Committed to the future of rural communities

United States Department of Agriculture
Rural Development
Iowa State Office

NEWSFLASH – 3/01/13

REMINDER: Occupancy Termination and Unauthorized Rental Assistance

We continue to experience instances of two Management Agencies submitting a claim for Rental Assistance for the same tenant and the same month. Rental Assistance is not payable for any month in which the tenant does not physically occupy the unit on the first of the month.

Holdover is when the tenant, co-tenant, a member of the tenant's household or the tenant's possessions remain in an apartment after the lease is terminated. The tenant must pay the prorated note rent for the holdover period. Management may only charge rent for the number of days needed to meet the 30 day notification requirement.

Rental Assistance claimed for the tenant for any month after the discovery that the tenant has abandoned or otherwise vacated the unit is Unauthorized Assistance. Rural Development will pursue collection and enforcement actions in all cases of Unauthorized Assistance.

Management may pursue the tenant for the prorated note rate rent due under the lease. Iowa's Uniform Residential Landlord and

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Tenant Law, Section 562A.32 Remedy after Termination states, “If the rental agreement is terminated, the landlord may have a claim for possession and for rent and a separate claim for actual damages for breach of the rental agreement and reasonable attorney’s fees.”

Example: John lives at property A and his lease anniversary date is the 1st of February. John provides written notice to management at property A on the 15th of December that he will be moving effective the 31st of December due to a work transfer. John fills out an application and signs a lease at property B on the 25th of December with an effective date of January 1st. Property A cannot claim RA for John for the month of January. Property B may claim RA for the month of January based on the Tenant Certification Effective Date of January 1. However, since John failed to provide the proper 30 day notice at property A, Management at that property may pursue John for collection of the prorated note rent for January 1st to January 15th.

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