



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

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**Special Attention of:**

NOTICE: H 2013-24

Multifamily Hub Directors  
Multifamily Program Center Directors  
Supervisory Housing Project Managers  
Housing Project Managers  
Section 811 PRA Grantees  
Section 811 PRA Owners

Issued: August 23, 2013

Expires: This notice remains in effect  
until amended, revoked, or  
superseded.

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**SUBJECT: Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice**

**I) Applicability**

The purpose of this Notice is to provide program occupancy guidance for the Section 811 Project Rental Assistance (PRA) program, as authorized under Section 811 of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended by the Frank Melville Supportive Housing Investment Act of 2010. The Section 811 PRA program is designed to provide permanent supportive housing for extremely low-income persons with disabilities receiving long term supports and services in the community. PRA funds are provided to a Grantee which have a partnership with their state health and human services/Medicaid agency as evidenced in an Inter-Agency Partnership Agreement. The Grantees select projects which will receive rental operating assistance through PRA, subject to a restriction whereby no more than 25% of the total number of dwelling units in the multifamily housing project receive either PRA funds, are used for supportive housing for persons with disabilities, or to which any occupancy preference for persons with disabilities applies. The Section 811 PRA program guidelines are applicable only to the Assisted Units, as defined below. Grantee and Owners must comply with these guidelines without modification, unless approved by HUD.

The Grantee is responsible for ensuring Owners' requirements as may be stated in the 811 PRA statutory authority, Section 811 PRA Notice of Funding Availability (NOFA), Cooperative Agreement, including specific Owner requirements under the Program Guidelines, Rental Assistance Contract (RAC), Use Agreement, Model Lease, and this Notice are met at all times. Grantee agrees to pursue corrective action, including pursue legal remedies, against Owners where appropriate.

## II) Definitions

- A) *Annual Income.* As defined in 24 C.F.R. part 5.
- B) *Assisted Units.* Assisted Units means units receiving funds pursuant to 42 U.S.C. 8013(b)(3)(A).
- C) *Contract Administrator.* The Contract Administrator is the Grantee or the Grantee's designated entity.
- D) *Contract Rent.* The total amount of rent specified in the Rental Assistance Contract (RAC) as payable to the Owner for the Assisted Unit.
- E) *Decent, Safe, and Sanitary.* Housing is decent, safe, and sanitary if it meets the physical condition requirements in 24 CFR part 5, subpart G.
- F) *Eligible Families.* Eligible Families shall have the same meaning as "Eligible Tenant" as defined under these Program Guidelines.
- G) *Eligible Multifamily Properties.* Eligible Multifamily Properties means existing, new, or rehabilitated properties with at least 5 housing units owned by a private nonprofit or for-profit entity. Development costs are paid from other public and private sources and where a commitment has been made to the project for funds such as : (i) Low Income Housing Tax Credits; or (ii) HOME Investment Partnership Act funds or; (iii) any Federal, State or local government funds. Public sources must not include Sections 202 and 811 Capital Advances. Properties with existing use restrictions for persons with disabilities or persons age 62 and older are not eligible.
- H) *Extremely Low Income Family.* Extremely Low-Income Family means a household whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. HUD's income exclusions, as defined under 24 CFR 5.609, apply in determining income eligibility and Eligible Tenant's rent.
- I) *Eligible Tenant.* Eligible Tenant means an Extremely Low-Income Person with a Disability, between the ages of 18 and 62 at the time of admission, and Extremely Low Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 62 at the time of admission. The Person with Disabilities must be eligible for community-based, long-term services as provided through Medicaid waivers, Medicaid state plan options, state funded services or other appropriate services related to the target populations under the Inter-Agency Partnership Agreement.

- J)** *Grantee.* The applicant selected by HUD under a Section 811 Project Rental Assistance (PRA) NOFA to administer the Section 811 PRA program, or any successor program. Grantee shall be a state housing agency or other appropriate entity, as approved by HUD.
- K)** *HUD.* Department of Housing and Urban Development.
- L)** *Inter-Agency Partnership Agreement.* The Inter-Agency Partnership Agreement provides a formal structure for collaboration to participate in the state's PRA Program to develop permanent supportive housing for extremely low-income persons with disabilities. This Partnership Agreement must include the Grantee and the state agency that is charged with administering State Health and Human Services programs and policies, and the State's Medicaid programs. In states where the State Health and Human Service Agency is not also the State Medicaid Agency, both agencies' participation must be evidenced. The agreement must include: 1) detailed description of the target population(s) to be served, 2) methods for outreach and referral, and 3) a commitment to make appropriate services available for residents in PRA units in multifamily properties. In the agreement, states must identify the available state administered services and other appropriate services and describe how such services will be made available to the tenants. Participation in any available supportive services is voluntary.
- M)** *Notice of Funding Availability (NOFA).* NOFA shall mean the Section 811 PRA competition to which the Grantee applied and was selected by HUD.
- N)** *Owner.* The nonprofit or for-profit entity which owns the Eligible Multifamily Property.
- O)** *Persons with Disabilities.* Persons with Disabilities shall have the same meaning as defined under 42 U.S.C. 8013(k)(2) and 24 CFR 891.305.
- P)** *Project Rental Assistance Payment.* The payment made by the Contract Administrator to the Owner as provided in the Rental Assistance Contract (RAC). Where the Assisted Unit is leased to an Eligible Tenant, the payment is the difference between the Contract Rent and the Tenant Rent. An additional payment is made to the Eligible Tenant when the Utility Allowance is greater than the Total Tenant Payment. A vacancy payment may be made to the Owner when an Assisted Unit is vacant, in accordance with the RAC.
- Q)** *Rental Assistance Contract (RAC).* The contract, as prescribed by HUD, entered into between the Owner and the Contract Administrator which sets forth the rights and duties of the parties with respect to the Assisted Units in the Eligible Multifamily Property.
- R)** *Tenant Rent.* As defined in 24 C.F.R. part 5.

S) *Total Tenant Payment.* As defined in 24 C.F.R. part 5.

T) *Utility Allowance.* As defined in 24 C.F.R. part 5.

U) *Utility Reimbursement.* As defined in 24 C.F.R. part 5.

### **III) Civil Rights and Nondiscrimination Requirements**

Grantees and owners must comply with all applicable fair housing and civil rights requirements in 24 C.F.R. § 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Titles II and III of the American Disabilities Act, as applicable and Section 109 of the Housing and Community Development Act of 1974.

Grantees and Owners must ensure the PRA program and the Assisted Units, respectively, are open to all Eligible Families, regardless of sexual orientation, gender identity, or marital status. For more information, see HUD's equal access rules at 24 C.F.R. §§ 5.100, 5.105(a)(2), 5.403 and HUD's final rule published in the *Federal Register* at 77 Fed. Reg. 5662, "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity."

If the Eligible Multifamily Property is in a jurisdiction that has passed a law or laws proscribing discrimination in housing based upon sexual orientation or gender identity, or a law or laws proscribing discrimination in housing based on lawful source of income, the Owner must comply with those laws of the jurisdiction in which the programs or activities are conducted.

Grantees and Owners must ensure the PRA program is readily accessible to and usable by individuals with disabilities and must grant reasonable accommodation requests in accordance with Section 504, the Fair Housing Act, and the Americans with Disabilities Act, and applicable program requirements, as applicable. For more information, see the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, *Reasonable Accommodations under the Fair Housing Act*, <http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>.

Owners shall refer to HUD Handbook 4350.3 REV-1, Chapter 2 for guidance on civil rights and nondiscrimination requirements. Title VI, Subtitle D of the Housing and Community Development Act of 1992 (42 U.S.C. 13641) does not apply to the PRA program.

### **IV) Owner Occupancy Requirements**

Owners are required to follow all applicable requirements found in HUD Handbook 4350.3 REV-1, Housing Notices, regulations, and statutes. Applicable HUD Notices relating to Owner occupancy requirements include but are not limited to:

- H 2013-06 *Enterprise Income Verification (EIV) System*
- H 2012-26 *Extension of Housing Notice 2011-25, Enterprise Income Verification (EIV) & You Brochure – Requirements for Distribution and Use*
- H 2012-22 *Further Encouragement for O/As to Adopt Optional Smoke-Free Housing Policies*
- H 2012-11 *State Registered Lifetime Sex Offenders in Federally Assisted Housing*
- H 2012-09 *Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Persons or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing*

Note: The Violence Against Women Act Reauthorization of 2013 (VAWA) applies to Eligible Tenants and may apply to non-Assisted Units, depending on the funding source of those units. To the extent VAWA is applicable to VAWA covered units, Owners must comply with this law.

Each section of this notice will identify paragraphs for which HUD Handbook 4350.3 REV-1 does not apply to the PRA program. All other requirements found in this handbook must be followed by Owners and/or Grantees.

Because several requirements must be completed prior to tenant occupancy at the property, it is important that Owners familiarize themselves with HUD Handbook 4350.3 REV-1, current HUD Notices, and regulations concurrent to signing their RAC.

#### **A) Eligibility for Assistance and Occupancy**

HUD Handbook 4350.3 REV-1, Chapter 3 identifies program requirements for HUD Multifamily Housing properties. Unless identified in this section, PRA properties must follow the requirements identified in Chapter 3 of HUD Handbook 4350.3 REV-1. Paragraphs 3-12, 3-18, 3-19, and 3-20 do not apply to the PRA program.

##### **1) Program Eligibility**

- a. *PRA Income Limits.* The applicant family's annual income must not exceed the extremely low income limit as defined in Section II.H above. Income limits are published annually at [www.huduser.org](http://www.huduser.org). The Exceptions to Income Limits in Section 8 projects found in paragraph 3-7 do not apply to the PRA program. Owners are not permitted to admit over-income applicants (3-8).

- b. *Students.* Owners must determine a student's eligibility for assistance at move-in, initial, or annual recertification, and at the time of an interim recertification if one of the changes reported is that a household member is enrolled as a student at an institution of higher education. See HUD Handbook 4350.3, REV-1, Paragraph 3-13.B for specific criteria for determining a student's eligibility and how to treat any financial assistance they may receive and paragraph 3-33.B for verification of this eligibility.

2) Project Eligibility

*Definition of Disability Used to Determine Eligibility into an Assisted Unit.* Persons with Disabilities shall have the same meaning as defined under 42 U.S.C. § 8013(k)(2) and 24 C.F.R. § 891.305.

**B) Affirmative Marketing, Waiting List, and Tenant Selection**

The Grantee is responsible for identifying the target populations, developing methods for outreach, and referral and marketing, and maintaining waiting lists for these assisted units as outlined in the Grantee's Inter-Agency agreement and NOFA application. The Grantee may assign these responsibilities to other agencies or organization, however, the Grantee retains responsibility for ensuring compliance with all program requirements, including fair housing and nondiscrimination requirements.

The Grantee will conduct such activities in compliance with HUD Handbook 4350.3 REV-1, Chapters 2 and 4 (with exception of the affirmative marketing requirement as the requirement is different for this program as described in the next paragraph below) to ensure nondiscrimination as well as to affirmatively further fair housing.

Grantees will be required to certify that they will affirmatively further fair housing, and each grantee must establish an affirmative fair housing marketing plan for its state PRA program and require other participating agencies and owners to follow its plan when marketing PRA-assisted units. HUD will provide further guidance on the required contents of marketing plans to successful applicants.

**C) Preapplication**

The Grantee will ensure a complete record is maintained of those persons applying to the program, those persons accepted for referral to Owners and those persons not accepted for referral to Owners. Such documentation will include but is not limited to applicant's name, contact information, date of birth, social security and /or Medicaid identification if available, living arrangement at the time of application, date/time of application or indication of interest, date of

determination of ineligibility for referral and reason, date of referral to Owner whether housed or not, and if a person leaves the program, date in which the person left the program and reason.

**D) Determining Income and Calculating Rent**

Owners must determine the amount of a family's income before the family is allowed to move into the Assisted Unit and at least annually thereafter. The amount of assistance paid on behalf of the family is calculated using the family's annual income less allowable deductions. The Owner determines household's income using the requirements found at 24 C.F.R. § 5.609. HUD Handbook 4350.3 REV-1, Paragraphs 5-28, and 5-29, do not apply to the PRA program.

- 1) Owners must use of HUD's EIV system as a third party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income and to reduce administrative and subsidy payment errors. Owners must obtain access to Multifamily Housing's EIV system within 90 days from signing the RAC. Owners must follow all EIV requirements as identified in Multifamily Housing's most current guidance (currently Housing Notice 2013-06 *Enterprise Income Verification (EIV) System*).
- 2) Calculating the Tenant Contribution for Assisted Units shall be in accordance with the requirements found in HUD Handbook 4350.3 REV-1, Paragraphs 5-25, 5-26, 5-27, and 5-30.

Total Tenant Payment (TTP) is the amount a tenant is expected to contribute for rent and utilities. TTP for PRA is based on the family's income. Calculation of TTP is the greater of the following:

- a. 30% of monthly adjusted income;
  - b. 10% of monthly gross income;
  - c. Welfare rent (welfare recipients in as-paid localities only); or
  - d. \$25 minimum rent
- 3) Tenant Rent is the portion of the TTP the tenant pays each month to the Owner for rent. Tenant Rent is calculated by subtracting the utility allowance from the TTP. It is possible for the Tenant Rent to be \$0 if the utility allowance is greater than the TTP. A utility reimbursement to the tenant must be provided if the utility allowance is greater than the TTP.
  - 4) Utility Allowances

The utility analysis methodology may vary between properties within the state's PRA program as approved by the Grantee. For determining the applicable utility allowance, Grantees may use the utility analysis methodology applicable to the financing or other rental assistance on non-PRA assisted units in an Eligible Multifamily Property such as the (1) HUD Multifamily Housing Policy, (2)

applicable Public housing Authority (PHA), (3) Rural Housing Services (RHS) assisted property or a property that has tenants with RHS rental assistance payments, or (4) as established by a State or local housing agency for financing programs on the Eligible Multifamily Property such as HOME, LIHTC, state trust bonds, revenue bonds, etc. If a Grantee is utilizing a utility analysis methodology different than what is described above, the utility analysis methodology requires HUD approval. The Grantee must provide HUD with the applicable utility analysis methodology anticipated to be used for properties within the Grantee's PRA program prior to the execution of the Cooperative Agreement, and must be included in each Rental Assistance Contract (RAC).

- 5) The Grantee must ensure that the Eligible Tenant's income data is entered into HUD's Tenant Rental Assistance Certification System (TRACS). This process is referenced further in Subsection G below.

**E) Lease Requirements and Leasing Activities**

Owners must follow the general lease requirements and leasing activities found in HUD Handbook 4350.3 REV-1, Chapter 6 and also all specific requirements relating to HUD's Model Lease as prescribed for this program.

- 1) Term of Lease

The term of the initial lease of the Assisted Units will be for not less than one year. In the case of a lease for a term of more than one year the Lease must contain a provision permitting termination on 30 days advance written notice by the Eligible Family after the expiration of the initial lease term.

- 2) Lease Form

Owners must use the HUD Model Lease.

- 3) Pets and Assistance Animals

Pets are allowed at Owners' discretion. If Owners chooses to allow pets at the property, the lease must be updated to include additional provisions for pets and the Owner must create Pet Rules for the property. Pet rules, however, do not apply to assistance animals as reasonable accommodations under the Fair Housing Act and Section 504 of the Rehabilitation Act. For more, see HUD Handbook 4350.3 REV-1, Chapter 2, Paragraph 2-44.

Pet rules do not apply to assistance animals needed as a reasonable accommodation for a tenant or visitor with a disability. An assistance animal is not a pet. It is an animal that works, provides assistance, or performs tasks for the benefit of a person with a disability, or provides emotional support that alleviates one or more identified symptoms or effects of a person's disability. For purposes of reasonable



accommodation requests, neither the Fair Housing Act nor Section 504 requires an assistance animal to be individually trained or certified. While dogs are the most common type of assistance animal, other animals can also be assistance animals. Housing providers are to evaluate a request for a reasonable accommodation to possess an assistance animal in a dwelling using the general principles applicable to all reasonable accommodation requests. For more information, see the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, *Reasonable Accommodations under the Fair Housing Act*, <http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>, and FHEO Notice 2013-01, [http://portal.hud.gov/hudportal/documents/huddoc?id=servanimals\\_ntcfheo2013-01.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=servanimals_ntcfheo2013-01.pdf).

Lease provisions for pets are not found in the HUD Model Lease. Because of this, the language below must be added to the Model Lease for Assisted Units. Instead of modifying the Model Lease to include these pet provisions, Owners may attach a Grantee-approved lease addendum that includes the same language below:

The TENANT is permitted to keep common household pets in his/her dwelling unit (subject to the provisions in 24 CFR Part 5 and the pet rules promulgated under 24 CFR Part 5). Any pet rules promulgated by the LANDLORD are attached hereto and incorporated hereby. The TENANT agrees to comply with these rules. A violation of these rules may be grounds for removal of the pet or termination of the TENANT's (pet Owner's) tenancy (or both), in accordance with the provisions of 24 CFR Part 5 and applicable regulations and State or local law. These regulations include 24 CFR Part 5 (Evictions From Certain Subsidized and HUD Owned Projects) and provisions governing the termination of tenancy under the rental assistance payments and project assistance payments programs.

**Note: The Part 5 Pet Rules do not apply to an animal used by a Tenant or visitor that is needed as a reasonable accommodation for the Tenant or visitor's disability.**

Optional: The LANDLORD may after reasonable notice to the TENANT and during reasonable hours, enter and inspect the premises. Entry and inspection is permitted only if the LANDLORD has received a signed, written complaint alleging (or the LANDLORD has reasonable grounds to believe) that the conduct or condition of a pet in the dwelling unit constitutes, under applicable State or local law, a nuisance or a threat to the health or safety of the occupants of the project or other persons in the community where the project is located.

If there is no State or local authority (or designated agent of such an authority) authorized under applicable State or local law to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of the tenancy as a whole, the LANDLORD may enter the premises (if necessary), remove the pet, and take such

action with respect to the pet as may be permissible under State and local law, which may include placing it in a facility that will provide care and shelter for a period not to exceed 30 days. The LANDLORD shall enter the premises and remove the pet or take such other permissible action only if the LANDLORD requests the TENANT (pet owner) to remove the pet from the project immediately, and the TENANT (pet owner) refuses to do so, or if the LANDLORD is unable to contact the TENANT (pet owner) to make a removal request. The cost of the animal care facility shall be paid as provided in 24 CFR Part 5.

4) Modifying the Lease

Any modifications to the lease must be submitted to the Grantee for approval and implemented according to the requirements in HUD Handbook 4350.3 REV-1, Paragraph 6-12. Modifications made to the lease by HUD Headquarters does not need Grantee approval, however, tenants must be given notice as outlined in HUD Handbook 4350.3 REV-1, Paragraph 6-12.

5) Security Deposits

At the time of the initial execution of the lease, the Owner may collect a security deposit from each family in an amount equal to one month's Total Tenant Payment or \$50, whichever is greater. The Eligible Family may pay the security deposit from its own resources and/or other public sources. The Owner may collect the security deposit on an installment basis.

The Owner must place the security deposits in a segregated, interest-bearing account. The balance of this account must at all times be equal to the total amount collected from the Eligible Family plus any accrued interest. The Owner must comply with any applicable State and local laws concerning interest payments on security deposits and return the security deposit to the family following the requirements in HUD Handbook 4350.3 REV-1, Paragraph 6-18.

6) Charges in Addition to Rent

a. Late Payment of Rent

Owners cannot charge fees for late payment of rent for the Assisted Units.

- b. Pet Deposits. The pet rules may require tenants to pay a refundable pet deposit, but apply only to those tenants who own or keep cats or dogs in their units. This deposit is in addition to any additional financial obligation generally imposed on tenants of the property. The pet deposit must not exceed \$300 and the initial deposit cannot exceed \$50 at the time the pet is brought onto the premises. The pet rules must allow for gradual accumulation of the remaining required deposit, not to exceed \$10 per month until

the deposit is reached, but not prevent a tenant to pay more than \$10 per month if he or she chooses to do so. Because pet rules do not apply to assistance animals needed as a reasonable accommodation for an individual with a disability, pet deposits cannot be required for assistance animals. See HUD Handbook 4350.3 REV-1, Chapter 2, Paragraph 2-44, Section E, for additional information.

- c. Other Charges. As identified in HUD Handbook 4350.3 REV-1, Paragraph 6-25.

## **F) Annual Recertification**

Because a tenant's income and family composition can change over time, program requirements establish procedures for addressing these changes. Such changes are examined and implemented through the recertification process. Under program requirements, tenants have responsibilities for providing timely information about these changes. Similarly, Owners have responsibilities for promptly reviewing and verifying this information and for making changes in assistance payments or tenant rent consistent with program requirements. Additionally, when Owners receive approval from the Grantee for changes to the gross rents for a property, there are several occupancy-related actions that Owners must take. HUD Handbook 4350.3 REV-1, Chapter 7 describes these requirements and procedures.

### Annual Recertification

Owners must conduct a recertification of family income and composition at least annually. Owners must then recompute the tenants' rents and assistance payments, if applicable, based on the information gathered. Owners do not have to perform annual recertifications for individual tenants who are paying market rent. Additionally, Owners must conduct interim recertifications as described in HUD Handbook 4350.3 REV-1, Chapter 7.

## **G) Termination**

Pursuant to the PRA program requirements and lease, termination of Project Rental Assistance Payments occurs when a tenant is no longer eligible for subsidy at the Assisted Unit. Tenants whose assistance is terminated may remain in the unit but they must pay the market rent or other rent amount as may be required by the Owner for the non-PRA unit.

A tenant's refusal to participate in or accept services or a termination of service is not a basis for lease termination.

Owners must also consider reasonable accommodation requests by individuals with disabilities in the eviction process.

Termination of tenancy is the first step in the eviction process. When terminating the tenancy, the Owner gives the tenant notice to vacate the unit because of a lease violation(s). A tenant who fails to vacate the unit after receiving notice from the Owner may face judicial action initiated by the Owner to evict the tenant. Only the Owner may terminate tenancy.

Owners are expected to enforce program requirements under the terms of the lease and tenants are similarly expected to comply with the program requirements established in the lease. Termination for reasons other than those permitted by HUD is prohibited.

HUD Handbook 4350.3 REV-1, Chapter 8 outlines the requirements and procedures concerning both termination of assistance and termination of tenancy. Paragraph 8-7 does not apply to the PRA program.

If the Owner proposes to terminate a lease, the Owner must give the tenant written notice of the proposed termination. For tenants with a disability, the notice must be provided in a form accessible to the tenant. The manner of servicing this notice must be in accordance with the provisions of state and local law.

#### **H) Subsidy Data Reporting**

Chapter 9 of HUD Handbook 4350.3 REV-1 describes the requirements for transmitting subsidy-related data to the TRACS. Data includes tenant data, requests for payment of rental assistance, utility reimbursements, and special claims. Paragraph 9-5.C, 9-11, 9-12, 9-13, 9-14, and 9-15 do not apply to the PRA program.

##### **1) Owner's Monthly Requests for Payments**

An Owner's monthly request for payment must be made in accordance with the requirements outlined in Section 2.4 of the RAC.

##### **2) Utility Reimbursements**

Funds covering the utility reimbursement are paid by the Grantee solely for the purpose of making utility reimbursements. If the utility reimbursement is not disbursed to the tenant or utility provider, the funds must be returned to the Grantee. The Owner must provide the utility reimbursement to the tenant or utility provider within 5 business days of receipt of the payment from the Grantee.

#### **I) Special Claims for Vacancy**

1) Vacancies during Rent-up

Grantees can determine whether to include payment of vacancies in its PRA program. If the Grantee decides to provide vacancy payments, for each Assisted Unit that is not leased as of the effective date of the RAC, the Owner is entitled to vacancy payments that may not exceed 80 percent of the contract rent for up to 60 days for each vacancy if the Grantee/Owner:

- a. Commences and performs appropriate feasible actions to fill the vacancy, consistent with Grantee's PRA program and its marketing plan to eligible families; and
- b. Has not rejected any eligible applicant except for good cause.

2) Vacancies after rent up

If an eligible family vacates a unit and the Grantee program includes vacancy payments, the Owner is entitled to rental assistance payments that may not exceed 80 percent of the Contract Rent for up to 60 days for each vacancy if the Owner:

- a) Certify that it did not cause the vacancy by violating the lease, the RAC or any applicable law;
- b) Notified the Grantee of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
- c) Has fulfilled and continues to fulfill 1 and 2 below; and
  1. Commence and perform appropriate feasible actions to fill the vacancy, consistent with Grantee's PRA program and its marketing plan to eligible families; and
  2. Has not rejected any eligible applicant, except for good cause acceptable to the Grantee.
- d) Certifies that any eviction resulting in a vacancy was carried out in compliance with HUD requirements and state/local laws, including providing reasonable accommodations.

**J) Prohibition of Double Compensation for Vacancies**

The Owner is not entitled to Project Rental Assistance Payments for vacant units to the extent it can collect for the vacancy from other sources (such as security deposits, other amounts collected from the Family, payments from the Grantee, and governmental payments under other programs). If the Owner collects any of the Family's share of the rent for a vacancy period in an amount which, when added to the vacancy payment, results in more than the Contract Rent, the excess must be reimbursed as HUD or Grantee directs.

**V) Information Collection**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2577-0157, 2577-0259, 2510-0011, 2501-0017, 2529-0043, 2535-0114, 2577-0270 and 2506-0171; however, the Department has submitted a new information collection to combine the requirements and it is currently pending OMB approval and assigned OMB control number 2502-New. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

If you have any questions regarding this Notice, please contact Lessie Powell Evans at (202) 402-3390.