

# ATTACHMENT "G"

## RENTAL ASSISTANCE PROGRAM ADMINISTRATIVE PLAN AMENDMENTS

# Chapter 1

## STATEMENT OF POLICIES

## AND OBJECTIVES

## REASONABLE ACCOMMODATION

Persons with disabilities may request in writing for a specific change to a policy or practice as an accommodation of their disability before the Pasadena Community Development Commission (PCDC) will treat a person differently than anyone else. The PCDC policies and practices are designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities.

In order to facilitate a request for a reasonable accommodation, the requester must first complete the Request for a Reasonable Accommodation form.

Upon receipt of the Request for a Reasonable Accommodation form, the PCDC will mail a Certification of Disability form to the professional third party that the family has identify who is competent to verify the person's status as a disabled person. The PCDC will also require that the third party provide additional information concerning any specific accommodation that the disable person may require.

If the PCDC finds that the requested accommodation creates an undue administrative or financial burden, the HA will deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of the PCDC.

An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on the PCDC.

The PCDC will notify the family within a reasonable time if their request for a reasonable accommodation has been approved or denied. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the PCDC decision.

Reasonable accommodation will be made for persons with a disability that requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission of the person with the disability.

All PCDC mailings will be made available in an accessible format upon written request, as a reasonable accommodation.

# *Chapter 2*

## ELIGIBILITY FOR ADMISSION

### **Live-In Attendants**

A Family may include a live-in aide provided that such live-in aid:

1. Is determined by the PCDC to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,
  - (a) A participant may provide at least twelve (12) working hours of care.
  - (b) Doctor's Certification or Social Service Practitioner.
2. Is not obligated for the support of the person(s), and
3. Would not be living in the unit except to provide care for the person(s).

A live-in aide is treated differently than family members:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits. Information will be gathered.
2. Live-in aides are not subject to Non-Citizen Rule requirements.
3. Live-in aides may not be considered as a remaining member of the tenant family.
4. Participant

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

Family members of a live-in attendant may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the live-in's family members does not overcrowd the unit.

A live-in aide may only reside in the unit with the approval of the PCDC. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near elderly (50-61) or disabled. Verification must include the hours the care will be provided.

The PCDC has the right to disapprove a request for a live-in aide based on the "Other Criteria for Eligibility" described in this Chapter.

Families will be required to complete a "Request for Live-in Aide" form.

# Chapter 4

## Establishing Preferences and Maintaining The Waiting List

## CHAPTER 4

### ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST [24CFR Part 5, Subpart D; 982.54(d)(1); 982.204, 982.205]

#### C. LOCAL PREFERENCES

A notice adapting new local preferences will be publicized and distributed using the same guidelines as those for opening and closing the waiting list.

The PCDC uses the following Local Preferences:

1. Residency preference for applicants in which the head of household or spouse lives, works full-time, or attends school full-time (as defined by the school or institution) within the PCDC's jurisdiction.
2. PCDC assisted housing preference for applicants in which the head of household lives in a PCDC assisted housing development.
3. Disabled preference for applicants in which the head of household or spouse is disabled.
4. Veteran preference in which the head of household who is a current member of the military, a veteran, or the surviving spouse of a veteran.
5. Applicants who have been involuntarily displaced (as described below).
6. Applicants who are currently residing in substandard housing (as described below).

#### G. ORDER OF SELECTION [24 CFR 5.415, 982.207 (e)]

The order of selection is based on the PCDC's system for weighing preferences.

##### Local Preferences

Local preferences will be used to select families from the waiting list. The PCDC has selected the following system to apply ranking preferences. All local preferences will be weighted as follows:

- |  |         |
|--|---------|
| a. Residency preference:                                 | 20 pts. |
| b. Residency in PCDC assisted housing development        | 15 pts  |
| c. Families with a disabled head of household or spouse: | 5 pts.  |
| d. Substandard Housing:                                  | 3 pts.  |
| e. Involuntary Displacement:                             | 3pts.   |
| f. Veteran's preference:                                 | 2 pts.  |
| g. Families with an elderly head of household or spouse: | 2 pts.  |

# *Chapter 5*

# *Subsidy Standards*



**CHAPTER 5**

**SUBSIDY STANDARDS  
[24 CFR 982.54(d)(9)]**

**GUIDELINES FOR DETERMINING BEDROOM SIZE**

<u>Number of Bedrooms</u>	<u>Persons in Household</u>
0 Bedroom	1
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12

## Chapter 6

**FACTORS RELATED TO TOTAL**

**TENANT PAYMENT**

**DETERMINATION**

up to a maximum of \$480 per year for full-time students, age 18 or older, who are not the heads of household or spouse. If the income is less than \$480 annually, count it all. If the annual income exceeds \$480, count \$480 and exclude the amount that exceeds \$480.

- All income of a full-time student, 18 years of age or older, is counted if that person is the head of household or spouse.
- Payments received by the family for the care of foster children or foster adults are not counted. This applies only to payments made through the official foster care relationships with local welfare agencies.

### **Income of Temporarily Absent Family Members**

PCDC must count all income of family members whom PCDC has approved to reside in the unit, even if they are temporarily absent. This includes former family members who are temporarily confined to a nursing home or hospital.

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit.

### **Income of Family Members who work as Private Nurse/Care Attendant**

The PCDC must count all income of family members whom have reported that they work as a Private Nurse/Care Attendant, and are away for the majority of the week and come back to the assisted unit during their days off.

### **Regular Contributions and Gifts**

PCDC must count as income any regular contributions and gifts (monetary or not) from persons outside the family. This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis.

Any contribution or gift received every three (3) months or more frequently will be considered a "regular" contribution or gift. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.)

If the family's expenses exceed its known income, the PCDC will question the family about contributions and gifts.

### **Temporary Income**

Income from seasonal employment must be counted.

### **Income from Business (Includes Self-Employment Income)**

- Prescription/non-prescription medicines (prescribed by a physician).
- Transportation to treatment (cab fare, bus fare, mileage).
- Dental expenses, eyeglasses, hearing aids, batteries.
- Live-in or periodic medical assistance.

Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.

### **Minimum Rent and Minimum Family Contribution**

Minimum family contribution in the Housing Choice Voucher Program (HCVP) is Fifty (\$50) dollars.

### **B. AVERAGING INCOME**

When annual income cannot be anticipated for a full twelve months, the PCDC may:

1. Average known sources of income that vary to compute an annual income, or
2. Annualize current income and conduct an interim re-examination if income changes.

If there are bonuses; commission; tips and/or overtime that the employer cannot anticipate for the next twelve months, income from the previous year may be analyzed and used to determine the amount to anticipate when third party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income

### **C. MINIMUM INCOME**

There is no minimum income requirement. Families who report zero income are required to complete a written certification every ninety (90) days. All applicants and participants are encouraged to apply for benefits and will be referred to supportive service providers. PCDC will send out third party verifications to support the participant/applicant claim.

# Chapter 7

## VERIFICATION PROCEDURES

document is such that tampering would be easily noted:

1. Original pay stubs.
2. Computer print-outs from the employer.
3. Letter from employer(s) which include detailed employment information, provided that the information is confirmed by telephone.
4. Other documents noted in this chapter as acceptable verification.

The PCDC will accept faxed documents from agencies and employers regarding our participants and applicants, provided the documents are verified by telephone. The third-party verification will prevail. The PCDC will accept photocopies from families provided the information is verified with the agencies and employers by telephone.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the third-party verification will prevail.

The PCDC will not delay the processing of determining eligibility for a program participant beyond sixty (**60**) days due to a third-party verification that has not been returned. The eligibility will be determine using the last verification until proper verification is received.

### **Self-Certification/Self-Declaration**

When verification cannot be obtained through a third-party verification or review of documents, families will be required to submit a **notarized affidavit**.

The PCDC may make an exception for families who claim they cannot afford to pay the fee of a Public Notary due to their income status and accept a non-notarized Self-Certification/Self-Declaration in lieu.

### **B. RELEASE OF INFORMATION**

Each family member 18 years of age or older will be required to sign specific authorization forms when information is needed that is not covered by the form HUD 9886, Authorization for Release of Information/Privacy Act Notice.

Each member requested to consent to the PCDC Authorization for Release of Information/Privacy Act Notice will be provided with the appropriate forms for their review and signature.

Family's refusal to cooperate with the HUD and PCDC prescribed verification system will result in denial of admission or termination of assistance based on the family's

## Chapter 12

# RE-EXAMINATIONS AND

# VERIFICATIONS

## CHAPTER 12

### RE-EXAMINATIONS & VERIFICATIONS

#### **INTRODUCTION**

HUD requires the PCDC to re-examine the income and composition of all families at least annually. In addition, the PCDC is required to inspect the assisted unit, process requests for rent adjustments and review the utility allowance schedule. These activities must be coordinated to ensure that they are completed in accordance with the regulations. It is a HUD requirement that families report all changes in family composition, but the PCDC decides what other changes must be reported, and the procedures for reporting them. The Head of Household will be required to inform the PCDC if someone, who is not part of the household is using the assisted unit address as a "mailing address". To comply with this requirement, the Head of Household will be required to submit a written statement notifying the PCDC of the name(s) of the person(s) using the assisted unit address as a mailing address and of the reasons. The PCDC has to approve this request. This Chapter defines the PCDC's policy for conducting annual re-examinations and coordinating the four (4) annual activities. It also explains the interim reporting requirements for families and the standards for timely reporting.

#### **A. ANNUAL ACTIVITIES [24 CFR 982.401, 982.516, 982.517, & 982.519]**

The PCDC generates a monthly computerized list of units under contract one hundred and twenty (120) days before the re-examinations are to take effect. This procedure allows the PCDC ample time to obtain all required verifications, review contract rent adjustments, conduct annual HQS inspections and provide reasonable advance notice to both the family and the owner of any changes in the family's share and housing assistance payment (HAP).

Annual activities for contracts that did not commence on the first of the month must be conducted no later than the first of the month in which the lease was effective.

Utility Allowance Schedule: See Chapter 6, "Factors Related to Total Tenant Payment Determination."

Annual Inspections: See Chapter 10, "Housing Quality Standards and Inspections."

Rent Adjustments: See Chapter 11, "Property Owner Rents, Rent Reasonableness and Payment Standards."

**B. ANNUAL RE-EXAMINATION [24 CFR 5.609 & 982.516]** The PCDC must conduct a re-examination of family income and family composition at least annually. The annual re-examination determines the continued eligibility of the family and establishes



The PCDC will follow the verification procedures and guidelines described in this Plan. Verifications for re-examinations must be no more than one hundred and twenty (120) days old on the effective date.

The PCDC will obtain third party verifications of the family's income, assets, allowances and any other factors that affect the determination of adjusted income. In cases where third party verifications are not available, the PCDC will document the reason(s) they are not available.

### **Tenant Rent Increases**

If tenant rent increases, a thirty-day (30) notice is mailed to the family prior to the anniversary date.

If less than thirty (30) days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the thirty (30) day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the re-examination processing, there will be a retroactive increase in rent to the anniversary date.

### **Tenant Rent Decreases (Interims)**

The effective date of an interim re-examination will be the first of the following month after the family reports a decrease. However, if the family causes a delay by not submitting requested or required information, the effective date of the decrease will be on the first day of the month after the family submitted the information.

### **C. REPORTING INTERIM CHANGES [24 CFR 982.516]**

HUD requires program participants to report all changes in household composition to the PCDC between annual re-examinations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PCDC approval prior to all other additions to the household.

- a. Addition by marriage/or marital-type relation.
- b. Addition of a minor who is a member of the nuclear family who had been living elsewhere.
- c. Addition of a PCDC approved live-in attendant.
- d. Addition of any relation of the Head or Spouse.
- e. Addition due to birth, adoption or court-awarded custody.

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in the HCV shall be made effective immediately. The PCDC may determine whether to issue a larger HCV in this instance based on funding availability.

To remove a family member the family must follow the steps listed below:

1. Complete and submit the Update of Family Circumstances form to the PCDC within 15 days of the date of the change.
2. Submit a notarized Affidavit from the adult family member who would no longer be part of the assisted household. The statement must include the effective move date, forwarding address, and the telephone number. In addition, a copy of the Lease where the family member will be residing will need to be submitted. If not available, other documentation can be used as proof of the new residence must be submitted i.e, utility bills, updated California Identification/Drivers License, business correspondence, etc.

Note: An interim re-examination will not be processed if the family fails to submit the supporting information that proves that the family member has moved out of the assisted unit.

### **Family Break-up**

The PCDC has discretion to determine which members of an assisted family continue to receive assistance in the program if the family breaks up (i.e., divorce, legal separation or the division of the family). The PCDC will take into consideration the following factors when deciding who remains in the program if the family breaks up:

1. Which family members remain in the original assisted unit.
2. The interest of minor children or of ill, elderly or disabled family members.

# CHAPTER 13

## MOVES WITH CONTINUED

## ASSISTANCE/PORTABILITY

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease mid-month. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

#### **D. PORTABILITY [24 CFR 982.353]**

Portability applies to families moving out of or into the PCDC's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the PCDC's jurisdiction. The unit may be located, in the same state as the PCDC or in the jurisdiction of a Public Housing Agency (PHA) anywhere within the United States that administers a tenant based program. However, the PCDC may opt to deny portability moves, and moves within the PCDC jurisdiction, if the PCDC does not have sufficient funds under its calendar year budget to subsidize families that move to a higher cost area or unit. Higher cost area, is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or more generous subsidy standards. (Example: The receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the PCDC). This would be a denial to move for insufficient funding under 982.314(e)(1) The PCDC will contact the receiving PHA and confirm that the receiving PHA will absorb or has a similar subsidy and payment standard before denial of portability.

#### **E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]**

When a family requests to move to outside of the PCDC's jurisdiction, the request must specify the area to which the family wants to move.

If the family is moving to a unit located in the same state as the PCDC, in the same Metropolitan Service Area (MSA), but in a different state, or in an adjacent MSA in a different state, and there is not a housing agency in the area where the unit is located, the PCDC will be responsible for the administration of the family's assistance.

The PCDC will choose a management company, another PHA or a private contractor to administer the assistance.

If there is more than one PHA in the area in which the family has selected a unit, the PCDC will choose the receiving PHA.

#### **Restrictions on Portability**

Families will not be permitted to exercise portability for any of the following reasons:

Applicants who are issued a HCV will not be permitted to exercise portability, if neither the head nor spouse had a domicile (legal residence) in the PCDC's

# CHAPTER 14

## CONTRACT TERMINATIONS

The PCDC may terminate the contract if:

1. The PCDC terminates assistance to the family.
2. The family is required to move from a unit, which is under-occupied or overcrowded.
3. Funding is no longer available under the ACC.
  - a. The PCDC will terminate HAP contracts, in accordance with HUD requirements, if the PCDC determines that funding under the Consolidated ACC is insufficient to support continued assistance for families in the program. PCDC HAP contracts may be terminated in, but not limited to, the following manner upon PCDC's determination that any member of a household fails to:
    - Reimburse any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owned by the family under the lease;
    - Breached an agreement with a PHA to pay amounts owned to a PHA, or amounts paid to an owner by a PHA;
    - Owes rent or other amounts to the PCDC or to another PHA in connection with Section 8 HCVP or public housing assistance under the 1937 Act; and
    - Violated any family obligation under the program as listed in 24 CFR 982.551.

The existence of the above-referenced actions by any household member, regardless of the head of household's lack of knowledge of the behavior, shall be grounds for termination of assistance.

The HAP contract terminates automatically one hundred and eighty (180) days after the last housing assistance payment to the owner.

#### Notice of Termination

The PCDC will provide the owner and family with at least thirty days (30) written notice of termination of the contract. Except in the following circumstances:

1. Death of only family member.
2. Family vacates without notice.

# *Chapter 20*

## **SUPPORTIVE HOUSING PROGRAMS**

## **D. Section 8 Homeownership Program**

### **Summary of Guidelines**

- I. **Eligibility Requirements** [24 CFR 982.625 and 24 CFR 982.627]. Applicant and participant families must meet all of the following requirements prior to commencement of homeownership assistance:
- a. Household contains at least one adult family member who has been fully employed for at least one (1) year.
  - b. A graduate of, or currently enrolled in the Family Self-Sufficiency (“FSS”) Program for a minimum of 12 months, and in compliance with the FSS contract requirements.
  - c. Successfully completion of the required Homeownership course work (this requirement may be waived at discretion of PCDC Housing and Community Development Division Administrator).
  - d. Eligible for the Section 8 Housing Choice Voucher Program.
  - e. First-time homebuyer status (a family that has not owned or had ownership interest in the past three years).
  - f. Federal minimum income requirement: The family must have a gross annual income not less than the Federal minimum wage multiplied by 2,000 hours (currently \$10,300), based on the income of adult family members who will own the home. Unless the family is elderly or disabled, income from welfare assistance and SSI will not be counted towards this requirement.
  - g. Federal minimum employment requirement: At least one adult family member who will own the home must be currently employed full-time (defined as not less than an average of 30 hours per week) and must have been continuously employed for one year prior to homeownership assistance. A family member will be considered to have been continuously employed even if that family member has experienced a break in employment, provided that the break in employment: 1) did not exceed 30 calendar days; 2) did not occur within the six-month period immediately prior to the family’s application to utilize the homeownership option; and 3) has been the only break in employment within the past 12 calendar months. This employment requirement does not apply to elderly or disabled families.
  - h. The family has had no family-caused violations of HUD’s Housing Quality standards within the last one (1) year.
  - i. The family is not within the initial 1-year period of a Housing Assistance Payments (“HAP”) Contract.



- j. The family does not owe money to PCDC.
- k. The family has not committed any serious or repeated violations of a PCDC-assisted lease within the past three (3) years.
- l. PCDC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by elderly persons and persons with disabilities.
- m. PCDC may make homeownership available to all who qualify, or restrict homeownership to families or purposes defined by PCDC. PCDC may also limit the number of families assisted with homeownership.

**II. Homeownership Counseling Requirements [24 CFR 982.630]**

- a. Under the FSS program, Women At Work shall refer eligible families to PCDC or its designee for homeownership counseling in group orientations and individual counseling sessions on the following topics:
  - 1. Home maintenance.
  - 2. Budgeting and money management.
  - 3. Credit counseling.
  - 4. Negotiating the purchase of a home.
  - 5. Obtaining homebuyer financing and loan preapprovals, and different types of financing.
  - 6. How to find a home, including information about homeownership opportunities, schools and transportation within the Program jurisdiction.
  - 7. Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas.
  - 8. Information of fair housing, including fair housing lending and local fair housing enforcement agencies.
  - 9. Information about RESPA, state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.
- b. The family will be required to attend post-purchase homeownership counseling when the family refinances the mortgage loan or when PCDC determines that the family is at risk of default. Examples of default risk indications include: 1) Wage decrease or unemployment; 2) Increase in debt obligations; and 3) Failure to pay property taxes, insurance premiums, homeowners association fees, and mortgage payments.

**III. Eligible Units [24 CFR 982.628]**

- a. The unit must meet HUD's "Eligible Housing " requirements. The unit may not be any of the following: 1) A public housing or Indian housing unit; 2) A unit receiving Section 8 project-based assistance; 3) A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services; 4) A college or other school dormitory; 5) On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- b. The unit was already existing or under construction at the time the family was determined eligible for homeownership assistance.
- c. The unit is a one-unit property or a single dwelling unit in a cooperative or a condominium complex.
- d. The unit has been inspected by PCDC and by an independent professional inspector selected and paid for by the family.
- e. The unit meets HUD Housing Quality Standards.
- f. PCDC must not approve the seller of the unit if PCDC has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

**IV. Search and Purchase Requirements [24 CFR 982.629]**

- a. PCDC or its designee will provide families with assistance in locating a home.
- b. The family will be required to locate a home to purchase within nine (9) months from the date of determination of family's eligibility for the homeownership option. A home shall be considered located if the family submits to PCDC a binding purchase agreement. For good cause, PCDC may extend the family's search for a home and their Section 8 rental assistance shall continue pursuant to the Administrative Plan.
- c. The family must obtain mortgage financing within 60 days of the date of the binding purchase agreement.
- d. The family must purchase the home within 90 days of the date of the binding purchase agreement.
- e. PCDC will require monthly reports from the family on its progress in finding and purchasing a home.
- f. If the family is unable to purchase a home within the maximum time limit, PCDC will continue the family's participation in the Section 8 Housing Choice Voucher

program. However, the family must complete an additional year in the rental voucher program before it can re-apply for homeownership assistance.

**V. Inspection and Contract [24 CFR 982.631]**

- a. The unit must meet the Housing Quality Standards, and must be inspected by an independent professional inspector licensed to operate in the State of California, selected and paid for by the family.
- b. The independent inspection must cover major building systems and components. The inspector must be qualified to identify physical defects and report on property conditions, including major building systems and components. These systems and components include, but are not limited to: 1) Foundation and structures; 2) Housing interior and exterior; 3) Roofing; and 4) Plumbing, electrical and heating systems.
- c. The family must enter into a contract of sale with the seller of the unit. A copy of the contract must be given to PCDC. The contract of sale must specify the price and terms of sale, and provide the following:
  1. Purchaser will arrange for a pre-purchase independent inspection of the home;
  2. The purchaser is not obligated to buy the unit unless the inspection is satisfactory;
  3. The purchaser is not obligated to pay for necessary repairs; and
  4. Contain the seller's certification that he/she has not been debarred, suspended or subject to a limited denial of participation.

**VI. Financing [24 CFR 982.632]**

- a. The family is responsible for qualifying for and securing mortgage financing from a conventional lender and meeting the lender's requirements.
- b. PCDC will require that mortgage financing comply with the secondary market's community or affordable lending guidelines. PCDC has established financing requirements, and may disapprove proposed financing if PCDC determines that the proposed mortgage financing does not meet these requirements and/or if the debt is unaffordable.
- c. Balloon payment, negative amortization, and interest-payment only mortgages are prohibited by PCDC. Seller financing shall be evaluated by PCDC on a case-by-case basis.
- d. PCDC requires the family to contribute a minimum cash down payment of 3% of the purchase price, with at least 1% from the family's own resources. FSS escrow funds, and IDEA and IDA account funds are considered to be family's own resources. Disabled persons participating in Fannie Mae's HomeChoice mortgage

program may receive the entirety of the required 3% minimum down payment requirement from other sources.

**VII. Continued Assistance [24 CFR 982.633]**

- a. Homeownership assistance may only be paid while the family is residing in the home. The family or lender is not required to refund homeownership assistance for the month when the family moves out.
- b. The family must comply with the following obligations:
  1. The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
  2. The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551(h) and (i).
  3. The family must supply information to PCDC or HUD as specified in CFR 982.551(b). The family must further supply any information required by PCDC or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
  4. The family must notify PCDC before moving out of the home.
  5. The family must notify PCDC if the family defaults on the mortgage used to purchase the home.
  6. No family member may have any ownership interest in any other residential property.
  7. The family must attend and complete ongoing homeownership counseling, including post-purchase counseling.
  8. The home must pass an annual HUD Housing Quality Standards inspection.
  9. Prior to commencement of homeownership assistance, the family must execute a statement agreeing to comply with all family obligations under the homeownership option.

**VIII. Maximum Term of Homeownership Assistance [24 CFR 982.634]**

- a. Except in the case of elderly or disabled families, the maximum term of homeownership assistance is 15 years if the initial mortgage term is 20 years or longer, and 10 years in all other cases.
- b. There is no maximum term for an elderly household or family with a disabled person(s). This elderly exception applies if the family qualified as elderly at the start of homeownership assistance. The disabled exception applies if, at any time during homeownership assistance, the family qualifies as disabled. If the family ceases to qualify as elderly or disabled during the course of homeownership assistance, the maximum term (refer to "a" above) becomes applicable from the

date assistance commenced. However, such a family must be afforded at least six (6) months of homeownership assistance after the maximum term becomes applicable.

**IX. Homeownership Assistance Payments and Homeownership Expenses [24 CFR 982.635]**

- a. The monthly homeownership assistance payment is the lower of the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.
- b. In determining the amount of the homeownership assistance payment, PCDC will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in the Administrative Plan for the Housing Choice Voucher Program.
- c. PCDC will pay the homeownership assistance payment directly to a dedicated, limited access account established on behalf of the family by the lender and/or mortgage servicer.
- d. Some homeownership expenses are allowances or standards determined by PCDC in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home. Homeownership expenses include: 1) Principal and interest on mortgage debt; 2) Mortgage insurance premium; 3) Taxes and homeowner insurance; 4) PCDC utility allowance used for the voucher program; 5) PCDC allowance for routine maintenance costs; 6) PCDC allowance for major repairs and replacements; 7) Principal and interest on debt to finance major repairs and replacements; and 8) Principal and interest on debt to finance costs to make the home accessible for a family member with disabilities if PCDC determines it is needed as a reasonable accommodation.

**X. Portability [24 CFR 982.636, 982.353(b), 982.552, and 982.553]**

- a. Subject to the restrictions on portability included in HUD regulations and in Chapter 13 of the Administrative Plan, the family may exercise portability if the receiving public housing authority ("PHA") is administering a voucher homeownership program and accepting new homeownership families.
- b. The receiving PHA may absorb the family into its voucher program, or bill PCDC. The receiving PHA arranges for housing counseling and PCDC's homeownership policies apply.

**XI. Moving With Continued Assistance [24 CFR 982.637]**

- a. A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with the voucher rental assistance;

however, PCDC will not permit a family to move with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

- b. PCDC prohibits more than one move by the family during any one-year period.
- c. PCDC will deny permission to move with continued rental or homeownership assistance if PCDC determines that it does not have sufficient funding to provide continued assistance.
- d. PCDC will require the family to complete additional homeownership counseling prior to moving to a new unit with continued assistance under the homeownership option.

**XII. Denial or Termination of Assistance [24 CFR 982.638]**

- a. Termination of homeownership assistance is governed by the policies for the Housing Choice Voucher Program contained in Chapter 15 of the Administrative Plan.
- b. PCDC may deny or terminate homeownership assistance in accordance with CFR 982.552 (*Grounds for denial or determination of assistance*) or CFR 982.553 (*Crime by family members*).
- c. PCDC may deny or terminate assistance for violation of participant obligations described in CFR 982.551 (with the exception of provisions "c" through "j") or CFR 982.633.
- d. PCDC will terminate homeownership assistance if the family is dispossessed from the home due to a judgment or order of foreclosure. PCDC will not permit such a family to move with voucher rental assistance.
- e. PCDC will terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt incurred to purchase the home, or any refinancing of such debt. PCDC, in its discretion, may permit the family to move to a new unit with continued voucher rental assistance. However, PCDC shall deny such permission if:
  - 1. The family defaulted on an FHA-insured mortgage; and
  - 2. The family fails to demonstrate that:
    - i) The family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and
    - ii) The family has moved, or will move, from the home within the period established or approved by HUD.

**XIII. Recapture of Homeownership Assistance [24 CFR 982.625(h)]**

PCDC shall not impose or enforce any requirement for the recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the Program.