

CHAPTER 6: PROJECT OCCUPANCY

6.1 INTRODUCTION

The purpose of this chapter is to present the occupancy rules for multi-family housing projects and the Agency's procedures for determining borrower compliance. Agency procedures for ensuring borrower compliance are summarized at the end of the chapter.

SECTION 1: TENANT ELIGIBILITY REQUIREMENTS *[7 CFR 3560.152]*

6.2 GENERAL ELIGIBILITY—INCOME ELIGIBILITY

To be admitted to multi-family housing, applicants must meet basic requirements.

- Have income that does not exceed the limits defined by the Agency;
- Meet the program definition of an eligible household.

A borrower may determine an applicant ineligible for occupancy based on screening criteria other than those required by the Agency only if such criteria are included in the project's management plan. The screening criteria may not contain arbitrary or discriminatory rejection criteria but may consider an applicant's past rental and credit history and relations with other tenants.

6.3 INCOME REQUIREMENTS

Three different income limits are used to establish eligibility for Multi-Family Housing programs. The Agency determines the income limits and updates the limits whenever they are revised. Adjusted income should be compared with the below-listed income limits to determine the category in which each household falls:

- The very low-income limit is established at the Department of Housing and Urban Development (HUD) very low-income limit (generally 50 percent of the median income for the area, adjusted for household size);
- The low-income limit is established at the HUD low-income limit (generally 80 percent of the median income for the area, adjusted for household size); and
- The moderate-income limit is greater than the HUD established low-income limit but does not exceed the low-income limit by more than \$5,500 for each household size.

The borrower has the right to determine a minimum income level for households of various sizes for applicants who will not be receiving rental assistance. These guidelines must be administered consistently for all potential applicants.

6.4 [RESERVED]

6.5 DETERMINING AN ELIGIBLE HOUSEHOLD

Deciding who is a part of an applicant's household is an important, but not always simple, task. The word "household" applies to individuals and family members who intend to live in a unit.

A. Defining a Household

A household is defined as the tenant or co-tenant and the persons or dependents living with a tenant or co-tenant but not including a resident assistant (or live in aide). Deciding who can be considered a household member affects many decisions the borrower must make, including:

- The number of bedrooms the family needs;
- The members' income that must be counted and the income limits that should be used;
- The extent to which the family qualifies for certain income deductions and certain preferences; and
- The household member who can sign legal documents.

B. Who Can Be Counted as a Household Member?

A household may be made up of a variety of members and may have a specific definition. If a household member cannot be included when making the determination of household size for income limit purposes or for unit size determination, it will be noted below in the definitions. The following are definitions of members and types:

- **Dependent:** A dependent is a member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.
- **Elderly household:** A household where the tenant or co-tenant (for cooperative housing the member or co-member) is at least 62 years old, or a person with disabilities, as defined below. An elderly family may include a person younger than 62 years of age. To receive an elderly family deduction, the person who is elderly, or disabled must be the tenant or co-tenant (for cooperative housing the member or co-member).
- **Foster adult.** A foster adult is 18 years of age or older and meets the definition of a foster adult under State law. They are generally unable to live independently due to a debilitating physical or mental condition.

- Foster adults are included as household members to determine the appropriate unit size.
- Foster adults are not included as household members for the purposes of determining income, deductions from income (disability expenses or medical expenses), or to determine household size for income limit eligibility.
- **Foster children, or State or Tribal kinship.** Eligible families may include foster children, or State or Tribal kinship living in the household, as long as they do not cause overcrowding.
 - Foster children, State or Tribal kinship are included as household members to determine the appropriate unit size.
 - Anticipated expenses for childcare for foster children under age 13 may be deducted from annual income if all other criteria for childcare deduction are met.
 - Foster children, State or Tribal kinship are not included as household members for the purposes of determining income, or deductions from income (disability expenses or medical expenses), or to determine household size for income limit eligibility.
 - When a member of the household is temporarily placed in foster care (as confirmed by the state child welfare agency) the member is still counted as a household member in the unit from which they are removed.
- **Person with Disabilities:** The term disability is considered equivalent to the term handicap. A person is considered to have a disability if either of the following two situations occur:
 - (1) As defined in section 501(b) of the Housing Act of 1949. The person is the head of household (or his or her spouse) and is determined to have an impairment which:
 - (i) Is expected to be of long continued and indefinite duration;
 - (ii) Substantially impedes the person's ability to live independently; and
 - (iii) Is of such a nature that such ability could be improved by more suitable housing conditions, or if such person has a developmental disability as defined in section 102(7) of the Developmental Disability and Bill of Rights Act (42 U.S.C. 6001(7)).
 - (2) As defined in the Fair Housing Act; the Americans with Disabilities Act; and section 504 of the Rehabilitation Act of 1973. The person has a physical or mental impairment which substantially limits one or more of such person's major life activities; a record of such impairment; or being regarded as having such an impairment. The term does not include current, illegal use of or addiction to a

controlled substance. As used in this definition, physical or mental impairment includes:

- (i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine;
- (ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance), and alcoholism;
- (iii) Major life activities means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working;
- (iv) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities;
- (v) Is regarded as having an impairment means:
 - (A) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by the borrower or management agent as constituting such a limitation;
 - (B) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
 - (C) Has none of the impairments described in this definition but is treated by another person as having such an impairment.

- **Remaining family members.** Remaining members of resident families are family members who stay in a unit after other members of the household leave. These members will be reevaluated for eligibility in accordance with Section 7 of this chapter. Agency regulations may require remaining tenants to move to a unit of appropriate size or exit the project.
- **Resident assistant (or live-in aide).** A person residing in a tenant's housing unit who is essential to the well-being and care of the persons who are elderly or have disabilities residing in the unit but is not obligated for the person's financial support

and would not be living in the unit except to provide the needed support services. While the resident assistant may be a family member, the resident assistant may not be a dependent of the household for tax purposes and is not subject to the eligibility requirements of a tenant or member. A resident assistant may function in any type of housing affected by this section. A resident assistant's income is not included in the household's determination of annual income. The resident assistant is counted as an occupant to determine unit size.

- **Student.** A student may be considered an eligible tenant when all of the following conditions are met:

- The student is of legal age in accordance with the applicable state law or is otherwise legally able to enter into a binding contract under state law;
- The person seeking occupancy:

(1) must meet the U.S. Department of Education's definition of an independent or must have established a household separate from the person's parents or legal guardians (for at least one year prior to application for occupancy), and is no longer claimed as a dependent by the person's parents or legal guardians pursuant to Internal Revenue Service regulations, and evidence (most recently filed tax return) is provided to this effect; or

(2) is claimed as a dependent by the person's parents or legal guardians and the student is eligible because the entire household is income eligible.

If eligible under item (1) above, the applicant must sign a written statement indicating whether or not the person's parents, legal guardians, or others provide any financial assistance, and this financial assistance is considered as part of current annual income and is verified in writing by the borrower.

- **Unborn child(ren).** An unborn child(ren) is included as a household member for determining unit size and household size for income limit purposes. However, a household cannot receive a dependent deduction for an unborn child. The same rules apply for a household that has been approved to adopt a child(ren).

6.6 ADDITIONAL REQUIREMENTS FOR ELDERLY HOUSING, CONGREGATE HOUSING, AND GROUP HOMES

In addition to the requirements listed in Paragraph 6.2, applicants for elderly housing, congregate housing, or group homes must meet the additional requirements described below.

A. Elderly Housing and Congregate Housing

To be admitted to elderly housing or congregate housing:

- Applicants and tenants must qualify as elderly or disabled.

- Nonelderly persons are eligible for occupancy as long as they are members of an elderly household and live in the same unit.
- Priority can be given to tenants who agree to participate in the services provided by a congregate housing facility.

B. Group Homes

To be admitted to a group home:

- Applicants/tenants must need the special services provided by the group home.
- Applicants must demonstrate a need for such housing and cannot be required to be a part of an ongoing training or rehabilitation program.
- Applicants must be selected from the market area prior to considering applicants from other areas.

A group home may limit occupancy to a specific group of tenants (e.g., eligible elderly tenants, developmentally disabled or mentally impaired tenants) if it is outlined in the borrower's management plan.

6.7 INELIGIBLE TENANT WAIVERS

The Agency may authorize the borrower in writing, upon receiving the borrower's written request with the necessary documentation, to rent vacant units to ineligible persons for temporary periods to protect the financial interest of the Government. Such ineligible tenant waiver(s) could include households that are over income, over housed or under housed (this list is not all inclusive). Likewise, this provision may extend to a cooperative. This authority will be for the entire project for periods not to exceed one year. Within the period of the lease, the tenant may not be required to move to allow an eligible applicant to obtain occupancy, should one become available. Age restrictions may not be waived. The Agency must make the following determinations:

- There are no eligible persons on a waiting list.
- The borrower provided documentation that a diligent but unsuccessful effort to rent any vacant units to an eligible tenant household has been made. Such documentation may consist of advertisements in appropriate publications, posting notices in public places, and in other places where persons seeking rental housing would likely make contact; holding open houses; and making appropriate contacts with public housing agencies and organizations, Chambers of Commerce, and real estate agencies. The borrower agrees to continue with aggressive efforts to locate eligible tenants and retain documentation of all marketing.
- The borrower agrees to publish a notice in the local newspaper to inform the public of the borrower's intent to temporarily rent apartments to all persons without regard to income restrictions.

- The borrower is temporarily unable to achieve or maintain a level of occupancy sufficient to prevent financial default and foreclosure and the Agency's approval of the waiver will be for a limited duration.
- That the lease agreement will not be more than 12 months and at its expiration will convert to a month-to-month lease. The monthly lease will require that the unit be vacated upon 30 days' notice when an eligible applicant is available.
- Tenants residing in Rural Rental Housing (RRH) units who are ineligible because their adjusted annual income exceeds the maximum for the RRH projects will be charged the RHS approved note rate rental rate for the size of unit occupied in a Plan II RRH project. In projects operated under Plan I, ineligible tenants will be charged rental surcharge of 25 percent of the approved note rate rental rate. Plan I and Plan II projects are defined in 7 CFR 3560.11. Agency staff can refer to the Multi-Family Information Systems Project Details screen to determine Plan type.

SECTION 2: CALCULATING INCOME AND INITIAL CERTIFICATION

6.8 BORROWER AND APPLICANT/TENANT RESPONSIBILITY

Borrowers of all Rural Rental Housing properties must verify and document in the tenant's file all income, assets, expenses, deductions, family characteristics, and any other factors that affect family eligibility or level of assistance. This requirement excludes those residents of On Farm Labor Housing who are living in housing provided on a non-rental basis. With USDA guidance the borrower should develop verification and documentation procedures for the properties they manage and ensure that on-site property staff responsible for these functions are trained to understand and properly implement these procedures. Effective and efficient borrower, management agent, and property staff performance in this area is fundamental to obtaining the correct information needed for accurate rent determinations and assistance payments. The following are essential procedures to reduce the incidence of improper reporting.

- Applicants/tenants and their adult family members must sign consent forms to authorize the borrower to collect information to verify eligibility, income, assets, expenses, and deductions. Applicants and tenants who do not sign required consent forms will not receive assistance.
- Family members 6 years of age and older must provide the borrower with a complete and accurate social security number. For any members of the family who do not have a social security number, the applicant or family member must certify that the individual has never received a social security number.

MINC Tip:

For eligible household members without a social security number, management should submit the tenant data to MINC using all zeros. MINC will assign a system generated number to the household member, and management must use the assigned number on future transactions or until a valid social security number is available.

- Information received via third party verification should be reviewed and interpreted, and allowable deductions applied to determine the income used to calculate rent and rental assistance.
- The borrower must develop tracking and monitoring procedures to ensure that the required re-certifications are initiated and completed on time.
- The borrower must handle any information obtained to verify eligibility or income in accordance with the Privacy Act.

6.9 CALCULATION OF TENANT INCOME

Household income determinations will be calculated in accordance with 7 CFR 3560.153. Borrowers use tenant income information to: (1) help determine whether a household is eligible to reside in multi-family housing; (2) calculate the household's ability to pay rent; and (3) determine the amount of rental assistance the household is eligible to receive. This section provides guidance for calculating and verifying income for each of these purposes.

Form RD 3560-8 (Rev. 04-25) reflects income and asset calculation changes as a result of the Housing Opportunity Through Modernization Act (HOTMA). All tenant certifications effective July 1, 2025, or later must use the Form RD 3560-8 (Rev. 04-25) version of the form. The previous form was renamed Form RD 3560-8A (Rev 08-11) and must be used for tenant certifications effective prior to July 1, 2025.

A. Key Concepts for Income Determinations

1. *Income Definitions*

Two income definitions are used: annual income and adjusted income. Whenever income determinations are made, it is essential that borrowers use the correct income definition and consider income from the appropriate household members.

- **Annual income.** Annual income is used as the base for computing adjusted income. Income of all household members should be considered when computing annual income. Annual income includes all amounts, not specifically excluded in Attachment 6-A, received from all sources by each member of the household who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age. *Form RD 3560-8, Tenant Certification* illustrates the calculation of annual income. Paragraph 6.9 B in this section provides additional information on calculating annual income.
 - **Earned income.** Earned income is income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid

for, such as welfare, social security, and governmental subsidies for certain benefits), or any such cash or in-kind benefits.

- **Unearned income.** Unearned income is any annual income, as calculated under 24 CFR 5.609, that is not earned income.
- **Adjusted income.** Adjusted income is used to determine whether an applicant is income eligible to reside in multi-family rental housing or to receive rental subsidies. For guidance on calculating adjusted income, see Paragraph 6.9 C in this section.

2. Projecting Income for a 12-Month Period

Current income and family circumstances may be used to estimate the household's income over the next 12 months, unless there is verifiable evidence of a likely change in circumstances. Historical information may be used to estimate income that is anticipated to be received for 12 months.

Example – Calculating Seasonal Income (Options should be discussed with Tenant)	
Option #1	Option #2
<p>Assume a family member who currently has no income historically has seasonal income during the summer months and earns on an average of \$4,000 during that time. Confirm with the applicant that the same seasonal pattern is expected and use historical data to project income for the coming 12 months, which in this case would be \$4000 projected annual income.</p> <p>Gross Tenant Contribution (GTC):</p> <p>$\\$4000/12 \text{ months} \times 30\% = \\$100/\text{month}$ for 12 months</p>	<p>Assume a family member currently has seasonal income of \$1000 per month and is expected to last 4 months. Annualizing this income would be $\\$1000 \times 12 \text{ months} = \\$12,000$.</p> <p>Once the seasonal income ends, it is the tenant's responsibility to notify management and request a recertification of income.</p> <p>Note: this method would require at least two recertifications each year.</p> <p>Gross Tenant Contribution (GTC):</p> <p>$\\$12,000/12 \text{ months} \times 30\% = \\300 month during the months of earning seasonal income.</p>

3. Income of Temporarily Absent Household Members

Members may be temporarily absent from the household for a variety of reasons, such as temporary military duty activation, temporary employment, or students who live away from home during the school year. The income of these household members is considered when computing annual income. Households with a member permanently confined to a hospital or nursing home may choose to either include annual income attributable to such person, less deductions for which the person would qualify, or exclude the annual income attributable to such person and not take any deductions for which the person would qualify.

Example—Temporarily Absent Member

James Brown and his wife have applied for a unit. At the moment, James is working on a construction job on the other side of the state and comes home every other weekend. He earns \$600 per week and uses approximately one-third of that amount for temporary living expenses. The full amount of the income earned would be counted for annual income.

4. Zero Income.

It is the policy of Rural Development not to accept a tenant certification for an applicant or tenant with zero income unless all income is specifically exempted. Third party verifications may be obtained from the employer. If the tenant or applicant typically receives unemployment during periods of layoff, the unemployment income is included in the income calculation.

In cases where an applicant or tenant is claiming they have no household income, nor can the tenant or applicant anticipate a source of income, it will be necessary for the applicant or tenant to demonstrate financial capability to meet basic living expenses and the rental charge. This amount must include income for essential living expenses such as, food, clothing, diapers, transportation and any nonessentials items being paid such as telephone, television service, internet service, etc. The basis for this income must be documented in the file. Suggested guidance for the verification of zero income is found in Attachment 6-B.

The borrower must review the circumstances of the tenant quarterly to determine if circumstances have changed and document the tenant file. The borrower must remind the tenant that the lease specifically states that it is the tenant's responsibility to immediately report changes in income to management.

5. Student Financial Assistance.

For tenants/households receiving HUD Section 8 assistance (project based or Housing Choice Vouchers), the borrower must adhere to the specific Section 8 student financial assistance guidance for these tenants.

For all other tenants/households (non-Section 8) the borrower must adhere to the following guidance for including student financial assistance as household income.

All student financial assistance, not covered under section 479B of the Higher Education Act (HEA), that exceeds the actual covered costs of attending school must be included as income. This applies to both full-time and part-time students.

Types of HEA assistance include, but is not limited to:

- Federal Pell Grants
- Teach Grants
- Federal Work Study Programs
- Federal Perkins Loans
- Student financial assistance received under the Bureau of Indian Education
- Higher Education Tribal Grant
- Tribally Controlled Colleges or Universities Grant Program
- Employment training program under section 134 of the Workforce Innovation and Opportunity Act (WIOA).

Actual Covered Costs

Includes: tuition, books, supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and fees required and charged to a student by an institution of higher education.

For a student who is not the head of household, co-head, or spouse, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Utilize the following two step method to determine the amount of student financial assistance to include in the household's annual income, if any:

Step 1: Actual Covered Costs – HEA Assistance = Net Costs

Step 2: Non-HEA Assistance – Net Costs (from Step 1) = Amount to Include in Household's Annual Income Calculation (if the amount is negative, use \$0)

The following is not considered student financial assistance:

- Gifts, including gifts from family or friends; or
- Financial support provided to the student in the form of a fee for services performed (i.e. – work study or teaching fellowship that is not excluded under HEA).

B. Calculating Annual Income

All income is included that is received from all sources by each member of the household who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, unless it is specifically excluded in 24 CFR 5.609(b).

Attachment 6-A, Annual Income Exclusions provides a list income sources that are excluded from annual income. Furthermore, item (1) of Attachment 6-A indicates HUD is required by federal statute to exclude certain items from annual income. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates

will be published when necessary. (As of June 2025, the HUD published exclusions are found here: [Federal Register, Vol 89, No. 21, published January 31, 2024.](#))

Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but did not receive. For example, a family’s child-support or alimony income must be based on payments received, not the amounts the family is entitled to receive based on any court or agency order.

Refer to Attachment 6-H for acceptable forms of verification.

C. Calculating Adjusted Income

Adjusted income is used to determine eligibility for Multi-Family Housing programs, as well as eligibility for and the amount of payment subsidies under rental assistance.

Adjusted income is calculated by subtracting from annual income any of five deductions that apply to the household. Not all households are eligible for all deductions. Exhibit 6-1 summarizes these deductions. Attachment 6-C, Allowable Deductions, provides detail concerning allowable deductions. The remainder of this paragraph provides guidance on determining whether a family is eligible for each deduction and verifying and calculating these amounts.

Exhibit 6-1		
Annual Income Allowable Deductions/Expenses		
Deduction/Expense	Elderly/Disabled Households	Nonelderly Households
Dependent deduction	Yes	Yes
Childcare expenses	Yes	Yes
Disability assistance expenses	Yes	Yes
Elderly/Disabled household deduction	Yes	No
Health and Medical Care expenses	Yes	No

1. Dependent Deduction

A deduction from annual income of \$480 (this [amount may be adjusted annually by HUD](#)) is made for each household member who qualifies as a dependent. Dependents are household members who are not the head or spouse and who are under 18 years of age, or is a person with a disability, or is a full-time student. If an applicant requests a deduction for dependents attending school full time, the applicant must provide documentation from the school that the dependent is enrolled as a full-time student.

Unborn children, foster children, foster adults, and State or Tribal kinship household members do NOT qualify for the dependent deduction.

2. Deductions for Childcare Expenses

Reasonable unreimbursed childcare expenses for the care of children under 13 years of age are deducted from annual income if: (1) the care enables a household member to work or go to school; (2) no other adult household member is available to care for the children; and (3) in the case of childcare that enables a household member to work, the expenses deducted do not exceed the income generated by that household member. If the childcare provider is a household member, the cost of the children's care cannot be deducted.

To qualify for the deduction, the applicant must:

- Identify the children who are receiving the childcare and the household member who can work, look for work, or attend school (full or part-time) as a result of the care;
- Demonstrate that there is no adult household member available or able to care for the children;
- Identify the childcare provider, the costs, and the hours of childcare provided (must coincide with the hours the household member works or goes to school); and
- If the expenses enable a household member to go to school, identify the educational institution. The household member need not be a full-time student.

A household may qualify for a childcare hardship exemption. See item (D) of this paragraph.

Refer to Attachment 6-H for acceptable forms of verification.

3. Elderly/Disabled Household Deduction

A single \$525 deduction (this [amount may be adjusted annually by HUD](#)) is made from annual income for any elderly household. (Refer to 7 CFR 3560.11 for definition of elderly household.)

In the case of a family where the deceased tenant or spouse was at least 62 years old or a person with disabilities, the surviving household members may continue to reside in a housing project after the death of the tenant or co-tenant, provided that the requirements in Paragraph 6.28 item E are met. Nonelderly or nondisabled surviving members of an elderly or disabled household are not entitled to the elderly household adjustment to income.

4. Deductions for Disability Assistance Expenses (also referred to as Reasonable Attendant Care and Auxiliary Apparatus Expenses)

Disability assistance expenses, for the care of a person with disabilities, in excess of ten percent of annual income may be deducted from annual income (unless the household qualifies for Phased-In Relief or General Relief as defined in item D of this paragraph).

Disability assistance expense is defined as reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. The disability assistance expenses cannot exceed the amount of income earned by the person who is able to work as a result of the expenses.

Typical Disability Assistance Expenses

- Care attendant to assist a person with disabilities with activities of daily living directly related to permitting the person with disabilities or another household member to work.
- Special apparatus, such as wheelchairs, ramps, and adaptations to vehicles or workplace equipment, if directly related to permitting the person with disabilities or another household member to work.

Along with other forms of documentation, to qualify for this deduction applicants must identify the person with a disability on the application. Refer to Attachment 6-H for acceptable forms of verification.

5. Deduction for Health and Medical Care Expenses (for elderly/disabled households only)

Health and medical care expenses may be deducted from annual income for elderly households if the expenses (1) will not be reimbursed by insurance or another source; and (2) when combined with any disability assistance expenses are in excess of ten percent of annual income (unless the household qualifies for Phased-In Relief or General Relief as defined in item D of this paragraph).

Health and medical care expenses include costs incurred for the diagnosis, cure, mitigation, treatment or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. Refer to Attachment 6-H for acceptable forms of verification.

Typical Medical Expenses

- Services of physicians and other healthcare providers
- Services of hospitals and other healthcare facilities
- Medical premiums
- Prescription medicine
- Dental expenses
- Eyeglasses and eye examinations
- Medical or health products or apparatus (hearing aids, wheelchairs, etc.)
- Live-in or periodic medical care (e.g., visiting nurses or care attendants)
- Costs for an assistance animal and its upkeep
- Nonprescription medicine, bandages, syringes, continence shields, and other nonprescription items recommended by a physician
- Periodic payments on accumulated medical bills

If the household qualifies for the health and medical care expense deduction, expenses of all members are eligible. For example, if a household includes the head (grandmother, age 64), her son (age 37), and her granddaughter (age 6), the medical expenses of all three household members will be eligible.

One of the most challenging aspects of determining allowable health and medical care expenses is estimating a household's health and medical care expenses for the coming year. While some anticipated expenses can be documented easily (for example, Medicare or other health insurance premiums and ongoing prescriptions), others need to be estimated. The borrower should use historical information about medical bills to estimate future expenses. However, the estimates should be realistic. For example, if the household has a significant medical bill, the borrower will count only that portion of the bill that is likely to be paid during the coming year.

**Example – Calculating the
Health and Medical Care Expense Deduction**

The Jensons are an elderly household with annual income of \$25,000 and anticipated medical expenses of \$3,000 that are not covered by insurance or another source. The allowable medical expenses would be:

Total medical expenses	\$3,000
(less) 10% annual income (\$25,000 x 0.10)	- <u>\$2,500</u>
Allowable medical expenses	\$500

D. Temporary Relief and Hardship exemptions

1. ***Financial hardship exemptions for Health and Medical care expense and disability assistance expense.*** Effective with the implementation of the Housing Opportunity Through Modernization Act (HOTMA), the threshold to deduct health and medical care expenses and disability assistance expenses has been increased from an excess of 3 percent to an excess of 10 percent of annual income. Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below. A family receiving phased-in relief may request to receive general hardship relief instead; **once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.**

Phased-in Relief

All households who received a deduction for unreimbursed health and medical care and/or disability assistance expenses based on their most recent tenant certification prior to July 1, 2025, will begin receiving the 24-month phased-in relief at their next annual recertification or interim recertification, whichever occurs first on or after July 1, 2025. Households who receive phased-in relief will have eligible expenses deducted that exceed 5 percent of annual income for 12 months. Twelve months after the 5 percent phase-in began, households will have eligible expenses deducted that exceed 7.5 percent of annual income for the immediately following 12 months. After the household has completed the 24 months phase-in at the lower thresholds as described above, the household will remain at the 10 percent threshold, unless the household qualifies for relief under the general hardship relief provision.

Example – Phased-In Relief

Ms. Bell’s annual recertification is due on August 1, 2025. Her last annual recertification was effective August 1, 2024, and she received a deduction for unreimbursed health and medical expenses. She did not have any interim recertifications after her annual recertification was completed. For her annual recertification effective August 1, 2025, management determines that Ms. Bell’s annual income is \$10,000 and her unreimbursed health and medical expenses are \$1100 (11 percent of her annual income).

Since Ms. Bell was receiving a deduction for unreimbursed health and medical expenses on July 1, 2025, Ms. Bell is automatically eligible for the deduction pursuant to the phased-in relief provision. Management will apply the phased-in relief threshold to deduct the expenses that exceed 5 percent of her annual income which is \$600 (\$1100 - \$500) for this recertification.

Ms. Bell will receive the benefit of the unreimbursed health and medical expense deduction until August 1, 2026, when the threshold will be increased to 7.5 percent. Assuming her annual income remains \$10,000 and her medical expenses are still \$1100, she will be able to deduct \$350 (\$1100 - \$750).

Effective date of recertification	Annual income	Unreimbursed health & medical expenses	Phased-In percentage calculation	Allowable deduction amount for unreimbursed health and medical expenses
8/1/2025	\$10,000	\$1,100	5% x \$10,000 = \$500	\$1100 - \$500 = \$600
8/1/2026	\$10,000	\$1,100	7.5% x \$10,000 = \$750	\$1100 - \$750 = \$350
8/1/2027	\$10,000	\$1,100	10% x \$10,000 = \$1,000	\$1100 - \$1000 = \$100

Regardless of if an interim recertification is completed during the 24-month phased-in period, each phase will be for a period of 12 months. Verifications are valid for 120 days. If verifications are over 120 days old at the time of an interim recertification or the scheduled annual certification, all household information must be verified.

MFH owners and management agents **must** track the 24-month phased-in period for each eligible household, even if a household’s expenses go below the appropriate phased-in percentage, during the first or second 12-month phased-in period.

The phased-in relief must continue for households that transfer internally to another unit within the same MFH property. If a family moves from one RD property to another

RD property, the phased-in relief may continue. Owners must establish their own policy if they choose to continue the phased-in hardship relief for households who were eligible for relief as of July 1, 2025, and who are treated as new admissions at their property(s).

General Relief

A household may be eligible for general relief related to health and medical care expense and/or disability assistance expense deductions. To receive general relief, a household must demonstrate that the household's unreimbursed health and medical care expenses or unreimbursed disability assistance expenses increased, or the household's financial hardship is a result of a change in circumstances that would not otherwise trigger a recertification.

General relief is available regardless of whether the household previously received an unreimbursed health and medical expense deduction or disability assistance expense deduction, are currently receiving phased-in hardship relief, or were previously eligible for either the general relief or phased-in relief.

Examples of circumstances constituting a financial hardship:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits.
- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster.
- Other circumstances as determined by the housing provider.

If a household is eligible for general relief, the household will receive a deduction for the sum of eligible expenses that exceed 5 percent of annual income. The household's general relief hardship ends when the circumstances that made the household eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. Owners may, at their discretion, extend the general relief for one or more additional 90-day periods while the household's hardship condition continues.

2. *Childcare hardship exemption*

When a household is no longer eligible to claim childcare expenses, but the household is unable to pay their rent because of the loss of the deduction, the household may apply for the childcare hardship exemption. A household may request a hardship exemption to continue receiving a child-care expense deduction in certain circumstances when the household no longer has a member that is working, looking for work, or seeking to further their education, and the deduction is necessary because the household is unable to pay their rent.

When a household requests a hardship exemption to continue receiving a child-care expense deduction that is ending, management must recalculate the household's adjusted income and continue the child-care deduction if the family demonstrates to management's satisfaction that the household is unable to pay their rent because of the loss of the child-care expense deduction and the child-care expense is still necessary even though the family member is no longer working, looking for work, or furthering their education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Management must develop policies requiring households to report if the circumstances that made the household eligible for the hardship exemption are no longer applicable. Management, at their discretion, may extend such hardship exemptions for additional 90-day periods based on household circumstances.

Examples of scenarios where a childcare hardship exemption may be granted:

- A household member loses their employment income and will be a full-time student within the next 90 days. They may need to pay childcare in order to keep their spot at the childcare center.
- Household member, or care of a family member, who has medical, or health treatments and childcare is needed.

Reminder

Tenants must request an interim recertification whenever a change in household income of \$100 or more per month occurs.

Borrowers must recertify for household income changes of \$50 per month, if the tenant requests that such a change be made.

3. *Hardship policy requirements for general relief and childcare expense*

Management must establish policies for the purpose of determining eligibility for general hardship relief for the health and medical care expense deduction and for the child-care expense hardship exemption (i.e., when a family is unable to pay rent, triggering eligibility for a hardship exemption). Management must describe these policies in their Management Plan or Tenant Selection Plan, as applicable.

Some factors to consider when determining if the household is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child-care expenses or health and medical expenses) are more than 45 percent (for

example) of the household's adjusted income, or verifying whether the household has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent. Management may use different percentage thresholds or methods for determining a household's inability to pay rent.

Management may extend hardship exemptions for additional 90-day periods if the hardship continues pursuant to management's hardship policies. This provision applies to families receiving hardship exemptions for the child-care expense deduction and general hardship relief for health and medical care expenses and disability assistance expenses. Policies for extending hardship relief for additional 90-day periods must be established in the property's Management Plan or Tenant Selection Plan.

Management is encouraged to communicate the availability of hardship exemptions and how to request a hardship to all applicants and households prior to complying with HOTMA. Additional notification requirements include:

- Management must promptly notify households in writing of the change in the determination of adjusted income and the household's rent resulting from the application of the hardship exemption. The written notice must inform the household of the dates that the hardship exemption will begin and expire and the requirement for the family to report to management if the circumstances that made the household eligible for relief are no longer applicable. The notice must also state that the household's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption.
- Management must promptly notify households in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. The notification must specify the reason(s) for the denial.
- Management must notify the household if the hardship exemption is no longer necessary and will be terminated because the circumstances that made the household eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

6.10 EVALUATING APPLICANTS' ASSETS

Assets can affect an applicant's ability to be qualified as an eligible tenant. Many types of assets generate income that must be included in the calculations of annual income. Attachment 6-D identifies certain types of assets that are excluded from net family assets.

Rural Development does not have an asset limitation or restriction on owning real property for household eligibility or rental assistance eligibility.

A. Reporting Assets

Applicants must provide information about household assets at the time of application and whenever income is reverified. Applicants must provide sufficient information to enable the borrower to verify the asset information and compute the market and cash value of the asset.

Refer to Attachment 6-H for acceptable forms of verification.

B. Asset Definitions

All assets are categorized as either real property or personal property. Personal property is further categorized as necessary personal property or non-necessary personal property.

Net family assets is the net cash value of all assets (non-necessary property and real property) owned by the family.

1. *Real property*

Real property has the same meaning as that provided under the state law in which the real property is located. Examples include a home or a piece of land.

Real property is not an asset if the household does not have effective legal authority to sell it. Examples include co-ownership situations where one party cannot unilaterally sell the real property, property that is tied up in litigation, or inherited property that is in dispute.

If real property, owned by the family, does not generate income or the income amount cannot be computed, the imputed asset income must be calculated. This applies if net family assets exceed \$51,600, adjusted annually for inflation.

2. *Personal property*

Personal property are asset items that are not real property. Personal property is separated into two categories:

- Necessary personal property. Necessary personal property is excluded from net family assets and are items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness or assist a household member with a disability.

Items classified as necessary personal property are excluded from net family assets and any income from necessary personal property is excluded from household income.

Determining what is a necessary item of personal property is a highly fact-specific determination, and therefore it is incumbent on management to gather enough facts to qualify whether an asset is necessary or non-necessary personal property.

- Non-necessary personal property. Non-necessary personal property are items of personal property that do not qualify as necessary personal property. Examples of non-necessary personal property can be found in Exhibit 6-2.

Unless specifically excluded from non-necessary personal property (see Attachment 6-D), items classified as non-necessary personal property are included in net family assets. Any income from non-necessary personal property is included in household income.

Exhibit 6-2	
Examples of non-necessary personal property. This is <u>not</u> an all-inclusive list.	
•	Bank accounts or other financial investments (i.e. – checking account, savings account, stocks/bonds)
•	Recreational car/vehicle not needed for day-to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs), utility terrain vehicles (UTVs)
•	Recreational boat/watercraft
•	Expensive jewelry without religious or cultural value, or which does not hold family significance (this does NOT include wedding or engagement rings)
•	Collectibles
•	Equipment/machinery that is not used to generate income for a business
•	Items such as gems/precious metals, antique cars, artwork, etc.

C. Calculating Market and Net Cash Value

The market value of an asset is simply its dollar value on the open market. For example, the market value of \$2,000 in a savings account is \$2,000 and the market value of real estate is its appraised value. The net cash value of an asset is the market value, less reasonable expenses to convert the asset to cash. For example, the net cash value of stock worth \$5,000 would be \$5,000 less any broker's fee.

The increase in market value of an asset is relevant to the net cash value of the asset for the purpose of determining total net family assets and imputed income. An increase in market value is not considered as actual income for the asset.

Example – Calculating the net cash value of an asset

Ms. Smith owns a home with an estimated market value of \$90,000. To determine the net cash value of the home, management must subtract the reasonable costs incurred to sell the property. The cash value would be:

\$90,000	Market Value
- \$10,000	Mortgage balance
- \$ 5,400	6% real estate agent fee
- \$ 2,000	<u>Settlement costs</u>
\$72,600	Net Cash value

D. Retirement Assets

Retirement assets are savings and investments that have been specifically designated as retirement funds. Not all retirement assets are considered. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals are excluded from net family assets.

E. Calculating Income from Assets

For the purpose of computing annual income, the assets of all household members are considered. In addition, if any household member has disposed of assets for less than fair market value during the two years preceding the effective date of certification or recertification, the asset must be considered when calculating income from assets for annual income.

Income from assets is no longer determined based on the greater of actual or imputed income from the assets. Instead, both actual income and imputed income must be considered. (See Exhibit 6-3.)

1. Actual income from assets and imputed income from assets

Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets.

Imputed income must be calculated for specific assets when three conditions are met:

- The value of net family assets exceeds the annual [HUD published Inflationary Adjusted Value](#);
- The specific asset is included in net family assets; and
- Actual asset income cannot be calculated/determined for the specific asset.

In cases where a household has net family assets that exceeds the annual [HUD published Inflationary Adjusted Value](#), if the actual income from assets can be computed for some assets but not all assets, then management must add up the actual income from the assets, where actual income can be calculated, then calculate the imputed income for the assets where actual income could not be calculated. After management has calculated both the actual income and imputed income, management must combine both amounts to account for income on net family assets.

Exhibit 6-3 Income from Assets Determination			
Net Family Assets Value	Actual Income	Imputed Income	Asset Income included in Annual Income Calculation
Total Net Family Assets \leq <u>HUD published Inflationary Adjusted Value</u>	Include	Not Applicable	Include Actual Income
Total Net Family Assets $>$ <u>HUD published Inflationary Adjusted Value</u> & actual income can be determined for ALL assets	Include	Not Applicable	Include Actual Income
Total Net Family Assets $>$ <u>HUD published Inflationary Adjusted Value</u> & actual income can be determined for SOME of the assets	Determine amount of actual income from those assets where actual income can be determined	Calculate amount of imputed income for all remaining assets (those where actual income cannot be determined)	Include Actual Income + Imputed Income
Total Net Family Assets $>$ <u>HUD published Inflationary Adjusted Value</u> & actual income cannot be determined from any of the assets	Not Applicable	Calculate amount of imputed income for all assets	Include Imputed Income

Example 1 —Income from Assets for Annual Income Calculation

The Brown household has the following assets.

A savings account valued at \$4,000 earning 4 percent interest annually.

The current balance* in the checking account is \$300 (non-interest-bearing account).

The net cash value of the Browns' non-necessary personal property is \$4,300 (\$4,000 + \$300).

The non-necessary personal property assets do not exceed the 2025 HUD published Inflationary Adjusted Asset Value (\$51,600), and is therefore excluded from net family assets, but the actual income of \$160 is included as actual asset income that contributes towards determining household income.

	Net Cash Value	Actual Income Earned (Form RD 3560-8, Line 16)	Imputed Income (based on 0.45% Passbook Savings Rate Form RD 3560-8, Line 17)
Checking Account current balance*	\$300	\$0	Imputed income is not calculated since the total non-necessary personal property is less than the HUD published Inflation-Adjusted Asset Value.
Savings	\$4,000	\$160 (\$4,000 x 0.04)	
Total	\$4,300	\$160	\$0
Net Family Assets (reported on Form RD 3560-8, Line 15) Non-necessary personal property that does not exceed the HUD published Inflationary Adjusted Asset Value is excluded from Net Family Assets.	\$0		

* Effective with HOTMA implementation, the current balance of a checking account is adequate verification.

Example 2 —Income from Assets for Annual Income Calculation

The Cross family has a savings account valued at \$5,000 earning 1 percent annually.

The current balance* in the checking account is \$500 (non-interest-bearing account).

Mrs. Cross' wedding ring valued at \$3,000

The net value of real property owned is \$60,000.

The net cash value of the Cross's non-necessary personal property is \$5,500 (\$5,000 + \$500). The wedding ring is necessary personal property, therefore excluded from net family assets.

The non-necessary personal property assets do not exceed the 2025 HUD published Inflationary Adjusted Asset Value (\$51,600), and is therefore excluded from net family assets, but the actual income of \$50 is included as actual asset income that contributes towards determining household income.

The net value of the real property is included in net family assets and exceeds the 2025 HUD published Inflationary Adjusted Asset Value (\$51,600). This real property has no actual income, therefore an imputed income for the asset must be determined.

	Net Cash Value	Actual Income Earned <i>Form RD 3560-8, Line 16</i>	Imputed Income (based on 0.45% Passbook Savings Rate <i>Form RD 3560-8, Line 17</i>
Checking Account current balance*	\$500	\$0	Imputed income is not calculated since the total non-necessary personal property is less than the HUD published Inflation-Adjusted Asset Value.
Savings	\$5,000	\$50 (\$5,000 x 0.01)	
Real Property	\$60,000		\$60,000 x .0045 = \$270
Total	\$65,500	\$50	\$270
Net Family Assets (reported on <i>Form RD 3560-8, Line 15</i>) Non-necessary personal property that does not exceed the HUD published Inflationary Adjusted Asset Value is excluded from Net Family Assets.	\$60,000		

* Effective with HOTMA implementation, the current balance of a checking account is adequate verification.

2. *Assets Disposed of for Less than Fair Market Value*

Applicants who dispose of assets for less than fair market value have, in essence, voluntarily reduced their ability to afford housing. Therefore, assets disposed of for less than fair market value during the two years preceding a determination of annual income must be used in the annual income calculation. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce, or separation are not included in this calculation.

The amount of asset to be included in net family assets is the difference between the market value of the asset and the amount that was actually received (if any) in the disposition of the asset.

Example—Valuing a Disposed Asset

An applicant sold a property to a relative for \$15,000 on July 1, 2024. The property was valued at \$30,000 and had no loans against it.

Market value	\$30,000
(Less) Settlement costs	\$2,000
<u>(Less) Sales price</u>	<u>\$15,000</u>
Cash value of disposed asset	\$13,000

The \$13,000 would be counted as an asset for any annual income determination conducted until July 1, 2026. Even though there would be no actual income from this asset, the \$13,000 would be used to establish net family assets to determine the amount to be counted as annual income.

6.11 VERIFICATION REQUIREMENTS

Management must verify all income, assets, expenses, deductions, family characteristics, and circumstances that affect family eligibility or level of assistance. Management must establish a verification procedure to review applicant information. The procedure must ensure accurate determinations of eligibility and respect the confidentiality of all information on applicants and residents.

Attachment 6-H provides acceptable forms of verification. Attachment 6-I, Eligibility, Income, and Deduction Checklist, provides a sample checklist.

Each applicant must provide the household information needed to enable management to make income and eligibility determinations. Most of this information should be provided on the application, but some additional follow-up with the applicant may be required. Management must verify information provided by the applicant prior to admission and prior to submission of *Form RD 3560-8 Tenant Certification* to the Agency.

A. Authorization to Release Information

Each applicant must provide an authorization to release information so management can verify required household information. By signing an authorization to release information form, the applicant or resident gives permission to management to ask questions about and verify information related to the household that affect eligibility and the amount the household must pay. Applicants must sign the form as a condition of admission and continued occupancy.

A form must be signed by the household head and all other household members whose income, assets, or other circumstances require verification. The borrower must ask applicants/residents to execute the form even in cases where the person has not reported any income. As long as management retains the form with original signatures in its file, a photocopy of the authorization may be provided to verification sources.

B. Third-Party Verifications

Verifications are valid for 120 days from the date of receipt.

When it is not immediately possible to obtain the written verification from the income source, other reliable third-party data the person possesses which indicates gross income may be used.

Third-party verification of income is required whenever it is possible or available. This may include tenant-provided documentation (generated by a third-party source), including but not limited to, pay stubs, payroll summary reports, employer notice/letter of hire/termination, Social Security benefit award letter, child support pay stubs, child support summary reports, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Owners must consider if the documentation is current, complete, and unaltered by the tenant.

Income verification is required for tenants of Off-Farm Labor Housing—domestic laborers including year-round, seasonal, or migrant farmworkers. Income verification is not required for tenants of On-Farm Labor Housing.

Refer to Attachment 6-H for acceptable forms of verification.

C. Social Security Numbers

Prospective tenants must provide the borrower with Social Security Numbers for every tenant or co-tenant in the household. The borrower may use Social Security Numbers to verify income information that is provided. Social Security Numbers must be collected only once for each resident. Refer to Attachment 6-H for acceptable documentation of Social Security Numbers.

D. Wage Matching Requirement

If permitted by State law, the Agency may implement and utilize income matching of tenants. See Chapter 9 of the HB-2-3560 for more information.

E. Tenant File Documentation

Borrowers must retain executed tenant certification forms and any supporting documentation in the tenant file for at least 3 years or until the next Agency monitoring visit or compliance review, whichever is longer. See Attachment 6-J, Required Tenant File Documentation, for a list of required documentation that must be retained in each tenant file.

6.12 THE SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940

Rural Housing Service is required to provide tenants the benefits of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended.

The Soldiers' and Sailors' Relief Act of 1940 was established to protect those who serve the United States in the Armed Forces. The Act applies to all persons on active duty including reserve component service members called to active duty.

A tenant, co-tenant or spouse may terminate a lease covering premises occupied as a dwelling at any time following the date of the beginning of the period of the military service. The termination will be in writing and delivered to the property manager or the management firm in person or by mail; following the date of the beginning of the military service (a set of appropriate military orders should accompany the termination letter). However, the lease termination will not be effective until 30 days after the first date on which the next rental payment is due. Example: next rent payment date is March 1; termination will be effective March 30.

Guardians who were not originally listed as tenants, but are so designated by the tenant or co-tenant, will be permitted to reside in the unit to care for minors while the tenant or co-tenant is absent due to military service. The term "guardian" means immediate family member, relative or friend.

The Act does not relieve the recently activated military person or that persons' household from meeting financial obligations. However, the Act does protect the soldier's dependent(s) left behind (occupying family dwellings) from undue eviction or distress.

A. Should eviction be necessary for violation of lease requirements, the Act provides opportunity for a stay of eviction for up to three consecutive months. Under no circumstance are borrowers entitled to take eviction matters into their own hands or to inform tenants that they must move because they no longer can afford the rent. The borrower may give the tenant notice of lease violation and termination for repeated late payment or nonpayment of rent in normal fashion, but evictions require court action. Evictions, three-month stays and relief actions are within the discretion of the court. Borrowers may not evict affected tenants without prior court approval.

B. All tenants affected by the Soldiers' and Sailors' Civil Relief act are to be recertified (upon receipt of their military orders) in accordance with 7 CFR Part 3560, in order to reflect their true rent contribution. Recertification should include all income such as severance pay, salary, reservist pay, housing allowance, etc. Hazard duty pay is not counted. Upon completion of tenant recertification, rents will be increased or decreased. Tenant recertification may be processed by the co-tenant, spouse or guardian during the period of military service.

Example: If a tenant was contributing \$275.00 (basic rent) per month towards rent, and their salary has decreased or increased due to leaving a previous position for military service, the new contribution towards rent may be significantly decreased or increased. If a tenant's salary decreased so low that their rent contribution falls below

basic rent, the Rental Assistance (RA) allowance will increase. If no RA is available for the unit, the tenant, like other tenants without RA, will pay the basic rent.

C. Single soldiers should be encouraged to place their personal belongings and furnishings in storage for safekeeping. Monthly rents would be due as scheduled. However, if a single tenant elects to leave their belongings in the apartment, they should be encouraged to grant a power of attorney to a competent person and provide the manager with pertinent information concerning this person. If a single person does leave their furniture on the premises and rent is delinquent, the borrower should make application to the court for authorization to act.

SECTION 3: OCCUPANCY POLICIES [7 CFR 3560.155] AND OCCUPANCY RULES [7 CFR 3560.157]

6.13 OCCUPANCY POLICIES [7 CFR 3560.155]

The purpose of the occupancy policy in a multi-family property is to establish:

- Unit density standards; and
- Procedures for assigning units.

The Agency must concur with the borrower's occupancy policies prior to initial occupancy of the project and in all future modifications. In reviewing the policies, the Agency must assure that the standards follow state and local laws and that they appear reasonable based on the unit size and type. The Agency will review compliance with the policies during the compliance review. In a situation where the MFH Servicing Official believes management is in violation of the occupancy policies, the Agency must state the violation as a finding and require the borrower to resolve the problem in a specified time frame. If a household is residing in the property and is out of compliance with the occupancy policy, the borrower must follow procedures outlined in Paragraph 6.30 for tenants in violation of occupancy policies.

A. Unit Density Standards

Occupancy policies set standards regarding the number of people that can be adequately housed in a unit of a particular size. In developing the occupancy policy for each unit, the borrower must take into account the following:

- State and local codes regarding the number of persons permitted to dwell in a unit of a particular size;
- The size of the rooms in the particular unit;
- Procedures for sizing households for different unit types (how to consider temporarily absent household members); and

- The order in which the property will house eligible applicants and rehouse existing tenants.
- A tenant who is disabled will not be considered over housed if the tenant requests an additional room for a live-in aide or an apparatus related to the tenant's disability.

For some properties, state and local codes regarding occupancy standards may not exist. In these cases, the borrower should make a judgment as to how many people may be adequately housed, basing it on the square foot size and layout of the unit. For example, some properties may have several sizes of two-bedroom units. If one size is 600 square feet and the second size is 900 square feet, the borrower may have different occupancy policies for the different unit sizes.

Number of Bedrooms	Occupancy Density Range	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

B. Procedures for Assigning Units

Occupancy policies also establish the order in which eligible applicants and existing tenants will be housed or rehoused.

Borrowers are required to comply with Section 5 of this chapter in selecting and assigning applicants to new units or relocating over- or under- housed existing tenants. However, it is important that these requirements are detailed in the borrower's occupancy policies, so that it is clear to new applicants and existing tenants how a vacant unit will be assigned.

6.14 OCCUPANCY RULES [7 CFR 3560.157]

The purpose of the occupancy rules is to establish the basis for the tenant and management relationship. Prior to Agency approval of occupancy rules, borrowers must provide written certification from their attorney that the housing project's occupancy rules are consistent with applicable Federal, state, and local laws, as well as Agency requirements, and the requirements of all programs participating in the housing project.

In situations where the tenant is in violation of the occupancy rules and the tenant fails to correct the problem, the borrower should proceed to evict the tenant for material noncompliance with the lease. In the event that an eviction action is filed with the court, the tenant should set up an escrow account for the rent.

A. Basic Rules

Exhibit 6-4 lists the basic items that borrowers must address in the occupancy rules for their projects.

Occupancy rules for each project will be in writing, attached to each tenant's lease upon initial occupancy, and posted in a central location (such as a central mail location) so that tenants may easily access the information. The Agency must concur with any modification to these rules prior to implementation. Proper notice must be provided to the tenant at least 30 days prior to implementation and in accordance with the requirements of Section 8 of this chapter.

Exhibit 6-4

Required Items for Multi-Family Housing Occupancy Rules

At minimum, the occupancy rules must address:

- * An explanation of the tenant's rights and responsibilities under the lease or occupancy agreement;
- * An explanation of the tenant's rights, protections, and responsibilities under VAWA (See Attachment 6-K, Section I)
- * The rent payment or occupancy charge policies;
- * The policies regarding periodic inspection of units;
- * The system for responding to tenant complaints;
- * The maintenance request and work-order procedures;
- * The project services and facilities available to tenants or members;
- * The office locations, hours, and emergency telephone numbers;
- * The restrictions on storage and prohibitions on abandoning vehicles in the project area;
- * The policies regarding guests that become household members;
- * Other requirements related to the subsidy provided to the tenant from non-Agency sources; and
- * The procedures tenants must follow to request reasonable accommodations.

B. Pets

For each elderly designated multi-family housing project the borrower must have established project rules permitting elderly or disabled tenants to keep commonly accepted household pets.

Borrowers must not prohibit elderly households from keeping domestic animals in their unit; however, the borrower may require the household to pay a pet deposit.

Pet rules must not:

- Prohibit, prevent, restrict, or discriminate against any tenant who owns or keeps a pet in their apartment unit, with respect to continued occupancy in the project unless the approved project pet rules are violated;
- Prohibit, prevent, restrict, or discriminate against any applicant who owns a pet with respect to obtaining occupancy in the project; and
- Charge an extra monthly rental charge for pets.

Borrowers with existing projects must consult with the tenants of the project when revising pet rules and retain documentation on how the consultation process was conducted.

Borrowers with new projects will establish pet rules prior to occupancy but may revise those rules based on tenant comments and suggestions received after rent-up begins.

Pet rules will be reasonable and will be written to consider at least the following factors:

- Limit on number of pets based on unit size;
- Pet size;
- Type of pet;
- Potential financial obligations of tenants who own or keep pets;
- Standards of pet care;
- Pet exercise areas;
- State and local animal laws or ordinances; and
- Liability insurance.

Pet rules must allow the borrower or project manager authorization to remove from the project any pet whose conduct or condition is duly determined to constitute a nuisance or threat to the health or safety of other tenants or members in the project or persons in the surrounding community.

Regardless of the occupancy rules established for the project, the borrower must adhere to the following:

- Borrowers must not prohibit animals that provide assistance to the disabled from residing in the unit with the person to whom the animal is providing assistance.
- Borrower may not require the household to pay a pet deposit for a service/assistance/companion animal.

C. Tenant Organizations

In developing and implementing the occupancy rules, borrowers must not infringe on the rights of tenants to organize an association of tenants. The project manager (or designated management representative) should be available and willing to work with a tenant organization.

Borrowers may not unreasonably withhold the use of community rooms or other available space within the project when requested by:

- A resident organization in connection with the representational functions of the organization; or
- Residents seeking to organize or to collectively consider any matter pertaining to the operation of the project.

D. Community Rooms

In developing the occupancy rules, borrowers must not place unreasonable restrictions on tenants that desire to use community rooms for their enjoyment.

SECTION 4: MARKETING AND APPLICATION PROCESSING *[7 CFR 3560.104 and 7 CFR 3560.154]*

6.15 [RESERVED]

6.16 APPLICATION REQUIREMENTS AND PROCESSING

The purpose of the tenant application process is to collect enough information regarding the household status to determine applicant eligibility for the specific property. This information should also be comprehensive enough for the borrower to make a determination about waiting list placement.

A. Application Forms

Borrowers may develop their own application form in accordance with the requirements of Exhibit 6-5. The borrower must retain application forms for at least three years or until the next Agency supervisory visit or compliance review, whichever is longer.

Exhibit 6-5**Minimum Requirements for a Tenant Application**

- * Name and present address;
- * Household income information, including all information from sources that would be counted in calculating annual income, adjusted income, and assets; and consent to release wage matching data to RHS and the borrower;
- * Number of household members, including all members who would live in the dwelling unit, even those who would only live there on a part-time basis, and their birthdates;
- * Indication of a need for a handicap accessible unit and/or disability adjustments to income;
- * Applicant certification that the unit will serve as the household's primary residence;
- * Social Security Number for all members of the household;
- * Signature and date;
- * Race, ethnicity, and sex; and
- * Disclosure notice.

Borrowers using application forms must establish a section at the end of the form, below the signature and date block, to collect race/national origin/sex information. Properties with layered financing may have additional program requirements when gathering demographic information. To meet the requirements of Federal Register Vol. 62 No. 210, Revision to the Standards for the Classification of Federal Data on Race and Ethnicity, the data collection needs to appear as follows:

“The information regarding race, ethnicity, and sex designation solicited on this application is requested in order to assure the Federal Government, acting through the Rural Housing Service, that the Federal laws prohibiting discrimination against tenant applications on the basis of race, color, national origin, religion, sex, familial status, age, and disability are complied with. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, the owner is required to note the race, ethnicity, and sex of individual applicants on the basis of visual observation or surname.”

Ethnicity:

Hispanic or Latino _____

Not Hispanic or Latino _____

Race: (Mark one or more)

1 American Indian/Alaska Native _____

2 Asian_____

3 Black or African American_____

4 Native Hawaiian or Other Pacific Islander_____

5 White_____

Sex: Male_____ Female_____

The race and the ethnicity of each applicant shall be recorded on the waiting list. This information shall be collected for statistical purposes only and must not be used when making eligibility determinations or in any other discriminatory manner. The information shall be recorded using the race and ethnicity codes that are utilized on Form RD 3560-8 Tenant Certification.

Borrowers must establish and maintain a specific place and time where applications will be accepted. This information should be posted in a central location on the property. It must also be documented in the Management Plan and to the greatest extent possible communicated through outreach and marketing efforts.

Applicants are to be provided a list of any additional information that must be submitted with the application for the application to be considered complete (an application will be considered complete without verification of the applicant information). The list of information must be restricted to the same items for all Agency-assisted properties of a particular type, such as a family or elderly complex.

B. Application Fees

Application fees are discouraged, but when used, any fee charged to an applicant must be limited to the cost of actual services incurred for obtaining necessary information associated with completing applicant eligibility.

C. Maintaining Waiting Lists

When an applicant has submitted an application form the borrower must place the applicant on the waiting list. All applications, incomplete, complete, eligible, or ineligible, will be placed on the list. The waiting list will document the final disposition of all applications (rejected, withdrawn, or placed in a unit).

The date and time a complete application was submitted will be recorded on the waiting list and will establish priority for selection from the list. If an applicant submits an incomplete application, they must be notified in writing within 10 days of the items that are

needed for the application to be considered complete, and that priority will not be established until the additional items are received.

1. Electronic Waiting Lists

Electronic waiting lists must have a mechanism for maintaining the date and time of each applicant's placement on and selection from the waiting list and a way to document changes made to the list. If an electronic waiting list is used, borrowers must periodically print out electronic waiting lists or preserve backup copies showing how the waiting list appeared before and after the removal of each name. The following are examples of methods that borrowers might use to track inputs to the electronic waiting list and changes to it:

- Use a data backup function to record the time and date of entry of new applications and changes to existing records in the electronic waiting list.
- Print a record of the appearance of the waiting list as often as necessary to show each applicant's placement on and selection from the list. The time and the date of the printout should appear on the report. The owner can file this information in the tenant file and in a central waiting list file.
- Whenever status changes occur, such as changes in family composition and unit size, record the change with an explanation, and print the re-sorted list.

To the extent possible, the borrower should use electronic safeguards, such as assigning waiting list password access only to individuals responsible for maintaining the system. Ideally, a system should record the username, and the time, date, and action entered whenever a record is changed or entered in the electronic waiting list.

2. Selecting Applications from the Waiting List

Once an applicant has submitted a complete application, the date and time must be recorded on the waiting list to establish priority for selection. Selection from the waiting list will be made according to date and time in the following order:

- Very low-income applicants;
- Low-income applicants; and
- Moderate-income applicants.

See paragraph 6.3 for information regarding how to determine the specific income level of an applicant.

Within 10 calendar days of receipt of a complete application, the borrower must notify the applicant in writing that they have been selected for immediate occupancy, placed on a waiting list, or rejected.

The procedures used by the borrower to purge the project's waiting list must be described in the project's management plan. These procedures must be based on the length of the waiting list or the extent of time the applicant will be expected to wait for housing.

6.17 REJECTION OF APPLICATIONS

Borrowers will deny admission for criminal activity or alcohol abuse by household members as detailed in 24 CFR 5.854, 5.855, 5.856, and 5.857.

The Direct Result provision prohibits Borrowers from rejecting admission to an applicant based on an adverse factor, if the adverse factor is determined to be a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. (See VAWA Attachment 6-K Section F.)

Borrowers are required to notify all applicants in writing of their ineligibility. If applicants are determined to be ineligible, the rejection letter must outline the reason for rejection of the application and their right to respond to such decision in accordance with 7 CFR 3560.154 and 7 CFR 3560.160. The rejection letter must advise the applicants of their right to respond to the decision within 10 calendar days, as well as the right to a hearing in accordance with 7 CFR 3560.160, which must be made available to the applicant upon request. If the project is located in an area with a high concentration of non-English-speaking individuals, the letter must be in English and the non-English language that is prevalent in the area. When an applicant is rejected due to credit bureau reporting information, the source of the credit bureau must be revealed to the applicant in accordance with the Fair Credit Reporting Act. Forms HUD-5380 and HUD-5382 will be provided to adult applicants whose applications are rejected.

6.18 AGENCY REVIEW AND MONITORING OF APPLICATION PROCESSING

In reviewing the application process used by the borrower, the Agency should review the following:

- Is adequate documentation available to determine compliance with applicant processing requirements?
- Are applicants properly informed of where and when applications may be obtained and submitted?
- Are applicants properly notified of their rights and protections under VAWA (VAWA Lease Addendum, HUD-5380 and HUD 5382 forms distribution)?
- Does the application provide the borrower with adequate information to determine the applicant's place on the waiting list?
- Is there an element in the application process that discourages targeted populations from submitting an application? If so, will modifying the application process encourage targeted, but underserved populations to apply?

- Are applications processed in a timely manner?
- Are ineligible applicants adequately notified of their rights to a review under Section 8 of this chapter?

MFH Servicing Officials will review the application during the supervisory visit and/or compliance review to ensure that adequate information is being obtained and that the above-listed questions are answered to the satisfaction of the Agency.

SECTION 5: TENANT SELECTION AND UNIT ASSIGNMENT ***[7 CFR 3560.154 and 7 CFR 3560.155]***

6.19 ASSIGNING AN AVAILABLE UNIT

Once a unit becomes available, the borrower must decide who is entitled to that unit based on a variety of factors.

Eligible tenants residing in the property who are either under- or over-housed receive priority over new applicants if relocating them into the newly vacant unit would bring the household into compliance with the occupancy policy for the property. If there are no such over- or under-housed existing tenants, the borrower must select a new applicant from the waiting list to fill the newly vacant unit. The borrower must use the project's occupancy policy to review applicants on the waiting list who are eligible based on the unit size. From that universe, the borrower must then determine, based on income levels and priorities, which applicant is entitled to the unit. The order in which applicant households are entitled to housing depends on two factors:

- The income level of the household; and
- The priorities for which the household may qualify.

When an applicant first submitted an application, the borrower made an initial determination as to whether the household was very low-, low-, or moderate-income. Based on this assessment, the applicant was assigned to the very low-, low-, or moderate-income waiting list. When looking for the next eligible tenant for the vacant unit, the borrower must first go to the very-low income waiting list. If there are no applicants on the very low-income waiting list who qualify for the vacant unit based on the property's occupancy policy, then the borrower may go to the low-income waiting list. Only if there are no eligible applicants for the unit on the low-income waiting list may the borrower select an eligible applicant from the moderate-income waiting list.

6.20 PRIORITIES FOR UNITS

A. Exceptions to Income Standard Assignment Policies

While the basic standard is to house all very low-income applicants prior to low- and then moderate-income applicants, there are situations where this process may be bypassed. However, an individual in one of the situations identified below would not be eligible for housing before applicants on the waiting list for a lower income category.

- If the unit is a handicapped accessible unit, then an eligible household that needs the features of that unit will receive priority over all other applicants, regardless of income. If more than one applicant needs the features of the handicapped accessible unit, then applicants who are very low-income would have priority, followed by low- and then moderate-income households.
- In congregate housing facilities, applicants who qualify for and agree to utilize the services provided by the facility will be housed over all other applicants on the waiting list. Where there is more than one applicant that meets this criterion, the applicants meeting this condition will be ranked by very low-, low-, and moderate-income and housed in accordance with the occupancy policies established at the property.
- Borrowers with projects receiving low-income housing tax credits (LIHTCs), may leave a housing unit vacant if they are required to rent the available unit to an LIHTC-eligible applicant, and none of the applicants on the waiting list meet the applicable LIHTC eligibility requirements.

Example— Exceptions

Project B has two handicap-accessible units. There are three disabled individuals who need the features of the handicap-accessible units on the waiting list: one moderate income and two low-income. The property has a waiting list of 20 very low-income applicants. The borrower must rent the two handicap-accessible units to the two low-income applicants.

Project Z is a congregate housing facility and has a vacant one-bedroom unit. There are three individuals eligible for a one-bedroom unit on the waiting list: two very low-income applicants and one low-income applicant. All qualify for congregate care services. Only one of the very low-income applicants, however, would agree to use the congregate care facilities. The borrower would have to offer one of the vacant units to the very low-income applicant who agrees to use the services and the other unit to the low-income applicant who agrees to use the services.

- Letter of Priority Entitlement (LOPE), *Handbook Letter 201*. A letter issued by the Agency providing a tenant with priority entitlement to rental units in other Agency-

financed housing projects for 120 days from the date of the LOPE. Persons receiving a VAWA LOPE, displaced by Agency action, or displaced persons in a Federally declared disaster area have priority over all other applicants of the individual applicant's income group.

Example

Project C has a vacant three-bedroom apartment. There are no applicants eligible for a three-bedroom unit on the very low-income waiting list. There are 20 applicants eligible for a three-bedroom unit on the low-income waiting list. A holder of a LOPE applies for occupancy at the project. The applicant is low-income and qualifies for a two-bedroom unit. Despite the number of applicants on the waiting list, the borrower must offer the available unit to the LOPE holder, and the LOPE holder agrees to move to the appropriate-size unit when one becomes available.

- Borrowers who have adopted an admission or waiting list priority for victims of domestic violence, dating violence, sexual assault, or stalking who are non-RD tenants referred by other federal, state, or local housing agencies, or a partnering service organization. Such victims may receive priority over all other applicants of the individual applicant's income group. (See Attachment 6-K Section Q.)

B. Assignment of Rental Units Accessible to Individuals with Disabilities

Eligibility requirements for fully accessible units are contained in 7 CFR 3560.154(g)(1)(i) and 3560.155(b). If a rental unit accessible to individuals with disabilities is available and there are no applicants that require the features of the unit, the borrower may rent the unit to a non-disabled tenant under the following conditions:

- The borrower must include a provision in the lease requiring the tenant to vacate the unit within 30 days of notification to an appropriately sized vacant unit within the project. Additionally, the lease clause must ensure that the household may remain in the rental unit with accessibility features until an appropriately sized vacant unit within the project becomes available and then must move or vacate within 30 days of notification from borrower;
- The unit has been marketed as an accessible unit;
- Outreach has been made to organizations representing the disabled; and
- Marketing of the unit as an accessible unit continues after it is rented to a tenant who is not in need of the special design features.

C. Set-aside Unit Preferences at properties with other funding sources

Recapitalization and rehabilitation for an aging affordable housing property often requires locally awarded funding sources such as Low-Income Housing Tax Credits (LIHTC). To receive consideration for these funding sources, owners must often commit

to setting aside a small number of units with a preference for a certain population, for example, residents with disabilities or residents coming from homelessness.

Given the prevalence of set-asides and preferences in state and locally awarded funding, RD will allow owners and management agents to include a set-aside or preference for a specific population in their occupancy policy and management plan, under the following conditions:

- The set-aside or preference must be part of the owner's effort to recapitalize and perform needed rehabilitation with the goal of long-term preservation of affordable housing in rural communities, either as part of a state's Qualified Allocation Plan (QAP) so the property can compete and receive a LIHTC award, or as a requirement imposed by other third-party funding sources.
- The set-aside or preference must not violate any provisions of the Fair Housing Act and must not violate any state or local discrimination laws.
- The set-aside or preference units shall consist of no more than 20% of the units at the property.
- The set-aside or preference must not result in unreasonable vacancies at the project. If set-aside units are vacant for longer than 90 days, owners must request an exception to rent the units to Agency qualified tenants, if allowed by third-party funding sources.
- The set-aside or preference must be clearly documented in the property's management plan and occupancy policy, the edits to which must be approved by the Agency.
- With prior RD review and concurrence, a Use Agreement that restricts a certain number of units may be executed.
- A separate waiting list may be utilized for the set-aside or preferences, in accordance with the third-party funding source or the set-aside governing Agency.
- The Housing and Urban Development (HUD) lease may be used for the set-aside or preference units/tenants if required by the third-party funding source or set-aside governing Agency. The HUD lease cannot be used for non-set-aside or non-preference units/tenants.
- Owners must continue to meet all RD reporting requirements.
- Participants must continue to use the RD budget-based rent structure on ALL units. Borrowers are responsible for funding any gap between basic rent and any restricted set-aside or preference rent collected from the tenant when basic rent exceeds the restricted rent.

If the number of set-asides or preferences change, the owner must advise the RD servicing specialist of the change.

Borrowers receiving HUD Section 8 project-based assistance may establish preferences in accordance with HUD regulations. The use of such preferences must be documented in the project's management plan.

6.21 AGENCY MONITORING AND REVIEW OF UNIT ASSIGNMENT

The selection and assignment of units is one of the most important aspects to managing a property. Borrowers and management agents must assure onsite management staff are well versed in Agency policy and guidance regarding this subject or require the borrower to modify the management plan to reflect increased training in this area. The MFH Servicing Official will review the waiting lists and completed applications to ensure that:

- Units which are not needed to relocate existing tenants are first offered to eligible very low-income families; and
- Units are offered to households in accordance with the borrower's occupancy policy.

If the MFH Servicing Official finds that the borrower or the agent is failing to follow Agency policy in assigning available units, the MFH Servicing Official may require the borrower to modify the management plan to clearly reflect Agency policy and/or enhance the training of management staff responsible for assigning units.

SECTION 6: DWELLING LEASES [7 CFR 3560.156]

6.22 OVERVIEW OF DWELLING LEASES

A lease between the borrower and the tenant is required to be executed before any tenant occupies a unit in a multi-family housing project. This section will provide information regarding how the borrower will develop that lease and what action is needed by the Agency before the lease may be used. The Agency must approve the lease before the borrower enters into a lease agreement with any tenant.

6.23 DEVELOPMENT OF A LEASE

The borrower is responsible for the development of the tenant lease that will be used at the property. This lease must contain the required items, provisions and clauses outlined in **Attachment 6-E** and must be free of prohibited clauses listed in **Attachment 6-F**. It must also be in compliance with state and local laws. If there are conflicting requirements between Federal, state, and local laws, the borrower must notify the Agency of the conflict and request guidance. Once a lease is developed by the borrower, the borrower's attorney must certify that the lease is in compliance with the requirements of 7 CFR 3560.156 and **Attachments 6-E** and **6-F** prior to submission of the lease to the Agency for approval. The Agency must approve with all leases proposed for use at an Agency-related property, prior to the use of that lease.

6.24 EXECUTION OF THE LEASE WITH THE TENANT

Prior to the occupancy of any unit by an applicant, the applicant and the borrower must execute a lease that has been approved by the Agency. Once a lease has been executed with the applicant, they are entitled to occupy the unit so long as they remain eligible and comply with lease renewal requirements. Expiration of the lease is not of itself grounds for a termination of tenancy.

6.25 AGENCY REVIEW AND MONITORING OF LEASE REQUIREMENTS

The management agent must review and monitor the implementation of the lease with the applicant/tenant to ensure that they are properly informed of their rights and responsibilities under the lease. During the compliance review process, the Agency will assure:

- The occupancy rules are attached to the initial lease;
- The applicant understands their rights to the tenant grievance process under HUD Section 8 and 7 CFR 3560.160; and
- The applicant understands the process for relaying information such as maintenance requests and income information to management and the responsibility to do so in a timely manner.
- The adult applicants understand their rights, protections, and responsibilities under the VAWA Lease Addendum and have received Forms HUD-5380 and HUD-5382. (See Attachment 6-K Section I, paragraph 5.)

If the MFH Servicing Official determines the borrower is failing to provide adequate information regarding the rights and responsibilities of the tenant and the management agent, the MFH Servicing Official will require the borrower to improve the management plan and training of onsite staff.

SECTION 7: TENANT RECERTIFICATION AND CHANGES IN ELIGIBILITY [7 CFR 3560.152 and 7 CFR 3560.158]

The recertification process developed in this section is designed to ensure a tenant remains eligible to reside in multi-family housing. As household status changes, the size of the unit needed by the household or the amount of rent that they are obligated to pay may change. This section discusses when a recertification is required and what action the borrower is required to take if a household is determined ineligible to continue residing at the property.

6.26 REQUIREMENTS TO RECERTIFY TENANTS

A. The Annual Recertification Process

Each time a resident is recertified, the certification is good for one year, unless Paragraph B Interim Recertification Process requires a recertification to be completed more frequently. At the end of the year the certification will expire, and the borrower is required to recertify the household. In most cases, the effective date of the recertification is the first day of the month following the expiration of the current certification. If the owner/management agent or tenant fail to recertify timely, the effective date will be the first of the month after the recertification has been executed by the owner/management agent and the tenant.

Using the procedures outlined in Section 1 of this chapter, the borrower will complete a new certification. The key steps to this process include:

1. *Notifying the tenant of the recertification requirement*

At least 75 to 90 days prior to the date that the certification expires, the borrower must notify the tenant in writing that they must be recertified to remain eligible to continue residence at the property. This letter will also include what information the borrower needs from the household to complete the recertification process.

If the household fails to respond to the letter, the borrower should issue a second letter 30 days prior to the date which the certification expires informing the tenant of:

- The information needed to recertify;
- The time frame in which the new certification must be submitted to the Agency; and
- The consequences for failure to comply with the recertification process.

2. *Execution of the annual recertification*

Upon receiving the information regarding household size and income from the tenant, the borrower will verify the information and the borrower and the tenant will complete a new *Form RD 3560-8*. This form will document the calculation of annual income and adjusted income (in accordance with Section 1 of this chapter) and the calculation of the tenant payment (in accordance with Chapters 7 and 8). Management agents must give each adult household member the VAWA Form HUD-5380, “Notice of Occupancy Rights” and the Form HUD-5382, “Certification of Domestic Violence” with acknowledgement of receipt. (See Attachment 6-K Section I.)

B. Interim Recertification Process

Tenants and borrowers must execute *Form RD 3560-8*, Tenant Certification form establishing the tenant’s eligibility prior to occupancy. In addition, tenant households must be recertified and must execute a tenant certification form at least annually or whenever a change in household income of \$100 or more per month occurs. Borrowers

must recertify for household income changes of \$50 per month, if the tenant requests that such a change be made.

1. Tenant Requirements

- Tenants must provide borrowers with the necessary income and other household information required by the Agency to determine eligibility.
- Tenants must authorize borrowers to verify information provided to establish their eligibility or determination of tenant contribution.
- Tenants must report all changes in household status that may affect their eligibility to borrowers.
- Tenants who fail to comply with tenant certification and recertification requirements will be considered ineligible for occupancy and will be subject to unauthorized assistance claims, if applicable, as specified in 7 CFR part 3560, subpart O.

2. Borrower Requirements

- Borrowers must verify household income and other information necessary to establish tenant eligibility for the requested rental unit type, in a format approved by the Agency, prior to a tenant's initial occupancy and prior to annual or other recertifications.
- Borrowers must review all reported changes in household status and assess the impact of these changes on the tenant's eligibility or net tenant contribution.
- Borrowers must submit initial or updated tenant certification forms to the Agency within 10 days of the effective date of an initial certification or any changes in a tenant's status. The effective date of an initial or updated tenant certification form will always be a first day of the month.
- Since tenant certifications are used to document interest credit and rental assistance eligibility and are a basic responsibility of the borrower under the loan documents, borrowers who fail to submit annual or updated tenant certification forms within the time period specified in this paragraph, will be charged overage, as specified in 7 CFR 3560.203(c) and lost rental assistance. Unauthorized assistance, if any, will be handled in accordance with 7 CFR part 3560, subpart O.
- Borrowers must give each adult household member the VAWA Form HUD-5380, "Notice of Occupancy Rights" and the Form HUD-5382, "Certification of Domestic Violence" at every recertification, with acknowledgement of receipt. (See Attachment 6-K Section I.)
- Borrowers must submit tenant certification forms to the Agency using a format approved by the Agency.

- Borrowers must retain executed tenant certification forms and any supporting documentation in the tenant file for at least 3 years or until the next Agency supervisory visit or compliance review, whichever is longer.

The Agency maintains the right to independently verify tenant eligibility information.

Tenants will remain ineligible to receive RA when they are delinquent on their Unauthorized Assistance Repayment Agreement until such time as the delinquency is cured.

C. Submission of the Certification to the Agency

Once the borrower and the tenant execute a certification, it must be submitted to the Agency within 10 days of the effective date of the certification. In order for a certification to be valid, it must be signed and dated by all parties on or before the effective date and maintained in the tenant file. If a borrower fails to submit an executed certification within 10 days of the effective date, it will result in monetary penalties (overage) to the borrower as established in Chapter 7.

6.27 AGENCY REVIEW AND MONITORING OF THE RECERTIFICATION PROCESS

A. Agency Review

The recertification process is designed to ensure that Agency programs are serving income-eligible households on an ongoing basis. MFH Servicing Officials review of the recertification process should be designed to ensure that recertifications are executed in a timely manner. The MFH Servicing Officials will make the following assessments:

- Are tenants receiving the proper notice—at least 75-90 days in advance of the expiration of the current certification?
- Are adult household members acknowledging receipt of the forms HUD-5380 and HUD-5382? (See Attachment 6-K Section R.)
- Does the recertification notice provide the tenant with a list of the information needed for the completion of the recertification process?
- Are borrowers accurately determining when an interim recertification is needed?
- Are interim recertifications being executed on a timely basis (i.e., no later than 30 days from the time the information is provided to the borrower)?
- Is the borrower completing the verification of information on a timely basis?

If the MFH Servicing Official concludes that the borrower is deficient in recertifying existing tenants, the Agency must require the borrower and the management agent to

modify existing practices and procedures to ensure a timelier delivery of recertifications to the Agency. This could include:

- Modification of the management plan to incorporate stronger or more specific procedures with regard to recertifications.
- Enhanced training for onsite staff in processing Agency certifications.
- Stronger enforcement of the penalties for tenants who fail to comply with the recertification process.
- Requiring the borrower to replace the management agent.

B. Management Agent Interactive Network Connection (MINC)

MINC is the mechanism by which borrowers submit tenant certifications to the Agency electronically on a monthly basis.

For projects with eight units or more, all borrowers will be required to submit tenant certifications through MINC. The Agency may make an exception to this requirement if the borrower submits documentation that the costs associated with electronic submission of tenant certifications would pose a financial hardship to the project.

If the borrower is using MINC, certifications must be submitted by the tenth of the month for which they are due. For instance, if the borrower is submitting certification due in May with an effective date of May 1, the certifications must be electronically transmitted to the Agency by May 10. If for any reason the borrower is unable to transmit the certifications electronically during a given month, the borrower must submit the hard copies of the certifications to the Agency for receipt by the tenth of the month.

If the Agency approved a MINC waiver for a project with less than 8 units, borrowers must submit hard copies of certifications to the Agency for receipt by the tenth of the month.

Regardless of the transmission method used—MINC or hard copies—if the Agency does not receive certifications by the tenth of the month in which they are due and the borrower has not submitted an overage waiver for Agency consideration, the borrower will be subject to overage penalty.

Attachment 6-G provides guidance on acquiring automation support/software for MINC or other automation needs, along with a listing of software providers who have an interest in interfacing with MINC.

6.28 INELIGIBLE TENANTS

Ineligible tenants are those who, upon recertification, fail to meet either the income or the occupancy requirements for the unit and property that they currently occupy. Regulations require that tenants who are no longer eligible to reside at the property be

given notice that they must vacate the property within 30 days or at the end of their lease, whichever is longer.

In two specific situations, borrowers may permit ineligible households to reside at the project with prior Agency approval:

- The waiting list for the specific unit type has no eligible tenants; or
- The required time period for vacating the unit would create a hardship on the household.

A. Continuation of Tenancy—Tenants Who Fail to Comply with the Occupancy Policy

In some situations, a tenant may be ineligible based on the size of the unit currently occupied but could become eligible if they relocated to a unit of a different size (either larger or smaller) within the property. In this situation, a tenant may continue tenancy as an ineligible tenant, but the borrower should relocate the household to the proper unit size as soon as a unit of that size becomes available.

In some cases, a household may require a unit size that is unavailable at the property. In this situation the tenant would be considered ineligible and required to vacate the property within 30 days or at the end of their lease, whichever is longer.

B. Continuation of Tenancy—Tenants Who Fail to Comply with the Income Requirements for the Property

In most cases, if tenant certifications indicate that they no longer comply with the income limits set for the property, tenants must be notified about vacating the property in 30 days or at the end of their lease, whichever is longer.

Elderly households with incomes above the moderate-income level may occupy projects with an Agency loan approved prior to 1968 with a loan agreement that does not restrict occupancy by income.

Households who are elderly, disabled, and living in a full-profit plan development are not required to move or pay an increased rent if household income increases above moderate income.

C. Cooperative Members

Any persons who are eligible members of a cooperative will not be considered ineligible or subsequently deprived of their membership by reason of no longer meeting the income-eligibility requirements as defined in 7 CFR 3560.152.

D. Remaining Household Members

Members of a household residing in a multi-family housing project may continue to occupy the unit after the departure of the original tenant, regardless of age, provided that:

- They are eligible with respect to income;
- They were either a cotenant or member of the household, have the legal capacity to sign the lease, and are U.S. citizens or qualified aliens*;

***Effective date note:** At 70 FR 8503, February 22, 2005, in 7 CFR 3560.152(a)(1), implementation of the words “Be a United States citizen or qualified alien, and” was delayed indefinitely.

- They occupied the unit with the original tenant at the time the original tenant died or departed;
- They sign a new tenant certification establishing their own tenancy; and
- They have the legal ability to sign a lease for the rental unit, except where a legal guardian may sign when the tenant or member is otherwise eligible.

Remaining household members that are over housed must move to a suitably sized rental unit within 30 days of its availability. If a suitably sized unit does not exist at the property, the tenant will be required to vacate the property in accordance with Paragraph 6.28 A.

E. Surviving Household Members

Members of an elderly household residing in an elderly project may continue to occupy the unit after the death of the original tenant, regardless of age, provided that:

- They are eligible with respect to income;
- They were either a co-tenant or member of the household and have the legal capacity to sign the lease;
- They occupied the unit with the original tenant at the time the original tenant died or departed;
- They sign a new tenant certification establishing their own tenancy; and
- They have the legal ability to sign a lease for the rental unit, except where a legal guardian may sign when the tenant or member is otherwise eligible.

Nonelderly or nondisabled surviving members of an elderly or disabled household are not entitled to the elderly household adjustment to income.

Surviving household members who are over housed may remain in the unit but must move to a suitably sized rental unit within 30 days of its availability, unless with prior approval of the Agency, the required time period for vacating the rental unit would create a hardship on the household. If a suitably sized unit is not available, surviving household members may remain in the rental unit according to the housing project's occupancy policies. Continued occupancy of the rental unit will not be allowed when:

- The rental unit has accessibility features for individuals with disabilities;
- The household no longer has a need for such accessibility features; and
- The housing project has a tenant application from an individual with a need for the accessibility features.
 - If the housing project does not have a tenant application from an individual with a need for the accessibility features, the household may remain in the rental unit until the housing project receives an application from an individual in need of the accessibility features, at which point, the household will be required to move within 30 days; and
 - If a suitably sized unit is not available in the project within 30 days, the tenant may remain in the unit with accessibility features until a unit becomes available and must then move within 30 days.

F. Agency Review and Monitoring of Ineligible Tenants

For an ineligible tenant to remain at the property beyond the allowable time frame of 30 days or the end of the lease, whichever is longer, the borrower must obtain written permission from the Agency. In granting such permission, the Agency should assure that one of two criteria exist:

- The waiting list for the specific unit type has no eligible tenants; or
- The required time period for vacating the unit would create a hardship for the household.

In reviewing whether the borrower is following the requirements to remove ineligible tenants the Agency should check to ensure:

- The borrower is requesting approval for ineligible tenants to remain on the property in a timely manner.
- The borrower is properly documenting any reason for which an ineligible tenant is being allowed to continue to reside in the property (i.e. Agency approval, surviving member of elderly household, income eligible and waiting for appropriate-size unit).
- The borrower is providing proper notice to tenants regarding the time frames for vacating the property.

6.29 LEASE VIOLATIONS

Borrowers may require tenants in violation of occupancy policies or rules or the terms of their lease to vacate the property in accordance with the terms of their lease agreement. However, borrowers must provide notice to such tenant in a format that is in compliance with state and local laws and is approved by the Agency.

6.30 TERMINATION OF OCCUPANCY

A. Tenants in Violation of the Lease

In accordance with the lease, a borrower may terminate or refuse to renew a tenant's lease for material noncompliance with the lease or occupancy policies or rules or for other good cause.

Borrowers must not terminate occupancy solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household or any guest or other person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking. Good cause for purposes of occupancy terminations does not include an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking where the tenant or affiliated individual of the tenant is a victim or threatened victim of such incident. The Direct Result provision prohibits Borrowers from terminating tenancy based on an adverse factor, if the adverse factor is determined to be a direct result of the fact that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. (See Attachment 6-K Section F)

Material noncompliance with lease provisions or occupancy rules includes actions such as:

- Violations of lease provisions or occupancy rules that are substantial and repeated;
- Nonpayment or repeated late payment of rent or other financial obligations due to the borrower; and
- Admission to or conviction for use, attempted use, possession, manufacture, sale or distribution of an illegal controlled substance. Such activity must have occurred on the project's premises by the tenant, a member of the tenant household, or any other person under the tenant's control at the time of the activity.

For purposes of terminating a tenant's occupancy, good cause includes actions by the tenant or member of the tenant's household that:

- Threaten the health and safety of other persons or the right of other persons to peaceful enjoyment of their dwelling;

- Result in substantial physical damage causing an adverse financial effect on the housing or other persons' property; and
- Are actions prohibited by state or local law.

If the borrower terminates the tenant's lease, the borrower must document in writing in the tenant's file:

- The incidences related to the lease; and
- That the tenant was given notice prior to the termination that the tenant's activities would result in occupancy termination.

Prior to terminating a lease, the borrower must give the tenant written notice of the violation and give the tenant an opportunity to correct the violation. Subsequently, termination may only occur when the incidences related to the termination are documented and there is documentation that the tenant was given notice prior to the initiation of the termination action that their activities would result in occupancy termination. Forms HUD-5380 and HUD-5382 will be provided to adult tenants when occupancy is terminated.

B. Other Lease Terminations

A landlord may terminate occupancy for conditions beyond the tenant's control, such as:

- Required repair or rehabilitation of the building; or
- Natural disaster prior to the expiration of the disaster declaration.

Under these circumstances, the affected tenants may request a LOPE from the Agency. The LOPE will provide the tenant with priority entitlement to rental units in other Agency-financed projects for 120 days from the date of the LOPE. If a tenant needs additional time to secure replacement housing, the Agency may, at the tenant's request, extend the LOPE entitlement period. Tenants that are displaced due to circumstances beyond their control are entitled to benefits under the Uniform Relocation Act.

SECTION 8: TENANT GRIEVANCE PROCEDURES [7 CFR 3560.160]

This section presents the process for resolving tenant grievances. Every step of the process will be explained with the responsibilities of each party involved. Topics covered in this section include when to file a complaint, the hearing process, requirements governing the hearing, and the hearing decision. It is important to note that a resolution that is in the best

interest of everyone should have gone through the entire grievance process before a final decision was made.

Tenants or prospective tenants may file a grievance in writing with the borrower in response to a borrower action, or failure to act, in accordance with the lease or Agency regulations that results in a denial, significant reduction, or termination of benefits or when a tenant or prospective tenant contests a borrower's notice of proposed adverse action.

6.31 NOTICE OF ADVERSE ACTION

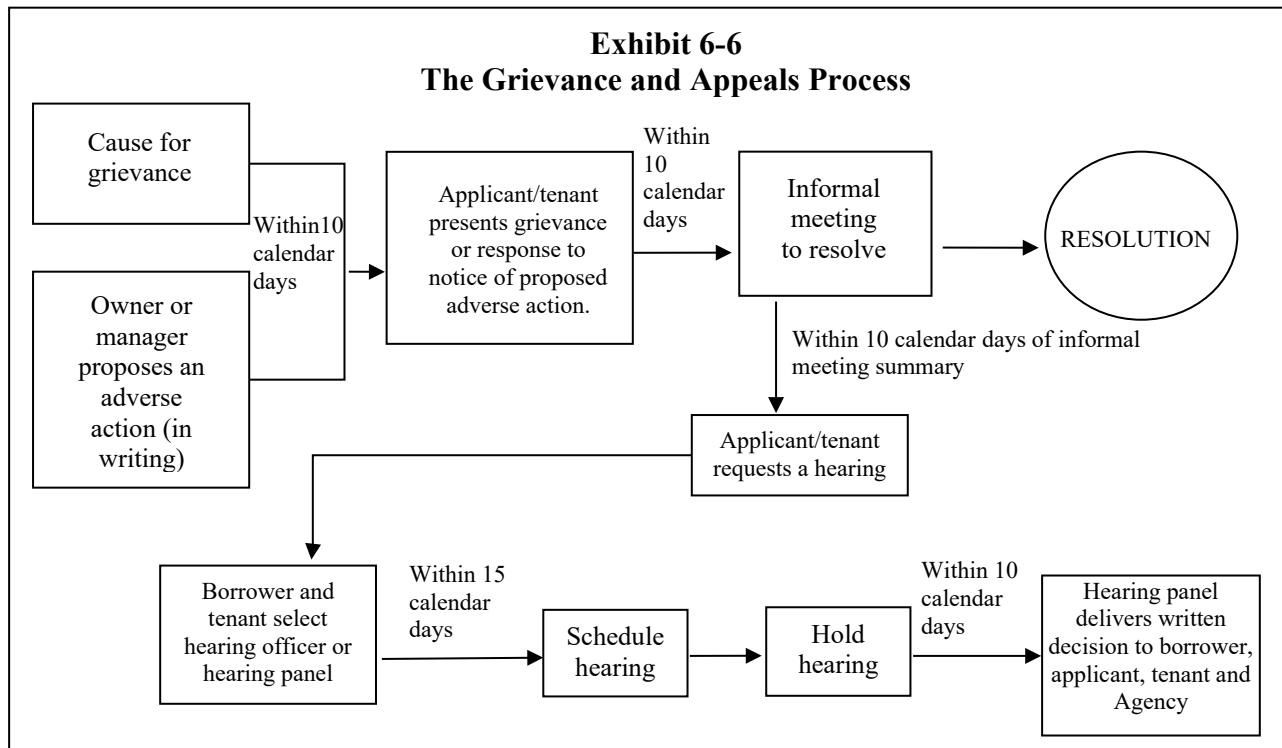
In the case of a proposed action that may have adverse consequences for tenants or prospective tenants such as denial of admission to occupancy and changes in the occupancy rules or lease, the borrower must notify the tenant or prospective tenant in writing. The notice must give specific reasons for the proposed action. The notice must also advise the tenant or prospective tenant of "the right to respond to the notice within 10 calendar days after date of the notice" and of "the right to a hearing in accordance with 7 CFR 3560.160 (f), which is available upon request." The notice must contain the information specified in 7 CFR 3560.160 (a)(2). For housing projects in areas with a concentration of non-English-speaking individuals, the notice must be in English and the non-English language.

6.32 OVERVIEW OF THE PROCESS

The grievance process should always begin with an informal meeting between the grieved party and the borrower/management agent. It is the Agency's belief that the best way to resolve grievances is through an informal meeting between the two parties.

Borrowers must offer to meet with tenants or prospective tenants to discuss the grievance within 10 calendar days of receiving the grievance. If an informal meeting is held, the borrower must provide a summary of the meeting to the tenant within 10 calendar days of the meeting date. The Agency encourages borrowers and tenants or prospective tenants to make an effort to reach a mutually satisfactory resolution to the grievance at the meeting.

Within 10 calendar days after receipt of the summary of any informal meeting, if the tenant or prospective tenant desires a hearing, a written request for a hearing must be submitted to the borrower. The parties will select a hearing panel or hearing officer to govern the hearing. Within 10 calendar days after the hearing, all parties are informed of the decision. Exhibit 6-6 provides an example of the grievance process.



6.33 WHEN IS A TENANT GRIEVANCE LEGITIMATE?

It is important for the management agent to determine if a tenant or prospective tenant's grievance is within the requirements established for the program. For example, "I want to file a complaint because the manager does not speak to me," is not a legitimate grievance. On the other hand, a complaint that the building manager fails to maintain the property according to the Agency guidelines would be a legitimate grievance. Exhibit 6-7 lists the circumstances in which a tenant may or may not be able to file a complaint.

Exhibit 6-7 Tenant Complaints—Allowable Circumstances	
<i>A complaint may NOT be filed if:</i>	<i>A complaint MAY be filed if:</i>
<ul style="list-style-type: none"> * There is a proposed rent change that is authorized by the Agency. * A tenant or prospective tenant believes that they have been discriminated against. If a person believes that discrimination has occurred, they should file a complaint with the USDA's Office of Civil Rights or the Secretary of HUD. * A project has formed a tenant's association, and all parties involved have agreed to use this association as a method of settling grievances. * There are changes in the rules that are required by the Agency and proper notice has been given. * The tenant is in violation of the lease and those violations result in termination of tenancy. * Disputes between tenants that do not involve the borrower/management agent. * Displacement or other effects as a result of prepayment. 	<ul style="list-style-type: none"> * There is a modification of the lease, change in the rules, or changes in the rent that are not authorized by the Agency. * The borrower/management agent fails to maintain the property in a manner that is decent, safe, and sanitary. * The borrower violates a lease provision or occupancy rule. * Denial of admission to the project by a prospective tenant.

6.34 BORROWER/MANAGEMENT AGENT RESPONSIBILITIES

The borrower/management agent is responsible for providing all tenants and prospective tenants with decent, safe, and sanitary housing. The following is a list of grievance responsibilities of the borrower/agent:

- Post in a conspicuous place in a common area: "Justice for All" poster, HUD equal housing opportunity poster including the Spanish version if there are Hispanic Limited English Proficiency tenants or applicants, current affirmative fair housing marketing plan, the tenant grievance and appeal procedure, housing project occupancy rules, office hours and phone number, and emergency hours and phone number.
- Maintain copies of the tenant grievance procedures at the housing project's management office.
- Provide all tenants with a summary of their rights at the time the lease is signed.
- If a tenant has limited English proficient (LEP), the borrower/agent must provide the summary of their rights, grievance procedures, and any other documents that pertain

to the tenant's rights, in the non-English language. As well as a notice to include the telephone number and address of USDA's Office of Civil Rights and the appropriate Regional Fair Housing and Enforcement Agency.

6.35 THE HEARING PROCESS

A. Request for a Hearing

- Each hearing process must begin with the request for a hearing. The tenant or prospective tenant must present their request to the borrower in writing within 10 calendar days after the receipt of the summary of the informal meeting. The request must contain the following information:
 - The reason for the grievance or contest of the borrower/management agent's proposed action;
 - The action relief sought; and
 - Additional information.
- If the tenant or prospective tenant's request for a hearing is not received within the given time, the borrower or management agent's decision will become final.

B. Scheduling the Hearing

The hearing must be scheduled within 15 calendar days after the receipt of the tenant's request for a hearing. If a hearing officer or hearing panel must be selected, the hearing will be scheduled within 15 calendar days after the selection or appointment of a hearing officer or hearing panel. It is the responsibility of the two parties to agree upon a place and time that is mutually convenient to hold the hearing. If the two parties cannot agree on a place and time, it will become the responsibility of the hearing officer or hearing panel to make the decision.

C. Selection of the Hearing Officer or Hearing Panel

The two parties must select a hearing officer. If the hearing officer cannot be agreed upon, the two parties will choose members to serve on the hearing panel. The hearing panel should consist of three members. The tenant and the borrower/management agent will each select one person to the panel. It is then the responsibility of the two chosen members to select a third member to the panel. If within 30 days from the time the request for the hearing was submitted a hearing officer or hearing panel has not been selected, the borrower/management agent must inform the Agency. The Agency will select a hearing officer. The selected hearing officer or panel may contact the Agency for guidance on their responsibilities for conducting the hearing.

Some helpful information that should be remembered by all parties involved in the process when selecting a hearing officer or hearing panel includes:

- Hearing panel members should be impartial, disinterested persons.
- The hearing officer cannot be a person previously considered by the tenant or borrower/management agent.
- The hearing officer cannot be an Agency staff member.
- The hearing officer may not receive any payment unless that payment is made by the Agency.

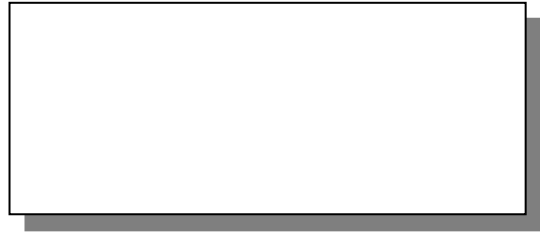
To minimize time and the level of effort, a borrower/management agent may ask the Agency to have a standing hearing panel for each project that they manage. If a standing panel is chosen, the above-listed process will have to be forfeited in lieu of the following process.

- A hearing panel consists of three members: one tenant panelist, one borrower/management agent panelist, and a chair.
- Tenants will get to nominate and vote for their panel members. A meeting must be held to allow the tenants the opportunity to choose two members to serve on the standing panel; one member will serve as the alternate. All residents should be notified of the time, date, and place where the election is going to take place. The borrower is responsible for ensuring that the notice is placed in a conspicuous place, within 2 weeks of the time the person is expected to start serving as a panel member. The meeting must also be held in a place that is convenient and accessible to the tenants.
- The borrower/management agent is responsible for selecting one or two members to serve on the standing panel. If two members are chosen, one will serve as the alternate.
- The third and “mutual” member of the panel will serve as the chair for the panel. The other two interested parties will elect the chairperson. Each party will only have the opportunity to give one vote, even if two people were elected to serve on the panel.
- Each member will serve on the panel for one year, with the opportunity for reelection. All members of the standing panel must be willing to render their services without compensation.

D. Examination of Records

At a reasonable time before the hearing, the borrower/management agent must allow the tenant the opportunity to examine all files that are going to be used during the hearing. Documents can be examined and copied if:

- The tenant is willing to cover any expenses that may be incurred;
- The document, record, or policy is one that will be used during the hearing process; and
- The document, record, or policy is not subject to any laws or confidentiality agreements that prohibit reproduction.



E. Escrow Deposits

Tenants may establish escrow accounts if a grievance involves a rent increase not authorized by the Agency or if the borrower/management agent is not maintaining the property in a decent, safe, and sanitary manner. The escrow account will allow the tenant the opportunity to make timely rent payments without having the borrower/management agent receive the payment until the grievance has been settled. To maintain an escrow account, tenants must adhere to the following rules:

- All deposits must continue until the grievance is resolved;
- The institution that the escrow account is established in must be a Federally insured institution;
- All deposits must be made on time—failure to do so will terminate the entire grievance process and all sums will be due immediately; and
- Tenants must make all receipts of deposit available for examination by the borrower/management agent.

6.36 REQUIREMENTS GOVERNING THE HEARING

The hearing is an informal proceeding at which evidence is presented to a hearing officer or hearing panel. The hearing must be designed to ensure that the rights of all parties involved are protected. The hearing must protect:

- The right of both parties to be represented by counsel or another person(s) chosen as their representative;
- The right of the tenant or prospective tenant to a private hearing unless a public one is requested;
- The right of the tenant or prospective tenant to present oral and written evidence and arguments in support of their grievance, and to cross-examine and refute the evidence of all witnesses on whose testimony or information the borrower or management agent relies; and

- The right of the borrower or management agent to present oral and written evidence and arguments in support of the decision, to refute evidence relied upon by the tenant or prospective tenant, and to confront and cross-examine all witnesses in whose testimony or information the tenant or prospective tenant relies.

During the hearing, each party must present evidence to support their position. All participants at the hearing must conduct themselves in an orderly manner. Participants that cannot conduct themselves in an orderly manner may be excluded from the proceedings or may cause the hearing panel or hearing officer to make a decision that is not in favor of the disorderly party.

If the tenant or prospective tenant or borrower/management agent fails to appear at a scheduled hearing, the hearing officer or hearing panel may choose to postpone the hearing for no more than 5 days or may determine that the absent party has waived their right to a hearing under this subpart. If the determination is made that the absent party has waived their rights, the hearing officer or hearing panel will make a decision on the grievance. All parties involved in the hearing must be informed in writing of the hearing panel's decision.

6.37 THE HEARING DECISION

It is the responsibility of the hearing officer or hearing panel to prepare and submit a written decision to both parties within 10 calendar days after the hearing. The hearing officer or hearing panel must provide a copy of the decision to the Agency and the reasons for making that decision. The decision should be based on the facts that were presented during the hearing. The decision is final unless the tenant or prospective tenant and the borrower/management agent are notified within 10 calendar days by the Agency that the decision is not in compliance with Agency regulations. This contingent form of approval should be noted in the decision letter. Upon receipt of the letter, the borrower and the tenant must comply with the directives specified in the decision.

SECTION 9: SPECIAL REQUIREMENTS FOR LABOR HOUSING [7 CFR 3560 SUBPART L AND M]

While the Agency-sponsored Labor Housing programs have similar requirements in many respects to the Rural Rental Housing programs, because the target populations that these programs serve vary, there are some differences in program rules.

This section is designed to highlight these differences with regard to the occupancy rules. Unless otherwise noted below, the requirements throughout this chapter also apply to Labor Housing projects.

6.38 OFF-FARM LABOR HOUSING

A. Eligible Tenants

Labor Housing tenants must meet all of the following criteria in order to be defined as an eligible tenant for the purposes of residing in labor housing:

- **Occupational.** An eligible household must include a tenant or co-tenant who is a domestic farm laborer, a retired or disabled domestic farm laborer, or must be a surviving household of a deceased domestic farm laborer.

A domestic farm laborer is a person who, consistent with the requirements in 7 CFR 3560.576(b)(2), receives a substantial portion of his or her income from farm labor employment (not self-employed) in the United States, Puerto Rico, or the Virgin Islands and either is a citizen of the United States or resides in the United States, Puerto Rico, or the Virgin Islands after being legally admitted for permanent residence, or a person legally admitted to the United States and authorized to work in agriculture. This definition may include the immediate family members residing with such a person.

- **Income.** The household must meet the definition of income eligibility as defined in Section 1 of this chapter and receive a substantial portion of income from farm labor employment. To determine if a substantial portion of income is from farm labor employment, the following measures will be used.
 - For housing rented to farm laborers and owned by public bodies, public or private nonprofit organizations, and limited partnerships charging rent:
 - Actual dollars earned from farm labor by domestic farm laborers other than migrant farmworkers must equal at least 65 percent of the annual income limits indicated for the Standard Federal regions.
 - For migrant farmworkers living in seasonal housing, actual dollars earned from farm labor by a domestic farm laborer must equal at least 50 percent of annual income limits indicated for the Standard Federal regions.
 - An alternate measure for determining substantial portion of income when actual earnings are not available may be the duration of time a farm laborer worked on a farm or other farming enterprise as a domestic farmworker during the preceding 12 months. To be considered as substantial the farm laborer must have worked at least 110 whole days in farm work. For purposes of this section one whole day is the equivalent of at least 7 hours. When using a period of more than 1 year, a yearly average must amount to at least 110 days per year.
 - For housing owned by a farmer, family-farm partnership, family-farm corporation, or an association of farmers which was initially provided on a non-

rental basis, a substantial portion of income is earned when housing is provided by the owner as part of employment compensation for farm labor.

- When a natural disaster has occurred, such as a drought, flood, freeze, etc., figures for the 12 months preceding such disaster will be used to determine substantial portion of income.
- The tenant who qualifies as a domestic farm laborer residing in a property with a nonrestrictive farm labor clause in the mortgage covenants must not have adjusted income which exceeds the moderate-income limit for the appropriate household size and appropriate geographical area.
- **Occupancy.** The household must remain in compliance with the borrower's occupancy policy as established in Section 3 of this chapter.

If a household, upon recertification, is not in compliance with any of the above criteria, then it will be defined as an ineligible tenant and will be covered by Section 7.

B. Occupancy Priorities

When a borrower of a labor housing project is selecting the appropriate applicant for a vacant unit from the waiting list, the selection will be regulated by the following priorities:

- **First priority** must be given to eligible active farm laborer households, with first priority going to very low-income households, next to low-income households, and last to moderate-income households.
- **Second priority** must be given to retired or disabled domestic farm laborer households who were active in the local farm labor market area at the time of retirement or becoming disabled, with first priority going to very low-income households, next to low-income households, and last to moderate-income households.
- **Third priority** must be given to other retired or disabled domestic farm laborer households who were not active in the local farm labor market at the time of retiring or becoming disabled. Occupancy priority will be given first to very low-income households, next to low-income households, and last to moderate-income households.

Example

A Farm Labor Housing property has a vacant two-bedroom unit. On the waiting list, there are seven applicants eligible for a two-bedroom unit.

- A. One applicant is a very low-income disabled farm laborer household from the local farm market area;
- B. One applicant is a low-income active farm labor household;
- C. One applicant is a low-income retired farm laborer household from another state;
- D. One applicant is a very low-income retired farm laborer household from the local farm market area;
- E. One applicant is a very low-income disabled farm laborer household from another county; and
- F. One applicant is a very low-income active farm labor household.

The borrower must offer the vacant unit to these applicants in the following order.

- 1. First to the very low-income active farm labor applicant (F);
- 2. Second to the low-income active farm labor applicant (B);
- 3. Third to the very low-income disabled farm laborer household from the local farm market area (A);
- 4. Fourth to the low-income retired farm laborer household from the local farm market area (D);
- 5. Fifth to the very low-income disabled farm laborer household from outside the local farm market area (E); and
- 6. Sixth to the low-income retired farm laborer household from another state (C).

C. Projects with Diminished Need

When there is a diminished need for housing by persons or families who are eligible to reside in labor housing, units may be made available to persons or families eligible for occupancy under Section 1 of this chapter. Tenants admitted under this exception may occupy the labor housing until such time the units are again needed by persons or families eligible under Paragraph 6.38A of this section. As the basis for Agency approval or disapproval of the borrower's determination of diminished need, the borrower must submit a current analysis of need and demand to the Agency, identical to the market analysis that is required of loan applicants in the loan origination process. The borrower's determination and the MFH Servicing Official's recommendation should be forwarded to the appropriate Leadership Designee for approval.

6.39 ON-FARM LABOR HOUSING

A. Eligible Tenants

The income restrictions and occupancy priorities listed throughout this chapter do not affect the occupancy of on-farm labor housing. This housing is owned by farm owners and is for the purpose of providing decent, safe, and sanitary housing to the specific farmer's employees. Occupancy of on-farm labor housing owned by farm owners is restricted to employees of the farmer or is governed by an employment contract with the farmer.

B. Ineligible Tenants

For on-farm labor housing, ineligible occupants will include:

- The immediate relatives of the borrower(s); and
- Anyone who is not employed in domestic farm labor.

Ineligible tenants may occupy housing owned by farm owners, on a short-term basis, with the permission of the Agency. The permission of the Agency must be for a limited duration.

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Attachment 6-A

ANNUAL INCOME EXCLUSIONS

Annual income is defined in 24 CFR 5.609(a) and (b). Annual income includes all amounts received from all sources by each member of the household who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age.

Annual income does not include the following:

- (1) All amounts that HUD is required by Federal statute to exclude from annual income. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary. (As of May 1, 2025, the HUD published exclusions are found here: [Federal Register, Vol 89, No. 21, published January 31, 2024.](#))
- (2) Any imputed income on an asset when net family assets total \$51,600 or less (adjusted annually – [HUD published Inflationary Adjusted Value](#)) and no actual income from the net family asset can be determined. (See Attachment 6-D for Net Family Assets.)
- (3) Non-recurring income. Income that will not be repeated in the coming year is considered nonrecurring income and is excluded from annual income. However, income received as an independent contractor, day laborer, or seasonal worker (as defined in 24 CFR 5.603) is not excluded from income under 24 CFR 5.609(b)(24), even if the source, date, or amount of the income varies.

Income amounts excluded under this category may include, but are not limited to, nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities, eviction prevention, security deposits to secure housing, payments for participation in research studies depending on the duration, and general one-time payments received by or on behalf of the family.

The following list of exclusions is codified at 24 CFR 5.609(b)(24) as nonrecurring income. Please note that the list is not all inclusive:

- i. Payments from the U.S. Census Bureau for employment lasting no longer than 180 days and not culminating in permanent employment.
- ii. Direct Federal or State economic stimulus payments.
- iii. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
- iv. Amounts directly received by the family as a result of Federal refundable tax credits or Federal tax refunds at the time they are received.

- v. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding, baby shower, or anniversary gifts).
 - vi. In-kind donations (e.g., food, clothing, or toiletries received from a food bank or similar organization).
 - vii. Lump-sum additions to net family assets (e.g., lottery winnings, contest winnings, etc.).
- (4) Gross income a family member receives through self-employment or operation of a business. Gross income is all income amounts received into the business, prior to the deduction of business expenses. The net income from self-employment or the operation of a business is considered income. Net income is the “gross income amount minus business expenses” that allows the business to operate.
- i. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and
 - ii. Any withdrawal of cash or assets from the operation of a business is income except to the extent that such withdrawal is to reimburse the family member for cash or assets that the family has invested in the operation of the business.
- (5) Earned income of children under 18 years of age, including foster children.
- (6) Adoption assistance payments for a child in excess of the amount of the dependent deduction.
- (7) Earned income of dependent full-time students in excess of the amount of the dependent deduction. Full-time students must be dependent family members for this exclusion to apply. This exclusion does not apply to the head of household, spouse, or co-head. This means that the first \$480 of the income (subject to change annually based on the [HUD published Inflationary Adjusted Value](#)) earned by dependent full-time students will be included in the family’s calculation of annual income.
- (8) (Non-Section 8 Programs)
- Any student financial assistance, not covered under section 479B of the Higher Education Act (HEA), that exceeds the actual costs of attending school must be included as income. Student financial assistance may be paid directly to the student or the educational institution on the student’s behalf. The student financial assistance rules apply to both full-time and part-time students.

HUD regulation 24 CFR 5.609(b) specifically excludes HEA student financial assistance from a family's income. The types of financial assistance listed below are considered HEA student financial assistance programs; however, this is not an all-inclusive list.

- i. Federal Pell Grants.
- ii. Teach Grants.
- iii. Federal Work Study Programs.
- iv. Federal Perkins Loans.
- v. Student financial assistance received under the Bureau of Indian Education.
- vi. Higher Education Tribal Grant.
- vii. Tribally Controlled Colleges or Universities Grant Program.
- viii. Employment training program under section 134 of the Workforce Innovation and Opportunity Act (WIOA).

Actual covered costs include tuition, books, supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and fees required and charged to a student by an institution of higher education. For a student who is not the head of household, co-head, or spouse, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. This formula can be stated in a 2-step process.

Step 1: Subtract the amount of HEA assistance from the actual covered costs to determine the amount of actual covered costs that exceeds the HEA assistance.

Step 2: Subtract the amount determined in Step 1 from the amount of non-HEA assistance to determine the amount of student financial assistance to include as income.

- If the resulting number in Step 2 is zero or a negative amount, then there will be no student financial assistance included in income (i.e., all student financial assistance is excluded from annual income).
- If the resulting number in Step 2 is a positive amount, then that is the amount that should be included in the family's income.

- (9) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

- (10) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments. This income exclusion also applies to Kinship Guardian Assistance Payments (Kin-GAP), kinship care payments, and other state-based kinship or guardianship payments that are alternatives to traditional foster care programs.
- (11) Income of a live-in aide, foster child, or foster adult as defined in 24 CFR 5.403 and 5.603, respectively.
- (12) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account. (See HUD Notice PIH 2019-09/H 2019-06 or subsequent or superseding notice.)
- (13) Payments to allow individuals with disabilities to live at home. These payments must be made by a State Medicaid managed care system (or other State agency or authorized entity) to a family to enable a family member who has a disability to reside in the family's assisted unit.
- (14) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
- (15) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
- (16) Irrevocable trust or revocable trust outside the control of the family or household excluded from the definition of net family assets under 24 CFR 5.603(b):
 - i. Distributions of the principal, or corpus, of the trust; and
 - ii. Distributions of income from the trust used to pay the costs of health and medical care expenses of a minor.

Any distribution from a revocable trust or a trust under the control of the family or household, except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust. *Given that the corpus (or principal) of a trust is not new money coming in for the family, any distributions of a trust's principal, regardless of the form of the trust, are excluded.*

- (17) Insurance payments and settlements for personal or property loss, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation. (Any worker's compensation is always excluded from annual income, regardless of the frequency or length of the payments.)
- (18) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals. However, any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

- (19) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- (20) Payments to veterans in need of regular aid and attendance, under 38 U.S.C. 1521, who is permanently and totally disabled from non-service-connected disability not the result of the veteran's willful misconduct. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse.

Certain veterans are eligible for “aid and attendance” payments from the Veterans Affairs (VA) Administration. These payments are distinct from payments made to veterans under other VA programs, including the Veterans Pension program. Many types of VA income, including the Veterans Pension and the VA Survivors Pension, are included in annual income.

- (21) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of the law that resulted in a member of the family becoming a person with disabilities. (Any amounts recovered are excluded regardless of whether they are received periodically or in a lump sum payment.)
- (22) Reparation payments paid by a foreign government for claims by people persecuted during the Nazi era.
- (23) Payments received by Tribal members for claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code (IRC) or other Federal law.
- (24) Civil rights settlements or judgments, including settlements or judgments for back pay. (Such payment(s) may be made as a lump-sum or may have a payment schedule.)
- (25) Amounts received by a participant in other publicly assisted programs for or in reimbursement of out-of-pocket expenses to allow program participation (e.g., special equipment, clothing, transportation, childcare, etc.).
- (26) Amounts received under a resident service stipend of \$200 or less per month for performing a part-time service for the owner that enhances the quality of life in the development.
- (27) Incremental earnings and benefits from participation in training programs funded by HUD and qualifying Federal, State, Tribal, or local employment training programs and training of a family member as resident management staff.
- (28) Income earned on amounts placed in a family's Family Self-Sufficiency (FSS) account.

- (29) Replacement housing “gap” payments that offset increased rent and utility costs to families that are displaced from one Federally subsidized housing unit and move into another Federally subsidized housing unit. If the gap is reduced or eliminated because of a subsequent move by the tenant or change in the subsidy, and the tenant continues to receive the payment, the payment that is no longer needed to close the gap should be counted as income.
- (30) Deferred periodic amounts from Supplement Security Income (SSI) and Social Security or Veterans Affairs (VA) disability benefits that are received in a lump sum or prospective monthly amounts.
- (31) Refunds or rebates under State or local law for property taxes paid on the dwelling unit.
- (32) Loan proceeds (the net amount disbursed by a lender to a borrower under the terms of a loan agreement) received by the family or a third party (e.g., educational institution or car dealership). The loan borrower or co-borrower must be a member of the household.

**ATTACHMENT 6-B
ZERO INCOME VERIFICATION CHECKLIST**

Part I:

(A) EXPENSE	(B) RECURRING EXPENSE?	(C) PAYMENT SOURCE	(D) EXEMPT {If no, Col. E}	(E) AMOUNT
FOOD	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Food Stamps		
		WIC		
		Food Bank		
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
SHELTER COSTS				
Housing	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Electricity	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Gas	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Water	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
CLEANING/GROOMING	<input type="checkbox"/> Yes <input type="checkbox"/> No	In kind Donation	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
TRANSPORTATION	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		In kind Donation	<input type="checkbox"/> Yes <input type="checkbox"/> No	

(A) EXPENSE	(B) RECURRING EXPENSE?	(C) PAYMENT SOURCE	(D) EXEMPT {If no, Col. E}	(E) AMOUNT
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Automobile Payment	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		In kind Donation	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Automobile Insurance	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Gas	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Automobile Maintenance	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
ENTERTAINMENT	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Cable/Satellite		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Video Rentals/Streaming	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Sporting Events	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other Entertainment	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contribution	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
CLOTHING EXPENSES				
Clothes/Shoes	<input type="checkbox"/> Yes <input type="checkbox"/> No	Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations		

(A) EXPENSE	(B) RECURRING EXPENSE?	(C) PAYMENT SOURCE	(D) EXEMPT {If no, Col. E}	(E) AMOUNT
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Laundry	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
COMMUNICATIONS				
Telephone	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Cellular Telephone	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Pager/Beeper	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Internet	<input type="checkbox"/> Yes <input type="checkbox"/> No			
		Cash Contributions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		In Kind Donations	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	
MISCELLANEOUS EXPENSES				
Non-reimbursable Education	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Non-reimbursable Childcare	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Non-reimbursable Job Expenses	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II

(A) BENEFIT SOURCE	(B) ELIGIBLE {If yes, Col. C}	(C) APPLIED {If yes, Col. D}	(D) STATUS
SOCIAL SECURITY	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
UNEMPLOYMENT	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
HEALTH AND WELFARE	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
VETERANS ADMINISTRATION	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
OTHER	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Attach receipts, applications and other documentation to the completed checklist and retain in application or tenant file.

ATTACHMENT 6-C

Allowable Deductions

Allowable deductions or allowances include:

Mandatory deductions:

- (1) \$480 for each dependent. This amount may be adjusted annually by [HUD](#).
 - (i) The definition of “dependent” under 24 CFR 5.603 was revised to explicitly exclude foster children and foster adults. Owners may not provide a dependent deduction under 24 CFR 5.611(a) for a foster child or foster adult.
- (2) \$525 for any elderly family or disabled family. This amount may be adjusted annually by [HUD](#).
- (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus.
- (4) Any reasonable child-care expenses necessary to enable a member of the family to be employed or to further his or her education.
 - (i) Reasonable unreimbursed child-care expenses (as defined in 24 CFR 5.603) for foster children under 13 years of age may be deducted from annual income if those expenses are necessary to enable a member of the family to work, look for work, or to further their education, but only if the unreimbursed child-care expense for the care of the foster child is paid from the family’s annual income (and not another source, such as a stipend from a child welfare agency).

ATTACHMENT 6-D
NET FAMILY ASSETS - EXCLUSIONS

[24 CFR 5.603]

Net family assets are defined as the net cash value of all assets (real property and non-necessary personal property) owned by the household, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded below.

The following are excluded from the calculation of net family assets:

- The value of necessary personal property.
- The value of all non-necessary personal property with a total combined value of \$51,600 or less (adjusted annually by the [HUD published Inflationary Adjusted Value](#)).
 - The value of any account under a retirement plan recognized as such by the Internal Revenue Service (IRS), including individual retirement accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals.
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this may include co-ownership situations (including situations where one owner is a victim of domestic violence) where one party cannot unilaterally sell the real property, property that is tied up in litigation, or inherited property in dispute.
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member, for an incident resulting in a disability.
- The value of any Coverdell Education Savings Account under section 530 of the Internal Revenue Code of 1986; the value of any qualified tuition program under section 529 of the Internal Revenue Code.
- The value of any Achieving a Better Life Experience (ABLE) account authorized under section 529A of the Internal Revenue Code.
- The value of any “baby bond” account created, authorized, or funded by the Federal, State, or local government (money held in trust by the government for children until they are adults).
- Interests in Indian Trust Land.
- Equity in a manufactured home where the family receives assistance under 24 CFR Part 982 (Housing Choice Voucher Program). Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982 (Housing Choice Voucher Program).

- Family Self-Sufficiency accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family. The Federal tax refund must be subtracted from the total value of net family assets.
- The full amount of assets held in an irrevocable trust.
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.
- Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce, or separation. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.

ATTACHMENT 6-E LEASE REQUIREMENTS

[7 CFR 3560.156]

A. Lease Structure

1. All leases must be in writing.
2. Initial leases must cover a one-year period.
3. If the tenant is not subject to occupancy termination according to 7 CFR 3560.158 and 7 CFR 3560.159, a renewal lease or lease extension must cover a one-year period.
4. In areas with a concentration of non-English speaking tenants, leases must be available to tenants in both English and the appropriate additional language.
5. Leases must give address(es) to which to direct complaints.
6. Leases must include a statement of the terms and conditions for modifying the lease.

B. Required Lease Clauses

Leases for all multi-family housing must include a number of specific clauses as listed below:

1. Leases for tenants who have a *Handbook Letter 201, Letter of Priority Entitlement (LOPE)* and are temporarily occupying a unit for which they are not eligible must include a clause establishing the tenant's responsibility to move when a suitable unit becomes available.
2. Leases must contain an escalation clause permitting changes in basic/note rate rents before the lease expires. Changes must be approved by the Agency. The escalation clause must specify that the tenant's contribution may be changed prior to the expiration of the lease if the change is due to changes in tenant status, as documented on the tenant certification form, or the tenant's failure to properly recertify.
3. Leases must specify no escalation in tenant contribution due to loan prepayment or when rental assistance or interest credit is terminated due to the fault of management or the owner, or due to liquidation and acceleration of the note.
4. The requirements for making restitution when a household receives benefits to which it is not entitled and a statement advising tenants that the submission of false information could result in the initiation of legal action.
5. Leases must include statement that the project is financed by the Agency and that the Agency has the right to further verify information provided by the applicant.
6. Leases must say that project is subject to:
 - Title VI of the Civil Rights Act of 1964

- Title VIII of the Fair Housing Act
 - Section 504 of the Rehabilitation Act of 1973
 - The Age Discrimination Act of 1975
 - The Americans with Disabilities Act
 - The Violence Against Women Reauthorization Act of 2013 and any amendments thereto.
7. Leases must specify requirements (and exceptions) to move to the next available appropriately sized unit, if the household becomes over housed or under housed in the unit they occupy, or should the tenant no longer meet eligibility requirements.
 8. Leases must include a provision that establishes when a guest will be considered a member of the household and be required to be added to the tenant certification.
 9. Leases must include a provision that tenancy remains in place as long as the tenant's possessions remain in the apartment, even after tenant has left. This is the case until possessions are removed voluntarily or by legal means, subject to state and local law.
 10. Leases must include a requirement that tenants who are no longer eligible for occupancy under the housing project's occupancy rules or do not meet the criteria set forth in 7 CFR 3560.155(c) and (e) must vacate the property within 30 days of being notified by the borrower that they are no longer eligible for occupancy or at the expiration of their lease, or whichever is greater, unless the conditions cited in 7 CFR 3560.158(c) exist;
 11. Leases for rental units receiving rental assistance must include clauses that specify that the tenant's monthly tenant contribution and a description of the circumstances under which the tenant's contribution may change.
 12. The requirement that tenants notify borrowers regarding changes in income or assets, citizenship*, or number of persons living in the unit.

***Effective date note:** At 70 FR 8503, February 22, 2005, in 7 CFR 3560.156(c)(12), implementation of the words “* * * their citizenship status, * * *” was delayed indefinitely.
 13. A requirement that tenants agree to fulfill the tenant income verification and certification requirements established under 7 CFR 3560.152
 14. For tenants living in Plan II interest credit units, leases must include a provision on net monthly tenant contribution.
 15. All leases, including renewals, must include the drug violation language in 7 CFR 3560.156(c)(15).
 16. Leases for rental units accessible to individuals with disabilities occupied by those not needing the accessibility features must establish the tenant's responsibility to move to another unit within 30-days of written notification that the unit is needed by an eligible qualified person with disabilities who requires the accessibility features of the

unit. Additionally, the lease clause must ensure that the household may remain in the rental unit with accessibility features until an appropriately sized vacant unit within the project becomes available and then must move or vacate within 30 days of notification from borrower.

17. If loan prepayment occurs and the housing project is subject to restrictive use provisions, leases and renewals must be amended to include a clause specifying the tenant protections.

18. All leases must contain the following information and provisions:

- The name of the tenant, any co-tenants, and all members of the household residing in the unit.
- The identification of the unit.
- The amount and due date of monthly tenant contributions, late payment penalties, and security deposit amounts.
- The utilities, services, and equipment to be provided for tenants.
- The tenant's utility payment responsibility.
- The certification process for determining tenant occupancy eligibility and contribution.
- The limitations of the tenant's right to use or occupancy of the dwelling.
- The tenant's responsibilities regarding maintenance and consequences if tenant fails to fulfill these responsibilities.
- The agreement of the borrower to accept the tenant contribution toward rent charges prior to payment of other charges that the tenant owes and a statement that borrowers may seek legal remedy for collecting other charges accrued by the tenant.
- The maintenance responsibilities of the borrower in buildings and common areas, according to state and local codes, Agency regulations, and Federal fair housing requirements.
- The responsibility of the borrower at move-in and move-out to provide tenants with a written statement of the unit's condition, and provisions for tenant participation in inspection.
- The provision for periodic inspections by the borrower, and other circumstances under which borrower may enter the premises while a tenant is renting.
- The tenant's responsibility to notify the borrower of an extended absence.
- A provision that tenants may not assign the lease or sublet the property.

- The provision regarding transfer of the lease if the project is sold to an Agency-approved buyer.
- The procedures that must be followed by the borrower and the tenant in giving notices required under terms of the lease, including lease violation notices.
- The good-cause circumstances under which the borrower may terminate the lease and length of notice required.
- The disposition of the lease if the housing becomes uninhabitable due to fire or other disaster, including the borrower's rights to repair the building or terminate the lease.
- The procedures for resolution of tenant grievances consistent with the requirements of 7 CFR 3560.160.
- The terms under which a tenant may, for good cause, terminate a lease with 30 days' notice prior to lease expiration.
- The signature clause indicating that the lease has been executed by the borrower and the tenant.
- A description of the rights and protections afforded to victims of domestic violence, dating violence, sexual assault, or stalking.

C. Projects and Units Receiving HUD Assistance

In multi-family projects receiving project-based assistance under Section 8 of the Housing Act of 1937, borrowers may use the HUD model lease. The provisions of the HUD model lease will prevail, unless they conflict with Agency lease requirements in accordance with this section. If there is conflict between HUD requirements and Agency requirements, the provision that will be enforced will be the one that is most favorable to the tenant.

For HUD Section 8 certificate and voucher holders, borrowers may use:

- A standard HUD-approved lease;
- A HUD-approved lease that includes a number of modifications; or
- An Agency-approved lease if acceptable to HUD or the local housing authority.

D. State and Local Requirements

Borrowers must use a lease that is consistent with state and local requirements.

- If any lease provision is in violation of state or local law, the lease may be modified to the extent needed to comply with the law, but any changes must be consistent, to the greatest extent possible, with the required provisions established in 7 CFR 3560.156(c).
- Leases must include procedure for handling tenant's abandoned property, as provided by state law.

ATTACHMENT 6-F

PROHIBITED LEASE CLAUSES

Borrowers are prohibited from including any of the following clauses in the lease:

- Clauses prohibiting families with children under 18.
- Clauses requiring prior consent by tenant to any lawsuit that borrowers may bring against the tenant in connection with the lease.
- Clauses authorizing borrowers to hold any of a tenant's property until the tenant fulfills an obligation.
- Clauses in which tenants agree not to hold borrowers liable for anything they may do or fail to do.
- Clauses in which tenants agree that borrowers may bring suit against the tenant without notice.
- Clauses in which tenants agree that borrowers may evict the tenant or sell their possessions whenever they determine that a breach or default has occurred.
- Clauses authorizing the borrower's attorney to appear in court on behalf of the tenant, and to waive their right to a trial by jury.
- Clauses authorizing the borrower's attorney to waive the tenant's right to appeal or to file suit.
- Clauses requiring the tenant to agree to pay legal fees and court costs whenever the borrower takes action against the tenant, even though court may find in favor of the tenant.

ATTACHMENT 6-G

ACQUIRING AUTOMATION SUPPORT FOR MINC OR OTHER AUTOMATION NEEDS

The Agency will approve the use of project funds to acquire automated support to participate in MINC. While operating costs will be reduced in the long term, there may be some short-term increases to accommodate the initial acquisition of automated support.

Guidelines for obtaining automated support for MINC are as follows:

- With prior Agency approval, borrowers may use project operating or reserve funds to purchase or lease hardware or software needed to participate in MINC.
- Once borrowers have acquired automation capabilities, they may allow their management agent to use them to participate in MINC. This cost shall be prorated over several projects owned by different borrower entities with a common management agent.
- When the cost of acquiring management software or hardware is not cost effective for a project (or multiple projects with common management), the Agency may allow the cost of contracting with a service bureau to provide automation support as a project operating expense.
- To request Agency approval, borrowers must submit a brief proposal that documents the anticipated costs and benefits of adopting the automation strategy being proposed.

1. Acquiring Additional Automation Capabilities

It is important to note that the approval for the use of project funds discussed above extends only to the portion of the computer software and hardware needed to participate in MINC. If additional software or hardware capacity is desired by the borrower, the following applies:

- MFH borrowers are encouraged to use automated systems to manage MFH projects and to prepare and process paperwork associated with project management. Where economically feasible, computer applications can improve management efficiency and reduce errors and omissions. However, the purchase of computer hardware and software out of project funds should be carefully analyzed.
- If a borrower entity's purchase of computer hardware or software to be used solely at a project can be expected to show a reduction in project operating and maintenance expenses, the purchase cost may be approved by the Agency as a line-item project expense. The expense may be approved at project inception out of the project's two

percent initial operating account or subsequent to project start-up out of annual operating revenues. The cost shall be prorated over several projects owned by the same borrower entity. Any computer hardware or software purchased with project funds must remain with the project if there is any subsequent change in management or ownership of the project.

2. Choosing to Use a Service Bureau

If acquiring automation is not a sound decision, borrowers may consider using a service bureau to provide automation services at a fee. The fee can be a project expense and shall be reasonable. The Agency must approve a borrower's determination that it is in the best interest of the project to contract with a service bureau.

The cost of a service bureau is essentially an expense to an operating budget, since the function is not currently performed by any project. Borrowers who find that their project budget will not support the cost of acquiring automation support or a service bureau fee should contact their servicing office to be exempted from mandatory participation in MINC.

The Agency will not allow the cost of a service bureau if the borrower's analysis demonstrates that it is less expensive to acquire an automation capacity, unless extenuating circumstances exist.

The Agency will not approve the use of a service bureau fee as a project expense for a contract with a firm that has an Identify-of-Interest (IOI) with the project borrower or management agent, without detailed documentation indicating that the IOI service bureau is clearly more cost effective than a non-IOI service bureau. While this policy does not restrict the formation of IOI firms to process tenant certifications, service bureau companies or the payment for their services from a management fee, it is intended to address concerns expressed by the Office of the Inspector General (OIG) that IOI firms may unnecessarily inflate project operating expenses.

The following individuals and companies have expressed an interest in developing or marketing software to provide an industry interface with Rural Development's MINC system. Rural Development expresses no preference or opinion on the products or services of any of the individuals and companies listed below.

**LISTING OF PRIVATE SOFTWARE DEVELOPERS AND VENDERS WHO
HAVE INDICATED AN INTEREST IN PROVIDING AN INDUSTRY
INTERFACE WITH MANAGEMENT AGENT INTERACTIVE NETWORK
CONNECTION (MINC)
(Updated as of June 2025)**

<p align="center">Appfolio 866-648-1536 www.appfolio.com</p>	<p align="center">Entrata 800-700-2097 www.entrata.com</p>	<p align="center">ExactEstate Matt Hoskins sales@exactestate.com 678-892-7337 https://exactestate.com</p>
<p align="center">Fortress Technology Solutions Gwen Regan gregan@fortresstech.io https://fortresstech.io/</p>	<p align="center">HappyCo www.happy.co</p>	<p align="center">Infor / AMSI 508-444-2674 www.amsisoftware.net</p>
<p align="center">MRI Affordable 800-321-8770 www.mrisoftware.com</p>	<p align="center">PHA-Web Nick Bessey nick@pha-web.com 608-784-0354 www.pha-web.com</p>	<p align="center">RealPage – Onesite Jose Maldonado Jose.maldonado@realpage.com 972-820-3878 www.realpage.com</p>
<p align="center">Resman Corbin du Mont corbin.dumont@myresman.com 972-905-1568 www.myresman.com</p>	<p align="center">Simply Computer Software Duane Tinsley duane@simplycomputer.net www.simplycomputer.net</p>	<p align="center">Scott Accounting & Computer Service Grant Dark grant@sacssoftware.com 256-329-1205 www.sacssoftware.com</p>
<p align="center">Yardi Lauren Chung Lauren.chung@yardi.com 240-515-0396 www.yardi.com</p>		

Attachment 6-H
Acceptable Forms of Verification

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
Alimony or Child Support	<ul style="list-style-type: none"> Alimony/child support payment summary records (12 months) provided by payment agency. 	<ul style="list-style-type: none"> Copies of recent alimony/child support payment stubs (minimum 3 months). Copies of alimony/child support payment summary records (minimum 3 months). 	Not applicable	Not applicable	Only include the amounts received by the household, not the amount the household may be legally entitled to receive.
Assets disposed of for less than fair market value	None required	<ul style="list-style-type: none"> Copies of real estate closing documents that indicate distribution of sales proceeds and settlement costs. 	None required.	<ul style="list-style-type: none"> Certification signed by applicant / tenant that no household member has disposed of assets for less than fair market value during the preceding two years. If applicable, certification signed by the owner of the asset disposed of that shows: type of asset disposed, date disposed, amount received, and market value of asset at the time of disposition. 	<p>Only count assets disposed of within a two-year period prior to certification or recertification.</p> <p>The amount of asset to be included in net family assets is the difference between the market value of the asset and the amount that was actually received (if any) in the disposition of the asset.</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
Care attendant for disabled household member	<ul style="list-style-type: none"> • Written verification from attendant stating amount received, frequency of payments, hours of care. • Written certification from doctor or rehabilitation agency that care is necessary for employment of household member. 	<ul style="list-style-type: none"> • Copies of receipts. • Cancelled checks indicating payment amount and frequency. 	<ul style="list-style-type: none"> • Telephone or in person contact with source documented in file by the owner. 	Not applicable	The owner must determine if this expense is to be considered a medical or disability assistance expense.
Childcare expense	<ul style="list-style-type: none"> • Written verification from person who provides care indicating amount of payment, hours of care, names of children, and frequency of payment. 	<ul style="list-style-type: none"> • Copies of receipts • Cancelled checks indicating payments. 	<ul style="list-style-type: none"> • Telephone or in person contact with the childcare provider documenting who provides the care, amount of payment, hours of care, names of children, and frequency of payment. 	Not applicable	<p>Childcare expenses are allowed when it enables a family member to work, attend school, or look for employment. There must be no other adult household member capable of providing care during the hours care is needed.</p> <p>A verification of employment income and/or verification of student status must be documented in file.</p> <p>For student status, the verification must show that the time and duration of school attendance reasonably corresponds to the period of childcare.</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
Disability assistance expenses/ Auxiliary apparatus	<ul style="list-style-type: none"> • Written verification from source of costs and purpose of apparatus. • Written certification from doctor or rehabilitation agency that use of apparatus is necessary for employment of any household member. • In a case where the disabled person is employed, statement from employer that apparatus is necessary for employment. 	<ul style="list-style-type: none"> • Copies of receipts • If periodic payments are being made, evidence of periodic payments for apparatus. 	<ul style="list-style-type: none"> • Telephone or in person contact with these sources documented in file by the owner. 	Not applicable	The owner must determine if the expense is to be considered a medical or disability assistance expense.
Disability status	<ul style="list-style-type: none"> • Verification from appropriate source of information stating that individual qualifies under the definition of disability. (Appropriate source of information may include a physician, a clinic, welfare agency, the Social Security Administration, or other knowledgeable service.) 	<ul style="list-style-type: none"> • Copy of documentation from appropriate third party, for example, Social Security Administration. 	<ul style="list-style-type: none"> • Telephone or in person contact with medical professional verifying qualification under the federal disability definition. 	Not applicable	<p>The term disability does not include current, illegal use of or addiction to a controlled substance.</p> <p>A person that does not receive Social Security Disability may still qualify under the definition of a person with disabilities.</p> <p>Owners must not seek to verify information about a person's specific disability other than obtaining a professional's</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
					opinion of qualification under the definition of a person with disabilities.
Dividend income and bank account interest income	<ul style="list-style-type: none"> • Verification form completed by bank. 	<ul style="list-style-type: none"> • Copies of: <ul style="list-style-type: none"> - current statements, bank passbooks, and certificates of deposit, if they show required information (i.e., current rate of interest). - Form 1099 from the financial institution, and verification of projected income for the next 12 months. - Broker's quarterly statements showing value of stocks or bonds and earnings credited to the applicant or tenant. 	<ul style="list-style-type: none"> • Telephone or in person contact with appropriate party, documented in tenant file. 	Not applicable	<p>Must obtain enough information to accurately project income over next 12 months.</p> <p>Verify interest rate as well as asset value.</p> <p>For some assets, copies of year-end statements can provide information about annual income.</p>
Employment income including tips, gratuities, overtime	<ul style="list-style-type: none"> • Verification of employment form • Employer letter of hire or termination • Payroll summary report. 	<ul style="list-style-type: none"> • Copies of pay stubs or earning statements (minimum of 2 current and consecutive pay stubs). • Copy of payroll summary report. • W-2 Forms, if applicant or tenant has had same employer for at 	<ul style="list-style-type: none"> • Telephone or in person contact with employer, specifying amount to be paid per pay period and length of pay period, documented in tenant file. 	Not applicable	<p>Always verify:</p> <ul style="list-style-type: none"> - frequency of gross pay (i.e., hourly, biweekly, monthly, bimonthly), - anticipated increases in pay and effective dates, and - overtime.

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
		least two years and increases can be accurately projected.			<p>Require most recent 2 consecutive pay stubs; do not use check without stub.</p> <p>Off-Farm labor housing tenants must receive a substantial portion of income from farm labor employment. See 7 CFR 3560.576 (b)(2)(i).</p>
Federal Tax Refund	Not applicable	<ul style="list-style-type: none"> • Copy of IRS Tax Return Transcript • Complete, legible, signed copy of the most recently filed Federal income tax form. • Copy of refund check or bank statement showing deposit, if document clearly indicates federal tax refund. 	Not applicable	Not applicable	<p>Only needed if applicant/tenant has net family assets that exceed \$51,600 (adjusted annually for inflation) and received a federal tax refund during the prior 12 months.</p> <p>Federal tax refunds are excluded from income. The amount of refund is subtracted from the total value of net family assets.</p>
Interest from sale of real property (i.e., contract for deed, installment sales contract, etc.)	<ul style="list-style-type: none"> • Verification form completed by an accountant, attorney, real estate broker, the buyer, or a financial institution which has copies of the amortization schedule from which interest 	<ul style="list-style-type: none"> • Copy of the contract. • Copy of the amortization schedule, with sufficient information for the owner to determine the amount of interest to be earned 	<ul style="list-style-type: none"> • Telephone or in person contact with appropriate party, documented in file by the owner. 	Not applicable	<p>Only the interest income is counted; the balance of the payment applied to the principal is merely a liquidation of the asset.</p> <p>The owner must obtain enough information to compute the actual</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
	income for the next 12 months can be obtained.	during the next 12 months.			interest income for the next 12 months. Copy of a check paid by the buyer to the applicant is not acceptable.
Medical expenses	<ul style="list-style-type: none"> • Verification by a doctor, hospital or clinic, dentist, pharmacist, etc., of estimated medical costs to be incurred or regular payments expected to be made on outstanding bills which are not covered by insurance. 	<ul style="list-style-type: none"> • Copies of income tax forms that itemize medical expenses, when the expenses are not expected to change over the next 12 months. • Receipts, pay stubs, or cancelled checks which indicate health insurance premium costs, or payments to a resident attendant. • Receipts or ticket stubs that verify transportation expenses directly related to medical expenses. • Copies of cancelled checks that verify payments on outstanding medical bills that will continue for all or part of the next 12 months. • Receipts documenting over the counter medicines that have been 	<ul style="list-style-type: none"> • Telephone or in-person contact with doctor, hospital or clinic, dentist, pharmacist, etc., documented in file by the owner. 	<ul style="list-style-type: none"> • Self-certification of transportation expenses directly related to medical treatment, if there is no other source of verification. 	Medical expenses are not allowable as deductions unless household status is elderly or disabled.

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
		recommended in writing by a physician or other healthcare provider as treatment for a specific medical condition.			
Need for service animal or assistive animal	<ul style="list-style-type: none"> Letter from appropriate third party unless the need is readily apparent or already known. 	<ul style="list-style-type: none"> Copy of letter from appropriate third party. 	Not applicable	Not applicable	If the owner's policy is to verify this need, owner must implement the policy consistently.
Net family assets	<ul style="list-style-type: none"> Verification forms, letters or documents received from financial institutions, stockbrokers, real estate agents, employers indicating the current value of the assets and penalties or reasonable costs to be incurred in order to convert nonliquid assets into cash. 	<ul style="list-style-type: none"> A minimum of one statement that reflects the <u>current</u> balance of banking/financial accounts. Copies of real estate tax statements, if tax authority uses approximate market value. 	<ul style="list-style-type: none"> Telephone or in person contact with appropriate source, documented in tenant file. 	<ul style="list-style-type: none"> Self-certification stating cash value of assets that cannot be verified by a third-party source. 	<p>Use current balance in savings accounts and checking accounts.</p> <p>Use cash value of all assets (the net amount the applicant would receive if the asset were converted to cash).</p> <p>For some assets, copies of year-end statements can provide information about annual income</p> <p>RD does not allow tenants to self-certify that their net assets do not exceed \$51,600 (as adjusted for inflation).</p>
Net income for a business or self-employment	Not applicable	<ul style="list-style-type: none"> Most recently filed Form 1040 with applicable Schedules. Financial Statement of the business (audited 	Not applicable	Not applicable	Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
		<p>or unaudited) including an accountant's calculation of straight-line depreciation expense if accelerated depreciation was used on the tax return or financial statement.</p> <ul style="list-style-type: none"> • For rental property, copies of recent rent checks, lease and receipts for expenses, or IRS Schedule E. 			<p>transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of verification.</p>
Recurring contributions and gifts	<ul style="list-style-type: none"> • Statement signed by the person providing the assistance giving the purpose, dates, and value of gifts. 	Not applicable	<ul style="list-style-type: none"> • Telephone or in-person contact with source documented in file by the owner. 	<ul style="list-style-type: none"> • Certification signed by applicant stating purpose, dates, and value of gifts. 	<p>Sporadic contributions and gifts are not counted as income.</p> <p>In-kind donations (e.g., food, clothing, or toiletries received from a food bank or similar organization) are not counted as income.</p> <p>Non-recurring, non-monetary in-kind donations from friends and family is excluded as non-recurring income.</p>
Social security number	Not applicable	<ul style="list-style-type: none"> • Copy of Social Security Card. Management does not need to maintain a copy of 	Not applicable	<ul style="list-style-type: none"> • Household members may submit a signed certification stating his/her 	<p>Social security numbers are required as part of the tenant's application. The signed application is</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
		the Social Security Card.		Social Security Number.	<p>an acceptable self-certification for verification of social security numbers.</p> <p>Social Security Numbers must be verified only once for each resident.</p> <p>Household members 6 years of age and older must provide a social security number.</p> <p>For any household members who do not have a social security number, the household must certify that the individual has never received a social security number.</p>
Student status (of household member 18 or older, excluding head, spouse or foster children)	<ul style="list-style-type: none"> Documentation from an institution of higher education showing full-time or part-time enrollment status. 	<ul style="list-style-type: none"> Copies of documentation from an institution of higher education showing full-time or part-time enrollment status. 	<ul style="list-style-type: none"> Telephone or in-person contact with source documented in file by the owner. 	Not applicable	
Student Financial Assistance	<ul style="list-style-type: none"> Statement of financial assistance received from assistance source. Statement from institution of higher education showing financial assistance received. 	<ul style="list-style-type: none"> Copy of statement of financial assistance received from assistance source. Copy of statement from institution of higher education showing financial assistance received. 	Not applicable	Not applicable	<p>Any financial aid provided by family or friends is not considered student financial assistance.</p> <p>Student financial assistance falls into two categories: Higher Education Act (HEA) and Non-HEA assistance.</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
					<p>Student financial assistance may be paid directly to the student or to the educational institution on the student's behalf.</p> <p>The amount of actual covered costs may also need to be verified.</p>
Unborn Child(ren)	Not applicable	Not applicable	Not applicable	<ul style="list-style-type: none"> Applicant/tenant self certifies to pregnancy. Owner may not verify further than self-certification. 	
Unearned income (i.e., welfare, public assistance, Social Security, Supplemental Security Income (SSI), Disability Income, Pensions, Workers Compensation, etc.)	<ul style="list-style-type: none"> Verification form completed by applicable third-party source indicating maximum amount family may receive. Award or benefit notification letters from authorizing agency. 	<ul style="list-style-type: none"> Copies of the most recent award or benefit letter from the authorizing agency. Most recent two consecutive payment stubs with date, amount, and check number. Award or benefit letters or computer printout from court or public agency. Most recent quarterly pension account statement. 	<ul style="list-style-type: none"> Telephone or in person contact with income source, documented in tenant file. 	Not applicable	<p>For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.</p> <p>Information must be verified annually to account for cost-of-living adjustment (COLA) increases and changes in benefits.</p> <p>When Social Security COLA is known, and the applicant/tenant has not received the applicable award or benefit letter, the</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
					<p>COLA percentage may be applied to the prior year's benefit amount.</p> <p>Checks or automatic bank deposit slips may not provide gross amounts of benefits if applicant has deductions made for Medicare Insurance.</p> <p>Copy of U.S. Treasury checks is not acceptable.</p>
Unemployment compensation	<ul style="list-style-type: none"> • Verification form completed by source. 	<ul style="list-style-type: none"> • Applicant/tenant receiving unemployment benefits may provide copies of the most recent award or benefit letter prepared and signed by the authorizing agency to verify the unemployment income. • Copies of checks or records from agency provided by applicant stating payment amounts and dates. 	<ul style="list-style-type: none"> • Telephone or in-person contact with applicable third-party source documented in a file by an owner. 	Not applicable	<p>Unemployed applicant/tenant must complete a form, which provides their current employment status and requires them to agree to inform management immediately, in writing, if their employment status changes.</p> <p>Income not expected to last full 12 months must be calculated based on 12 months and interim recertification completed when benefits stop.</p> <p>Frequency of payments and expected length of benefit term must be verified.</p>

Item to be Verified	Acceptable Sources				Tips
	Written/Third Party	Provided by Applicant (generated by third party source)	*Oral	Self-Certification	
Zero income	Not applicable	Not applicable	Not applicable	<ul style="list-style-type: none"> Applicant/tenant self certifies to zero income. 	<p>Attachment 6-B provides a zero-income checklist.</p> <p>Tenant must report any change in income status.</p> <p>Management must follow-up with tenant at least quarterly to determine how they are paying for normal living expenses. Quarterly documentation must be kept in tenant file.</p>

* **NOTE:** For all oral verifications, file documentation must include the confirmed information, time and date of phone call, and the name, title and phone number of third party.

ATTACHMENT 6-I

ELIGIBILITY, INCOME, AND DEDUCTION CHECKLIST

Head of household and/or the co-head should complete.

LIST ALL HOUSEHOLD MEMBERS:

<u>Name (Last, First, M.I.)</u>	<u>Relationship</u>	<u>Date of Birth</u>	<u>Sex</u>	<u>Social Security #</u>
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____
_____	_____	____/____/____	____	_____

ELIGIBILITY:	YES	NO
1. I have a household member who is absent from the home due to:		
Employment		
Military service		
Placement in foster care		
Temporarily in nursing home or hospital		
Permanently confined to nursing home		
Away at school		
Other		
2. I have a live-in attendant or resident assistant.		
3. Expected changes in household:		
Baby due on _____		
Adopting a child(ren) on _____		
Obtaining custody of a child(ren) on _____		
Obtaining joint custody of a child(ren) on _____		
Receiving a foster child(ren) on _____		

INCOME, ASSET, AND DEDUCTIONS

A. Income:	YES	NO
1. Are you or any other members of the household currently receiving income from any of the following sources?		
Wages/salaries		
Wages earned through a government program such as Senior Aides, Older American Community Service Employment Program, AmeriCorps If yes, which program:		
Tips, bonuses, or commissions		
Overtime pay		
Income from operation of a business		
Social Security		
Disability / SSI		
Death Benefits		
Pension / retirement funds		
Annuities or non-revocable trust		
Unemployment		
Military pay		
Workman's Compensation		
Public assistance / TANF		
Alimony		
Child Support		
Income from rent or sale of property		
Periodic payment from lottery winnings		
Regular recurring contributions from persons or agencies outside of household		
Insurance policies		
Severance pay		
Student Financial Assistance		
Other		
2. Are there any adult members of the household (18 years of age or older) receiving income not listed above?		
If yes, specify the source of the income		

B. Assets:	YES	NO
1. Do you or any other members of the household have any of the following:		
Checking accounts – current balance		
Savings accounts – current balance		
Certificates of deposit		
Money market funds		
IRA/Keogh account		
Stocks		
Bonds		
Treasury bills		
Trust funds (do you have access to the funds?)		
If yes, is the trust irrevocable?		
Real estate		
Whole life or universal life insurance policy (term not included)		
Cash held in safety deposit boxes or home		
Assets held in another state or foreign country		
Other		
2. Have you or any other members of the household received any lump sum payments, such as:		
Inheritance		
Lottery winnings		
Insurance settlements		
Other		
3. Have you or any other household members disposed of any asset(s) for less than fair market value in the past two (2) years?		
4. Do you or any other household members have any assets that are held jointly with another person?		

C. Deductions:	YES	NO
1. Are there any fulltime students 18 years of age or older in the household?		
2. Does any household member qualify for elderly deduction (age 62 or older or a person with disabilities)?		
3. Do you have medical expenses that are not paid for by an outside source such as insurance (applicable to elderly/disabled)?		
4. Do you have disability expenses that are not paid for by an outside source?		
If yes, is this service necessary to enable a household member (including the member with a disability) to be employed?		
5. Do you have attendant care expenses?		
If yes, is this service necessary to enable a household member (including the member with a disability) to be employed?		
6. Do you currently pay for childcare services for any children under the age of 13 residing in your household?		
If yes, is this service necessary in order for you to be employed or to attend school?		
If yes, are any of these expenses reimbursed by an outside source?		

ATTACHMENT 6-J

Required Tenant File Documentation

Tenant file records are critical pieces of source documentation, perhaps *the* critical source documentation, used as evidence to support determinations and conclusions in all areas of occupancy monitoring. The tenant file records must be complete and contain all information and forms relevant to occupancy at the project. The tenant files must be retained for at least 3 years or until the next Agency Supervisory Visit, whichever is longer. At a minimum the files should include:

I. Application/Household Information

- A. Application (signed, dated, and date and time stamped).
- B. Verification/certification of social security numbers, if available.
- C. Citizenship declaration/immigration status (all household members) FARM LABOR ONLY.
- D. Eligibility verification documents (person with disabilities, elderly, resident assistant, reasonable accommodations requests, etc.).
- E. Authorization to release information forms for verifications for each adult household member; and
- F. Acknowledgement of the head of household's receipt of lead-based paint disclosure brochure, if applicable.

II. Lease

- A. Lease (signed and dated).
- B. Lease amendments/addendums/agreements.
- C. Project rules and regulations.
- D. Pet rules and pet deposit receipt, if applicable.
- E. Security deposit receipt, if applicable.
- F. Move-in inspection report.
- G. Annual inspection reports.
- H. Lead-based paint addendum, if applicable.

III. Certification/Recertification

- A. Initial and annual recertifications.
- B. Recertification notices (initial and, if applicable, first, second, and third).
- C. Verifications for income, assets, and deductions.
- D. Disposal of assets verification (head of household, spouse, co-head).
- E. Payment plans, if applicable.
- F. Correspondence either issued to, or received from, tenant(s); and
- G. Copy of Certified Mail Receipt.

IV. Other Files That Need to Be Maintained

A. Move-out files. The current tenant file will become the move-out file. In addition to the above items, the move-out files must contain:

- 1. Copy of the intent to vacate notice received from the tenant.
- 2. Move-out inspection report.
- 3. Copy of the security deposit disposition notice provided to the tenant; and
- 4. Documents supporting retaining all or a portion of the security deposit.

B. Application/Reject Files.

- 1. Application.
- 2. Documentation to support the reason(s) for rejecting, such as screening information from previous landlords, personal references, credit reports, criminal activity, and refusal to sign consent form.
- 3. Copy of the written notice of rejection sent to the applicant.
- 4. Copy of certified mail receipt; and
- 5. Any information or letters regarding appeals by applicants.

**Guide for Administering and Complying with the
Violence Against Women Reauthorization Act
Rural Development Multifamily Housing**

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Rural Development Multifamily Housing Guide for Administering and Complying with the Violence Against Women Reauthorization Act of 2013

A. About this Guide

This guide is for Rural Development (RD) Multifamily Housing's (MFH) Servicing Officials and contains the program requirements for administering and complying with the Violence Against Women Reauthorization Act of 2013 (VAWA), as amended. This guide does not encompass every aspect of VAWA, and therefore, should be used in conjunction with Public Law 113-4, Title VI of VAWA "Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking," and the U.S. Department of Housing and Community Development's (HUD) Housing Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking regulation at [eCFR :: 24 CFR Part 5 Subpart L -- Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking](#).

Related reference documents include RD's Multifamily Housing Program regulation (7 CFR 3560), and the RD Multifamily Housing Asset Management Handbook (HB-2-3560). All of HUD's documents referenced in this guide are available on HUD's website, [VAWA Resources for Multifamily Assisted Housing](#). Where a property is covered by multiple housing programs (i.e., Section 8 voucher, 515, and LIHTC), victims should be able to take advantage of all of the VAWA protections within each program. When there is a conflict between VAWA and RD's program regulations, whichever law, regulation, or policy that provides greater protections for a victim applies.

B. Fair Housing and Non-Discrimination

In addition to the VAWA Act, Borrowers are subject to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, as amended, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, other applicable Federal laws, and Agency requirements related to occupancy and tenant eligibility.

Under the Fair Housing Act, individuals have the right to be free from discrimination when seeking housing to buy or rent, be protected from eviction, be treated the same as other tenants or occupants by a housing provider, request a reasonable accommodation to ensure that someone with a disability has equal opportunity to use and enjoy housing, and receive equal access to housing programs without regard to a person's sex or marital status. Individuals who believe their VAWA rights have been violated may file complaints with FHEO, and FHEO will begin investigating such complaints using HUD's existing Fair Housing Act complaint process. Should an individual believe their rights under VAWA have been violated, they may file a complaint at <https://www.hud.gov/fairhousing>.

VAWA protections are not limited to women. Persons who are threatened or actual victims of domestic violence, dating violence, sexual assault, or stalking are eligible for protections without regard to sex and cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age.

When obtaining information from a victim of domestic violence, dating violence, sexual assault, or stalking, Borrowers must take appropriate steps to ensure effective communication with applicants and tenants

with disabilities using appropriate auxiliary aids and services, such as large print or Braille documents, readers, interpreters, and accessible electronic documents.

Borrowers must also take reasonable steps to ensure meaningful access to their programs and activities to Limited English Proficiency individuals such as by providing individualized assistance in completing forms. Borrowers must meet physical accessibility requirements when making emergency transfers, which may include making physical modifications to dwelling units and common use areas.

Borrower non-compliance with VAWA leads to violations of Federal laws, including civil rights and fair housing laws to which they are required to adhere, and enforcement actions against them and their management agents. Acts of Borrower non-compliance with VAWA must be reported to the USDA's Office of Civil Rights.

C. What is VAWA

On March 7, 2013, the VAWA Act of 2013 was initially signed into law as Public Law 113-4 and became effective for RD's Housing Programs. It applies to RD's Sections 515, 515/8, 514/516, 533, 538, and 542 housing programs (referred collectively as the RD-covered programs). Applicants, tenants, and household members of tenants assisted under these programs may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing as a direct result of the fact that the applicant, tenant, or household member is or has been a victim or there is an imminent threat of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

The VAWA Reauthorization Act of 2022 was signed into law on March 15, 2022. VAWA 2022 enhances housing protections for victims applying for and living in RD-covered units. VAWA 2022 protects an individual's right to call emergency services and report crime from their homes, which means that families do not have to fear losing their housing if they need to call 9-1-1. The protections also ensure that individuals do not have to fear retaliation from their landlord for exercising their rights under VAWA or assisting others in doing so, including filing VAWA complaints.

D. Key Definitions

RD's MFH Servicing Officials and Borrowers should familiarize the meaning of the following terms:

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

Affiliated individual, with respect to an individual, means:

- ✓ A spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
- ✓ Any individual, tenant, or lawful occupant living in the household of that individual.

Bifurcate means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable RD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

Borrower refers to an entity under RD's covered housing programs that has responsibility for the administration and/or oversight of VAWA protections. This includes property management agents, Tribal, and State/local governments or agencies.

Covered Housing Program refers to RD's Sections 515 Rural Rental Housing, 514/516 Off-Farm Labor Housing, 533 Housing Preservation Grant, and 538 Guaranteed Rural Rental Housing, and 542 Rural Development Voucher Programs (Housing Act of 1949 (42 U.S.C. 1484, 1485, 1486, 1490m, 1490p-2, 1490r)). HUD's covered housing programs are listed under 24 CFR Part 5.2003 Definitions.

Dating violence means violence committed by a person:

- ✓ Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- ✓ Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship;
 - The type of relationship; and
 - The frequency of interaction between the persons involved in the relationship.

Domestic Violence: The term 'domestic violence' includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding and, in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior by a person who:

- ✓ is a current or former spouse or intimate partner of the victim, or person similarly situated to a spouse of the victim;
- ✓ is cohabitating, or has cohabitated, with the victim as a spouse or intimate partner;
- ✓ shares a child in common with the victim; or
- ✓ commits acts against a youth or adult victim who is protected from those acts under the family or domestic violence laws of the jurisdiction.

Economic Abuse in the context of domestic violence, dating violence, and abuse in later life, means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, or manipulation to—(A) restrict a person's access to money, assets, credit, or financial information; (B) unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage; or (C) exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or failing or neglecting to act in the best interests of a person to whom one has a fiduciary duty."

Imminent Harm from Further Violence means the tenant's or household member's belief of the threat or danger, based on their experiences and responses to violence, threats, and trauma that they will (may) face without the emergency transfer.

"Safe" Unit means a unit that the victim of domestic violence, dating violence, sexual assault, or stalking believes is safe, based on his/her own beliefs and experiences.

Sexual assault means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

Spouse or intimate partner means a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- ✓ Fear for the person's individual safety or the safety of others; or
- ✓ Suffer substantial emotional distress.

Technological Abuse means an act or pattern of behavior that occurs within domestic violence, sexual assault, dating violence or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor, except as otherwise permitted by law, another person, that occurs using any form of technology, including but not limited to: internet enabled devices, online spaces and platforms, computers, mobile devices, cameras and imaging programs, apps, location tracking devices, or communication technologies, or any other emerging technologies.

VAWA means the Violence Against Women Act of 1994 (Pub. L. 113-4, 127 Stat. 54), as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e *et seq.*)

E. Who is Covered Under the VAWA Protections

VAWA protections cover tenants and members of their household, as defined under RD's program regulations. VAWA protections also apply to applicants when they are applying for admission to RD's covered housing programs. Many victims of sexual assault experience violence perpetrated by individuals with whom they did not have intimate relationships, such as strangers, friends, and family members. Sexual assault often happens outside of the home and can be perpetrated by individuals with whom the victim has no intimate relationship.

With VAWA 2022, some of VAWA's protections also apply to other individuals, such as those who assist survivors or seek law enforcement or emergency assistance for themselves or others:

- ✓ Any person who has exercised or enjoyed VAWA housing protections or aided or encouraged another person in exercising or enjoying VAWA housing protections, cannot be discriminated against or coerced, intimidated, threatened, or retaliated against by covered housing providers.
- ✓ Individuals have the right to seek law enforcement or emergency assistance for themselves or others without being penalized based on their requests or based on criminal activity of which they are a victim or otherwise not at fault. This right applies regardless of whether the person seeking law

enforcement or emergency assistance is a survivor and regardless of whether their housing is assisted under a covered housing program.

A Borrower may find instances of domestic violence, dating violence, sexual assault, or stalking against youth (unemancipated or under the age of 18 years old) living in an assisted household for which the family may need to exercise VAWA protections to protect the youth victim. Children are often victimized by other family members. The same rights and protections apply, and the same documentation and confidentiality procedures should be used in assisting this family.

Unemancipated minors are not eligible to sign leases under RD programs. Borrowers may consider contacting child welfare, child protective services, or law enforcement, when a minor claims to be a victim of domestic violence, dating violence, sexual assault, or stalking.

F. Eligibility and Adverse Factors as a Direct Result of Domestic Violence, Dating Violence, Sexual Assault, Or Stalking

The Direct Result provision prohibits Borrowers from denying admission to, denying assistance under, terminating participation in, or evicting a tenant based on an adverse factor, if the adverse factor is determined to be a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

An adverse factor refers to any factor that can be used as a basis for denying admission or assistance, terminating assistance or participation in a program, or evicting a tenant. However, if a denial or termination of assistance or eviction is required by a Federal statute, based on a particular adverse factor, the Borrower must comply with that statute, even if the adverse factor is a direct result of domestic violence, dating violence, sexual assault, or stalking. For example, if an applicant is subject to a lifetime registration requirement under a State sex offender registration program, the Borrower must deny the applicant admission, even if the sex offense(s) was (or were) a direct result of the fact that the applicant was a victim of domestic violence, dating violence, sexual assault, or stalking.

Where an applicant or tenant fails to request VAWA protections, the Borrower is not independently required to identify whether adverse factors are the direct result of domestic violence, dating violence, sexual assault, or stalking. Borrowers may seek training, where available, from a trained third-party (such as an expert victim service provider) on reviewing VAWA documentation. Any communications with a third party must be done consistent with the VAWA rule's confidentiality requirements.

1. Determining When Adverse Factors Are a Direct Result of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

This section provides a framework for determining whether an adverse factor is a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

1. To trigger the direct result analysis, it is the responsibility of the applicant or tenant to:

- ✓ Inform the Borrower that he or she is a victim of domestic violence, dating violence, sexual assault, or stalking; and

- ✓ Provide enough information for the Borrower to make a determination regarding the adverse factor he or she is claiming was a direct result of domestic violence, dating violence, sexual assault, or stalking.

2. After the Borrower receives this information, the Borrower should consider the individual's statement and any possible supporting documentation in determining if an adverse factor was a direct result of domestic violence, dating violence, sexual assault, or stalking.

3. If further information is necessary for this determination, the Borrower may request additional supporting documentation from the applicant or tenant. However, any request for additional documentation must:

- ✓ Be in accordance with the Borrower's policies or practices;
- ✓ Not require evidence of domestic violence, dating violence, sexual assault, or stalking other than as specified in 24 CFR 5.2007 (see Section I – HUD's Forms and Documentation); and
- ✓ Not violate the VAWA confidentiality requirements or any other laws.

4. If the Borrower believes any information is not clear, they should speak to the victim and try to clarify the information before making an objectively reasonable determination, based on all the circumstances, whether the adverse factor is a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

2. Examples of Adverse Factors That Might Be a Direct Result of Domestic Violence, Dating Violence, Sexual Assault, Or Stalking

On the surface, adverse factors may appear unrelated to domestic violence, dating violence, sexual assault, or stalking and may present legitimate reasons for denial, termination, or eviction. However, the presence of an adverse factor may be due to an underlying experience of domestic violence, dating violence, sexual assault, or stalking. An adverse factor may be present during much of an abusive relationship, or it may present itself only when a victim is attempting to leave, or has left, the abusive relationship.

The following examples #1 through #4 are provided to give a sense of the many instances in which adverse factors might be the direct result of domestic violence, dating violence, sexual assault, or stalking. Note, however, that this list is neither exhaustive nor definitive.

1. Poor credit history. Depending on the circumstances, poor credit history may be a direct result of domestic violence, dating violence, sexual assault, or stalking, when the domestic violence, dating violence, sexual assault, or stalking results in, for example:

- ✓ Forcing a victim to obtain credit, including credit cards for the perpetrator's use;
- ✓ Using a victim's credit or debit card without permission, or forcing him or her to do so;
- ✓ Selling victims' personally identifiable information to identity thieves;
- ✓ Running up debt on joint accounts;
- ✓ Obtaining loans/mortgages in a victim's name;
- ✓ Preventing a victim from obtaining and/or maintaining employment or credit in their own name;

- ✓ Sabotaging work or employment opportunities by stalking or harassing a victim at the workplace, or causing a victim to lose his or her job by physically battering the victim prior to important meetings or interviews;
- ✓ Placing utilities or other bills in a victim's name and then refusing to pay;
- ✓ Forcing a victim to work without pay in a family business, or forcing him or her to turn the earnings over to the abuser;
- ✓ Job loss or employment discrimination due to status as a victim of domestic violence, dating violence, sexual assault, or stalking;
- ✓ Job loss or lost wages due to missed work to attend court hearings, seek counseling or medical care, or deal with other consequences of domestic violence, dating violence, sexual assault, or stalking; and
- ✓ Hospitalization and medical bills the victim cannot pay or cannot pay along with other bills.

2. Poor rental history. Depending on the circumstances, poor rental history may be a direct result of domestic violence, dating violence, sexual assault, or stalking, when the domestic violence, dating violence, sexual assault, or stalking results in, for example-

- ✓ Property damage;
- ✓ Noise complaints;
- ✓ Repeated visits by law enforcement;
- ✓ Harassment;
- ✓ Trespassing;
- ✓ Threats;
- ✓ Criminal activity or reporting of such;
- ✓ Missed or late utility payment(s);
- ✓ Missed or late rental payment(s);
- ✓ Writing bad checks to the landlord; and
- ✓ Early lease termination and/or short lease terms.

3. Criminal record. Depending on the circumstances, a criminal record may be a direct result of domestic violence, dating violence, sexual assault, or stalking, when the domestic violence, dating violence, sexual assault, or stalking results in, for example-

- ✓ Forcing a victim to write bad checks, misuse credit, or file fraudulent tax returns;
- ✓ Property damage;
- ✓ Theft;
- ✓ Disorderly conduct;
- ✓ Threats;
- ✓ Trespassing;
- ✓ Noise complaints;
- ✓ Family disturbance/trouble;
- ✓ 911 abuse;
- ✓ Multiple arrests;
- ✓ Public drunkenness;
- ✓ Drug activity (drug use and the selling of drugs);
- ✓ Crimes related to sex work;
- ✓ Failure to protect a child from a batterer's violence and/or abuse;

- ✓ Crimes committed by a victim to defend him or herself or in defense of a third party from domestic violence, dating violence, sexual assault, or stalking; and
- ✓ Human trafficking.

4. Failure to pay rent. Depending on the circumstances, temporary failure to pay rent may be a direct result of domestic violence, dating violence, sexual assault, or stalking, when domestic violence, dating violence, sexual assault, or stalking results in, for example-

- ✓ The victim's injury or temporary incapacitation;
- ✓ The arrest of the only wage-earning member of the household;
- ✓ Preventing the victim from obtaining and/or maintaining employment;
- ✓ Sabotaging work or employment opportunities by stalking or harassing the victim at the workplace;
- ✓ Causing the victim to lose the victim's job by physically battering prior to important meetings or interviews;
- ✓ Placing utilities or other bills in the victim's name and then refusing to pay;
- ✓ Forcing the victim to turn his or her earnings over to the abuser;
- ✓ Forcing the victim to work without pay in a family business, Job loss or employment discrimination due to status as a victim of domestic violence, dating violence, sexual assault, or stalking;
- ✓ Losing wages or a job due to missing work to attend court hearings, seek counseling or medical care, or deal with other consequences of domestic violence, dating violence, sexual assault, or stalking; and
- ✓ Inability to pay bills after significant medical expenses resulting from the victim's hospitalization.

G. Ineligibility for VAWA Protections

Guests, unassisted members, and live-in aides of the family are ineligible for VAWA protections that are available only to tenants and household members.

As a reasonable accommodation, a tenant can request VAWA protections based on the grounds that the live-in aid is a victim of domestic violence, dating violence, sexual assault, or stalking. In addition, other reasonable accommodations may be needed on a case-by-case basis.

In cases where a guest or unassisted member is a victim of domestic violence, dating violence, sexual assault or stalking, a tenant cannot be evicted or have assistance terminated on the basis of the domestic violence, dating violence, sexual assault or stalking of the guest or unassisted member.

H. Notification of Denial, Termination, and Eviction

Borrowers must notify the applicant or tenant if it is found that the denial, termination, or eviction is not on the basis or as a "direct result" of being a victim of domestic violence, dating violence, sexual assault, or stalking, and the applicant or tenant is thus denied admission to, denied assistance under, terminate from participation in, or evicted from the housing. (See 24 CFR 5.2005(b)(1).) An applicant or tenant who disagrees with a negative determination must use the appeal procedures pursuant to 7 CFR part 11, or he or she may contact the assigned MFH Servicing Official.

In the case of a termination or eviction, Borrowers must comply with the prohibition in 24 CFR 5.2005(d)(2), which states, “The covered housing provider must not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.”

Therefore, even if the direct result prohibition does not apply, the Borrower cannot use that violation to terminate or evict a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, if the Borrower does not ordinarily terminate or evict tenants for that violation.

I. HUD’s Forms and Documentation of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

HUD’s VAWA forms discussed in this section are:

1. The Form HUD-5380, *Notice of Occupancy Rights*
2. The Form HUD-5381, *Model Emergency Transfer Plan*
3. The Form HUD-5382, *Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternative Documentation*
4. The Form HUD-5383, *Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking*
5. The Form HUD-91067, *VAWA Lease Addendum (Expir. 6/2017)*

1. The Form HUD-5380, *Notice of Occupancy Rights*

The VAWA Notice of Occupancy Rights is for use by all RD-covered programs and must be distributed to adult applicants, adult tenants and adult household members without changes to the core protections and confidentiality rights in the Notice. Borrowers must add to the VAWA Notice of Occupancy Rights information that identifies the covered housing program (e.g., RD, Section 515 RRH, 514/516 FLH, or 542 RD Vouchers), the company/organization or property name, and any additional information and terminology that is used in the pertinent program and makes the VAWA Notice of Occupancy Rights more meaningful to applicants or tenants. (For example, the term “apartment” or “housing” may be used in lieu of “unit”.)

The Form HUD-5380, “Notice of Occupancy Rights” must be provided to each adult applicant or tenant no later than at each of the following occasions: (See 24 CFR 5.2005(a)(2))

For adult applicants:

- ✓ At the time the individual is admitted; and
- ✓ At the time the individual is denied assistance or admission.

For tenants:

- ✓ At the annual tenant recertification and lease renewal;
- ✓ At move-out; and
- ✓ With the Borrower’s notification of eviction or termination of assistance.

The Notice of Occupancy Rights must be posted about the property in conspicuous locations such as common use areas (laundry rooms, community room, bulletin boards, leasing office, near the mailboxes),

and made available in multiple languages when needed, consistent with guidance in accordance with the Limited English Proficiency regulation at 7 CFR 3560.2(b).

2. The Form HUD-5381, *Model Emergency Transfer Plan*

VAWA requires that Borrowers adopt an Emergency Transfer Plan. Borrowers may adopt HUD's Model Emergency Transfer Plan or utilize RD's Emergency Transfer Process (see Exhibit A). Borrowers must address the chosen Emergency Transfer Plan in the Management Plan (see Section K – The Management Plan). The Model Emergency Transfer Plan must be customized to include the specific details of the assistance provided by the Borrower and the project operations that pertain to the emergency transfer provisions. Refer to 24 CFR 5.2005(e) and HUD's guidance on the use of this form.

3. The Form HUD-5382, *Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternative Documentation*

The Form HUD-5382, "Certification of Domestic Violence" must be provided to each adult applicant or tenant no later than at each of the following occasions: (See 24 CFR 5.2005(a)(2))

For adult applicants:

- ✓ At the time the individual is provided assistance or admission; and
- ✓ At the time the individual is denied assistance or admission.

For tenants:

- ✓ At the annual tenant recertification and lease renewal process;
- ✓ At move-out; and
- ✓ With the Borrower's notification of eviction or termination of assistance.

The Certification of Domestic Violence should also be posted about the property in conspicuous locations such as common use areas (laundry rooms, community room, bulletin boards, leasing office, near the mailboxes), and made available in multiple languages when needed, consistent with guidance in accordance with the Limited English Proficiency regulation at 7 CFR 3560.2(b).

The uses of the form HUD-5382 are as follows:

- ✓ Provides that VAWA 2013 protects applicants and tenants from being denied admission, denied assistance, terminated from participation, or evicted from housing based on an act of domestic violence, dating violence, sexual assault, or stalking;
- ✓ Serves as an optional way for victims to comply with a written request for documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking for persons seeking VAWA protections;
- ✓ Provides that the victim or someone on the victim's behalf may complete the form;
- ✓ Provides a list of acceptable forms of third-party documentation to satisfy a request for documentation, (See Section B below regarding requests for documentation);
- ✓ Explains the time for responding to a written request for documentation;
- ✓ Describes the confidentiality protections under VAWA;
- ✓ Requires that the victim or someone filling out the form on the victim's behalf must answer 10 numbered questions and provide a brief description of the incident(s);

- ✓ Clarifies that the name of the accused perpetrator does not have to be provided if it is unknown to the victim or it cannot be provided safely;
- ✓ Clarifies that the date and time of incident should be completed only if known by the victim; and
- ✓ Requires the victim or someone filling out the form on the victim's behalf, to certify to the truth and accuracy of the information being provided and explains that false information could be the basis for denial of admission, termination of assistance, or eviction.

a) Accepting a Verbal Statement

Borrowers are not required to ask for documentation when an individual presents a claim for VAWA protections; the Borrower may instead choose to provide benefits to an applicant or tenant based solely on the individual's verbal statement or other corroborating evidence. RD asks that Borrowers develop written policies for how and under what circumstances a verbal statement will be accepted (e.g., the Borrower was aware of the abuse and encouraged the victim to request VAWA protections). It is recommended that in cases where a Borrower decides to rely on such information, that the Borrower documents, in a confidential manner, the individual's verbal statement or other corroborating evidence in the tenant's file.

b) Requesting Documentation

If the Borrower chooses to request that an applicant or tenant documents his or her claim of domestic violence, dating violence, sexual assault, or stalking, the Borrower must make the request in writing. Simply providing the victim the certification form HUD-5382 does not constitute a written request for documentation, unless the certification form HUD-5382 is accompanied by a dated letter to the victim requesting documentation. (See 24 CFR 5.2007(a)(1).)

An applicant or tenant may satisfy this request by providing any one of the following documents as described below: (24 CFR 5.2007(b)(1))

- ✓ Form HUD-5382; or
- ✓ A signed document:
- ✓ A record of a Federal, State, Tribal, territorial or local law enforcement agency, court, or administrative agency (for example, a police report); or
- ✓ At the discretion of a Borrower, a statement or other evidence provided by the applicant or tenant.

The policies should indicate whether a verbal statement will be accepted. The Borrower's policies should outline how they will exercise discretion when accepting a statement or other evidence from applicants and tenants.

Borrowers are prohibited from requiring third-party documentation of victim status, except where there are conflicting certifications or submitted documentation contains information that conflicts with existing information already available to the Borrower. (Section J)

c) Allotted Time to Submit Documentation

Given the possible consequences to both the victim and the alleged perpetrator of domestic violence, dating violence, sexual assault, or stalking, it is important that any allegations made by one individual against another are made with the understanding that there are consequences if the allegations are false. In this regard, form HUD-5382 advises that the submission of false information may be a basis for denial of admission, termination of assistance, or eviction.

Borrowers may require submission of documentation within 14 business days after the date that the individual received the written request for documentation. However, the Borrower may extend this period at its discretion. During the 14-business day period and any granted extensions of that time, no adverse actions, such as eviction or termination, can be taken against the individual requesting VAWA protection. For example, Borrowers must not schedule an eviction to take place during this time frame. (See 24 CFR 5.2007(a)(2).)

In determining whether to extend the 14-business day period, Borrowers must consider factors that may contribute to the victim's inability to provide the documentation in a timely manner. These factors may include, but are not limited to: cognitive limitations, disabilities, limited English proficiency, absence from the unit due to hospitalization or time in an emergency shelter, administrative delays in obtaining police or court records, the danger of further violence, and the victim's need to address health or safety issues. Borrowers must also grant reasonable accommodations for persons with disabilities. Note that because of these factors, the Borrower might not be contacted by the victim with a request to extend the 14-business day period until after the 14-day period has passed.

d) Acknowledging Receipt of Documentation; Failure to Provide Documentation in a Timely Manner

Once a victim provides documentation of domestic violence, dating violence, sexual assault, or stalking, the Borrower must acknowledge receipt of the documentation in a timely manner. If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation, or within the designated extension period, nothing in the VAWA Final Rule may be construed to limit the authority of the Borrower to:

- ✓ Deny admission by the applicant to the housing or program;
- ✓ Deny assistance under the covered housing program to the applicant or tenant;
- ✓ Terminate the participation of the tenant in the covered housing program, or
- ✓ Evict the tenant, or a lawful occupant that commits a violation of a lease.

An applicant's or tenant's failure to timely provide documentation of domestic violence, dating violence, sexual assault, or stalking does not result in a waiver of the individual's right to challenge the denial of assistance or termination, nor does it preclude the individual's ability to raise an incident of domestic violence, dating violence, sexual assault, or stalking at eviction or termination proceedings. If the Borrower denies VAWA protections, they must still follow established appeal procedures, as set forth in 7 CFR part 11.

4. The Form HUD-5383, *Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking*

The form HUD-5383, Emergency Transfer Request For Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Emergency Transfer Request document), may be used to request an emergency transfer and to certify that the requirements of eligibility for an emergency transfer under VAWA have been met.

The elements contained in the model Emergency Transfer Request document, form HUD-5383 are:

- ✓ Permits victims of domestic violence, dating violence, sexual assault, or stalking to use this form to request an emergency transfer and to certify that the victim meets the requirements of eligibility for an emergency transfer under VAWA;
- ✓ Defines the qualifications for an emergency transfer;
- ✓ Allows victims who have third-party documentation that demonstrates why they are eligible for an emergency transfer to submit this information to the Borrower if it is safe to do so;
- ✓ Describes the confidentiality protections under VAWA;
- ✓ Provides examples of acceptable third-party documentation;
- ✓ Requires that the victim answer numbered questions;
- ✓ Clarifies that the name of the accused perpetrator does not have to be provided if it is unknown to the victim or it cannot be provided safely, and
- ✓ Requires the victim to certify to the truth and accuracy of the information being provided and explains that false information could be the basis for denial of admission, termination of assistance, or eviction.

5. The Form HUD-91067 and the RD Example VAWA 2013 Lease Addendum

Borrowers and management agents must ensure that tenant leases contained the latest protections afforded to victims of domestic violence, dating violence, sexual assault, or stalking, as required in the final VAWA 2013 rule. The form HUD-91067 (Exp. 6/2017 or its successor) “HUD VAWA Lease Addendum” may be used or Borrowers and Management Agents may utilize RD’s Example VAWA Lease Addendum (Exhibit B of this Guide) for this purpose. Borrowers must be certain that the appropriate VAWA Lease addendum has been signed by all current adult household members. Extra signature lines may be added when needed. This may be done at each household’s next annual recertification or at an earlier or more timely opportunity. All new move-ins must sign the VAWA lease addendum. (24 CFR 5.2005)

J. Requests for Third-Party Documentation of Victim Status

A Borrower is not permitted to require the victim to provide third-party documentation of victim status, unless:

- ✓ More than one applicant or tenant provides documentation to show he or she is a victim of domestic violence, dating violence, sexual assault, or stalking, and the information in one person’s documentation conflicts with the information in another person’s documentation, or
- ✓ Submitted documentation contains information that conflicts with existing information already available to the Borrower.

In both of the above scenarios, Borrowers are permitted to require the applicants or tenants to submit third-party documentation that meets certain criteria. See 24 CFR 5.2007(b) for the permissible documentation and submission requirements when requesting third-party documentation.

If the Borrower requests, but does not receive, third-party documentation, the Borrower has the option to deny VAWA protections and must notify the applicant or tenant. If this results in one of the tenants being terminated from assistance, the Borrower must hold a separate hearing for that tenant, pursuant to 7 CFR part 11.

When the documentation requirements are satisfied and the question of victim status is resolved, the Borrower may not require further evidence or question whether the person satisfies the requirements for VAWA protections.

Note: Perpetrators sometimes obtain temporary restraining orders or file police reports against victims as a form of retaliation. Further, many victims are unable to timely access the courts or law enforcement due to language barriers, disabilities, cultural norms, or fear for their safety. As a result, the fact that only one party submitted third-party documentation is not always a reliable indicator of domestic violence, dating violence,

sexual assault, or stalking. A family break-up policy allowing assistance to be provided to both parties may alleviate a negative impact, such as loss of housing assistance.

K. The Management Plan and Borrower's VAWA Policies and Procedures

The Management Plan (HB-2-3560, Attachment 3-A), Tenant Selection Plan (HB-2-3560, Chapter 6, Section 5), and Occupancy Rules must include policies and procedures that educate, protect, support, and assist tenants and applicants who are victims of domestic violence, dating violence, sexual assault, or stalking, as well as members of the household from being denied housing and from losing their assisted housing as a direct result of domestic violence, dating violence, sexual assault, or stalking. The VAWA section of the Management Plan should contain policies and procedures that reflect compliance with VAWA requirements prohibiting the denial of assistance, tenancy, or occupancy rights.

These policies and rules are critical to informing Borrowers and management agents how to operate daily while ensuring compliance with VAWA. Borrowers are obligated to undertake whatever actions permissible and feasible to assist individuals residing in their units who are victims of domestic violence, dating violence, sexual assault, or stalking to remain in their units or in units of other covered housing providers, and for the Borrower to bear the costs of any transfer, when possible.

The VAWA section of the Management Plan must contain protections for victims, such as strict confidentiality of VAWA information, lease bifurcation and emergency transfer. Unit leasing and tenant selection policies (HB-2-3560, Chapter 3, Attachment 3-A, paragraph 5) must also include the protection of the rights of tenants and applicants afforded under VAWA. The Borrower's policies and procedures for VAWA may be presented as an annex to the Management Plan and must provide adequate details for the Agency to effectively monitor VAWA compliance, including a person or position in the owner's organization that is the key contact for the management agent regarding VAWA.

When a Borrowers Management Plan does not include the VAWA policies and procedures, or if project operations change and are no longer consistent with the current Management Plan on file with the Agency, an updated Management Plan must be submitted to the Agency, as outlined in HB-2-3560, Chapter 3.3 B.

The updated Management Plan should address all activities, objectives, policies, or programs that will enable a Borrower to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. A most comprehensive Management Plan would provide details on the following:

- ✓ Certification and Documentation Requirements
- ✓ Strict Confidentiality Policies
- ✓ Lease Bifurcation and Emergency Transfer Plan
- ✓ Partnerships
- ✓ Conflicting Claims of Abuse
- ✓ Admissions Preference, if applicable
- ✓ Other areas of consideration

Certification and Documentation – (See Section I - HUD’s Forms and Documentation of Domestic Violence, Dating Violence, Sexual Assault, or Stalking)

- ✓ How will the Borrower provide the VAWA Notice of Occupancy Rights (form HUD-5380) and Certification form (HUD-5382) to each adult household member?
- ✓ How and where will the VAWA forms be made available?
- ✓ Will the Borrower ask for documentation when an individual presents a claim for VAWA protections, and if so, under what circumstances?
- ✓ How will the Borrower define the term “other evidence”?
- ✓ Will the Borrower require submission of documentation within 14 business days?
- ✓ Under what conditions will an extension of the 14-business day period for submitting documentation be allowed?
- ✓ How long will the Borrower take to acknowledge receipt of documentation?

Strict Confidentiality – (See Section L)

- ✓ Who will have access to VAWA information?
- ✓ How will information be stored and secured?
- ✓ How will information be accessed?
- ✓ Who are the Borrower’s VAWA points of contacts for tenants?
- ✓ How will the management agent determine appropriate communications with victims?
- ✓ What procedures will the Borrower undertake to ensure others will not overhear conversations with victims?
- ✓ Will victims be required to come into a management office?
- ✓ Will the Borrower suggest that a victim designate a point of contact for communications?

Emergency Transfer Plan - (See Section M)

- ✓ What efforts will the Borrower make to assist a tenant or household who request an internal emergency transfer or external emergency move?
- ✓ Will the Borrower accept verbal-certification or require a written transfer request?
- ✓ Will the Borrower require the use of the emergency transfer request form HUD-5383?
- ✓ Will the Borrower make additional efforts to assist a tenant who wishes to make an internal emergency transfer (e.g. provide a moving van)? (Under the VAWA regulation, the Borrower’s Emergency Transfer Plan must allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available.)
- ✓ Will the Borrower make arrangements, including memoranda of understanding, with other HUD-funded Borrowers to facilitate external moves?
- ✓ Will the Borrower provide contact information for local service providers?

Partnerships – (See Section S)

- ✓ Will the Borrower conduct outreach activities to organizations that assist or provide resources to victims?
- ✓ Will the Borrower develop partnerships with domestic violence victim advocates, legal aid services, and law enforcement agencies to further VAWA protections?
- ✓ Will the Borrower invite domestic violence victim advocates to speak to resident groups and employees?
- ✓ Will the Borrower create pamphlets, posters, and other media to help inform applicants, tenants, and participants about the VAWA protections available to them?
- ✓ Will the Borrower offer any activities, services, or programs either directly or in partnership with other service providers to enhance victim safety?
- ✓ Will the Borrower offer any domestic violence, dating violence, sexual assault, or stalking prevention programs?

Conflicting Claims of Abuse – (See Section J)

- ✓ What will the Borrower do in cases of conflicting third-party documentation?
- ✓ Will hearings include a trained third party with experience in adjudicating domestic violence, dating violence, sexual assault or stalking cases?

Admissions Preference – (See Section Q)

- ✓ Will the Borrower adopt an admissions preference for victims seeking an external emergency move from another RD-funded property?
- ✓ What priority will be given to victims?
- ✓ Will the Borrower treat RD tenants who are victims looking for an external emergency transfer the same or different than non-RD tenants who are victims?
- ✓ Will the Borrower limit the preference to persons referred by a partnering service organization or consortia of organizations?
- ✓ Are there State or local laws that provide greater protections than those provided under VAWA that an owner should be made aware of?

Other Considerations

- ✓ What actions will the Borrower take to reduce or eliminate an “actual or imminent” threat?
- ✓ Will the Borrower offer lease bifurcation?
- ✓ Under what circumstances would a perpetrator who was evicted/terminated from assistance or convicted of domestic violence, dating violence, sexual assault, or stalking be allowed to rejoin the household upon request of the family?

L. Victim Confidentiality and Best Practices for Communications

Under VAWA 2013, any information submitted to the Borrower or management agent regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that the individual is a victim of such abuse must be kept strictly confidential. All documentation relating to an individual’s domestic violence, dating violence or stalking incident must be in a separate file that is kept in a separate secure location from other tenant files. (See 24 CFR 5.2007(c).)

Given the significant safety issues faced by victims of domestic violence, dating violence, sexual assault, or stalking, it is critical that Borrowers adopt policies to maintain the confidentiality and privacy of victims who

seek protections under VAWA, including strict measures to prevent the disclosure of the location of the new dwelling unit to the person that commits an actual or imminent act of violence. The Borrower's confidentiality and privacy policies shall be explained in the Management Plan.

Employees of the Borrower or those who administer VAWA assistance on their behalf, (e.g., management agent and contractors) must not have access to the information unless explicitly authorized by the Borrower for reasons that specifically call for these individuals to have access to such information under applicable Federal, State, or local law (e.g., the information is needed to provide the VAWA protections to the victim).

The Borrower must not enter this information into any shared database, or disclose this information to any other entity or individual (e.g., a prospective owner of participant's unit), except to the extent that disclosure is:

- ✓ Requested or consented to in writing by the individual (victim) in a time-limited release;
- ✓ Required for use in an eviction proceeding or hearing regarding termination of assistance from the program; or
- ✓ Otherwise required by applicable law.

The prohibition against entering this information into any shared database does not preclude a Borrower from entering this information into a database system used by the Borrower that meets all requirements for securing sensitive personally identifiable information (PII), including the Privacy Act of 1974 (5 U.S.C. § 552a), as long as the requirements listed above and provided at 24 CFR 5.2007(c) are also met (e.g. the victim consents to it in writing in a time-limited release).

When communicating with an applicant, participant, or tenant who has requested VAWA protections, the Borrower must take precautions to avoid inadvertent disclosure of confidential information to another individual or entity in violation of 24 CFR 5.2007(c).

Unless given permission from the victim to do so, the Borrower must not leave messages or send mail of any kind that contain confidential information or refer to VAWA, the VAWA protections, or the domestic violence, dating violence, sexual assault, or stalking (e.g., asking the victim to come to the property management agent's office to pick up the form HUD-5382) or with other individuals, including members of the victim's household. Leaving a voicemail requesting that the victim contact the property management agent without referencing VAWA, VAWA protections, or the domestic violence, dating violence, sexual assault, or stalking, is not prohibited.

If the victim gives the Borrower permission to contact them about the domestic violence, dating violence, sexual assault, or stalking via mail, voicemail system, electronic mail, or other method approved by the victim, best practice would be to ensure this permission is in writing. If it is not feasible for the victim to provide the permission in writing, the Borrower may make a note in the victim's file about which forms of communication with the victim have been approved by the victim. The written permission or other notation must be kept confidential.

Best Practices

The following best practices are designed to address the challenges of collecting information and communicating with a victim while meeting the strict confidentiality requirements of VAWA:

- ✓ Conduct the intake session in a private room, where the individual and staff person can talk without the risk of other staff or clients overhearing.
- ✓ Explain the Management Agent's information sharing policies.
- ✓ Communicate to the individual who is responsible for handling questions or complaints about confidentiality.
- ✓ Provide adequate time for the individual to review and sign forms.
- ✓ Post confidentiality notices in the intake room and around the property's common areas.
- ✓ Ensure relevant staff understand confidentiality policies and procedures through regular staff training.
- ✓ Unless given permission from the victim to do so, do not send mail or leave messages of any type that contain confidential information or refer to VAWA. The perpetrator may have access to the victim's mail or be the co-head of household, or the perpetrator may be employed at the residence of the victim.
- ✓ When discussing these matters directly with the victim, ensure that no one can overhear the conversation. Make arrangements that do not place the victim at risk, such as requesting a meeting in a private room accompanied by a trusted friend or service provider; not in an open space at the management office.
- ✓ Direct staff to respond to third-party inquiries only after verifying that written client consent has been obtained.
- ✓ Clarify information sharing policies with referring/referral agencies and other service and business partners.
- ✓ Maintain distinct phone lines for certain purposes.
- ✓ Avoid using language referencing domestic violence or sexual assault in agency names, program names, organization names, and staff titles.
- ✓ Use a Management Agent controlled post office box to receive written correspondence.
- ✓ Serve individuals off-site as needed or when appropriate.
- ✓ Provide interpretation and/or documents translated into the appropriate language when necessary.
- ✓ Provide accessible documents or assistance filling out forms for individuals with disabilities.

M. The Emergency Transfer Plan

Borrowers are required to adopt an Emergency Transfer Plan allowing tenants who are facing actual or imminent harm from domestic violence, dating violence, sexual assault, or stalking to make an internal emergency transfer under VAWA when a safe unit is immediately available. A victim determines whether the unit is safe. (See 24 CFR 5.2005(e)(1)(iii)).

The Form HUD-5381 may be used for this purpose or Borrowers may utilize RD's Emergency Transfer Process which is discussed in paragraph 3 below. Borrowers must engage the victim in a conversation as to what they may consider safe or what factors the victim considers unsafe. This may allow the Borrower to better tailor its emergency transfer response.

The Emergency Transfer Plan must identify tenants who are eligible for an emergency transfer, whether documentation is needed and what type of documentation is needed from a victim to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. The Emergency Transfer Plan should describe the reasonable efforts the Borrower will take to

assist a tenant in making an internal emergency transfer when a safe unit is not immediately available, and the reasonable efforts the Borrower will take to quickly assist a tenant who wishes to make an external emergency transfer when a unit that meets the victim's safety standard is not available internally. If a property is fully occupied and after checking the RD MFH Rentals website the Borrower is unaware of other vacant units in the area, Borrowers must use their best effort to support victims in finding a safe place to live. (See Section S - Developing Partnerships with Victim Service Providers)

The Emergency Transfer Plan should also make clear that qualifying for an emergency transfer does not guarantee continued assistance under the current program or an external transfer to another covered housing program. The emergency transfer requirements do not supersede any eligibility or occupancy requirements that may apply under a covered housing program. This means that even if a tenant at Property A is eligible to request an emergency transfer, the tenant cannot move into Property B if the tenant does not meet the program eligibility requirements at Property B. For example, if a tenant qualifies for an emergency transfer at Property A to escape an abusive partner, but the tenant does not meet the program eligibility requirements at Property B (must be a disabled person or age 62 at a Section 515 Elderly property), the tenant cannot be rehoused at Property B under that program.

The Borrower's Emergency Transfer Plan *may* require documentation from a tenant seeking an emergency transfer, pursuant to 24 CFR 5.2007(b)(1). When a Borrower requires documentation from the tenant, the request for documentation must be submitted to the tenant in writing. The Emergency Transfer Plan must specify whether verbal statements, self-certification, or a written request from the tenant is sufficient to initiate an emergency transfer. If a verbal statement, self-certification or written request is needed, it shall include:

- ✓ A statement that the tenant requests an emergency transfer because he, she, or a household member reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit, or
- ✓ A statement that the tenant requests an emergency transfer because the tenant was a sexual assault victim and that the sexual assault occurred during the 90-calendar day period preceding the tenant's request for an emergency transfer.

If revisions to existing policies are necessary to facilitate emergency transfers, Borrowers should consider the following when making the needed revisions:

- ✓ Availability and location of units under current ownership;
- ✓ Demand by applicants for assistance under the program;
- ✓ Frequency of mandatory or emergency transfers; and
- ✓ Availability of alternative housing opportunities.

Borrowers must also comply with state specific VAWA laws which may provide additional requirements for emergency transfer policies, such as a requirement to create an admissions preference for victims of domestic violence, dating violence, sexual assault, or stalking. (See Section Q - Establishing an Admissions Preference)

1. Internal Transfers

An internal transfer is a transfer within the same or scattered site property in which the tenant requesting the transfer currently resides. The transfer can be performed without the tenant reapplying for housing

assistance. The Emergency Transfer Plan must allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available. The plan must also describe policies for assisting tenants when a safe unit is not immediately available. Those policies must ensure that requests for internal emergency transfers under VAWA receive, at a minimum, any applicable additional priority that Borrowers may already provide to other types of emergency transfer requests.

Often Borrowers will not have a unit which is immediately available and/or that the victim determines is safe within the same property or in another building that is part of the same scattered site property. The Borrower must have a policy to assist the tenant in obtaining a safe unit within the property once one becomes available. If the Borrower has an internal transfer waiting list, the victim should be placed on that list. The Borrower's policy should state whether or not the Borrower will give priority to victims of domestic violence, dating violence, sexual assault, or stalking on their internal transfer waiting list. This is the Borrower's choice.

If a safe unit is not immediately available, the Borrower must, at the same time, offer the tenant assistance in making an external transfer. The Borrower and victim should discuss why an internal transfer is not viable at that time and what external transfer options are available based on the Emergency Transfer Plan.

2. External Transfers

An external emergency transfer refers to a tenant's physical move out of the RD property in which he or she resides to a property where the tenant would be categorized as a new applicant. A VAWA LOPE from the Agency may be used for this purpose. For example, a move from Property A to Property B is an external transfer – this also means that the household goes from being a tenant at Property A to an applicant at Property B with priority placement in an available unit or on the waiting list over all other applicants.

Borrowers are required to make reasonable efforts to assist a tenant who requests to make an external emergency transfer when a safe unit at the current property is not immediately available. Borrowers are strongly encouraged but are not required to research available units and/or arrange for the move.

A Borrower's reasonable efforts should include providing contact information for relevant local service providers, government agencies, and other affordable housing developments in the area.

Borrowers must consider the following when creating their external emergency transfer policies:

- ✓ Making available a list of similar assisted housing options in an area requested by the victim. A housing search can be completed on RD's MFH Rentals website here [RD MFH Rentals](#).
- ✓ Making arrangements including memoranda of understanding, with other local affordable Borrowers to facilitate moves.
- ✓ Conducting outreach activities to organizations that assist or provide resources to victims of domestic violence, dating violence, sexual assault, or stalking (see Section T – Additional Resources).
- ✓ Creating an admissions preference for victims seeking an external emergency transfer from another covered housing provider. This would allow a victim to more quickly access an available unit administered by a RD Borrower without being placed on the bottom of an applicant waiting list. (See Section Q – Establishing an Admissions Preference)

- ✓ Providing a letter such as an RD LOPE that the victim may give to prospective covered housing providers, indicating that the victim is eligible for an emergency transfer and is entitled to priority placement on the waiting list because a safe unit is not immediately available at their current property.

3. RD's Emergency Transfer Process

RD's Emergency Transfer Process requires a VAWA Letter of Priority Entitlement (LOPE) from the Agency. A VAWA LOPE entitles existing RD tenants to receive priority over all other applicants for available housing at any Section 515 Rural Rental Housing or Section 514 Farm Labor Housing property, anywhere in the United States, if the victim otherwise meets the normal RD program eligibility criteria in accordance with 7 CFR 3560.152 and 7 CFR 3560.576(b), respectively. The priority under VAWA does not depend on income and apartment size, except applicants with a LOPE will be ranked among themselves by income level, giving priority first to very low-income households, then to low-income households, and finally to moderate-income households.

This letter may also help the victim receive preference in a non-RD financed apartment if permitted by the occupancy policy of the non-RD financed program. RD's VAWA LOPE should be issued upon satisfaction that a tenant has certified as an actual or imminent victim of domestic violence, dating violence, sexual assault, or stalking. (See HB-2-3560, Chapter 6.16(C) and 6.20.)

Tenants facing actual or imminent harm should contact the property manager, or if the property manager cannot be contacted due to safety concerns because of the inappropriate conduct of the property manager or an employee at the property, the local MFH RD office may be contacted directly by the victim, or by a local service provider or domestic violence or sexual assault agency that could contact the local MFH RD office to request an emergency transfer. The property manager shall provide the victim with the VAWA Notice of Occupancy Rights (form HUD-5380) and may request written Certification (form HUD-5382) or other acceptable type of documentation, when required, certifying to an incident.

Upon determination by the property manager that a tenant has met the eligibility criteria for an emergency transfer (see Section N) the property manager shall immediately contact their assigned MFH Servicing Official. The MFH Servicing Official shall provide the VAWA LOPE to the tenant indicating at a minimum, the specific benefits that are being provided and that the tenant may receive priority placement in an available RD unit within given timeframes.

After the VAWA LOPE has been issued, the appropriate HUD forms have been received and completed where required, and a new unit has been located that was deemed safe by the victim, the transfer is permitted to occur.

Tenants who receive a LOPE and are beneficiaries of Rental Assistance (RA) may transfer their RA to another RD property.

Strict confidentiality measures must be exercised by Borrowers and management agent staff at all times. VAWA records, communications and the location of the new dwelling must not be disclosed to the person that commits an actual or imminent act of domestic violence, dating violence, sexual assault, or stalking.

4. Processing an Emergency Transfer Request

An Emergency Transfer request must be made by the existing tenant facing actual or imminent harm from domestic violence, dating violence, sexual assault, or stalking. The Emergency Transfer must be processed in accordance with the Borrower's Emergency Transfer Plan, which should be thoroughly and clearly set forth in the Management Plan.

Below is a basic example of an emergency transfer, although there may be additional circumstances involved that could affect the manner in which it is processed.

Example:

Scenario: A tenant approaches property management staff, informing them that they are a victim of dating violence and fearful of further violence. The household consists of the victim (head of household) and two children under the age of 18.

Step 1: The management agent provides the victim with the VAWA Notice of Occupancy Rights (Form HUD-5380) and Certification (Form HUD-5382) if not previously provided to ensure that they understand the rights and protections afforded them.

Step 2: The victim requests an emergency transfer either verbally or in writing, depending upon the management agent's policy. The management agent can accept the victim's verbal statement of the incident or may request a Certification form or other documentation per 24 CFR 5.2007.

Step 3: The management agent exercises confidentiality while working with the victim and informs him or her of options as set forth in the Emergency Transfer Plan.

1. Internal Transfer:

A safe unit is not immediately available at the current property. The management agent offers to put the victim on an internal transfer waiting list. Because a safe unit is not immediately available, the management agent also explains external emergency transfer options.

2. External Transfer:

The management agent should offer RD's Emergency Transfer Process and a VAWA LOPE. A list of RD rental properties with Rental Assistance may be obtained using [RD MFH Rental Properties website](#). Borrowers may obtain the number of available RA units for each RD project listed in the local area from their assigned MFH Servicing Official.

The management agent should also provide a list of non-RD rental units for which the Borrower has agreed to partner with and other local organizations serving victims of domestic violence, dating violence, sexual assault, or stalking. There may be victim service providers locally that may have resources such as safety planning, counseling, and emergency funding. The management agent provides the victim with contact information.

Step 4: The victim decides to forgo the external transfer and stay in the current RD housing unit until he or she is able to secure another housing unit. The management agent must take steps to reduce the threat of further violence against the victim. Examples include changing the victim's locks (pursuant to the

Borrower's lock replacement policy and state and local laws); installing better lighting around the perimeter of the building and reminding the victim that he or she is allowed temporary absence from the unit in accordance with the Borrower's policies.

Step 5: An assisted unit becomes available at the current property. The management agent notifies the victim of the availability of a unit and provides a tour of the unit.

Step 6: The victim determines the unit to be safe. The management agent expeditiously follows its policies for the internal transfer.

N. Eligibility for An Emergency Transfer

The Emergency Transfer Plan must provide that a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, qualifies for an emergency transfer if:

1. The tenant expressly requests the transfer; and
2. Either –
 - ✓ The tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit, or
 - ✓ In the case of sexual assault, the tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying, or the sexual assault occurred during the 90-calendar day period preceding the date of the request for transfer. (See 24 CFR § 5.2005(e)(2))

O. Lease Bifurcation

In accordance with 7 CFR 3560.159(d) and 24 CFR 5.2009(a), management agents may bifurcate a lease (or remove a household member or lawful occupant from a lease) in order to evict, remove, or terminate occupancy rights of a household member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual. Typically, a victim must be a tenant or an adult household member to request a bifurcation of the lease. Lease bifurcation is not the appropriate remedy to remove a person living in the unit who is not on the lease and who is not a tenant.

Eviction or termination of a victim's assistance under the actual and imminent threat provision should occur only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the abuser from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the abuser from acting on a threat.

Eviction, removal, or termination of occupancy rights shall be carried out in accordance with HB-2-3560, Chapter 6.30 and as prescribed by the Federal, State, or local law that provides the greater protection for victims of domestic violence, dating violence, sexual assault, and stalking.

Victims should consider temporarily moving to a safe, confidential location until the bifurcation process is completed. Once the process is complete, ask the landlord to change the locks. To avoid unnecessary delay in

the bifurcation process, RD recommends that management agents seek court-ordered eviction of the perpetrator pursuant to applicable laws. This process results in the underlying lease becoming null and void once the management agent regains possession of the unit. The management agent would then execute a new lease with the victim.

Management agents should simultaneously attempt to reach agreement to the mutual termination of the lease, if it is safe to do so.

1. Reasonable Time to Establish Eligibility Following Lease Bifurcation

VAWA establishes a reasonable time period for a remaining household member(s) to demonstrate eligibility for housing assistance or find alternative housing following the lease bifurcation.

The management agent must provide to the remaining household member(s) a minimum period of 90-calendar days from the date of lease bifurcation to:

- ✓ Establish eligibility for the same housing program that aided the evicted or terminated tenant;
- ✓ Establish eligibility under another covered housing program; or
- ✓ Find alternative housing.

The management agent is encouraged to allow an additional 60-calendar day extension when needed. In addition, the 90-calendar day period and any extension thereafter will not apply beyond the expiration of a lease.

In seeking a lease bifurcation, management agents must not subject victims to more demanding standards than other applicants. When the remaining household members are unable to establish eligibility, such as when the removal of the abuser leaves the family with no member who can qualify, a qualified adult may be added to the household to serve as the head of household as outlined in HB-2-3560, Chapter 6.28 D "Remaining Household Members."

As a result of a lease bifurcation, it may be necessary to transfer the existing household to an appropriate unit size in accordance with the lease. In some cases, the lease bifurcation may result in a change in tenant rent or the Tenant Contribution. The management agent must ensure the remaining tenant is provided the proper notice of increase as outlined in HB-2-3560, Chapter 7.4 G and in accordance with local and State laws.

Management Agents should perform an Interim Recertification for the remaining household members at the time of the lease bifurcation. Any modification of the rent payment for the remaining household members must be done during the 90-calendar day period. The Interim Recertification should be carried out in accordance with HB-2-3560, Chapter 6.26 B.

If the remaining family member will not be able to establish eligibility, the household is not eligible to receive subsidy. In this case, the remaining family member must then pay market rent for the duration of the 90-calendar day period or move-out, whichever comes first.

2. Family Break-Up Example

The occurrence of domestic violence, dating violence, sexual assault, or stalking may lead to the break-up of the assisted family. Family break-up involves terminating the assistance of the perpetrator while continuing the assistance to the victim, ensuring that the victim understands his or her rights, documenting the abuse, maintaining the confidentiality of the victim, and ensuring the safety of the victim.

Changes to a family's composition must be reported to the management agent in accordance with the terms of the lease. The lease includes a requirement that the tenant transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the management agent that such a dwelling unit is available. Management agents must follow the lease and their written internal transfer waiting list policies in their Tenant Selection Plans in instances where the change in family composition would require that the family move to another unit of appropriate size. (See HB-2-3560, Chapter 6.28 D).

To help understand each of the steps involved with this process, this Guide presents the following scenario:

Note: The example below provides a scenario that is fact intensive. Real-world cases of victims seeking VAWA protections must be approached in a way that takes in consideration the specifics of each case and is addressed pursuant to program requirements and management policy.

Example

A victim informs the management agent that his or her family member is committing domestic violence, dating violence, sexual assault or stalking against him or her, and he or she wishes to retain tenancy. The victim may choose to inform the management agent of the abuse after the management agent has notified the household that it is being evicted (due to criminal activity, for example), or at any other point.

Step 1: If the management agent previously has not provided notification to the family members of their VAWA rights, then in accordance with 24 CFR 5.2005(a)(2), the management agent must provide notice to the victim of his or her VAWA rights. If he or she has been previously notified of his or her VAWA rights, the management agent must again provide the victim with the VAWA Notice of Occupancy Rights and Certification form, to ensure that he or she fully understands the rights and the protections afforded him or her.

Step 2: The management agent can decide to accept the victim's statement or provide the victim a written request for documentation per 24 CFR 5.2007.

Step 3: Upon provision of documentation (if requested and provided as specified in 24 CFR 5.2005(7)), the management agent should ensure the victim knows of the upcoming notification of eviction of the perpetrator, including the exact date the notification will take place. As part of this notification to the victim, the management agent should give the victim contact information for local victim service providers to allow the victim an opportunity to create a plan of action (e.g., the victim may need to leave the unit temporarily and stay in a domestic violence shelter until the eviction takes place). The management agent is obligated to utilize any partnerships it may have established with local law enforcement and victim service providers to ensure the safety of the victim.

Step 4: The management agent begins the process to evict the perpetrator. If the victim wants to move out of the unit for his or her safety, the management agent must first determine if the tenant qualifies for an

emergency transfer and then follow its Emergency Transfer Plan. If the victim wants to stay in the unit, the management agent bifurcates the lease by evicting the perpetrator and allowing the victim and the remaining household members to remain on the lease. The management agent must expeditiously conduct an Interim Recertification to determine the new rent computations. The management agent should refer to HB-2-3560, Chapter 6.26 B for the requirements of processing an Interim Recertification when there is a change in family composition.

Step 5: The management agent should provide the perpetrator with no more than 30 days (in most cases) notice of termination (24 CFR 247.4(c)). If the perpetrator requests a hearing, the management agent is encouraged to conduct an expedited hearing within no more than 10 days following the effective date of the notice.

The perpetrator has a right to examine the management agent's documentation relevant to the eviction. This means the perpetrator has a right to examine the relevant documentation the victim provided, claiming VAWA protections. This documentation is required for use in an eviction proceeding or hearing regarding termination of assistance from the covered housing program. (This is an exception to the victim's confidentiality rights, per 24 CFR 5.2007(c)(2)). To protect the victim's safety, any information that would reveal the location of the victim, or the location of any services that the victim is receiving must be maintained confidentially (i.e., redacted from the shared documentation), unless it meets the exception in 24 CFR 5.2007(c)(2)(ii).

Management agents should consult a local domestic violence expert or victim service provider (that has not worked with either the victim or perpetrator), to be on the grievance hearing panel. The hearing officer or hearing panel provides the perpetrator with a written decision.

Step 6: If it is determined that the perpetrator did indeed commit the acts, the case will then be moved to eviction court.

Step 7: If the eviction process is upheld, the management agent processes the Interim Recertification to remove the household member and completes the bifurcation of the lease agreement.

P. Termination of the Victim Due to "Actual and Imminent Threat" and Any Violation Not Premised on an Act of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

VAWA prohibits denial of admission or assistance, termination of assistance, or eviction on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. However, nothing in the VAWA Final Rule may be construed to limit the authority of a management agent to evict or terminate assistance for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. (See 24 CFR 5.2005(d)(2))

In addition, nothing in the VAWA Final Rule may be construed to limit the authority of the Borrower or management agent to terminate assistance or evict a tenant if the management agent can demonstrate that an actual and imminent threat to other tenants or those employed at or providing services to the property would be present if that tenant or lawful occupant is not evicted or terminated from assistance. (See 24 CFR 5.2005(d)(3))

To demonstrate an actual and imminent threat to other tenants or employees at the property, the management agent must have objective evidence of words, gestures, actions, or other indicators that meet the standards in the following definition:

“Actual and imminent threat” refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm.

In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- ✓ The duration of the risk;
- ✓ The nature and severity of the potential harm;
- ✓ The likelihood that the potential harm will occur, and
- ✓ The length of time before the potential harm would occur.

Eviction or termination of assistance should only be used by a management agent when there are no other actions or remedies to reduce or eliminate the threat, including when actions or remedies are unavailable. This is the case even when time periods could reasonably be called “immediate.” Management agents should work with local law enforcement to prevent or remedy instances where a threat may occur to better protect the victim and other tenants in the community.

A management agent may consider the following actions to reduce or eliminate an “actual and imminent” threat:

- ✓ Barring the perpetrator from the property (where State and local laws permit);
- ✓ Changing the victim’s locks (pursuant to the management agent’s lock replacement policy and State and local laws);
- ✓ Installing basic security features (e.g., better lighting or an alarm);
- ✓ Encouraging the victim to seek an emergency transfer;
- ✓ Allowing an early lease termination;
- ✓ Allowing the victim to arrange for temporary absence from the assisted unit;
- ✓ Helping the victim access available services and support (e.g., providing information for a local victim service provider and civil legal assistance providers, to help the victim get any necessary court orders); and/or
- ✓ Working with police and victim service providers to develop a safety plan for the property and a plan of action for the victim. (See HB-2-3560, Chapter 6.30 “Termination of Occupancy.”)

Q. Establishing An Admissions Preference

Borrowers may establish an admission preference for qualified victims of domestic violence, dating violence, sexual assault, or stalking who are non-RD tenants referred by a partnering service organization or consortia of organizations. The Borrower may not limit the source of referrals to an agency, organization, or consortia that denies its services to members of any Federally protected class under fair housing laws, e.g., race, color, religion, national origin, sex, disability, or familial status. For example, the source of referrals may not be limited to only service providers of female victims of domestic violence, dating violence, sexual assault, or stalking.

To establish an admissions preference for non-RD tenants, Borrowers must submit amended Tenant Selection (HB-2, Chapter 6.20), Occupancy Policies and Rules (HB-2, Chapters 6.13 and 6.14), as applicable, in the Management Plan as outlined in HB-2-3560, Chapter 3.3(b), for Agency review. The amendment should include a detailed description of the Borrowers policy and procedure for giving priority placement at the top of RD's waiting list.

All routine tenant eligibility and screening criteria will apply.

R. Agency Monitoring

Agency monitoring should consist of regular reviews to ensure that Borrowers and management agents are complying with VAWA. Reviews will include the Management Plan, occupancy policies and rules governing the project, project records, tenant files, tenant interviews, and management reviews. Reviews will determine whether VAWA activities (i.e., documentation, emergency transfers, bifurcations, strict confidentiality, and admission and eviction protection) are being handled properly.

A Borrower not in compliance with VAWA may be violating civil rights laws and if so, must be reported to the USDA's Office of Civil Rights. Any enforcement mechanisms available to RD should be used as necessary to ensure compliance with VAWA protections.

Recordkeeping and Reporting Requirements

Borrowers and management agents shall provide RD staff with access to VAWA records for the Triennial Supervisory Visit and at other times upon request by the Agency. Records should be retained for the longer period of three years or until the next scheduled Triennial Supervisory Visit is completed.

Supervisory Visit (Forms 2000/2100)– Tenant Review, Tenant Interview and Management Review Questions

Tenant Review:

- ✓ Does the signed lease/lease addendum indicate that the housing is subject to VAWA and contain the required VAWA protections? Yes or No

Tenant Interview:

- ✓ Has the management agent provided the VAWA "Notice of Occupancy Rights" (HUD-5380) and the "Certification of Domestic Violence" (HUD-5382) forms to the adult household members at the time of move-in and recertification? Yes or No
- ✓ Are you aware of the rights, responsibilities, and protections afforded to you as a tenant under VAWA? Yes or No

Management Review:

- ✓ Are the Forms HUD-5380, "Notice of Occupancy Rights" and HUD-5382, "Certification of Domestic Violence" posted in common area location(s) at the property where they are visible to tenants and prospective tenants? Yes or No

- ✓ Are all adult household members provided the VAWA “Notice of Occupancy Rights” (HUD-5380) and the “Certification of Domestic Violence” (HUD-5382) upon move-in/rejection, recertification, and move-out? A signed acknowledgement of receipt may be maintained by the management agent and be placed in the appropriate file (i.e., Reject Files, Tenant Files or Move Out Files). Yes or No
- ✓ Does the Management Plan contain policies and procedures for protecting victims, including strict confidentiality measures for maintaining VAWA records and all communications with victims? Yes or No
- ✓ Record the number of: ___Requests received ___Requests resolved ___Requests pending Outcome of requests:
 - ___Number of internal unit transfers (within same project)
 - ___Number relocated to other RD-funded properties
 - ___Number relocated to other assisted housing (e.g., HUD-assisted public housing/housing vouchers, or HOME)
 - ___Number of tenants who chose to remain in unit (not a lease bifurcation)
 - ___Number of lease bifurcations: _____Received _____In Process _____Completed

Review questions that are answered “No” could indicate a finding, should be explained in the comments section, and require further review. When a further in-depth review determines that a borrower or management agent is not in compliance with VAWA requirements, a finding of “Unacceptable VAWA Disclosure” should be assessed for the applicable area of review and servicing actions should be initiated to resolve the finding.

S. Developing Partnerships with Victim Service Providers

Emergency Transfer Plans should be developed in consultation and collaboration with other public and private organizations and entities that are dedicated to helping victims of domestic violence, dating violence, sexual assault, or stalking. Borrower efforts to strengthen access to supportive services for victims of domestic violence, dating violence, sexual assault, or stalking should be ongoing. Some Borrowers have proactively developed valuable relationships with domestic violence victim advocates, legal aid services, and law enforcement agencies to ensure that victims are getting the supportive services they need.

Borrowers have an obligation to reach out to other owners in their jurisdiction and strive to establish a relationship in which they, whether private market or government-assisted, help one another to the extent feasible address emergency domestic violence, dating violence, sexual assault, or stalking situations.

Emergency Transfer Plans must be designed to facilitate a transfer as quickly as possible. Therefore, RD recommends including reference to other such resources in the plan.

Management Agents should share their best practices in developing a strong domestic violence, dating violence, sexual assault, or stalking victim education and program referral service.

Such practices may include:

- ✓ Participating in regular domestic violence working groups with domestic violence victim advocates, legal aid services, and law enforcement agencies;
- ✓ Inviting domestic violence victim advocates to speak to resident groups and property management staff;

- ✓ Providing easy-to-access and easy-to-understand information pamphlets;
- ✓ Facilitating counseling and support groups through available community space;
- ✓ Working with domestic violence victim advocates to make policy changes to better protect victims; and
- ✓ Establishing applicant admission preferences to prioritize victims for housing assistance.

These efforts can also help Borrowers identify local domestic violence experts for participation in grievance hearings.

T. Additional Resources for Victims

The U.S. Department of Justice's (DOJ) Office on Violence Against Women (OVW) maintains several resources and hotline numbers that may be of assistance to communities seeking contact information for national advocacy groups for victims or to learn more about domestic violence, dating violence, sexual assault, or stalking. This information is available at: <https://www.justice.gov/ovw/areas-focus>.

DOJ Office of Victims of Crime - State Map of Services and Information:
<http://www.ovc.gov/map.html> DOJ Office of Victims of Crime - Help for Crime Victims Helpline:
<http://www.ovc.gov/help/tollfree.html>

The OVW Rural Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (Rural Program) seeks to enhance the safety of rural victims of sexual assault, domestic violence, dating violence, and stalking. The Rural Program supports projects uniquely designed to address and prevent these crimes in rural areas by providing grants to a subgroup of domestic violence and sexual assault programs to support projects designed to address and prevent crimes in rural areas. Eligible applicants are limited to states, Indian Tribes, territories, local governments, and nonprofit (public or private) entities, including Tribal nonprofit organizations. DOJ Office of Victims of Crime - Awards by state:
<https://ovc.ojp.gov/states>

Once posted, the solicitation to apply for this program can be found on OVW's website here:
<https://www.justice.gov/ovw/open-solicitations>. For more information, contact OVW, (202)-307-6026.

Additional programs and phone numbers for advocacy organizations that assist victims of domestic violence, dating violence, sexual assault, and stalking on an emergency basis that may be contacted for assistance are:

- ✓ The National Domestic Violence Hotline, 1-800-799-SAFE (7233), SMS Text START to 88788, or (TTY) 1- 800-787-3224 for immediate assistance.
- ✓ The National Resource Center for Domestic Violence (NRCDV) "Our mission is to strengthen and transform efforts to end domestic violence". NRCDV provides a wide range of free, comprehensive, and individualized technical assistance, training, and specialized resource materials. NRCDV will also route survivors to either their local DV Coalition or local program. 1-800-537-2238 or www.nrcdv.org.

- ✓ The National Housing Law Project's (NHLP) mission "is to advance housing justice for underserved people and communities. For over ten years, NHLP has been funded by the Department of Justice's Office on Violence Against Women to serve as a national technical assistance provider on the housing protections under the Violence Against Women Act (VAWA). NHLP has worked with thousands of advocates and housing providers on VAWA compliance and implementation issues." www.nhlp.org/initiatives/protections-for-survivors-of-domestic-and-sexual-violence/, 415-546-7000 or nhlp@nhlp.org.
- ✓ The National Victim of Crimes Hotline, 1-855-4-VICTIM (855-484-2846) or help-for-crime-victims-toll-free-helplines-1.pdf (victimsofcrime.org)
- ✓ Safe Housing Partnerships, "Working together to end homelessness for domestic and sexual violence survivors and their families". <https://safehousingpartnerships.org/>.
- ✓ Domestic Violence Help for Women
 - The Office of Women's Health (OWH), 1-800-994-9662, or <https://www.womenshealth.gov/relationships-and-safety/get-help>
 - Women's Law (Shelters for women, legal assistance, courthouse locations where you can file for a protection order, sheriff departments) <https://www.womenslaw.org/find-help>
- ✓ Sexual assault victim service providers
 - National Sexual Violence Resource Center Directory of Advocacy Organizations: <https://www.nsvrc.org/organizations>
 - National Sexual Assault Hotline, 1-800-656-HOPE (4673) or <https://ohl.rainn.org/online>
- ✓ Teen and youth advocacy and support
 - The National Teen Dating Abuse Helpline, 1-866-331-9474 or (TTY) 1-866-331-8453 or <https://youth.gov/federal-links/national-teen-dating-abuse-helpline>
- ✓ Culturally specific victim service organizations
 - Ujima, Inc.: National Center on Violence Against Women in the Black Community: <https://www.ujimacommunity.org>
 - Esperanza United: [Knowledge base - Esperanza United](#)
 - National Organization of Sisters of Color Ending Sexual Assault: www.sisterslead.org
 - Tribal Resource Tool: Resources for Survivors of Crime and Abuse: <https://tribalresourcetool.org/>
- ✓ Human trafficking victim service providers
 - Trafficking Victims Assistance Program: <https://www.acf.hhs.gov/otip/map/trafficking-victim-assistance-program>
 - National Human Trafficking Hotline: [National Human Trafficking Hotline | The Administration for Children and Families \(HHS.gov\)](#)
 - Office for Victims of Crime (OVC) grantees: <https://ovc.ojp.gov/matrix-ovc-funded-human-trafficking-services-grantees-and-task-forces>
 - National Human Trafficking Program Grantees: <https://www.acf.hhs.gov/otip/map/domestic-victims-human-trafficking-program-grantees>

Exhibit A

USDA Rural Development Emergency Transfer Plan

The Violence Against Women Reauthorization Act of 2013

IMPORTANT: Strict confidentiality measures **must** be practiced to protect the victim's location.

In accordance with the Violence Against Women Reauthorization Act of 2013 (hereafter, "the Act"), tenants living in USDA Rural Development-financed Multifamily Housing properties who are – or fear becoming – victims of domestic violence, dating violence, sexual assault, or stalking, shall be permitted by the owner or manager to request a transfer to a safe dwelling unit in another RD-financed Multifamily Housing property, provided:

1. The tenant reasonably believes they or a household member will suffer harm from further violence if they remain in the same dwelling.
2. If the tenant is a victim of sexual assault, the alleged assault occurred during a 90-day period preceding the tenant's request for transfer.

Transfers under this plan are subject to the availability of other Rural Development Multifamily Housing units.

Eligible tenants who request an emergency transfer under the Rural Development Emergency Transfer Plan can receive a Letter of Priority Entitlement (LOPE) from Rural Development, as domestic or dating violence, sexual assault, and stalking are considered situations beyond the tenant's control. See 7 CFR 3560.159(c) Other Terminations.

A LOPE entitles victims to receive priority for available housing at any Rural Development- financed Multifamily Housing complex or Off-Farm Labor Housing property anywhere in the United States, provided the victim otherwise meets normal Tenant Eligibility criteria under 7 CFR 3560.152 or 7 CFR 3560.576(b) Eligible Households. The LOPE also can help the victim get preference in a U.S. Department of Housing and Urban Development (HUD) property if permitted by the housing complex's occupancy policy.

Rural Development may transfer the Rental Assistance to another Rural Development property.

Tenants should contact the property manager to request an emergency transfer or lease. The property manager may choose to request written documentation of the incident from the victim. If the property manager requires the victim to provide documentation to claim a threat or an incident of domestic violence, dating violence, sexual assault, or stalking, the property manager's request to the victim must be given in writing. When documentation of the incident from the property manager is requested, the victim may submit one of the following:

- Form HUD 5382 – Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
- Form HUD 5383 – Emergency Transfer Request document
- An alternate form of acceptable documentation

In situations in which the victim cannot contact the property manager due to safety concerns, the victim's designee or service provider may contact Rural Development directly to request a LOPE.

The property manager shall contact their assigned Rural Development Multifamily Housing servicing official without hesitation. The servicing official will provide a LOPE indicating – at a minimum – that the tenant may receive priority placement in an available Rural Development unit without regard to income, and within the stated timeframes for using a LOPE. In certain instances, Rural Development may reissue a LOPE in order to maintain priority placement for the tenant.

RURAL DEVELOPMENT
[Insert location here]

DATE: [Insert today's date]

SUBJECT: VAWA LETTER OF PRIORITY ENTITLEMENT (LOPE) FOR:
[Insert tenant (and, if applicable, family) name(s)] [Insert
tenant address]

Dear Tenant:

As a victim of domestic violence, dating violence, sexual assault, or stalking as defined by the Violence Against Women Act of 2013, you are eligible for priority placement at any Rural Development-financed Multifamily Housing complex or Off-Farm Labor Housing property nationwide that has available units you are eligible to occupy. This Letter of Priority Entitlement (LOPE) also may give you preference in non-Rural Development-financed properties and rental programs served by the U.S. Department of Housing and Urban Development (HUD) as their occupancy policies allow. Please present this LOPE to your new landlord.

Dear Rural Development or HUD Property Owners:

In accordance with the Violence Against Women Act of 2013, the above-named tenant and, if listed, their family, is eligible for this Letter of Priority Entitlement (LOPE).

In accordance with Regulation 7 CFR 3560.11 (LOPE definition), the above-named tenant must be given priority placement on all waiting list(s) associated with your properties. The only other tenants who can receive priority over the above-named tenant are those with similar LOPEs **already on** your waiting list(s), or tenants who require specific design accommodations in accordance with the Americans with Disabilities Act.

The LOPE must be used within 120 days of its issue date. The applicant is to remain in priority position on your waiting list(s) until they find an apartment they feel is safe. After 120 days, the tenant may continue to be placed on waiting lists for apartments for which they are eligible, but without priority. Rural Development may reissue a LOPE in order to maintain a tenant's priority placement.

NOTE: This priority places the above-named tenant, and, if applicable, their family, at the top of **all waiting lists** at your properties. The priority exceptions noted above do not depend on income and apartment size, except tenants with a LOPE will be ranked among themselves by income level, giving priority first to very low-income households, then to low-income households, and finally to moderate-income households.

To accept a LOPE, your property must have at least one apartment the tenant is eligible to occupy. If the tenant occupies an apartment for which they are ineligible, the lease must state that the tenant will move to the first appropriate apartment for which they are eligible.

Rural Development may transfer the Rental Assistance to another Rural Development property.

If the tenant's current security deposit is returnable but has not been released to the tenant by the new property's move-in date, it should be assigned directly to you by the original property as long as permitted by State law. Otherwise, you will have to wait to receive the security deposit until it is returned to the tenant.

Tenant Data:

Composition of family: _____

Type of unit required (circle one or more): Tenant only / Family / Elderly / Disabled Unit-
size eligibility: _____

Last verified income: _____ as of _____

RA or Section 8 voucher: _____

Current security deposit: _____

If you have any questions, please contact your Multifamily Housing Servicing Official at the address below:

[RD MFH Servicing Official] [Address]

[Phone number]

[RD MFH Servicing Official signature and title]

Exhibit B
Example Lease Addendum - HUD-91067 (Exp.
6/30/2017) USDA Rural Development – Multi-Family
Housing Programs Violence Against Women
Reauthorization Act of 2013

TENANT	LANDLORD	UNIT NO. & ADDRESS

Purpose of the Addendum

The lease for the above-referenced unit is being amended to include Rural Development's policies adopting the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2013 (VAWA).

Conflicts with Other Provisions of the Lease

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Term of the Lease Addendum

This Lease Addendum shall continue to be in effect through the term of the Lease, any lease renewals and subsequent month-to-month tenancies until the Lease or tenancy is terminated.

VAWA Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-5382, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

ACKNOWLEDGEMENT:

Tenant (head of household)

Date

Tenant

Date

Landlord

Date