ⌘ Owner or tenant terminates the lease;
- ⌘ Lease expires;
- ⌘ Tenant relinquishes RD Voucher;
- ⌘ RD terminates the HAP contract;
- ⌘ RD terminates assistance for the tenant;
- ⌘ Tenant moves from the unit. The owner is entitled to keep the housing assistance payment for the month when the tenant moves out of the unit. The term of a new HAP contract for a new unit may begin in the same month in which the participant moves out of the previously assisted unit. This is not considered a duplicative subsidy.

- ‡ If the tenant is absent from the unit for longer than 60 days. The owner must advise RD and reimburse the RD for any housing assistance payment for the period after the termination.

RD may decide to terminate the HAP contract in each of the following situations:

- ‡ Available program funding is not sufficient to support continued assistance for families in the program;
- ‡ Unit does not meet RD Inspection Standards;
- ‡ Owner breaches the HAP contract.

See also Chapter 9 for a more detailed discussion of HAP contract terminations.

### **7.3 PAYMENT TO THE OWNER**

USDA must make housing assistance payments to the owner in accordance with the terms of the HAP contract, and the owner must comply with the provisions of the HAP contract in order to receive such payments. The HAP contract specifies that payments are to be made monthly, at the beginning of each month. Housing assistance payments must be made only during the lease term and while the tenant is residing in the unit. When a lease term begins after the first of the month, the housing assistance payment for the first month is pro-rated for a partial month. (See also the **HAP PAYMENTS** paragraph in Chapter 2.)

The amount of the RD Voucher does not change once it is established. Therefore, the amount of the housing assistance payment will not change during the term of the lease. The monthly housing assistance payment by USDA is credited toward the monthly rent to owner under the tenant's lease. The total of the rent paid by the tenant plus the housing assistance payment may not be more than the rent to owner. The owner must immediately return any excess subsidy payment to USDA.

The part of the rent that the tenant pays may not exceed the difference between the stated lease rent and the housing assistance payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum and must immediately return any excess rent payment to the tenant. The tenant is not responsible for payment of the portion of rent to owner covered by the housing assistance payment. Likewise, USDA is not responsible for any portion of the tenant share, including tenant rent to owner. Payment of the tenant share is the responsibility of the tenant.

#### **Distribution of Housing Assistance Payment**

Generally, USDA pays the entire housing assistance payment directly to the owner. Payment is made only through electronic funds transfer.

## **Stopping the Housing Assistance Payment**

Housing assistance payments stop under the circumstances described above or when the tenant elects to no longer use the RD Voucher.

Stopping the housing assistance payment in these situations does not affect the tenant's rights under the lease so long as the amount of the rent identified in the lease is being paid. If the tenant relinquishes the RD Voucher, no resumption of payments will occur and no new RD Voucher will be issued.

### **7.4 CONTENTS OF THE HAP CONTRACT**

Form HUD-52641 is the HAP contract for the RDVP and the HCV Program. This form has been modified for use in the RDVP. A copy of the contract appears as Attachment 7-1 of this Guide. RD requires the Contractor to use this form for the RDVP. The HAP contract contains three parts:

- ‡ Part A: Contract Information;
- ‡ Part B: Body of Contract; and
- ‡ Part C: Tenancy Addendum.

#### **Part A: Contract Information**

To prepare the HAP contract, the Contractor must fill in all of the contract information requested in Part A of the HAP contract. The HAP contract applies only to the household and contract unit specified in Part A. The form contains section by section instructions for completing Part A. Part A contains the following information:

- ‡ Name of tenant
- ‡ Address of contract unit
- ‡ First date and last date of initial lease term
- ‡ Amount of initial monthly rent to owner
- ‡ Amount of initial housing assistance payment
- ‡ Electronic Funds Transfer (EFT) information.
- ‡ Identification of utilities and appliances to be supplied by owner and tenant (*this section does not need to be completed for the RDVP*)
- ‡ Signatures of RD or the Contractor and owner

The HAP contract must be word for word in the form prescribed by HUD, except for changes caused by the RDVP.

### **Part B: Body of Contract**

Part B is the body of the HAP contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the RDVP and HCV Programs. Most of the requirements contained in Part B of the HAP contract are explained in this guide chapter.

Note that there is no rent reasonableness assessment in the RDVP.

#### *Lease of Contract Unit*

The HAP contract states the following: 1) the owner has leased the contract unit to a RDVP tenant; 2) RD or the Contractor has reviewed the lease; and 3) the lease includes word-for-word all provisions of the tenancy addendum (Part C of the HAP contract). The HAP also states that it is the owner's responsibility to screen for tenant behavior or suitability for tenancy, and RD is not responsible for such screening. It also clarifies that RD is not liable or responsible to the owner or other persons for the tenant's behavior or conduct in tenancy. The HAP contract also contains the owner's certification that the lease: 1) contains all provisions of the tenancy addendum; 2) is in standard form; and 3) is consistent with state and local law.

*Maintenance, Utilities, and Other Services – This Provision does not apply to the RDVP.*

*Provision and Payment for Utilities and Appliances – This Provision does not apply to the RDVP.*

#### *Rent to Owner: Reasonable Rent*

There is no "rent reasonableness" assessment in the RDVP, however, owners may not charge more rent to RD Voucher holders than they do for other assisted or non-assisted tenants.

#### *Owner Certification*

The HAP contract contains the owner's certification that during the term of the HAP contract:

- ‡ Owner maintains unit and premises in accordance with RD Inspection Standards
- ‡ Unit is leased to the tenant;

- ‡ Lease includes the HUD tenancy addendum, it is in accordance with the HAP contract and program requirements, and a copy has been provided to RD or the Contractor;
- ‡ Rent paid to owner does not exceed rents charged by the owner for comparable unassisted units in the premises;
- ‡ Other than the rent, the owner will not receive any payments for rental of the unit during the contract term from the tenant or RD;
- ‡ Tenant does not own or have any interest in the unit;
- ‡ To the owner's knowledge, the tenant resides in the contract unit, and the unit is its only residence;

#### *Prohibition against Discrimination*

The HAP contract specifies that the owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the HAP contract. In addition, the owner must cooperate with the RD in conducting equal opportunity compliance reviews and complaint investigations in connection with the HAP contract.

#### *Agency Access to Premises and Owner Records*

The owner agrees to provide the USDA with any pertinent information related to the HAP contract. The HAP contract states that USDA and the Comptroller General of the United States have full and free access to the contract unit and the premises and to all accounts and other records of the owner that are relevant to the HAP contract. The owner must grant access to computerized or electronic records and to any computers, equipment or facilities containing such records. The owner must assist RD in obtaining records.

#### *Exclusion of Third Party Rights*

The HAP contract states that the tenant is not a party to or third party beneficiary of Part B of the HAP contract. The tenant, therefore, cannot enforce any provision of Part B and cannot take action against the owner or RD under Part B. The tenant may enforce and take action against the owner, however, under Part C, Tenancy Addendum, of the HAP contract.

RD is not responsible for or liable to any person injured as a result of the owner's action or failure to act in connection with managing the unit or premises or implementing the HAP contract. The owner is not the agent of RD, and the HAP contract does not create or affect any relationship between RD and the lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with managing the unit or premises or implementing the HAP.

*Conflict of Interest – This Provision does not apply to the RDVP.*

The HAP contract contains conflict of interest provisions that may prohibit some owners from participation in the program. The owner certifies and is responsible for assuring that there are no conflicts of interest related to the HAP contract or in any benefits or payments under the contract.

*Written Notices*

Any notice by RD or the Contractor or the owner in connection with the HAP contract must be in writing.

*Entire Agreement: Interpretation*

The HAP contract contains the entire agreement between the owner and RD. It must be interpreted and implemented in accordance with RDVP and HUD requirements.



## **Part C: Tenancy Addendum**

### PART C OF HAP CONTRACT: TENANCY ADDENDUM

#### OUTLINE OF CONTENTS of ADDENDUM

1. Voucher Program
2. Lease
3. Use of Contract Unit
4. Rent to Owner
5. Tenant Payment to Owner
6. Other Fees and Charges
7. Maintenance, Utilities, and Other Services
8. Termination of Tenancy by Owner
9. Lease: Relation to HAP Contract
10. RD Termination of Assistance
11. Tenant Move Out
12. Security Deposit
13. Prohibition of Discrimination
14. Conflict with Other Provisions of Lease
15. Notices
16. Definitions

The tenancy addendum sets forth the tenancy requirements for the program as approved by RD. The owner must sign the HUD tenancy addendum with the prospective tenant, and the tenant has the right to enforce the tenancy addendum against the owner. The terms of the tenancy addendum prevail over any other provisions of the lease.

### **7.5 HAP CONTRACT EXECUTION AND TIME LIMITS**

When the process for requesting tenancy approval is completed, RD or the Contractor notifies the owner and the tenant of the approval or disapproval of the tenancy. If the tenancy is approved, the Contractor prepares the HAP contract. To prepare the HAP contract, the Contractor must identify the unit rent to owner and the housing assistance payment of the RD Voucher. The tenant and owner execute the lease. The owner and RD execute the HAP contract. Generally at least two “originals” of the HAP contract are prepared with original signatures so that both the owner and RD have an original document in their possession.

RD and the owner must execute the HAP contract no later than 60 calendar days from the beginning of the lease term. RD must not make any housing assistance payments to the owner until the HAP contract has been executed and (i) RD has inspected the unit and has determined that the unit satisfies the RD Inspection Standards; and (ii) the landlord and the tenant have executed the lease (including the HUD-prescribed tenancy addendum, and the lead-based paint disclosure information.). If the HAP contract is executed after the beginning of the lease term, the initial housing assistance payment would include the amount due to the owner for those days in which the unit was under lease and occupied but no HAP contract was signed, up to the maximum of 60 days. Any HAP contract

executed after the 60-day period is void, and the RD cannot make any housing assistance payments to the owner.

Prior to HAP contract execution, RD or the Contractor should carefully review Part A of the HAP contract to ensure that it is complete and accurate. It is important that both the tenant and the owner fully understand the requirements contained in the HAP contract and tenancy addendum, particularly those requirements related to their rights and responsibilities under the RDVP. Tenant obligations are fully described in Chapter 5.

It is equally important that the Contractor and RD staff fully understand the provisions of the HAP contract, since the HAP contract is the binding agreement that governs the relationship between RD and the owner. It is also good customer service for staff to be able to explain clearly and consistently HAP contract provisions to owners, families, and community groups.

A concerted effort must be made to execute the HAP contract prior to or as close to the beginning of the lease term as possible.

## **7.6 CHANGES REQUIRING NEW HAP CONTRACT**

RD or the Contractor must approve a new tenancy and execute a new HAP contract in the following cases:

- ‡ If the owner or tenant request a new lease;
- ‡ If there are changes in lease provisions governing the term of lease; and
- ‡ If the tenant moves to a new unit, even if the new unit is in the same building or complex.
- ‡ If the ownership of the property changes, the new owner will be required to sign new leases with tenants and sign new HAP contracts that will start the same day as the new lease.
- ‡ If the tenant wants to move to another unit in the same property, the tenant will get a new lease. A new lease requires a new HAP. A new HAP requires a new obligation.

Changes in the lease, other than those identified above, may not necessitate the execution of a new HAP contract for the RDVP.

## **7.7 OWNER RESPONSIBILITIES**

Owner responsibilities are defined in the HAP contract, lease, and HUD regulations. The owner is responsible for the following:

- ⌘ Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit and deciding if the tenant is suitable for tenancy;
- ⌘ Maintaining the unit in accordance with RD Inspection Standards, including performing ordinary and extraordinary maintenance;
- ⌘ Complying with equal opportunity requirements;
- ⌘ Preparing and furnishing to RD or the Contractor information required under the HAP;
- ⌘ Collecting from the tenant any security deposit, rent owed by the tenant, and any charges for unit damage by the tenant;
- ⌘ Enforcing tenant obligations under the lease; and
- ⌘ Paying for utilities and services, unless paid for by the tenant under the lease.

#### **7.8 OWNER BREACH OF HAP CONTRACT**

Any of the following actions by the owner, principal, or other interested party is a breach of the HAP contract:

- ⌘ Violation of any obligation under the HAP contract, including the requirement to maintain unit according to RD Inspection Standards;
- ⌘ Fraud, bribery, false statements, or any other corrupt or criminal act in connection with the HAP contract or any federal housing program;
- ⌘ For projects with HUD-insured mortgages, USDA, or HUD loans, failure to comply with the applicable program regulations, the mortgage or mortgage note, or the regulatory agreement or fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.

If RD or its Contractor determines that a breach or noncompliance of the contract has occurred, it may exercise any of its rights and remedies under the HAP contract. RD or the Contractor must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. RD may recover any overpayment, suspend housing assistance payments, abate or reduce the housing assistance payment, terminate the payment or terminate the HAP contract. RD may also obtain additional relief by judicial order or action, including specific performance, other injunctive relief, or order for damages.

If RD determines that an owner is not entitled to the housing assistance payment or any part of it, RD may deduct the amount of the overpayment from any amounts due the owner. RD or the Contractor must provide the owner with written notice of any termination or reduction in housing assistance payments or the termination of the HAP contract.

# Housing Assistance Payments Contract (HAP Contract)

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

## ~~Section 8 Tenant-Based Assistance~~ ~~Housing Choice~~ Rural Development (RD) Voucher Program

### Instructions for use of HAP Contract

This form of Housing Assistance Payments Contract (HAP contract) is used to provide ~~Section 8~~ tenant-based assistance under the ~~housing choice~~ voucher demonstration program (voucher program) of the U.S. Department of Agriculture (USDA). ~~The main regulation for this program is 24 Code of Federal Regulations Part 982.~~

The local voucher program is administered by a ~~public housing agency (PHA)~~, other administering entity contracted by USDA (OAE) or the Rural Development office, hereinafter collectively referred to as “RD” ~~“PHA”~~. The HAP contract is an agreement between RD ~~the PHA~~ and the owner of a unit occupied by an assisted family. The HAP contract has three parts:

- Part A Contract information (fill-ins).
- See section by section instructions.
- Part B Body of contract
- Part C Tenancy addendum

### Use of this form

Use of this HAP contract is required by ~~HUD~~ USDA. Modification of the HAP contract is not permitted. The HAP contract must be word-for-word in the form prescribed by ~~HUD~~ USDA.

However, RD ~~the PHA~~ may choose to add the following:

Language that prohibits the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. Such a prohibition must be added to Part A of the HAP contract.

Language that defines when the housing assistance payment by RD ~~the PHA~~ is deemed received by the owner (e.g., upon mailing by RD ~~the PHA~~ or actual receipt by the owner). Such language must be added to Part A of the HAP contract.

To prepare the HAP contract, fill in all contract information in Part A of the contract. Part A must then be executed by the owner and RD ~~the PHA~~.

### Use for special housing types

In addition to use for the basic ~~Section 8~~ voucher program, this form must also be used for the following “special housing types” which are voucher program variants for special needs (see ~~24 CFR Part 982, Subpart M~~): (1) single room occupancy (SRO) housing; (2) congregate housing; (3) group home; (4) shared housing; and (5) manufactured home rental by a family that leases the manufactured home and space. When this form is used for a special housing type, the special housing type shall be specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following

special housing type under HUD regulations for the ~~Section 8~~ voucher program: (Insert Name of Special Housing type).”

However, this form may not be used for the following special housing types: (1) ~~manufactured home space rental by a family that owns the manufactured home and leases only the space~~; (2) ~~cooperative housing~~; and (3) the homeownership option under Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)).

### How to fill in Part A

Section by Section Instructions

#### Section 2: Tenant

Enter full name of tenant.

#### Section 3. Contract Unit

Enter address of unit, including apartment number, if any.

#### Section 4. ~~Household Members~~

~~Enter full names of all PHA approved household members. Specify if any such person is a live-in aide, which is a person approved by the PHA to reside in the unit to provide supportive services for a family member who is a person with disabilities.~~

---

Section 5. **Initial Lease Term**

Enter first date and last date of initial lease term.

The initial lease term must be for at least one year. ~~However, the PHA may approve a shorter initial lease term if the PHA determines that Such shorter term would improve housing opportunities for the tenant, and Such shorter term is the prevailing local market practice.~~

Section 6. **Initial Rent to Owner**

Enter the amount of the monthly rent to owner during the initial lease term. ~~The PHA must determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.~~ During the initial lease term, the owner may not raise the rent to owner.

Section 7. **Housing Assistance Payment**

Enter the initial amount of the monthly housing assistance payment.

Section 8. ~~Utilities and Appliances.~~

~~The lease and the HAP contract must specify what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the tenant. Fill in section 8 to show who is responsible to provide or pay for utilities and appliances.~~

---

**Housing Assistance Payments Contract (HAP Contract)**  
~~Section 8 Tenant-Based Assistance~~  
~~Housing Choice USDA Voucher Program~~

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

---

Part A of the HAP Contract: Contract Information

(To prepare the contract, fill out all contract information in Part A.)

1. **Contents of Contract**

This HAP contract has three parts:

Part A: Contract Information

Part B: Body of Contract

Part C: Tenancy Addendum

2. **Tenant**

3. **Contract Unit**

4. ~~**Household**~~

~~The following persons may reside in the unit. Other persons may not be added to the household without prior written approval of the owner and the PHA notice to RD.~~

5. **Initial Lease Term**

The initial lease term begins on (mm/dd/yyyy): \_\_\_\_\_

The initial lease term ends on (mm/dd/yyyy): \_\_\_\_\_

6. **Initial Rent to Owner**

The initial rent to owner is: \$ \_\_\_\_\_

During the initial lease term, the owner may not raise the rent to owner.

7. **Initial Housing Assistance Payment**

The HAP contract term commences on the first day of the initial lease term. At the beginning of the HAP contract term, the amount of the housing assistance payment by RD to the owner is \$ \_\_\_\_\_ per month.

~~The amount of the monthly housing assistance payment by the PHA to the owner is subject to change during the HAP contract term in accordance with HUD requirements.~~

**9. Utilities and Appliances — DOES NOT APPLY**

The owner shall provide or pay for the utilities and appliances indicated below by an "O". The tenant shall provide or pay for the utilities and appliances indicated below by a "T". Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Item	Specify fuel type			Provided by	Paid by
Heating	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other	_____	_____
Cooking	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other	_____	_____
Water Heating	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other	_____	_____
Other Electric				_____	_____
Water				_____	_____
Sewer				_____	_____
Trash Collection				_____	_____
Air Conditioning				_____	_____
Refrigerator				_____	_____
Range/Microwave				_____	_____
Other (specify)				_____	_____

**Signatures:**

**Public Housing Agency/OAE/RD Official**

**Owner**

\_\_\_\_\_  
Print or Type Name of PHA- RD Official

\_\_\_\_\_  
Print or Type Name of Owner

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or Type Name and Title of Signatory

\_\_\_\_\_  
Print or Type Name and Title of Signatory

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Date (mm/dd/yyyy)

**~~Mail Payments should~~ will be electronically transferred to:**

\_\_\_\_\_  
Owner Taxpayer ID Number

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Payee Bank ABA Routing Number

\_\_\_\_\_  
Type of Account (checking or savings)

\_\_\_\_\_  
Address for Mailing Payments, if necessary

\_\_\_\_\_  
Payee Bank Account Number

\_\_\_\_\_  
Owner Phone Number



**Housing Assistance Payments Contract (HAP Contract)**  
~~**Section 8 Tenant-Based Assistance**~~  
~~**Housing Choice USDA Voucher Program**~~

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

**Part B of HAP Contract: Body of Contract**

**1. Purpose**

a. This is a HAP contract between ~~the PHA~~ RD and the owner. The HAP contract is entered to provide assistance for the family under the ~~Section 8~~ USDA voucher program (~~see HUD program regulations at 24 Code of Federal Regulations Part 982~~).

b. The HAP contract only applies to the household and contract unit specified in Part A of the HAP contract.

c. During the HAP contract term, ~~the PHA~~ RD will pay housing assistance payments to the owner in accordance with the HAP contract.

d. The family will reside in the contract unit with assistance under the ~~Section 8~~ USDA voucher program. The housing assistance payments by RD assist the tenant to lease the contract unit from the owner for occupancy by the family.

**2. Lease of Contract Unit**

a. The owner has leased the contract unit to the tenant for occupancy by the family with assistance under the Section 8 USDA voucher program.

b. RD ~~The PHA~~ has approved leasing of the unit in accordance with requirements of the ~~Section 8~~ USDA voucher program.

c. The lease for the contract unit must include word-for-word all provisions of the tenancy addendum required by HUD (Part C of the HAP contract).

d. The owner certifies that:

(1) The owner and the tenant have entered into a lease of the contract unit that includes all provisions of the tenancy addendum.

(2) The lease is in a standard form that is used in the locality by the owner and that is generally used for other unassisted tenants in the premises.

(3) The lease is consistent with State and local law.

e. The owner is responsible for screening the family's behavior or suitability for tenancy. RD ~~The PHA~~ is not responsible for such screening. RD ~~the PHA~~ has no liability or responsibility to the owner or other persons for the family's behavior or the family's conduct in tenancy.

**3. ~~Maintenance, Utilities, and Other Services~~ *This provision does not apply***

~~—a. The owner must maintain the contract unit and premises in accordance with the housing quality standards (HQS).~~

~~—b. The owner must provide all utilities needed to comply with the HQS. RD Inspection Standards~~

~~—c. If the owner does not maintain the contract unit in accordance with the HQS, or fails to provide all utilities needed to comply with the HQS, RD, RD the PHA may~~

~~exercise any available remedies. RD PHA remedies for such breach include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of housing assistance payments, termination of housing assistance~~

~~payments, and termination of the HAP contract. RD The PHA may not exercise such remedies against the owner because of an HQS breach for which the family is responsible, and that is not caused by the owner.~~

~~—d. RD The PHA shall not make any housing assistance payments if the contract unit does not meet the HQS, RD Inspection Standards unless the owner corrects the defect within the period specified by the RD PHA and RD the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within the period specified by RD the PHA.~~

~~—e. RD The PHA may inspect the contract unit and premises at such times as RD the PHA determines necessary, to ensure that the unit is in accordance with RD Inspection Standards the HQS.~~

~~—f. RD The PHA must notify the owner of any HQS defects shown by the inspection.~~

~~—g. The owner must provide all housing services as agreed to in the lease.~~

**4. Term of HAP Contract**

a. Relation to lease term. The term of **the HAP contract begins on the first day of the initial term of the lease, and terminates on the last day of the term of the lease (including the initial lease term and any extensions).**

**b. When HAP contract terminates.**

(1) The HAP contract terminates automatically if the lease is terminated by the owner or the tenant.

(2) RD ~~The PHA~~ may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If RD ~~the PHA~~ terminates program assistance for the family, the HAP contract terminates automatically.

(3) If the family moves from the contract unit, the HAP contract terminates automatically.

(4) The HAP contract terminates automatically ~~180 calendar days~~ after the last housing assistance payment to the owner.

(5) RD ~~The PHA~~ may terminate the HAP contract if RD ~~the PHA~~ determines, in accordance with HUD/RDVP requirements, that available program funding is not sufficient to support continued assistance for families in the program.

(6) The HAP contract terminates automatically upon the death of a single member household, including single member households with a live-in aide.

(7) The PHA may terminate the HAP contract if the PHA determines that the contract unit does not provide adequate space in accordance with the HQS because of an increase in family size or a change in family composition.

~~—(8) If the family breaks up, the PHA may terminate the HAP contract, or may continue housing assistance payments on behalf of family members who remain in the contract unit.~~

(9) ~~The PHA may terminate the HAP contract if the PHA determines that the unit does not meet all requirements of the HQS, or determines that the owner has otherwise breached the HAP contract.~~

5. ~~Provision and Payment for Utilities and Appliances~~

~~a. The lease must specify what utilities are to be provided or paid by the owner or the tenant.~~

~~b. The lease must specify what appliances are to be provided or paid by the owner or the tenant.~~

~~c. Part A of the HAP contract specifies what utilities and appliances are to be provided or paid by the owner or the tenant. The lease shall be consistent with the HAP contract.~~

6. ~~Rent to Owner: Reasonable Rent~~

~~a. During the HAP contract term, the rent to owner may at no time exceed the reasonable rent for the contract unit as most recently determined or redetermined by RD the PHA in accordance with HUD requirements.~~

~~b. RD the PHA must determine whether the rent to owner is reasonable in comparison to rent for other comparable unassisted units. To make this determination, RD the PHA must consider:~~

~~(1) The location, quality, size, unit type, and age of the contract unit; and~~

~~(2) Any amenities, housing services, maintenance and utilities provided and paid by the owner.~~

~~c. RD The PHA must redetermine the reasonable rent when required in accordance with HUD requirements. RD the PHA may redetermine the reasonable rent at any time.~~

~~d. During the HAP contract term, the rent to owner may not exceed rent charged by the owner for comparable unassisted units in the premises. The owner must give RD The PHA any information requested by RD The PHA on rents charged by the owner for other units in the premises or elsewhere.~~

7. ~~RD PHA-Payment to Owner~~

~~a. When paid~~

~~(1) During the term of the HAP contract, RD the PHA must make monthly housing assistance payments to the owner on behalf of the family at the beginning of each month.~~

~~(2) RD the PHA must pay housing assistance payments promptly when due to the owner.~~

~~(3) If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term, RD the PHA shall pay the owner penalties in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment by a tenant. However, RD the PHA shall not be obligated to pay any late payment penalty if HUD determines that late payment by RD the PHA is due to factors beyond RD the PHA's control. Moreover, RD the PHA shall not be obligated to pay any late payment penalty if housing assistance payments by RD the PHA are delayed or denied as a remedy for owner breach of the HAP contract (including any of the following RD the PHA remedies: recovery of overpayments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments and termination of the contract).~~

~~(4) Housing assistance payments shall only be paid to the owner while the family is residing in the contract unit during the term of the HAP contract. The RD The PHA shall not pay a housing assistance payment to the owner for any month after the month when the family moves out.~~

~~b. Owner compliance with HAP contract. Unless the owner has complied with all provisions of the HAP contract, the~~

owner does not have a right to receive housing assistance payments under the HAP contract.

~~c. Amount of RD PHA-payment to owner~~

~~(1) The amount of the monthly RD the PHA housing assistance payment to the owner shall be determined by RD the PHA in accordance with HUD USDA requirements for a tenancy under the voucher program.~~

~~(2) The amount of RD the PHA housing assistance payment is subject to change during the HAP contract term in accordance with HUD requirements. RD the PHA must notify the family and the owner of any changes in the amount of the housing assistance payment.~~

~~(3) The housing assistance payment for the first month of the HAP contract term shall be pro-rated for a partial month.~~

~~d. Application of payment. The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.~~

~~e. Limit of RD The PHA responsibility.~~

~~(1) RD the PHA is only responsible for making housing assistance payments to the owner in accordance with the HAP contract and HUD requirements for a tenancy under the voucher program.~~

~~(2) RD the PHA shall not pay any portion of the rent to owner in excess of the housing assistance payment. RD The PHA shall not pay any other claim by the owner against the family.~~

~~f. Overpayment to owner. If the RD PHA determines that the owner is not entitled to the housing assistance payment or any part of it, RD the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner (including amounts due under any other Section 8 assistance contract).~~

8. ~~Owner Certification~~

During the term of this contract, the owner certifies that:

a. The owner is maintaining the contract unit and premises in accordance with RD standard ~~the HQS.~~

b. The contract unit is leased to the tenant. The lease includes the tenancy addendum (Part C of the HAP contract), and is in accordance with the HAP contract and program requirements. The owner has provided the lease to RD ~~the PHA,~~ including any revisions of the lease.

c. The rent to owner does not exceed rents charged by the owner for rental of comparable unassisted units in the premises.

d. Except for the rent to owner, the owner has not received and will not receive any payments or other consideration (from the family, ~~the PHA,~~ HUD, RD or any other public or private source) for rental of the contract unit during the HAP contract term.

e. The family does not own or have any interest in the contract unit.

f. To the best of the owner's knowledge, the members of the family reside in the contract unit, and the unit is the family's only residence.

~~g. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless RD The PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable~~

accommodation for a family member who is a person with disabilities.

9. Prohibition of Discrimination. In accordance with applicable equal opportunity statutes, Executive Orders, and regulations:

a. The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the HAP contract.

b. The owner must cooperate with RD ~~the PHA~~ and HUD in conducting equal opportunity compliance reviews and complaint investigations in connection with the HAP contract.

10. Owner's Breach of HAP Contract

a. Any of the following actions by the owner (including a principal or other interested party) is a breach of the HAP contract by the owner:

(1) If the owner has violated any obligation under the HAP contract, including the owner's obligation to maintain the unit in accordance with RD ~~the~~ HQS.

(2) If the owner has violated any obligation under any other housing assistance payments contract under Section 8.

(3) If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.

(4) For projects with mortgages insured by HUD or loans made by USDA or HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.

(5) If the owner has engaged in any drug-related criminal activity or any violent criminal activity.

b. If RD ~~the PHA~~ determines that a breach has occurred, RD ~~the PHA~~ may exercise any of its rights and remedies under the HAP contract, or any other available rights and remedies for such breach. RD ~~The PHA~~ shall notify the owner of such determination, including a brief statement of the reasons for the determination. The notice by RD ~~the PHA~~ to the owner may require the owner to take corrective action, as verified or determined by RD ~~the PHA~~, by a deadline prescribed in the notice.

c. RD's ~~The PHA's~~ rights and remedies for owner breach of the HAP contract include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract.

d. RD ~~The PHA~~ may seek and obtain additional relief by judicial order or action, including specific performance, other injunctive relief or order for damages.

e. Even if the family continues to live in the contract unit, RD ~~the PHA~~ may exercise any rights and remedies for owner breach of the HAP contract.

f. The RD ~~PHA's~~ exercise or non-exercise of any right or remedy for owner breach of the HAP contract is not a waiver of the right to exercise that or any other right or remedy at any time.

11. RD ~~PHA and HUD~~ Access to Premises and Owner's Records

a. The owner must provide any information pertinent to the HAP contract that ~~the PHA or HUD or USDA~~ may reasonably require.

b. RD ~~The PHA, HUD~~ and the Comptroller General of the United States shall have full and free access to the contract unit and the premises, and to all accounts and other records of the owner that are relevant to the HAP contract, including the right to examine or audit the records and to make copies.

c. The owner must grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and must provide any information or assistance needed to access the records.

12. Exclusion of Third Party Rights

a. The family is not a party to or third party beneficiary of Part B of the HAP contract. The family may not enforce any provision of Part B, and may not exercise any right or remedy against the owner or RD ~~PHA~~ under Part B.

b. The tenant or RD ~~the PHA~~ may enforce the tenancy addendum (Part C of the HAP contract) against the owner, and may exercise any right or remedy against the owner under the tenancy addendum.

c. RD ~~The PHA~~ does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with management of the contract unit or the premises or with implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

d. The owner is not the agent of RD ~~the PHA~~, and the HAP contract does not create or affect any relationship between RD ~~the PHA~~ and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with management of the contract unit or the premises or with implementation of the HAP contract.

13. ~~Conflict of Interest~~

~~— a. "Covered individual" means a person or entity who is a member of any of the following classes:~~

~~— (1) Any present or former member or officer of the PHA (except a PHA commissioner who is a participant in the program);~~

~~— (2) Any employee of RD ~~The PHA~~, or any contractor, subcontractor or agent of RD ~~The PHA~~, who formulates policy or who influences decisions with respect to the program;~~

~~— (3) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the program; or~~

~~— (4) Any member of the Congress of the United States.~~

~~— b. A covered individual may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract (including the interest of an immediate family member of such covered individual) while such person is a covered individual or during one year thereafter.~~

~~— c. "Immediate family member" means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister or brother (including a stepsister or stepbrother) of any covered individual.~~

~~— d. The owner certifies and is responsible for assuring that no person or entity has or will have a prohibited interest, at execution of the HAP contract, or at any time during the HAP contract term.~~

~~— e. If a prohibited interest occurs, the owner shall promptly and fully disclose such interest to RD, the PHA and HUD or USDA.~~

~~— f. The conflict of interest prohibition under this section may be waived by the HUD field office or USDA for good cause.~~

~~— g. No member of or delegate to the Congress of the United States or resident commissioner shall be admitted to any share or part of the HAP contract or to any benefits which may arise from it.~~

#### 14. Assignment of the HAP Contract

a. The owner may not assign the HAP contract to a new owner without the prior written consent of RD ~~the PHA~~.

b. If the owner requests RD ~~PHA~~ consent to assign the HAP contract to a new owner, the owner shall supply any information as required by RD ~~the PHA~~ pertinent to the proposed assignment.

c. The HAP contract may not be assigned to a new owner that is debarred, suspended or subject to a limited denial of participation under HUD regulations (see 24 Code of Federal Regulations Part 24) ~~or USDA regulations (see 7 Code of Federal Regulations Part 3017)~~.

d. The HAP contract may not be assigned to a new owner if ~~HUD or USDA~~ has prohibited such assignment because:

(1) The Federal government has instituted an administrative or judicial action against the owner or proposed new owner for violation of the Fair Housing Act or other Federal equal opportunity requirements, and such action is pending; or

(2) A court or administrative agency has determined that the owner or proposed new owner violated the Fair Housing Act or other Federal equal opportunity requirements.

e. The HAP contract may not be assigned to a new owner if the new owner (including a principal or other interested party) is the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless RD ~~the PHA~~ has determined (and has notified the family of such determination) that approving the assignment, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

f. ~~RD The PHA may deny approval to assign the HAP contract if the owner or proposed new owner (including a principal or other interested party):~~

~~— (1) Has violated obligations under a housing assistance payments contract under Section 8;~~

~~— (2) Has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program;~~

~~— (3) Has engaged in any drug related criminal activity or any violent criminal activity;~~

~~— (4) Has a history or practice of non-compliance with the RD Inspection Standards HQS for units leased under the Section 8 tenant-based programs, or non-compliance with applicable housing standards for units leased with project-based Section 8 assistance or for units leased under any other Federal housing program;~~

~~— (5) Has a history or practice of failing to terminate tenancy of tenants assisted under any 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:~~

~~(a) Threatens the right to peaceful enjoyment of the premises by other residents;~~

~~(b) Threatens the health or safety of other residents, of employees of RD the PHA, or of owner employees or other persons engaged in management of the housing;~~

~~(c) Threatens the health or safety of, or the right to peaceful enjoyment of their residents by, persons residing in the immediate vicinity of the premises; or~~

~~(d) Is drug related criminal activity or violent criminal activity;~~

~~— (6) Has a history or practice of renting units that fail to meet State or local housing codes; or~~

~~— (7) Has not paid State or local real estate taxes, fines or assessments.~~

g. The new owner must agree to be bound by and comply with the HAP contract. The agreement must be in writing, and in a form acceptable to RD ~~the PHA~~. The new owner must give RD ~~the PHA~~ a copy of the executed agreement.

#### 15. Foreclosure.

In the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the HAP contract between the prior owner and ~~the PHA~~ RD for the occupied unit. This provision does not affect any State or local law that provides longer time periods or other additional protections for tenants. **This provision will sunset on December 31, 2012 unless extended by law.**

#### 16 Written Notices.

Any notice by RD ~~the PHA~~ or the owner in connection with this contract must be in writing.

#### 17. Entire Agreement: Interpretation

a. The HAP contract contains the entire agreement between the owner and RD ~~the PHA~~.

B The HAP contract shall be interpreted and implemented in accordance with HUD requirements, including the HUD program regulations at 24 Code of Federal Regulations Part 982.

## Housing Assistance Payments Contract (HAP Contract)

### ~~Section 8 Tenant-Based Assistance~~

### ~~Housing Choice Rural Development (RD) Voucher Program~~

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

#### Part C of HAP Contract: Tenancy Addendum

1. ~~Section 8 Rural Development (RD) Voucher Program~~

a. The owner is leasing the contract unit to the tenant for occupancy by the tenant's family with assistance for a tenancy under the ~~Section 8 housing choice~~ RD voucher program (voucher program) of the United States Department of ~~Agriculture jointly administered with the United States~~ Department of Housing and Urban Development (HUD).

b. The owner has entered into a Housing Assistance Payments Contract (HAP contract) with RD ~~the PHA~~ under the voucher program. Under the HAP contract, RD ~~the PHA~~ will make housing assistance payments to the owner to assist the tenant in leasing the unit from the owner.

2. Lease

a. The owner has given RD ~~the PHA~~ a copy of the lease, including any revisions agreed by the owner and the tenant. The owner certifies that the terms of the lease are in accordance with all provisions of the HAP contract and that the lease includes the tenancy addendum.

b. The tenant shall have the right to enforce the tenancy addendum against the owner. If there is any conflict between the tenancy addendum and any other provisions of the lease, the language of the tenancy addendum shall control.

3. Use of Contract Unit

a. During the lease term, the family will reside in the contract unit with assistance under the voucher program.

~~b. The composition of the household must be approved by RD the PHA. The family must promptly inform RD the PHA of the birth, adoption or court awarded custody of a child. Other persons may not be added to the household without prior written approval of the owner and the PHA.~~

c. The contract unit may only be used for residence by the RD PHA-approved household members. The unit must be the family's only residence. Members of the household may engage in legal profit making activities incidental to primary use of the unit for residence by members of the family.

d. The tenant may not sublease or let the unit.

e. The tenant may not assign the lease or transfer the unit.

4. Rent to Owner

a. The initial rent to owner may not exceed the amount approved by RD ~~the PHA~~ in accordance with HUD requirements.

b. Changes in the rent to owner shall be determined by the provisions of the lease. However, the owner may not raise the rent during the initial term of the lease.

~~e. During the term of the lease (including the initial term of the lease and any extension term), the rent to owner may at no time exceed:~~

~~— (1) The reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements, or~~

~~— (2) Rent charged by the owner for comparable unassisted units in the premises.~~

5. Family Payment to Owner

a. The family is responsible for paying the owner any portion of the rent to owner that is not covered by RD ~~the PHA~~ housing assistance payment.

b. Each month, RD ~~the PHA~~ will make a housing assistance payment to the owner on behalf of the family in accordance with the HAP contract. ~~The amount of the monthly housing assistance payment will be determined by the PHA in accordance with HUD requirements for a tenancy under the Section 8 voucher program.~~

c. The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.

d. The tenant is not responsible for paying the portion of rent to owner covered by RD ~~the PHA~~ housing assistance payment under the HAP contract between the owner and RD ~~the PHA~~. A RD ~~PHA~~ failure to pay the housing assistance payment to the owner is not a violation of the lease. The owner may not terminate the tenancy for nonpayment of RD ~~the PHA~~ housing assistance payment.

e. The owner may not charge or accept, from the family or from any other source, any payment for rent of the unit in addition to the rent to owner. Rent to owner includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease.

f. The owner must immediately return any excess rent payment to the tenant.

6. Other Fees and Charges

a. Rent to owner does not include cost of any meals or supportive services or furniture, which may be provided by the owner.

b. The owner may not require the tenant or family members to pay charges for any meals or supportive services or furniture which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.

c. The owner may not charge the tenant extra amounts for items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

7. **Maintenance, Utilities, and Other Services**

**a. Maintenance**

~~—(1) The owner must maintain the unit and premises in accordance with RD the HQS.~~

~~—(2) Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.~~

**b. Utilities and appliances**

~~—(1) The owner must provide all utilities needed to comply with RD the HQS.~~

~~—(2) The owner is not responsible for a breach of RD Inspection Standards the HQS caused by the tenant's failure to:~~

~~—(a) Pay for any utilities that are to be paid by the tenant.~~

~~—(b) Provide and maintain any appliances that are to be provided by the tenant.~~

**c. Family damage.** The owner is not responsible for a breach of RD Inspection Standards ~~the HQS~~ because of damages beyond normal wear and tear caused by any member of the household or by a guest.

**d. Housing services.** The owner must provide all housing services as agreed to in the lease.

8. **Termination of Tenancy by Owner**

**a. Requirements.** The owner may only terminate the tenancy in accordance with the lease and RD/HUD requirements.

**b. Grounds.** During the term of the lease (the initial term of the lease or any extension term), the owner may only terminate the tenancy because of:

(1) Serious or repeated violation of the lease;

(2) Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;

(3) Criminal activity or alcohol abuse (as provided in paragraph c); or

(4) Other good cause (as provided in paragraph d).

**c. Criminal activity or alcohol abuse.**

(1) The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:

(a) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);

(b) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;

(c) Any violent criminal activity on or near the premises; or

(d) Any drug-related criminal activity on or near the premises.

(2) The owner may terminate the tenancy during the term of the lease if any member of the household is:

(a) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or

(b) Violating a condition of probation or parole under Federal or State law.

3) The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

(4) The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

**d. Other good cause for termination of tenancy**

(1) During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.

(2) During the initial lease term or during any extension term, other good cause includes:

(a) Disturbance of neighbors,

(b) Destruction of property, or

(c) Living or housekeeping habits that cause damage to the unit or premises.

(3) After the initial lease term, such good cause includes:

(a) The tenant's failure to accept the owner's offer of a new lease or revision;

(b) The owner's desire to use the unit for personal or family use or for a purpose other than use as a residential rental unit; or

(c) A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent).

(4) The examples of other good cause in this Paragraph do not preempt any State or local Laws to the contrary.

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

**e. Protections for Victims of Abuse.**

(1) An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for termination of the assistance, tenancy, or occupancy rights of such a victim.

(2) Criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of domestic violence, dating violence, or stalking.

(3) Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, a PHA, owner or manager may "bifurcate" a lease, or otherwise remove a household member from a lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others. This action may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of the violence who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the termination of leases or assistance under the housing choice voucher program.

(4) Nothing in this section may be construed to limit the authority of a public housing agency, owner, or manager, when notified, to honor court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up.

(5) Nothing in this section limits any otherwise available authority of an owner or manager to evict or the public housing agency to terminate assistance to a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenant's household, provided that the owner, manager, or public housing agency does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate.

(6) Nothing in this section may be construed to limit the authority of an owner or manager to evict, or the public housing agency to terminate assistance, to any tenant if the owner, manager, or public housing agency can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant is not evicted or terminated from assistance.

(7) Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking

**f. Eviction by court action. The owner may only evict the tenant by a court action.**

**g. Owner notice of grounds**

(1) At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.

(2) The owner must give RD ~~the PHA~~ a copy of any owner eviction notice at the same time the owner notifies the tenant.

(3) Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under State or local law.

**9. Lease: Relation to HAP Contract**

If the HAP contract terminates for any reason, the lease terminates automatically, unless mutually agreed upon.

**10. RD PHA Termination of Assistance**

RD ~~the PHA~~ may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If RD ~~the PHA~~ terminates program assistance for the family, the lease terminates automatically.

**11. Family Move Out**

The tenant must notify RD ~~the PHA~~ and the owner before the family moves out of the unit.

**12. Security Deposit**

a. The owner may collect a security deposit from the tenant. (However, RD ~~the PHA~~ may prohibit the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. Any such RD ~~PHA~~-required restriction must be specified in the HAP contract.)

b. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, as reimbursement for any unpaid rent payable by the tenant, any damages to the unit or any other amounts that the tenant owes under the lease.

c. The owner must give the tenant a list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the tenant.

d. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.

**13. Prohibition of Discrimination**

In accordance with applicable equal opportunity statutes, Executive Orders, and regulations, the owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status or disability in connection with the lease.

**14. Conflict with Other Provisions of Lease**

a. **The terms of the tenancy addendum are prescribed by HUD in accordance with Federal law and regulation, as a condition for Federal assistance to the tenant and tenant's family under the ~~Section 8~~ USDA voucher program.**

b. In case of any conflict between the provisions of the tenancy addendum as required by HUD, and any other provisions of the lease or any other agreement between the owner and the tenant, the requirements of the HUD-required tenancy addendum shall control.

**15. Changes in Lease or Rent**

a. The tenant and the owner may not make any change in the tenancy addendum. However, if the tenant and the owner

## RD Voucher Program Guide

agree to any other changes in the lease, such changes must be in writing, and the owner must immediately give RD ~~the PHA~~ a copy of such changes. The lease, including any changes, must be in accordance with the requirements of the tenancy addendum.

b. In the following cases, tenant-based assistance shall not be continued unless RD ~~the PHA~~ has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner:

— (1) ~~If there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;~~

(2) If there are any changes in lease provisions governing the term of the lease;

(3) If the family moves to a new unit, even if the unit is in the same building or complex.

c. RD ~~PHA~~ approval of the tenancy, and execution of a new HAP contract, are not required for agreed changes in the lease other than as specified in paragraph b.

d. The owner must notify RD ~~the PHA~~ of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and the amount of the rent to owner following any such agreed change may not exceed the reasonable rent for the unit as most recently determined or redetermined by RD ~~the PHA~~ in accordance with HUD requirements.

### 16. Notices

Any notice under the lease by the tenant to the owner or by the owner to the tenant must be in writing.

### 17. Definitions

**Contract unit.** The housing unit rented by the tenant with assistance under the program.

**Family.** The persons who may reside in the unit with assistance under the program.

**HAP contract.** The housing assistance payments contract between RD ~~the PHA~~ and the owner. RD ~~the PHA~~ pays housing assistance payments to the owner in accordance with the HAP contract.

**Household.** The persons who may reside in the contract unit. The household consists of the family and any PHA-approved live-in aide. (A live-in aide is a person who resides in the unit to provide necessary supportive services for a member of the family who is a person with disabilities.)

~~**Housing quality standards (HQS).** The HUD minimum quality standards for housing assisted under the Section 8 tenant-based programs.~~

**HUD.** The U.S. Department of Housing and Urban Development.

**HUD requirements.** ~~HUD requirements for the Section 8 program.~~ HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

**Lease.** The written agreement between the owner and the tenant for the lease of the contract unit to the tenant. The lease includes the tenancy addendum prescribed by HUD.

~~**PHA.** Public Housing Agency.~~

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

**Program.** The ~~Section 8 housing choice~~ Rural Development (RD) voucher program.

**RD.** Rural Development

**Rent to owner.** The total monthly rent payable to the owner for the contract unit. The rent to owner is the sum of the portion of rent payable by the tenant plus RD ~~the PHA~~ housing assistance payment to the owner.

~~**Section 8.** Section 8 of the United States Housing Act of 1937 (42 United States Code 1437f).~~

**Tenant.** The family member (or members) who leases the unit from the owner.

**Voucher program.** The ~~Section 8 housing choice~~ Rural Development (RD) voucher program. ~~Under this program, HUD provides funds to an PHA for rent subsidy on behalf of eligible families.~~ The tenancy under the lease will be assisted with rent subsidy for a tenancy under the voucher program.

---

Signature of Owner/Owner Representative

Date

---

Print Name of Owner/Owner Representative

---

Signature of Tenant

Date

---

Print Name of Tenant



## **CHAPTER 8**

### **MOBILITY and PORTABILITY of VOUCHERS**

#### **8.1 OVERVIEW**

A tenant who uses his/her RD Voucher in another property is taking advantage of mobility. A tenant may also move to another state under the portability feature.

#### **8.2 HOLDERS OF RD VOUCHERS**

If a tenant intends to move and continue using the RD Voucher, the tenant must contact RD or the Contractor and provide housing search information similar to that outlined in Chapter 5, **HOUSING SEARCH AND LEASING**.

#### **8.3 INFORMATION ABOUT PORTABILITY**

Tenants may move with the Rural Development Voucher at the end of any lease term. If the tenant and the owner mutually agree to break the lease, tenants may also move with the Rural Development Voucher before the end of the lease term.

If tenants intend to move from their unit prior to the lease expiration date, the Owner must provide a statement to the Contractor stating that the lease termination has been mutually agreed upon. The agreement must be signed by the owner and the tenant. If the tenant moves to a new unit in the same complex, notification to RD or the Contractor must be provided.

Tenants will have to execute a new VOF and funds should be obligated for a new 12 months. Tenants will not have to recertify their income to determine continued eligibility. The other conditions remain in effect: the unit must pass inspection; the tenant and landlord must execute a 12-month lease with the HUD addendum; and Rural Development must execute a HAP contract with the new landlord.

If the tenant wants to use the Rural Development Voucher in another state, the Contractor will advise the Rural Development office in the “issuing” state that the tenant wants to move and where they want to go. The Contractor will advise the Rural Development office in the state selected by the tenant.

If a tenant chooses to move across state lines, it is the tenant’s responsibility to inform the Contractor of his desire to move and where. Upon receipt of notification from the Contractor, the originating state will de-obligate the voucher for the tenant and forward a copy of the de-obligation form to the relocation state. The relocation state will then obligate the voucher on behalf of the tenant. The relocation state at this point is responsible for the processing of the voucher holder, including unit inspection and HAP execution and payment processing.

**ATTACHMENT 8-A  
NOTICE OF INTENT TO MOVE**

RE: *(Insert Tenant Name)*  
*(HAP Address), (HAP Address 2)*  
*(HAP City, State Zip)*

Date: *(Insert date)*

Quadel Consulting has received notification that the above listed tenant intends to vacate the above listed unit. In order to transfer your RD Voucher to a new unit, this form must be completed and returned to Quadel Consulting:

Fax (888) 801-0511  
E-mail RDVoucher@Quadel.com  
Mail Attn: USDA Vouchers  
Quadel Consulting  
Corporation  
1200 G St NW, Suite 700  
Washington, DC 20005

**This section to be completed by tenant**

*Check box & enter date in either Box 1 or Box 2.*

- 1  I, the RD Voucher holder listed above, will move at the end of my lease term. My lease term ends on \_\_\_\_\_. **I understand that I must notify Quadel Consulting if I vacate the unit on any date other than this date. Per the RD Voucher family obligations, I also understand that I can be terminated from the RD Voucher program for a violation of my lease agreement or failure to notify Quadel Consulting prior to vacating my unit.**
- 2  I, the RD Voucher holder listed above, will move before the end of my lease term. The owner/owner's representative has agreed to an early lease termination date of \_\_\_\_\_. **I understand that I must notify Quadel Consulting if I vacate the unit on any date other than this date. Per the RD Voucher family obligations, I also understand that I can be terminated from the RD Voucher program for a violation of my lease agreement or failure to notify Quadel Consulting prior to vacating my unit.**

---

Tenant Signature

Date

**This section to be completed by owner/owner's representative**

*Enter date below.*

I, the owner/owner's representative of the unit listed above, agree on

\_\_\_\_\_ the tenant listed above will move from this unit and Housing Assistance Payments will stop. **The tenant has provided proper notice of the move and will not be violating their lease by leaving the unit on this date. Per the HAP Contract, I understand that I must notify Quadel Consulting if the tenant vacates the unit on any date other than this date.**

---

Owner Signature

Date

**Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.**

## **CHAPTER 9**

### **TERMINATIONS OF ASSISTANCE AND HAP CONTRACTS**

#### **UNAUTHORIZED ASSISTANCE**

#### **9.1 CHAPTER OVERVIEW**

It is important that families abide by their tenant obligations and lease agreements. It is also essential that owners comply with their obligations under the terms of the HAP contract. This chapter discusses RD, the contractor, owner, and tenant responsibilities in loss of eligibility, terminations of tenancy, terminations of assistance, and terminations of the HAP contract under the RDVP.

#### **9.2 TERMINATION OF TENANCY**

##### **Termination of Tenancy by the Tenant**

The tenant may terminate tenancy after the initial term of the lease. Terminations during the initial term may be allowed if the owner agrees to release the tenant from the lease or if the lease provides for such termination (usually with notice).

The tenant must give the owner notice of termination in accordance with the lease and must give the Contractor a copy of this notice. If a tenant terminates the lease early, the HAP Contract terminates and payments under the Voucher stop. A tenant is required to notify the Contractor of early lease termination.

If a tenant terminates after the initial lease term, the tenant must notify the Contractor whether the tenant desires assistance in another location. Families must be aware that if they elect to no longer use the RD Voucher in their new location, they are not eligible to receive another RD Voucher. Once the RD Voucher is relinquished by the tenant, no subsequent RD Voucher may be issued to that tenant.

##### **Termination of Tenancy by the Owner**

###### *Overview*

The owner must only terminate the lease in accordance with the provisions of the lease requirements. During the term of the lease, including the initial term and any extensions, the owner may only terminate tenancy for the following four reasons:

- ‡ Serious or repeated violations of the terms and conditions of the lease. A serious or repeated violation includes failure to pay rent or other amounts due under the lease;
- ‡ Violations of federal, state, or local law that directly relate to the occupancy or use of the unit or premises;

**Tenant Alert!**  
**Be sure you understand the effects of tenancy termination. Talk to your local RD or the Contractor to get answers.**

- ‡ Criminal activity or alcohol abuse; or
- ‡ Other good cause.

The owner may not terminate the tenancy if RD fails to pay the housing assistance payment or pays it late. RD failure to make the housing assistance payment is not a violation of the lease between the tenant and the owner.

During the initial lease term, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the tenant did or failed to do. For example, the following are NOT grounds for termination of tenancy during the initial lease term:

- ‡ Failure by tenant to accept offer of new lease or lease revision;
- ‡ Owner desire to use unit for personal or other use; or
- ‡ Business or economic reason.

#### *Termination for Criminal Activity and Drug and Alcohol Abuse*

The owner may terminate the tenancy any time during the lease term if any member of the tenant, guest, or other person under the tenant’s control commits any of the following types of criminal activity:

- ‡ Criminal activity that threatens the health, safety, or peaceful enjoyment of the premises by other residents, including property management staff;
- ‡ Criminal activity that threatens the health, safety, or peaceful enjoyment of the premises by people residing in the immediate vicinity; or
- ‡ Violent criminal activity on or near the premises; or
- ‡ Drug-related criminal activity on or near the premises.

The tenancy addendum that is part of the HAP contract also includes the following as grounds for owner terminations of tenancy:

- ‡ Abuse of alcohol by any household member that threatens the health, safety, or right to peaceful enjoyment of the premises by residents;
- ‡ Fleeing by any household member to avoid prosecution, or custody or confinement after conviction for a felony or attempt to commit a felony;
- ‡ Violation by any household member of a condition of probation or parole under federal or state law. The owner may terminate the tenancy for criminal activity

by any household member, regardless of whether the household member has been arrested or convicted for such activity.

#### *Terminations for Other Good Cause*

During the initial lease term and any extension of the term, other good cause may include:

- ‡ Disturbing neighbors;
- ‡ Destroying property or engaging in other activities that result in damage to the unit or premises; and
- ‡ Carrying out living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, other good cause may also include:

- ‡ Tenant not accepting an offer of a new lease or revision;
- ‡ Owner desire to use the unit for personal or other use; and
- ‡ Business or economic reasons, such as the sale of the property or renovation.

During the initial lease term, the owner may terminate for other good cause only because of something the tenant did or failed to do. For example, the owner may terminate tenancy for housekeeping habits resulting in damage to the unit but not for the owner's personal use of the unit.

#### Notification Requirements

To terminate a tenancy, the owner must give the tenant written notice of the owner's intent to terminate the tenancy and the reasons for the termination. The tenancy does not terminate before such notice is given. The notice must be given to the tenant before any eviction process starts or as part of any eviction notice required by state or local law. Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under state or local law. The owner may only evict the tenant from the unit through a court action, and the owner must give the Contractor a copy of any owner eviction notice to the tenant.

### **9.3 HAP CONTRACT TERMINATIONS**

#### **Automatic Termination**

A HAP contract terminates automatically when:

- ‡ The tenant moves from the unit;

- ‡ The tenant relinquishes its RD Voucher;
- ‡ RD terminates program assistance for the tenant;
- ‡ The owner or tenant terminates the lease;
- ‡ The owner evicts the tenant.

RD must make housing assistance payments to the owner as long as the tenant remains a program participant and remains in the unit, even if the owner has started the eviction process. RD must continue to pay the housing assistance payment to the owner until the tenant moves or the court judgment allows the owner to evict.

### **RD Terminations of HAP Contract**

RD may terminate the HAP contract if:

- ‡ The unit does not meet all RD Inspection requirements.
- ‡ RD or the Contractor determines that the owner has otherwise breached the HAP contract. Owner breach of contract includes the following:
  - Drug-trafficking and violent criminal activity;
  - Fraud or bribery or other corrupt or criminal act in connection with federal housing programs or;
  - Violations under any other HAP contract.

If the contract is terminated, the Contractor will give the owner and tenant written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no HAP payments may be made.

## **9.4 TERMINATION OF ASSISTANCE TO TENANT**

### **When RD Is Required to Terminate Assistance**

The RDVP Program requires termination of assistance to a participating tenant if:

- ‡ The tenant is evicted from housing assisted under the program for a serious or repeated violation of the lease; or
- ‡ The tenant relinquishes its RD Voucher and no longer participates in the program.

<p style="text-align: center;"><b>Once assistance is terminated, no subsequent RD Voucher will be issued and the tenant will no longer participate in the RDVP.</b></p>
---

### **Termination for Tenant Action or Failure to Act**

RD may terminate assistance because of the participating tenant's action or failure to act. RD may terminate assistance by refusing to enter into a HAP contract or approve a

request for tenancy, terminating housing assistance payments under an outstanding HAP contract, or refusing to process or provide assistance under portability procedures.

RD may terminate assistance for the following reasons:

- ‡ The tenant violates any tenant obligations of the RDVP (see Chapter 5);
- ‡ Any member of the household commits fraud, bribery, or other corrupt or criminal act related to any federal housing program;
- ‡ Tenant currently owes monies to RD for amounts in connection with the RDVP Program;
- ‡ Tenant is in breach of a repayment agreement with RD;
- ‡ Tenant violates the RD's policy on absence from a unit, which is absence for 60 consecutive days.
- ‡ Any member of the tenant household has been evicted from federal assisted housing in the last five years;
- ‡ Tenant has engaged in or threatened abusive or violent behavior to RD or Contractor personnel.

In making termination decisions due to tenant action or failure to act, RD has the discretion to consider the seriousness of the issue, the level of involvement of tenant members, mitigating circumstances related to the disability of a tenant member, and the effects of termination on non-involved tenant members.

In appropriate cases, RD may permit some members of the household to continue receiving assistance while imposing a condition that the tenant member or members who engaged in wrongful activity will not reside with the assisted tenant. If the tenant includes a person with disabilities, the RD decision is subject to consideration of reasonable accommodation.

### **Termination for Criminal Activity and Alcohol Abuse**

RD may terminate assistance for a participating tenant if it determines that any household member has engaged in drug-related criminal activity or violent criminal activity. RD must immediately terminate assistance if it determines that a member of a participating household has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine (speed) on the premises of federally assisted housing.

RD policies allow termination of assistance if a household member has engaged in abuse of alcohol or a pattern of abusing alcohol that threatens the health, safety, or the right to peaceful enjoyment of the premises by other residents.



RD may terminate assistance for criminal activity if RD determines that the household member has engaged in criminal activity, regardless of whether the household member has been arrested or convicted. If RD proposes to terminate assistance for criminal activity and possesses a copy of the relevant criminal record, RD must provide the tenant with a copy of the criminal record before the RD hearing, and the tenant must be given the opportunity to dispute the accuracy and relevance of the record.

In determining whether to terminate assistance for illegal drug use or alcohol abuse by a household member who is no longer using drugs or abusing alcohol, RD may consider whether that individual is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been successfully rehabilitated. RD may require the household member to submit evidence of current participation in, or successful completion of, a supervised rehabilitation program as a condition of continued assistance.

When appropriate, RD may require that the tenant member who engaged in the drug use or alcohol abuse may not reside in the unit as a condition of continued assistance for the remaining members of the household.

RD termination of assistance will end the tenant's participation in the RDVP. No subsequent Voucher will be issued to a tenant who is subject to assistance termination.

### **9.5 Unauthorized Assistance**

RD has established procedures for when it determines that the owners or tenants were not eligible for all or part of the financial assistance received by provisions required by law and/or regulation. RD will pursue the collection of this unauthorized assistance.

### **9.6 Documentation of Unauthorized Assistance**

RD or the Contractor must document the reasons for unauthorized assistance in the tenant file, specifically stating whether the cause was error or submission of false or inaccurate information. The tenant file will specifically state whether the unauthorized assistance was a result of:

- Submission of inaccurate information by the owner or the tenant;
- Submission of false information by the owner or the tenant;
- Error by Agency personnel, either in making computations or failure to follow published regulations or guidance.

### **9.7 Notice to the Owner or Tenants**

The Contractor will provide notice to the tenant or owner upon determining that unauthorized assistance was received. The notice will:

- Specify in detail the reason(s) that the assistance was determined to be unauthorized;
- State the amount of unauthorized assistance to be repaid; and
- Outline owner's appeal rights.

Upon request, additional time may be granted for the owner to assemble the necessary documentation.

Any assistance resulting from misrepresentation of tenant income or status that varies from the allowable amounts set forth under the RDVP requirements is unauthorized and must be repaid. RD has the primary responsibility to collect at its discretion and in accordance with the Debt Collection and Improvement Act of 1996.

### **9.8 Debt Collection Improvement Act of 1996 (DCIA)**

DCIA enables the agency to collect legally enforceable debts owed to the federal government. Collection tools allowed by DCIA include submitting debts to the Department of Treasury for participation in the Treasury Offset Program, which allows offset of Internal Revenue Service tax refunds, federal salaries, and administrative payments. DCIA also allows submission of delinquent debts to Treasury for participation in the Cross Servicing Program, whereby servicing of the debt is turned over to Treasury and where additional tools such as collection agencies, wage garnishment, and other tools may be used. The following procedures will be followed by Rural Development when considering implementing DCIA collection tools:

- Identify the accounts of tenants or owners who must repay unauthorized assistance and have not complied with a repayment plan. These tenants or owners are eligible for DCIA collection tools. Notify the office of the Deputy Chief Financial Officer (DCFO), Direct Loan and Grant Branch (DLGB). DLGB will establish a receivable and coordinate with the Program Reporting Branch to begin the DCIA referral process.
- Credit the tenant's or owner's account for the amount received from Treasury and notifies the appropriate field office. DCFO will be the primary point of contact between Treasury and the tenant or owner regarding collection activity. DCFO will deduct an amount equal to Treasury's processing costs from the amount collected.

### **9.9 Collection of Unauthorized Assistance**

When unauthorized funds have been returned by the Landlord to the Agency, the following steps should be taken:

Once a check made payable to Rural Development for the amount of the unauthorized payments is received from the landlord, complete Form RD 1940-10, "Cancellation of

U.S. Treasury Check and/or Obligation. Indicate in Box 16, Remarks the month the check is cancelled. Submit the check and the form with the daily wholesale lockbox deposit to the following address:

Rural Development  
PO Box 790391  
St. Louis, MO 63179-0391

**ATTACHMENT 9-A**  
**SAMPLE NOTICE OF CONTRACT TERMINATION**

George Ulrich  
ABC Management Company  
391 California Way  
Anywhere, VA 20000

RE: RD Voucher Housing Assistance Contract Termination  
Tenant Name: Susie Malik  
Address: 8959 Howard Ave.  
Anywhere, VA 20000

Dear Mr. Ulrich:

Due to [REASON], Rural Development will terminate the Housing Assistance Payments contract entered into on behalf of the above-mentioned tenant effective [EFFECTIVE DATE]. Specifically, [SPECIFIC REASON]

Rural Development will not make any HAP payments to you after [TERMINATION DATE]. Should the tenant choose to remain in the unit after that date, the tenant will be responsible for the full contract rent.

Should you have any questions or concerns, please contact me at (202) 555-1212.

Sincerely,

Rosalyn Simmons  
Housing Program Specialist  
cc: Susie Malik, Tenant

**ATTACHMENT 9-B**  
**SAMPLE NOTICE OF TERMINATION OF ASSISTANCE**

Susie Malik  
123 Del Mar Road #357  
Anywhere, VA 20000

RE: Termination of RD Voucher Assistance

Dear Ms. Malik:

This letter is to advise you that a review of your tenant file indicates that you have not complied with the requirements of the RD Voucher Program (RDVP). Specifically, [INSERT REASON].

As a result of your failure to comply with the above stated requirement(s), your assistance is terminated effective [DATE OF TERMINATION]. If you wish to appeal this decision, the request must be submitted to this agency in writing within 14 working days from the date of this letter.

Your request should be directed to me. If your request is not received within the time period indicated above, you will waive your right to a hearing and our decision to terminate your assistance will become final. This does not, however, constitute a waiver of your rights to appropriate judicial proceedings. Should you choose to remain in occupancy after the effective date of your termination, you will be responsible for paying the full amount of rent to the owner.

Termination of your assistance will result in your termination from the RD Voucher Program. No subsequent Voucher can be issued to you once you leave the program.

Should you have any questions or concerns, please contact me at (804) 555-1212.

Sincerely,

Rebekkah Whitten  
Housing Specialist

**CHAPTER 10**  
**CONTACTS**

**THE FOLLOWING IS A LIST OF CONTACTS FOR ANSWERS ON ADMINISTRATION AND  
MANAGEMENT OF THE RD VOUCHER PROGRAM**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
USDA RD VOUCHER PROGRAM  
PO BOX 775220  
ST LOUIS, MO 63177**

- 1. RURAL DEVELOPMENT VOUCHER PROGRAM OFFICE, .....  
Phone: 844-857-5386 or Email: [RDVoucher@usda.gov](mailto:RDVoucher@usda.gov)**
- 2. JULIE FELHOFER, BRANCH CHIEF .....Phone: 715-295-4069**

# APPENDIX

## APPENDIX 1

### **ATTACHMENT TO LETTER NOTIFYING CUSTOMERS OF AN ADVERSE DECISION THAT IS APPEALABLE**

The decision described in the attached letter did not grant you the assistance you requested or will terminate or reduce the assistance you are currently receiving. If you believe this decision or the facts used in this case are in error, you may pursue any or all of the following three options.

#### **Option 1 - Informal Review**

If you have questions concerning this decision or the facts used making it and desire further explanation, you may write this office to request an informal review. **There is no cost for an informal review.** This written request must be received no later than 15 calendar days from the date of the attached letter. You must present any new information, evidence, and possible alternatives along with your request. You may also have a representative or legal counsel participate in the process, at your cost. The informal review may be conducted by telephone or in person, at the discretion of the Agency. Please include a daytime phone number in your request to arrange for the review. You may skip this step in the informal process and select one of the following two options. If you do, you will automatically waive your right to an informal review.

#### **Option 2 - Mediation or Alternative Dispute Resolution (ADR)**

You have the right to request mediation or other forms of alternative dispute resolution (ADR) for the issues that are available for mediation. **You will have to pay for at least 50 percent of the cost of mediation or ADR.** Rural Development will pay for the other 50 percent of the cost, provided the Agency has sufficient resources from its appropriated funds. If the Agency does not have sufficient resources, you will be advised how much, if any, the Agency can contribute to the cost of mediation or ADR. If you need the information to assist you in deciding whether to seek mediation or ADR, you may contact the Rural Development State Director listed below.

If you elect to seek mediation or ADR, your written request for this service must be sent to the Rural Development State Director listed below and must be postmarked no later than 30 days from the date of the attached letter. The Rural Development State Director will advise you of the estimated cost of mediation or ADR, the extent to which the Agency can contribute to the cost, and the process and procedures for this service. In States with a USDA-sponsored mediation program, you will generally be referred to such service. In States without a USDA-sponsored mediation program, you will be provided with the name or names of mediators. You will be advised directly by the mediation or ADR source if they can mediate your case. Once you request mediation or ADR, it stops the running of the 30-day period in which you may request an appeal (described in Option 3). If mediation or ADR does not result in resolution of these issues, you have the right to continue with a request for an appeal hearing as set forth in Option 3.



When mediation or ADR is concluded, you will be notified of the result and the number of days remaining to request an appeal, if applicable. If you request mediation or ADR prior to filing for an appeal, the number of days you will have to request an appeal will be 30 days from the adverse decision minus the number of days you took to request mediation. Mediation or ADR does not take the place of, or limit your rights to, an appeal to the National Appeals Division (NAD); however, a NAD appeal hearing would take place after mediation or ADR. You may skip mediation or ADR and request an appeal hearing. However, in doing so, you will automatically waive your rights to an informal meeting, mediation, or ADR.

[Insert Rural Development State Director address]

### **Option 3 - Request an Appeal**

You may request an appeal hearing by the National Appeals Division (NAD) rather than an informal review, mediation, or ADR. There is no cost for an appeal. Your request for an appeal must be made no later than 30 days from the date you receive the attached letter. You must write the Assistant Director, NAD, for your region at the following address:

[Insert NAD Assistant Director Address]

The request for a NAD hearing must state the reasons why you believe the decision is wrong, be personally signed by you, and must include a copy of the attached letter. A copy of your request must also be sent to the Rural Development State Director at the address specified above.

You have the right to an appeal hearing within 45 days of the receipt of your request. You or your representative or counsel may contact this office anytime during regular office hours in the 10 days following the receipt of your request for a hearing to examine or copy relevant non-confidential material in your file. Photocopies will be provided to you. Your representative or counsel should have your written authorization to represent you and review your file.

The NAD Hearing Officer will contact you regarding a time and place for the hearing. You may also request a teleconference hearing in lieu of the face-to-face hearing. At any time before the scheduled hearing you may also request that the Hearing Officer make a decision without a hearing. If you do, the Hearing Officer's decision will be based on the Rural Development file, any written statements or evidence you may provide and any additional information the Hearing Officer thinks necessary.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants based on race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), or because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit

Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580

The Fair Housing act prohibits discrimination in real estate related transactions, or in the terms and conditions of such a transaction because of race, color, religion, sex, disability, familiar status, or national origin. The federal agency that is responsible for enforcing this law is the U.S. Department of Housing and Urban Development. If a person believes that they have been discriminated against in violation of this law, they should contact the U.S. Department of Housing and Urban Development, Washington, D.C. 20410 or call (800) 669-9777.