

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the IHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the IHA. This part describes policies for recovery of monies that the IHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the IHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a IHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record keeping. This part outlines the privacy rights of applicants and participants and record retention policies the IHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the IHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the IHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The IHA must maintain an administrative fee reserve for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. If funds in the administrative fee reserve are not needed to cover IHA administrative expenses, the IHA may use these funds for other housing purposes permitted by Federal, State and local law.

Pursuant to 24 CFR 982.155, PHAs maintain a single administrative fee reserve account for the Housing Choice Voucher (HCV) program. IHA must credit to the Administrative Fee Reserve the total of: (1) the amount by which program administrative fees (paid by HUD for the IHA fiscal year) exceed IHA program administrative expenses for the fiscal year; plus (2) interest earned on the administrative fee reserve. These reserves are referred to as unrestricted net asset (UNA) accounts.

Beginning with the Federal Fiscal Year (FFY) 2004 Appropriations Act, use of administrative fee reserves is restricted to activities related to the provision of Section 8 tenant based assistance, including related development activities. Accordingly, administrative fee reserves from FFY 2004 and subsequent funding periods (referred to as “post-2003” funds) are restricted to HCV activities even though under GAAP it is an “unrestricted” net asset. Administrative fee reserves remaining from funding periods prior to the FFY 2004 Appropriations Act (referred to as “pre-2004” funds) are restricted in use pursuant to 24 CFR 982.155(b)(1). Provisions for post-2003 and pre-2004 are discussed in PIH 2010-7.

This policy does not apply to PHA’s approved for fungibility under a Moving to Work (MTW) agreement or under an agreement for Section 901 Disaster Assistance.

Use of Administrative Fees

The HCV program regulations at 24 CFR 982.152 provide that IHA administrative fees may only be used to cover costs incurred to perform IHA administrative responsibilities for the program in accordance with HUD regulations and requirements. **During the IHA’s current fiscal year, any administrative fees received in that IHA fiscal year may only be used for this purpose.** When the IHA fiscal year ends, the amount by which the program administrative fees paid by HUD for the IHA fiscal year exceed the IHA program administrative expenses for the fiscal year become administrative fee reserves. The eligible uses of the IHA Administrative Fee Reserve are restricted as set forth below.

Note that if the IHA lacks administrative fee reserves and needs to temporarily supplement the administrative fee provided by HUD with non-Federal, non-restricted funds in order to cover eligible HCV program administrative expenses, the IHA may use subsequent administrative fees to reimburse the source of the non-Federal, non-restricted funding used as the temporary bridge to cover the HCV program administrative expenses. However, HCV administrative fees may never be loaned to another program in order to cover ineligible expenses, regardless of whether the IHA intends to reimburse the HCV program at a later date.

Pre-2004 Administrative Fee Reserves: Any administrative fees funded prior to the FFY 2004 Appropriations Act remain subject to the regulatory requirements at 24 CFR 982.155(b)(1), which states:

- *The PHA must use funds in the administrative fee reserve to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. If funds in the administrative fee reserve are not needed to cover PHA administrative expenses (to the end of the last expiring funding increment under the consolidated ACC), the PHA*

may use these funds for other housing purposes permitted by State and local law. However, HUD may prohibit use of the funds for certain purposes.

Due to the restrictions imposed by the FFY 2004 and subsequent appropriations, the use of administrative fee reserves for “other housing purposes permitted by State and local law” only applies to pre-2004 administrative fee reserves.

Post-2003 Administrative Fee Reserves

Administrative fees funded from the FFY 2004 Appropriations Acts and subsequent appropriations require that administrative fee reserves provided from these appropriations shall only be used for activities related to the HCV Program, including related development activities. Examples of related development activities could include: unit modifications to HCV units to provide accessibility features or project-based voucher development costs. Any post-2003 administrative fees moved into the administrative fee reserve account at year end may not be used for “other housing purposes permitted by state and local law.”

As provided in 24 CFR 982.155 b(3), if the IHA has not adequately administered HCV requirements, HUD may prohibit use of funds in the administrative fee reserve, and may direct the IHA to use funds in the reserve to improve administration of the HCV program or to reimburse ineligible expenses. Post 2003 administrative fee reserves may not be used for Low-Rent Public Housing (PH) development activities or PH maintenance; may not cover PH funding shortfalls nor be loaned to other IHA programs.

General Depository Agreement

Consistent with the Annual Contributions Contract (ACC) IHA must deposit all program funds in accordance with the terms of a General Depository Agreement. The General Depository Agreement Form HUD-51999 is executed between the IHA and the depository. The IHA may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.

The agreement with the depository institution must provide that if required under a written notice from HUD to the depository: (1) The depository must not permit any withdrawal of deposited funds by the IHA unless withdrawals by the IHA are expressly authorized by written notice from HUD to the depository. (2) The depository must permit withdrawals of deposited funds by HUD. If approved by HUD, the IHA may deposit under the depository agreement monies received or held by the IHA in connection with any contract between the IHA and HUD.

Reporting Requirements

HUD requires IHA to report any unused Administrative Fees as Unrestricted Net Assets (equity) in the Financial Assessment Subsystem (FASS) under account 512.1 Unrestricted Net Assets, the associated assets net of related liabilities (111 Cash; 131 Investments) should be reported on the Financial Data Schedule as unrestricted. Previously, there was no requirement for IHA to segregate unrestricted net assets as pre-2004 and post-2003. As noted earlier, the IHA may use pre-2004 administrative fees *for other housing purposes permitted by State and local law*; while

post-2003 fees are limited to HCV- related purposes. As a result, this separation requires reconciliation to ensure the proper accounting and use of administrative fees.

In order to track these reserves annually, beginning with the reporting period ending December 31, 2009, IHA must report post-2003 administrative fee reserves separately from pre-2004.

IHA must describe the reconciliation in the comments link showing balances from 2003 and previous years administrative fee reserves separately from amounts held as 2004 and subsequent years administrative fee reserves. This schedule must tie to the balances reflected in FDS Line 512 Unrestricted Net Assets, for the HCVP.

Use of HAP Funds

HAP funding, which includes net restricted assets (NRA), may only be used for eligible HAP needs of rent, family self-sufficient escrow payments or utility reimbursements. **HAP shall not under any circumstances be used for any other purpose, such as to cover administrative expenses or be loaned, advanced or transferred (referred to as operating transfers due to/due from) to other component units or other programs such as Low Rent Public Housing.** Use of HAP for any purpose other than eligible HAP needs is violation of law, and such illegal uses or transfers will result in sanctions and possible breach of the ACC.

In instances where IHA is found to have misappropriated HAP funds by using the funds for any purpose other than valid HAP expenses for units up to the baseline, HUD will require the immediate return of the funds of the HAP. HUD may take action against IHA or any party that has used HAP funds for non-HAP purposes.

Requirements for accounting controls and cash management dictate separate accounting of HCV from public housing funds to avoid co-mingling or improper use of program funds.

Sanctions

Improper use of HAP, NRA funds, administrative fees or administrative fee reserves is a non-compliance action that may be subject to administrative sanctions, possible breach of the ACC or other authorized corrective action.

If the IHA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct the IHA to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses. HUD also may prohibit use of the funds for certain purposes. HUD requires the IHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

IHA Policy

Expenditures from the administrative fee reserve will be made in accordance with all applicable Federal requirements. Expenditures will not exceed \$10,000 per occurrence without the prior approval of the IHA's Board of Commissioners.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

16-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the IHA to adapt the program to local conditions. This part discusses how the IHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

IHA Policy

Copies of the payment standard and utility allowance schedules are available for review in the IHA's Administrative office during normal business hours.

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

The IHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7, PIH 2009-44]

The payment standard sets the maximum subsidy payment a family can receive from the IHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMR are set at the 40th percentile of rents in the market area.

The IHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the IHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the IHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, the IHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

Updating Payment Standards

When HUD updates its FMR, the IHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the IHA to make further adjustments if it determines that rent burdens for assisted families in the IHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

IHA Policy

The IHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always within the "basic range" the IHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The IHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The IHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the IHA will consider increasing the payment standard. In evaluating rent burdens, the IHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The IHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The IHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The IHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The IHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective on January 1st of every year unless, based on the proposed FMR, it appears that one or more of the IHA's current payment standard amounts will be outside the basic range when the final FMR are published. In that case, the IHA payment standards will be effective October 1st instead of January 1st.

If the IHA has already processed reexaminations that will be effective on or after October 1st, and the effective date of the payment standards is October 1st, the IHA will make retroactive adjustments to any such reexaminations if the new payment standard amount is higher than the one used by the IHA at the time the reexamination was originally processed.

Exception Payment Standards [982.503(c)]

The IHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

Unit-by-Unit Exceptions [24 CFR 982.503(c)(2)(ii)]

Unit-by-unit exceptions to the IHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the IHA's payment standard schedule.

When needed as a reasonable accommodation, the IHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 110 percent of the applicable FMR for the unit size [HCV GB 7-9]. The IHA may request HUD approval for an exception to the payment standard for a particular family if the required amount falls between 110 and 120 percent of the FMR.

IHA Policy

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, the IHA must determine that:

Through third party verification, the IHA determines that the family is eligible for the reasonable accommodation request;

There is a shortage of affordable units that would be appropriate for the family;

The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and

The rent for the unit is reasonable.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, the IHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the IHA to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR). To support the request, the IHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- The IHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR; and
- The IHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the IHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the IHA's jurisdiction within the FMR area.

Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)]

The IHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A IHA-established utility allowance schedule is used in determining family share and IHA subsidy. The IHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the IHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the IHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water

heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the IHA about establishing utility allowance schedules.

Section 242 of the 2014 Appropriations Act and HUD streamlining limits the utility allowance payment for tenant-based vouchers to the family unit size for which the voucher is issued, irrespective of the size of the unit rented by the family, with an exemption for families with a person with disabilities.

Under section 242 and streamlining, the utility allowance for a family shall be the lower of:

- (1) The utility allowance amount for the family unit size; or
- (2) The utility allowance amount for the unit size of the unit rented by the family.

However, upon the request of a family that includes a person with disabilities, the IHA must approve a utility allowance higher than the applicable amount if such a higher utility allowance is needed as a reasonable accommodation in accordance with HUD's regulations in 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

Air Conditioning

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

IHA Policy

The IHA has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before the IHA will apply this allowance to a family's rent and subsidy calculations.

Reasonable Accommodation

HCV program regulations require IHA to approve a utility allowance amount higher than shown on the IHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the IHA will approve an allowance for air-conditioning, even if the IHA has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

The IHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

The IHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PHA Actions to Reduce HCV Program Cost

Some of the actions noted below relate to program compliance issues (e.g., ensuring rents are reasonable, incomes are verified correctly, and utility allowances are accurate). Although IHA must comply with such requirements, regardless of whether the IHA is experiencing financial difficulties, NHAs may take within the context of program requirements to better manage HAP expenses.

Cost-savings measures are optional and have varying degrees of impact on applicant and participant families. The impact of each action should be considered prior to implementation. If an action adversely impacts program participants, particularly a family's rent burden, then the IHA should take all other actions having no impact or less impact on families first, including the use of administrative fee reserves to pay for HAP expenses.

The following is a non-exclusive list of IHA cost savings actions.

a. Family Income Matching/Verification and Other Anti-Fraud Efforts

NHAs should accelerate efforts concerning income matching and income verification. NHAs could notify families that enforcement action could be taken where underreporting of income is discovered.

b. Ensuring Reasonable Rents

IHA does not have to wait until the HAP contract anniversary date to review owner rents and reduce them if warranted. The IHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units in accordance with the regulation at 24 CFR 982.507(b) and the HAP contract. The IHA should ensure that owner rents do not exceed amounts charged for unassisted units in the same building or complex. The initial rent and all rent increases must comply with any State or local rent control limits. Further, any owner leasing promotions for unassisted tenants (e.g., the initial two months of occupancy are "rent free") must be taken into consideration in determining rent reasonableness.

In accordance with the HAP contract, the IHA must provide written notice to owners before reducing unreasonable rents. Rents may be reduced as early as the first of the following month. If the rent to owner is not reasonable as most recently determined by the IHA, the owner must reduce the rent to the reasonable amount or the HAP contract must be terminated. In such cases, the family will be issued a HCV to find a new unit. (Movers, like new participants, are subject to a IHA's current payment and occupancy standards.)

Even if an owner's rent is reasonable, IHA could request owners to voluntarily agree to a temporary rent reduction or defer rent increases to help the IHA avoid the termination of HAP contracts due to shortfalls in HCV funding. It is the owner's option to agree to such measures.

c. Ensuring Accurate Utility Allowances

The IHA may always review its utility allowances more than annually to determine if they are too high. Changes in utility allowances may be implemented immediately, but not later than the next regularly scheduled reexamination of family income.

d. Portability Absorption

An initial PHA may request that a receiving PHA absorb portable families for which the initial PHA is being billed. This may include the receiving PHA retroactively absorbing families for which the initial PHA was already billed and made payments. In these cases, the receiving PHA reimburses the initial PHA for payments made back to the effective date of the absorption. Both the receiving PHA and initial PHAs must agree to this arrangement. This provision provides an exception to section 10 of Notice PIH 2008-43 on HCV Portability and Corrective Actions. (Section 10 provides that the receiving PHA may not retroactively absorb families for which the receiving PHA was previously billing for any time period that commences before 10 working days from the time the receiving PHA notifies the initial PHA of the absorption.)

e. Portability and Moves within the PHA Jurisdiction

The HCV program regulations at 24 CFR 982.314(e)(1) provide that the IHA may deny a family permission to move if the IHA does not have sufficient funding for continued assistance. Denial of requests to move under this regulation may cover both portability moves to a higher cost area as well as moves within the IHA jurisdiction to higher cost units.

In order to deny a move, the IHA must determine and demonstrate that based on the current funding available, it has insufficient funds to pay for higher subsidy amounts without having to terminate assistance of current program participants during the current CY. In projecting whether there is sufficient funding available for the remainder of the CY, the IHA may use reasonable estimates to factor in conditions such as pending rent increases and attrition rates for families leaving the program. If this insufficient funding condition exists, the IHA does not need a regulatory waiver from HUD to deny a request to move.

In determining if the IHA has sufficient funding available to approve a move, the IHA **must** take into consideration its available budget authority (including any available NRA).

IHA may only deny a move where the requested move is voluntary (i.e., the family elects to move but is not required to move because of unaddressed Housing Quality Standards (HQS) violations, owner re-occupancy of the unit, etc.). IHA may not deny a move under 24 CFR 982.314(e)(1) if the move would reduce the family's subsidy cost to the IHA (e.g., a family wished to move under portability to a lower cost area). IHA may not deny a move to a higher cost area or unit as a cost-savings measure in order to admit

additional families from its waiting list into the HCV program, regardless of whether the IHA has unit months available to do so.

A 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 (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the initial PHA). In the case of portability moves, the IHA needs to contact the receiving PHA before denying the move to confirm that the receiving PHA (a) will not absorb the family and (b) that the HAP costs would be higher. If the receiving PHA is willing to absorb the family, there are no grounds to deny the portability move under 24 CFR 982.314(e) (1).

f. Interim Reexaminations

IHA could require families to report all increases in income between reexaminations and conduct more frequent interim income reviews for families reporting no income. The effective date of an annual or interim reexamination of family income is dependent upon IHA policies.

g. Minimum Rent

The IHA may increase the minimum rent to \$50. The effective date for the increased minimum rent is dependent upon IHA policy. IHA could institute a policy for increases in family contribution to be effective immediately, rather than at the next annual reexamination.

h. Voucher Issuance

The IHA may stop issuing turnover vouchers and consider pulling back outstanding vouchers for applicants searching for housing that have not yet resulted in an executed HAP contract.

i. Subsidy Standards

The IHA may revise subsidy standards that exceed minimum HUD requirements to reduce bedroom size eligibility in accordance with 24 CFR 982.402. Subsidy standards must be consistent with the HQS space requirements in 24 CFR 982.401(d). PHAs are reminded that under 24 CFR 982.401(d)(2)(ii), a dwelling unit must have at least one bedroom or living sleeping area for each two persons. Children of the opposite sex, other than the very young, may not be required to occupy the same bedroom or living/sleeping room.

If a family leases a unit larger than the unit size on the voucher, the IHA must ensure that the payment standard used to calculate the tenant share is based on the lower of the voucher unit size for which the family is eligible or the actual unit size leased. If the family size is reduced after admission, the IHA must ensure that the correct payment standard is used in calculating the family rent portion. An “empty nester” single individual (or any household with similarly reduced member size) living in a 3-bedroom unit should have a 0- or 1-bedroom payment standard, not a 3-bedroom payment standard. If the unit size for which the family is eligible changes during the term of the

HAP contract, the new unit size is applicable at the first regular reexamination following the change in accordance with 24 CFR 982.505(c)(5).

j. Payment Standards

IHA may opt to lower payment standards for all or some unit sizes. In the tenant-based HCV program, a lower payment standard applies immediately to all new admissions, all movers, and families remaining in their units with a new HAP contract (e.g., when the owner offers or requires a new lease). For all other HCV participants, decreased payment standard amounts are not applied until the second regular reexamination after the payment standard is lowered (see 24 CFR982.505(c)(3)). The delayed applicability of a lower payment standard is a regulatory, not statutory, requirement. PHAs experiencing financial difficulties may request a regulatory waiver for good cause so that reduced payment standards may be applied sooner than provided by regulation.

IHA waiver requests should, at a minimum, include the calculation used to arrive at the projected shortfall in funding and cost-savings measures the IHA has already taken or will take in the future.

IHA requests for approval of payment standards below 90 percent of the fair market rent (FMR) for any unit size may be approved by HUD field offices. However, 24 CFR 982.503(d) states that HUD will not approve such payment standard amounts if the family share for more than 40 percent of voucher participants exceeds 30 percent of monthly adjusted income. This is a regulatory, not statutory, requirement. PHAs experiencing financial difficulties may request that HUD Headquarters waive this requirement for good cause, such as the inability of a PHA to avoid terminating the HAP contracts of current participants or withdrawing vouchers from families searching for housing without the proposed reduction in payment standards. Waiver requests should include an analysis by the IHA on the impact the reduction in payment standards below the basic range will have on a family's opportunity to lease units throughout the IHA's jurisdiction.

In determining whether to approve IHA requests for payment standard waivers of 24 CFR 982.503(d) or 982.505(c)(3), HUD will review and take into consideration the IHA's current rent burden and the impact of the proposed change on the IHA's participants. In addition, as a condition of the waiver approval, HUD may require the IHA to raise payment standards and apply the new payment standard amounts immediately at such time that the IHA receives additional funding.

Termination of Assistance Due to Insufficient Funding

The regulation at 24 CFR 982.454 provides that IHA may terminate HAP contracts, in accordance with HUD requirements, if the IHA determines that funding under the CACC is insufficient to support continued assistance for families in the program.

In determining if funding under the CACC is insufficient to support continued assistance for families in the program, the IHA **must** take into consideration its available budget authority (which includes unspent prior year HAP funds in the IHA's NRA account).

Before terminating HAP contracts on the basis of insufficient funding, the IHA must ensure that it has carefully considered all cost-savings measures and the impact such terminations will likely have on program applicants and participants. In addition, the PHA is encouraged to utilize alternative sources of unrestricted non-Federal funding that may be available to prevent the termination of rental assistance. **The IHA must notify the HUD field office and its financial analyst at the Financial Management Center (FMC) prior to termination actions due to insufficient funding.**

IHA termination policies due to insufficient funding must be included in the administrative plan. Such policies should describe how the IHA will determine which HAP contracts will be terminated. Any IHA policies with respect to the resumption of assistance for the impacted families must also be included in the administrative plan. In setting such policies, a IHA should be mindful of its obligation to affirmatively further fair housing pursuant to 24 CFR 982.53(c) and 24 CFR 903.7 (o).

Reasonable Accommodations

Notwithstanding IHA's adoption of policies noted above to deny portability or moves within IHA's jurisdiction or revision of payment or subsidy standards, reasonable accommodation requests for a person's disability must still be evaluated in accordance with HUD's Section 504 implementing regulations at 24 CFR part 8. Such requests must be granted when an accommodation may be necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling, unless it would impose an undue financial and administrative burden on the IHA or fundamentally alter the nature of the IHA's operations.

PART III: INFORMAL REVIEWS AND HEARINGS

16-III.A. OVERVIEW

When the IHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

IHA are required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

16-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

Decisions Subject to Informal Review

The IHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the IHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures
- For victims of domestic violence covered by VAWA

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the IHA
- General policy issues or class grievances
- A determination of the family unit size under the IHA subsidy standards
- A IHA determination not to grant approval of the tenancy
- A IHA determination that the unit is not in compliance with the HQS
- A IHA determination that the unit is not in accordance with the HQS due to family size or composition

IHA Policy

The IHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the IHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

The IHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the IHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

IHA Policy

A request for an informal review must be made in writing and delivered to the IHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the IHA's denial of assistance.

The IHA must schedule and send written notice of the informal review within 10 business days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the IHA.

The person conducting the review will make a recommendation to the IHA, but the IHA is responsible for making the final decision as to whether assistance should be granted or denied.

Informal Review Decision [24 CFR 982.554(b)]

The IHA must notify the applicant of the IHA's final decision, including a brief statement of the reasons for the final decision.

IHA Policy

In rendering a decision, the IHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the Notice.

The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The IHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the IHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the IHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The IHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

IHA must offer an informal hearing for certain IHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the IHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the IHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and IHA policies.

The IHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the IHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the IHA utility allowance schedule
- A determination of the family unit size under the IHA's subsidy standards
- A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the IHA's subsidy standards, or the IHA determination to deny the family's request for exception from the standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under IHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]
- A determination that the family is an ineligible student under the student rule provisions
- A determination that the family is not protected under the VAWA requirements.

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the IHA

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- General policy issues or class grievances
 - Establishment of the IHA schedule of utility allowances for families in the program
 - A IHA determination not to approve an extension or suspension of a voucher term
 - A IHA determination not to approve a unit or tenancy
 - A IHA determination that a unit selected by the applicant is not in compliance with the HQS
 - A IHA determination that the unit is not in accordance with HQS because of family size
 - A determination by the IHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

IHA Policy

The IHA will only offer participants the opportunity for an informal hearing when required by the regulations.

Informal Hearing Procedures

***Notice to the Family* [24 CFR 982.555(c)]**

When the IHA makes a decision that is subject to informal hearing procedures, the IHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the IHA must notify the family that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the IHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

IHA Policy

In cases where the IHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the IHA.

A brief statement of the reasons for the decision including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the IHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the IHA's hearing procedures

That persons with disabilities have the right to request a reasonable accommodation.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the IHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

IHA Policy

A request for an informal hearing must be made in writing and delivered to the IHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the IHA's decision or notice to terminate assistance.

The IHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the IHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the IHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The IHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the IHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any IHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the IHA does not make the document available for examination on request of the family, the IHA may not rely on the document at the hearing.

The IHA hearing procedures provide that the IHA must be given the opportunity to examine at the IHA offices before the hearing, any family documents that are directly relevant to the hearing. The IHA must be allowed to copy any such document at the IHA's expense. If the family does not make the document available for examination on request of the IHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

IHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of IHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date

The IHA must be given an opportunity to examine at the IHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the IHA will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 24 hours before the scheduled hearing date.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the IHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

IHA Policy

The IHA has designated the following to serve as hearing officers:

Designated IHA staff that are not subordinate to the person making the initial decision, but are knowledgeable of the program requirements.

Attendance at the Informal Hearing

IHA Policy

Hearings may be attended by a hearing officer and the following applicable persons:

A IHA representative(s) and any witnesses for the IHA

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the IHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the IHA's hearing procedures [24 CFR 982.555(4)(ii)].

IHA Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines

for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The IHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

IHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the IHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Evidence, including hearsay, is generally admissible.

If either the IHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing decision must be furnished promptly to the family.

IHA Policy

In rendering a decision, the hearing officer will consider the following matters:

IHA Notice to the Family: The hearing officer will determine if the reasons for the IHA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if the IHA and the family were given the opportunity to examine any relevant documents in accordance with IHA policy.

IHA Evidence to Support the IHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the IHA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and IHA policies. If the grounds for termination are not specified in the regulations or in compliance with IHA policies, then the decision of the IHA will be overturned.

The hearing officer will issue a written decision to the family and the IHA no later than 10 business days after the hearing. The decision will be sent via certified mail and first class regular mail. The report will contain the following information:

Hearing information:

- Name of the participant;
- Date, time and place of the hearing;
- Name of the hearing officer;
- Name of the IHA representative; and
- Name of family representative (if any).

Background: A brief, impartial statement of the reason for the hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the IHA's decision.

Order: The hearing report will include a statement of whether the IHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the IHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the IHA to restore the participant's program status.

Procedures for Hearing Extension

IHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the IHA will take effect and another hearing will not be granted.

Within 10 business days after the date of the hearing officers report is mailed to the IHA and tenant, the HCV participant may request a rehearing or further hearings. Requests must be post marked or hand delivered within the 10 business day period. The request must demonstrate a cause for a rehearing, including specific reasons why the rehearing should be granted including references to the hearing officers report.

It is the sole discretion of the IHA whether to grant or deny a rehearing.

IHA Notice of Final Decision [24 CFR 982.555(f)]

The IHA is not bound by the decision of the hearing officer for matters in which the IHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If the IHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the IHA must promptly notify the family of the determination and the reason for the determination.

IHA Policy

The IHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail. A copy of the "Notice of Final Decision" will be maintained in the IHA's file.

The IHA is not bound by hearing decisions:

- Concerning matters in which the IHA is not required to provide an opportunity for a hearing;
- Contrary to HUD regulations or requirements;
- Contrary to Federal, State or local laws;

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- That exceed the authority of the person conducting the hearing.

The IHA shall send a letter to the participant if it determines the IHA is NOT bound by the Hearing Officer's determination within 10 business days. The letter shall include the IHA's reasons for the decision.

16-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the IHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the IHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 11, the notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the IHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When the IHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the IHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to

the USCIS. The family must provide the IHA with a copy of the written request for appeal and the proof of mailing.

IHA Policy

The IHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the IHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the IHA, of its decision. When the USCIS notifies the IHA of the decision, the IHA must notify the family of its right to request an informal hearing.

IHA Policy

The IHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the IHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the IHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The IHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the IHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

IHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of IHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the IHA, and to confront and cross-examine all witnesses on whose testimony or information the IHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the IHA, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The IHA may, but is not required to provide a transcript of the hearing.

IHA Policy

The IHA will not provide a transcript of an audio taped hearing.

Hearing Decision

The IHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the IHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the IHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

The IHA must retain for a minimum of 5 years the following documents that may have been submitted to the IHA by the family, or provided to the IHA as part of the USCIS appeal or the IHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO THE IHA

16-IV.A. OVERVIEW

IHA is required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the IHA [24 CFR 982.54]. This part describes the IHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

IHA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the IHA holds the owner or participant liable to return any overpayments to the IHA.

The IHA may enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments. A repayment agreement may be executed depending on the type of fraud and the amount of monies owed to IHA.

When an owner or participant refuses to repay monies owed to the IHA, the IHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program
- Office of the Inspector General
- Office of the Attorney General

16-IV.B. REPAYMENT POLICY

Owner Debts to the IHA

IHA Policy

Any amount due to the IHA by an owner must be repaid by the owner within 30 days of the IHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the IHA will withhold the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the IHA may offer to enter into a repayment agreement in accordance with the policies below.

If the owner refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the IHA will sanction the owner from future participation in the program and pursue other modes of collection.

Family Debts to the IHA

IHA Policy

Any amount due to the IHA by an HCV participant must be repaid by the family. If the family is unable to repay the debt within 30 days, the IHA may offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the IHA will terminate the assistance upon notification to the family and pursue other modes of collection.

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal document signed by a tenant or owner and provided to the IHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

Repayment Agreement Guidelines

Payment Thresholds

IHA Policy

At the IHA discretion, IHA may choose to enter into a Repayment Agreement, the maximum amount of a Repayment Agreement is \$3,000. Amounts above the \$3,000 may result in prosecution.

If the IHA enters into a Repayment Agreement, the Repayment Agreement will be set up as follows:

Total Amount of Payment Agreement	Maximum Term
\$1-100	1 months
\$101-\$500	6 Months
\$501-\$1,000	12 Months
\$1,001 - \$3,000	24 Months
\$3,001 and over	No Repayment Agreement (Potential Prosecution)

Execution of the Agreement

IHA Policy

The head of household and spouse/co head (if applicable) and IHA must sign the repayment agreement.

Due Dates

IHA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Non-Payment

IHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the HA, the IHA will send the family a delinquency notice giving the family notice that payment must be paid before the next due date.

If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the IHA will terminate assistance upon written notification to the family.

If a family receives 2 delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the IHA will terminate assistance upon written notification to the family.

No Offer of Repayment Agreement

IHA Policy

The IHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family or owner, or the amounts owed by the family or owner exceed the Federal or State threshold for criminal prosecution. *Note: If a family has entered into a previous repayment agreement, the IHA will continue housing assistance if the family pays the balance within 30 days of notification of the retroactive rent assessment.*

If the family refuses to sign a Repayment Agreement for changes it was required to report and didn't, it will be considered fraud. In this case, the IHA would terminate assistance for fraud, as long as the amount was verified. The IHA may also consider local prosecution and, if the amount is \$10,000 or over, forward the case to the Regional Inspector General for Investigation.

If the family's assistance is terminated and repayment has not been made, the money will be considered to be owed and the IHA may take action to collect the amounts owed.

The IHA shall enter into the HUD database if any family has violated the conditions of the program and the IHA has issue an EOP on the family. Any balance owed will be entered into the database (EIV)

ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, the IHA will propose the most appropriate remedy based upon the type and severity of the violation.

- 1. Procedural Non-compliance.** This category applies when the family "fails to" observe a procedure or requirement of the IHA, but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family.

Examples of non-compliance violations are:

Failure to appear at a pre-scheduled appointment; or

Failure to return verification in time period specified by the IHA.

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2. **Procedural Non-compliance - Overpaid Assistance.** When the family owes money to the IHA for failure to report changes in income or assets, the IHA will issue a Notification of Overpayment of Assistance. This Notice will contain the following:
- A description of the violation and the date(s).
 - Any amounts owed to the IHA.
 - The number of days within which a response must be received.
 - Acknowledgement of the family's right to disagree and to request an informal hearing with instructions for the request of such hearing.
- (a) **Participant Fails to Comply with IHA's Notice.** If the Participant fails to comply with the IHA's notice, and a family obligation has been violated, the IHA will initiate termination of assistance.
- (b) **Participant Complies with HA's Notice.** When a family complies the IHA's notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or program rule which was violated. The staff person will complete a Participant Counseling Report, give one copy to the family and retain a copy in the family's file.
3. **Intentional Misrepresentations.** When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by the IHA, the IHA will evaluate whether or not:
- The participant had knowledge that his/her actions were wrong, and
 - The participant willfully violated the family obligations or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing certificate, Personal Declaration and Things You Should Know are adequate to establish knowledge of wrong-doing.

The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- (a) An admission by the participant of the misrepresentation.
- (b) Repetition of the misrepresentation.
- (c) Use of a false name or Social Security Number.
- (d) Omission of material facts known to the participant (e.g. failure to report employment).
- (e) Admissions of the illegal action or omission by the participant to others.

- (f) Falsification, forgery or altering of documents.
 - (g) Uttering and certifying to statements at an interim (re)determination that are later independently verified to be false.
- 4. Dispositions of Cases Involving Misrepresentations.** In all cases of misrepresentations involving efforts to recover monies owed, the IHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:
- (a) **Criminal Prosecution:** If the IHA has established criminal intent, and the case meets the criteria for prosecution, the IHA will:

Refer the case to the local State or District Attorney, notify HUD's RIGI, and terminate rental assistance.
 - (b) **Administrative Remedies: The IHA will:**

Terminate assistance and demand payment of restitution in full, or if full restitution would place undue hardship on the family, the IHA may;

Terminate assistance and execute an administrative repayment agreement in accordance with the IHA's Repayment Policy.

Continue assistance and execute an administrative repayment agreement if the amount of overpayment does not exceed IHA's threshold.
- 5.** If the violation is determined to be intentional and involves an amount above the threshold or more being owed to the Agency by the tenant, the tenant's program assistance and participation will be terminated by a 30 day notice to the tenant.
- To prevent the matter from being turned over to the proper legal authorities, full restitution of the entire amount owed the Agency must be paid to the agency by the family's termination date. If the amount owed the Agency exceeds IHA's threshold the matter may be referred to the local State or District Attorney/or HUD's RIGI.
- If the matter is determined to be intentional but the amount owed the Agency is less than IHA's threshold, the Agency may allow a Repayment Agreement.
- A case conference for serious violations and misrepresentations will be held. The tenant will be given an opportunity to present any documents, information or mitigating circumstances they wish. The conference will also be a time for the IHA to consider any special circumstances related to the case that might affect its outcome.
- The IHA's threshold is \$3,000.
- 6. Notification to Participant of Proposed Action.** The IHA will notify the family of the proposed action no later than 10 days after the case conference by first class mail.

PART V: MANAGEMENT ASSESSMENT (SEMAP)

16-V.A. OVERVIEW

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure IHA's performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the IHA in several ways.

- High-performing PHA can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHA with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHA with an overall rating of "troubled" are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHA that are designated "troubled" may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

IHA must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by IHA board resolution and signed by the IHA executive director. If the IHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

PHA with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHA annually if the PHA elects to have its performance assessed on an annual basis; or is designated as "troubled" [24 CFR 985.105].

Failure of IHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of "troubled."

IHA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the IHA's SEMAP certification, HUD will rate the IHA's performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The IHA or the Independent Auditor must select an unbiased sample

that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the IHA's certification on the indicator due to the IHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than \$300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

SEMAP Indicators
<p>Indicator 1: Selection from the waiting list Maximum Score: 15</p> <ul style="list-style-type: none"> • This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list. • Points are based on the percent of families that are selected from the waiting list in accordance with the PHA’s written policies, according to the PHA’s quality control sample.
<p>Indicator 2: Rent reasonableness Maximum Score: 20</p> <ul style="list-style-type: none"> • This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units • Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA’s quality control sample.
<p>Indicator 3: Determination of adjusted income Maximum Score: 20</p> <ul style="list-style-type: none"> • This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent. • Points are based on the percent of files that are calculated and verified correctly, according to the PHA’s quality control sample.
<p>Indicator 4: Utility allowance schedule Maximum Score: 5</p> <ul style="list-style-type: none"> • This indicator shows whether the PHA maintains an up-to-date utility allowance schedule.

<ul style="list-style-type: none">• Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA’s certification.
<p>Indicator 5: HQS quality control inspections Maximum Score: 5</p> <ul style="list-style-type: none">• This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.• Points are based on whether the required quality control reinspections were completed, according to the PHA’s certification.
<p>Indicator 6: HQS enforcement Maximum Score: 10</p> <ul style="list-style-type: none">• This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.• Points are based on whether the PHA corrects all HQS deficiencies in accordance with required time frames, according to the PHA’s certification.
<p>Indicator 7: Expanding housing opportunities Maximum Points: 5</p> <ul style="list-style-type: none">• Only applies to PHA with jurisdiction in metropolitan FMR areas.• This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA’s jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.• Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA’s certification.
<p>Indicator 8: FMR limit and payment standards Maximum Points: 5 points</p> <ul style="list-style-type: none">• This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA’s jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.• Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA’s certification.
<p>Indicator 9: Annual reexaminations Maximum Points: 10</p> <ul style="list-style-type: none">• This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months.• Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.
<p>Indicator 10: Correct tenant rent calculations Maximum Points: 5</p> <ul style="list-style-type: none">• This indicator shows whether the PHA correctly calculates the family’s share of the rent

to owner.

- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

Indicator 11: Pre-contract HQS inspections

Maximum Points: 5

- This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.
- Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Annual HQS inspections

Maximum Points: 10

- This indicator shows whether the PHA inspects each unit under contract at least annually.
- Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up

Maximum Points: 20 points

- This indicator shows whether the PHA enters HAP contracts for the number of units or funding reserved under ACC for at least one year.
- Points are based on the percent of units leased during the last completed PHA fiscal year, or the percent of allocated budget authority that has been expended by the PHA, according to data from the PHA's last year-end operating statement that is recorded in HUD's accounting system.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances

Maximum Points: 10

- Only applies to PHA with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

Success Rate of Voucher Holders

Maximum Points: 5

- Only applies to PHA that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

Deconcentration Bonus Indicator

Maximum Points: 5

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- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMR set at the 50th percentile.
 - Additional points are available to PHA that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
 - Points are based on whether the data that is submitted meets the requirements for bonus points.

PART VI: RECORD KEEPING

16-VI.A. OVERVIEW

The IHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the IHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, the IHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the IHA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting IHA budget and financial statements for the program;
- Records to document the basis for IHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

16-VI.C. RECORDS MANAGEMENT

IHA must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

IHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized IHA staff.

IHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the IHA may release the information collected.

Upfront Income Verification (UIV) Records

IHA that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in *Enterprise Income Verification (EIV) System PHA Security Procedures*.

IHA Policy

The IHA has adopted and implemented EIV security procedures as required by HUD.

Criminal Records

The IHA may only disclose the criminal conviction records which the IHA receives from a law enforcement agency to officers or employees of the IHA, or to authorized representatives of the IHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The IHA must establish and implement a system of records management that ensures that any criminal record received by the IHA from a law enforcement agency is maintained

confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the IHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The IHA must establish and implement a system of records management that ensures that any sex offender registration information received by the IHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the IHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a IHA other than under 24 CFR 5.905.

Medical/Disability Records

IHA is not permitted to inquire about the nature or extent of a person's disability. The IHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the IHA receives a verification document that provides such information, the IHA should not place this information in the tenant file. The IHA should destroy the document.

Specific Guidance on Protecting Sensitive Privacy Information

The Privacy Act requires that federal agencies maintain only such information about individuals that is relevant and necessary to accomplish its purpose. The Privacy Act also requires that the information be maintained in systems or records – electronic and paper – that have the appropriate administrative, technical, and physical safeguards to protect the information, however current. This responsibility extends to contractors and third party business partners, such as IHA, who is required to maintain such systems of records by HUD.

- a) IHA should take the following steps to help ensure compliance with these requirements:
 - i) Limit Collection of PII
 - (1) Do not collect or maintain sensitive PII without proper authorization. Collect only the PII that is needed for the purposes for which it is collected.
 - ii) Manage Access to Sensitive PII
 - (1) Only share or discuss sensitive PII with those personnel who have a need to know for purposes of their work. Challenge anyone who asks for access to sensitive PII for which you are responsible.
 - (2) Do not distribute or release sensitive PII to other employees, contractors, or other third parties unless you are first convinced that the release is authorized, proper and necessary.

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- (3) When discussing sensitive PII on the telephone, confirm that you are speaking to the right person before discussing the information and inform him/her that the discussion will include sensitive PII.
 - (4) Never leave messages containing sensitive PII on voicemail.
 - (5) Avoid discussing sensitive PII if there are unauthorized personnel, contractors, or guests in the adjacent cubicles, rooms, or hallways who may overhear your conversations.
 - (6) Hold meetings in a secure space (i.e., no unauthorized access or eavesdropping possible) if sensitive PII will be discussed and ensure that the room is secured after the meeting.
 - (7) Treat notes and minutes from such meetings as confidential unless you can verify that they do not contain sensitive PII.
 - (8) Record the date, time, place, subject, chairperson, and attendees at any meeting involving sensitive PII.

iii) Protect Hard Copy and Electronic Files Containing Sensitive PII

- (1) Clearly label all files containing sensitive PII by placing appropriate physical labels on all documents, removable media such as thumb drives, information systems, and application. Examples of appropriate labels might include —For Official Use Only|| or —For (Name of Individual/Program Office) Use Only.||
- (2) Lock up all hard copy files containing sensitive PII in secured file cabinets and do not leave unattended.
- (3) Protect all media (e.g., thumb drives, CDs, etc.) that contain sensitive PII and do not leave unattended. This information should be maintained either in secured file cabinets or in computers that have been secured.
- (4) Keep accurate records of where PII is stored, used, and maintained.
- (5) Periodically audit all sensitive PII holdings to make sure that all such information can be readily located.
- (6) Secure digital copies of files containing sensitive PII. Protections include encryption, implementing enhanced authentication mechanisms such as two-factor authentication and limiting the number of people allowed access to the files.

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- (7) Store sensitive PII only on workstations that can be secured, such as workstations located in areas that have restricted physical access.
- iv) Protecting Electronic Transmissions of Sensitive PII via fax, email, etc.
- (1) When faxing sensitive PII, use the date stamp function, confirm the fax number, verify that the intended recipient is available, and confirm that he/she has received the fax. Ensure that none of the transmission is stored in memory on the fax machine, that the fax is in a controlled area, and that all paper waste is disposed of properly (e.g., shredded). When possible, use a fax machine that uses a secure transmission line.
 - (2) Before faxing PII, coordinate with the recipient so that the PII will not be left unattended on the receiving end.
 - (3) When faxing sensitive PII, use only individually-controlled fax machines, not central receiving centers.
 - (4) Do not transmit sensitive PII via an unsecured information system (e.g., electronic mail, Internet, or electronic bulletin board) without first encrypting the information.
 - (5) When sending sensitive PII via email, make sure both the message and any attachments are encrypted.
 - (6) Do not place PII on shared drives, multi-access calendars, the Intranet, or the Internet.
- v) Protecting Hard Copy Transmissions of Files Containing Sensitive PII
- (1) Do not remove records about individuals with sensitive PII from facilities where HUD information is authorized to be stored and used unless approval is first obtained from a supervisor. Sufficient justification, as well as evidence of information security, must be presented.
 - (2) Do not use interoffice or translucent envelopes to mail sensitive PII. Use sealable opaque solid envelopes. Mark the envelope to the person's attention.
 - (3) **When using the U.S. postal service to deliver information with sensitive PII, double-wrap the documents (e.g., use two envelopes – one inside the other) and mark only the inside envelope as confidential with the statement —To Be Opened By Addressee Only.||**
- vi) Records Management, Retention and Disposition

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- (1) Follow records management laws, regulations, and policies applicable within your jurisdiction.
 - (2) Ensure all IHA locations and all entities acting on behalf of the IHA are managing records in accordance with applicable laws, regulations, and policies.
 - (3) Include records management practices as part of any scheduled oversight protocols.
 - (4) Do not maintain records longer than required.
 - (5) Destroy records after retention requirements are met.
 - (6) Dispose of sensitive PII appropriately – use cross-cut shredders or burn bags for hard copy records and permanently erase (not just delete) electronic records.

vii) Incident Response

- (1) Supervisors should ensure that all personnel are familiar with reporting procedures.

IHA will promptly report all suspected compromises of sensitive PII related to HUD programs and projects to HUD's National Help Desk at 1-888-297-8689.

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

16-VII.A. OVERVIEW

The IHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the IHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)]

The IHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

IHA Policy

The IHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, the IHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If the IHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the IHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the IHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the IHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

IHA Policy

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the IHA is not providing such a report.

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

16-VIII.A. OVERVIEW

The HCV regulations allow IHA to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.314(e)(1) and 982.454]. Insufficient funding may also impact the IHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the IHA will use to determine whether or not the IHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

16-VIII.B. METHODOLOGY

IHA Policy

The IHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the IHA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the IHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if the IHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the IHA will be considered to have insufficient funding.